2023 INTEGRATED ANNUAL REPORT
THE STORY OF SUCCESS THROUGH SOLIDARITY
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Scan the QR code or click here to watch the video for the answers.
Foreword

"THE STORY OF SUCCESS THROUGH SOLIDARITY"

In 2023, challenges throughout the year underscored the importance of ‘solidarity’ once again. In the aftermath of the devastating earthquake that struck early in the year, our country rallied together, drawing strength from our unity and demonstrating deep solidarity. Furthermore, 2023 presented formidable economic challenges. Global struggles with high inflation and economic uncertainties affected all institutions. Throughout this period, the banking sector, playing a pioneering role in the economy with its support for both institutions and individuals, once again demonstrated its ability to adapt to constantly changing regulations and manage with agility.

All of this showed us once again how critical it is to be a team, to work in solidarity, and ultimately to achieve success together. We put our hands together to overcome challenges, took responsibility, and moved forward with a single team spirit. We demonstrated that there are no problems that cannot be overcome with unity and solidarity. Therefore, as Garanti BBVA, we have designated the narrative of 2023 - marked by remarkable achievements and successful outcomes - as "The Story of Success Through Solidarity".

Like every year, our team has been the backbone of our success, propelling the Garanti BBVA brand to its rightful prominence. Equally instrumental in our ongoing achievements has been the strategic actions and decisions put into practice by our team with agility.

While creating The Story of Success Through Solidarity, we asked our top management about the highlights and main points of this year on the separator pages of our report. The answers to a total of 25 questions served as a summary narrative of our success story and consistency.

We thank all of our employees and stakeholders who contributed during this process. Our achievements realized together in such a challenging year strengthened our belief that we will achieve many more success stories together in the future!

EXECUTIVES TELL THE STORY OF SUCCESS THROUGH SOLIDARITY

RECEP BASTUĞ answers:
1. What was the year’s proudest moment on behalf of Garanti BBVA for you?
2. If Garanti BBVA’s 2023 strategy were a recipe, which key ingredients would you mention as contributors to success?
3. What will be Garanti BBVA’s top priority in medium-long term?

CEREN ACER KEZIK answers:
4. Which product did your retail banking customers thank you the most for in 2023?
5. How does the role of branches evolve with the growing use of mobile banking?

MAHMUT AKTEN answers:
6. What is the secret behind your unbroken leadership in Net Promoter Score every year?
7. Can you elaborate 2023 in terms of sustainable finance?

AYDIN GÜLER answers:
8. What would you suggest to newcomer to the finance world?
9. What financial metric do you check every day?
10. If you were to organize “Financial Olympics” what would be the most important criterion?

ILKER KURUÖZ answers:
11. In what ways did artificial intelligence start transforming the banking experience?
12. What would be the three pieces of advice you would give to future Technology Directors?

TUBA KÖSEOĞLU OKÇU answers:
13. Why should new graduates choose Garanti BBVA?
14. What was the employee initiative or project that influenced you the most this year?
15. Which aspect of Garanti BBVA’s corporate culture would you take to the forefront in these projects?

SİBEL KAYA answers:
16. What is the key motivation behind the uninterrupted support extended to women entrepreneurs for 17 years?
17. What do women entrepreneurs need for being empowered?
18. Why should an SME prefer to work with Garanti BBVA?

ÇAĞRI SÜZER answers:
19. What can you tell us about the near-future course of digital banking?
20. What was the prominent innovation in the 2023 payment systems universe?
21. What can a bank do to combat the climate crisis?

CEMAL ONARAN answers:
22. How would you elaborate 2023 for Commercial Banking in one word?
23. What is the number one thing you would hope to inspire others?

MURAT ATAY answers:
24. Can you elaborate 2023 in terms of credit risk?
25. How do you use data and technology in credits?
As we lived the joy and pride of witnessing the 100th year of the Turkish Republic in 2023, we commemorated our Great Leader Mustafa Kemal Atatürk with longing, respect and love. Our celebrations were festive and our hopes are anew for the coming century. We believe that it is a mission of the utmost importance to preserve these values and carry them to the future for institutions like ours, the incorporation and continuing existence of which are powered by the basic tenets of the Republic and the means it has offered. As Garanti BBVA, we have always been guided with this notion in our activities and we steadfastly adhered to the principle of creating value for the society to build a stellar future for our country. Being one of the leading institutions of our country and our sector, we will continue to fulfill our responsibility towards the Republic, and to work committedly to help erect the future with the inspiration we draw from Atatürk’s principles, saying “Your steps are our steps”, like we have always done. As we keep working for our country, we will continue to support economic and social development also in the second century, deriving our strength from the values of the Turkish Republic.

In celebration of the 100th year, we have designed various intramural and extramural initiatives rekindling the spirit of the Republic with the involvement of our colleagues. The photographs taken today, the photographs from one hundred years ago and the memoirs of the local people were documented and brought together in a special catalogue dedicated to the centennial of the Republic. The exhibition that featured the photographs taken for the catalogue were showcased to visitors in Beyoğlu building of Salt, founded by our Bank.

**ONE HUNDRED YEARS AGO, ONE HUNDRED YEARS LATER: MUSTAFA KEMAL PASHA’S PATH TO THE REPUBLIC IN PHOTOGRAPHS**

- Our Photography Club members visited and photographed historic sites that have witnessed the National Liberation and the incorporation process of the Turkish Republic one hundred years later.
- Retracing the path Mustafa Kemal Atatürk and his comrades in arms paved for incorporating the Republic one hundred years ago, our colleagues photographed the same route one hundred years later, in a bid to spark the spirit of National Liberation in young generations and deliver them a unique experience.
- Inspired by Mustafa Kemal Pasha’s departure on Bandırma Ferry, our Sailing Club members departed from Istanbul on a sailboat and started this meaningful journey in Samsun, where the Turkish National Movement was first ignited.
- Following Atatürk’s steps in 22 cities from Samsun to Izmir, Kütahya to Sivas, and Istanbul to Konya, the milestones along the liberation journey were photographed.
- The photographs taken today, the photographs from one hundred years ago and the memoirs of the local people were documented and brought together in a special catalogue dedicated to the centennial of the Republic.
100TH ANNIVERSARY OF THE REPUBLIC OF TÜRKİYE - WOMEN ENTREPRENEURS OF THE YEAR SUMMIT

• With many years of endeavors devoted to empowering women to drive sustainable economic and social development and helping them achieve their full potential, our Bank has authored numerous firsts in Türkiye over the course of 17 years through its signature Women Entrepreneurs Program.

• In 2023, the Bank organized the Centennial of the Republic Women Entrepreneurs Summit in collaboration with KAGİDER, Women Entrepreneurs Association of Türkiye, as part of the celebrations of the centennial of the Republic.

• The summit focused on the topics that will shape the next 10 years of women entrepreneurship as we step into the new century of the Republic.

YOUR STEPS ARE OUR STEPS, AND THE REPUBLIC IS OUR WINGS

• We re-released our film, “Your steps are our steps; the Republic is our wings” for a proud and jubilant celebration of the centennial of the Republic, and revered once again the struggle for liberation put up by Atatürk and the Turkish people.

• In the film inspired by the battle Atatürk and the Turkish public fought shoulder-to-shoulder to rebuild a whole country, the honorable story of the establishment of the Turkish Republic was symbolized with Turkish folk dance zeybek.

COMMEMORATIVE CARD FROM BONUS

• “Türkiye’s most popular” credit card Bonus was issued with a special design developed for the centennial of the Republic in a limited edition of 100 thousand.

SCULPTURES DESIGNED FOR THE 100TH YEAR

• We asked artists raised and trained in our country to design special permanent commemorative works for the centennial.

• Hailing the value Mustafa Kemal Atatürk gave to art and artists, we crowned our festivities honoring the Centennial of the Republic with Hakan Sorar’s and Evren Erol’s works saluting the struggle for the establishment of the Turkish Republic and Atatürk’s ideas and ideals.

• Hakan Sorar’s work titled “Clay and Code: From Soil to Future” is on display in our Zincirlikuyu Head Office building, and Evren Erol’s work titled “The Hundred-Year March” in our Pendik Head Office building.

ANITKABİR VISIT

• Our distinctive journey in which we have retraced the path of Atatürk and the heroes and heroines of the Turkish National Movement came to completion at Anıtkabir, where we delivered our message for the Centennial of the Republic to the presence of our Great Leader Gazi Mustafa Kemal Atatürk.

• We thank all our colleagues who have been with us through this meaningful journey we, as the Republic-era generations, went on as an expression of our eternal respect and gratitude for our Great Leader who entrusted “his greatest work” to us.
We commemorate our colleagues who lost their lives due to the earthquakes on February 6, 2023, with love and longing on the first anniversary of their passing.

We plant this olive tree in Pendik Campus to keep the memory of our beloved colleagues alive, who we lost in the devastating earthquakes centered in Kahramanmaraş and Hatay on February 6, 2023.
About the Report

As T. Garanti Bankası A.Ş. (‘Garanti BBVA’), we are pleased to present our 2nd integrated annual report, which shares our forward-looking strategy with a holistic assessment of our financial and non-financial performance.

This report aims to communicate with all our stakeholders in a clean and comprehensive way about how we create value for our stakeholders, our forecasts, how we take action against possible risks and opportunities - not just as a Bank, but as an institution that acts responsibly towards the environment, human and society.

The 2023 Integrated Annual Report has been prepared to cover the year 1 January - 31 December 2023. Significant events after this date and up to the date of approval of the Board of Directors, 29 February 2024, are also included in the report. Unless otherwise stated, the report includes information about its activities in Türkiye, its international subsidiaries in the Netherlands and Romania, its overseas branches in Cyprus and Malta, and one international representative office in Shanghai.

COMPLIANCE AND LEGISLATION

As a member of the IFRS Foundation Sustainability Alliance and a founding member of the Integrated Reporting Türkiye Association (ERTA), we prepared the report in accordance with the IFRS Foundation Integrated Reporting Framework. In this context, as suggested in the Integrated Reporting Framework, the connection between the material issues, business strategy and performance in 2023 is clearly established. Additionally in the report, we present our value creation model, double materiality analysis, our annual activities, financial and nonfinancial performance, our expectations, our targets in key material issues and our approach to corporate governance and risk management, in detail. Garanti BBVA continues its contribution to sustainable development by working on two main focus areas for 17 years, namely combating the climate crisis and promoting inclusive growth, as part of its strategic goal to support sustainability. In this regard, we transparently demonstrate our contribution to the Sustainable Development Goals in all our activities.

Garanti BBVA’s, whose shares are traded on Borsa Istanbul, The 2023 Integrated Annual Report complies with the minimum requirements of the Banking Regulation and Supervision Agency (BRSA) and the Capital Markets Board (CMB) regarding activity reporting.

In addition, our Report was prepared in accordance with the Global Reporting Initiative (GRI) Standards “Core” option. It also includes the GRI Financial Services Sector disclosures, United Nations Global Compact (‘UNGC’) and Women’s Empowerment Principles (‘WEPs’) Progress Report, and a summary table of climate related disclosures in accordance with the Task Force on Climate Related Financial Disclosures (‘TCFD’) recommendations. The Report includes the fourth Impact Report published in accordance with the Principles for Responsible Banking developed by the United Nations Environment Program Finance Initiative (‘UNEP FI’), of which Garanti BBVA is a signatory.

AUDIT

Ernst & Young provided reasonable assurance on the financial information in the annual report that was audited independently; and limited assurance on non-financial selected information defined in detail in the auditor’s report. In the report, we have marked the non-financial data audited for the year 2023 in the relevant tables. With this demonstration, as Garanti BBVA, in our own reporting, we aimed to prevent “greenwashing”, which is the process of giving false impressions or misleading information on sustainability issues.

Ernst & Young provides reasonable assurance regarding its independent audit of the financial information included in the annual report; provided limited assurance for selected non-financial information described in detail in the limited assurance report. In the report, we marked the audited non-financial data for 2023 in the relevant tables. With this representation, as Garanti BBVA, we aimed to prevent “greenwashing”, which is the process of giving a wrong impression or misleading information on sustainability issues, in our own reporting. Ernst & Young also audited Garanti BBVA’s Corporate Compliance and personal data protection processes and provided limited assurance. You can access all independent assurance opinions regarding the report in the Financial Reports & Appendix section of the report.

The 2023 Integrated Annual Report, which has been audited by Ernst & Young and published with the decision of the Board of Directors, will be presented at the Bank’s Ordinary General Shareholders’ Meeting.
DEAR STAKEHOLDERS,

The year 2023 began with the devastating earthquake in February that deeply affected us all. As Garanti BBVA, we have been striving to support the rapid healing of wounds in the earthquake-affected areas through various contributions and assistance in meeting the needs, and we continue to work towards this end. Looking at the global arena, this year started with challenging times for the banking sector. The year, which began with the collapse of 3 banks in the United States and 1 in Switzerland, led to questioning the measures taken to prevent inflation and the risk management practices of banks in both developed and developing economies. Additionally, the continued inflationary environment globally and the tight monetary policies pursued by central banks worldwide throughout the year continued to support expectations of a recession in 2024.

Following the May 2023 elections, we observed an increase in foreign demand in the second half of 2023 due to the increased predictability in exchange rates and interest rates upon the change in economic management and orthodox steps taken. While the low-interest environment supported growth at the beginning of the year, the tightening measures and macro-prudential policies implemented in the second half of the year significantly influenced the balance sheets of banks.

During such challenges, the Turkish banking sector, with its strong balance sheet structure and dynamic asset-liability management, continued to demonstrate its resilience once again, similar to the tests it successfully overcame in past years. Amidst uncertainties and rapid changes, as Garanti BBVA, we continued to strengthen our balance sheet by achieving successful results. The bank’s return on equity reached 44.5% in 2023, with core banking revenues being the most significant driver supporting this return. Today, Garanti BBVA stands as the leading bank among its peers in brand strength, Turkish lira loans, customer deposits in Turkish lira, credit cards, and consumer loans. Our bank has been selected as the financial institution where young people want to work the most.

The key to our differentiation in the sector lies not only in our capacity to generate core banking revenues, but also in our long-term investments in customer experience, technology, proficient talent, and a capital-focused growth strategy. Looking specifically at Garanti BBVA, the use of robotic systems, big data, and artificial intelligence technologies stands out in deepening our relationships with customers and enhancing process efficiency. We have hundreds of models established from machine learning to deep learning in areas such as pricing, risk management, and credit evaluation, all contributing positively to the bank’s operational efficiency. What sets us apart from our competitors in technology usage and digitalization is not only our timely integration of these applications into our technological infrastructure, but also our continuous investment in this infrastructure, supported by our competent talent and agile management since the early 1990s. These factors also visibly differentiate our bank in competition with many financial technology firms that influence several European and Asian countries today.

In addition to our financial strength, during this period, as Garanti BBVA, we also announced our midterm decarbonization goals aligned with the Paris Agreement Capital Transition Assessment (PACTA) methodology under the motto “We take good care of the world, we take good care of the future.” In addition to influencing decision-makers in the fight against the climate crisis, we are also bringing sustainability to the forefront of the sector’s agenda. Garanti BBVA has become the first bank in Türkiye to announce that it will not finance coal plants and coal mines. The bank will minimize the risks associated with coal activities in its existing portfolio by 2030 and will exit this sector entirely by 2040 at the latest.

The year 2023 also stands out as a year in which we carry the honor of celebrating the 100th anniversary of our Republic. Türkiye is a significant economic power with strategic geopolitical advantages, a young workforce, and significant infrastructure investments. We closely monitor the steps taken by the new economic management in the process of economic normalization and believe that their determined actions will have a positive impact on the stabilization of the economy. As the banking sector, we play a crucial role not only in the economy, but also in environmental and social aspects. As we enter the second century of our Republic, we, as the Garanti BBVA family, will continue to be pioneers in the industry with this awareness and vision.

As always, I would like to express my gratitude to all my colleagues who have contributed greatly to our bank’s journey in the year 2023 and to all our stakeholders, especially our customers, who have participated in this journey with us.

SÜLEYMAN SÖZEN
Chairman
DEAR STAKEHOLDERS,

In 2023, global economy started to rebalance amidst uncertainties. As central banks attempted to curb the high-inflation environment through rate hikes, tightening monetary policies caused slowdown in economies. Nonetheless, as the falling commodity prices and expansionary fiscal policies supported activity, we witnessed rebalancing processes that eased recession concerns. Due to the positive trend in expectations resulting from these developments, the Fed and the ECB possibly initiated rate cuts towards the second half of 2024. On the other hand, escalating global tensions, geopolitical uncertainties, and the fluctuation in the Chinese economy emerge as potential risks on the global arena that might have an impact on financial stability in 2024.

Regardless of global developments, 2023 witnessed two major events for our country. We carry the honor of celebrating the 100th year of our Republic. The second event was the earthquake on February 6th, whose impact and pain we will never forget.

2023 has been a challenging year also in terms of economic conditions. High inflation and its economic and social effects continued to be felt throughout the year. After prioritizing growth in the first half of the year, economy and fiscal policies focused on fighting inflation in the post-election period. As the monetary policy began normalizing gradually, the policy rate reaching 45% was accompanied by macroprudential measures and quantitative tightening steps. Although the twin deficits in central budget and current account balance further deepened in 2023, latest developments confirm that we are now on a more positive track.

In the period ahead, we are anticipating a more predictable and stable economic outlook so long as the normalization of indicators persist.

Financial strength has been the most important priority for the banking industry, which is one of the most affected sectors by these developments in the economy. Credit expansion, despite the fast course in the first half of the year, lagged behind inflation due to regulatory restrictions and rising interest rates, and credit card receivables took the highest share in this growth. On the deposits side, the focus was placed on Currency Protected Scheme (CPS) phase-out steps in the second half of the year. Along this line, we saw the overall industry’s CPS volume shrank from USD 128 billion to under USD 80 billion. On the profitability side, margin management has been the top challenge due to higher funding costs. However, the sector successfully managed its balance sheet despite all these tough conditions. The Turkish banking sector once again demonstrated its resilience against shocks with its capital adequacy ratio that remained above the regulatory requirement. On the part of asset quality, the year ended with very low ratios in the cost of risk (CoR) and non-performing loans (NPLs).

WE PRESERVED OUR FINANCIAL STRENGTH AND MAINTAINED OUR CUSTOMER-DRIVEN GROWTH FOCUS.

We achieved outstanding results once again in 2023 on the back of our banking approach based on customer-oriented sustainable growth. While we maintained our growth, we preserved our financial strength and solid capital structure.

We sustained our Turkish lira focus in our balance sheet management. We strengthened our leadership among private banks with our TL loan book that reached TL 749 billion.

The share of TL loans within our total lending went up to 72%, whereas TL deposits accounted for 64% of total deposits. Today, Garanti BBVA dominates the sector with the largest retail loan portfolio. On the corporate side, Garanti BBVA has the largest TL cash and TL non-cash loan portfolio in total among private banks.

With sustained customer-driven growth approach, our core banking revenues again made up the key component of our revenues composition. Thus, we achieved the sector’s highest core NIM and highest profit in 2023, and solidified our capital structure. While pursuing this sustainable and healthy growth, we prioritized to preserve our asset quality. We strengthened our balance sheet with our prudent approach and high provisioning strategy. Our robust collection performance and AI-powered risk mechanisms granted us one of the sector’s lowest NPL ratios. For the coming period, we will keep focusing on sustainable profit generation and strengthening capital structure through effective balance sheet management.

WE MAINTAINED OUR FOCUS ON LONG-TERM VALUE CREATION AND WORK TO CREATE VALUE FOR EACH ONE OF OUR OVER 25 MILLION CUSTOMERS.

With our accelerated customer acquisition trend in recent years, we expanded our customer base to more than 25 million customers. We continued to maintain our leadership as the bank servicing Turkey’s largest customer base in payments systems with 10.6 million credit card customers.

In the upcoming period, deepening relationships with our existing customers is as important a priority as acquiring new ones. We aim to build long-term, trust-based relationships with our customers and be their primary bank. To be able to offer service of that scope to such a broad customer base, we attach the utmost importance to accurately understanding the needs of each one of our customers, enhancing their satisfaction, and creating value for them.

Not: Figures are per BRSA unconsolidated financials.
WE CONSTANTLY TRANSFORM AND IMPROVE OUR SERVICE MODEL.

As Garanti BBVA, we are shaping the future of banking with our pioneering position. We continuously upgrade our service model and technological infrastructure for an effortless, fast and uninterrupted banking experience. While more than 15 million customers actively use our digital channels, the share of non-branch channels rose to 98% in top transactions as of 2023.

This year, we have taken our technological infrastructure one step further particularly for our enterprise customers. We have significantly broadened our digital product range, notably lending, in addition to end-to-end digital onboarding feature that we have introduced. We continued to lead the sector by making our service offered through digital channels more comprehensive and diverse.

A key enabler of our pioneering position in digital transformation is our ability to utilize the power of artificial intelligence in every field. We have a differentiating risk infrastructure where we constantly improve our lending processes with the power of artificial intelligence. Furthermore, we are using big data to analyze our customers’ needs, and delivering the right service to our customers at the right time through our smart, personalized contents. We are enhancing our smart assistant UGI with generative AI to enable responses to our customers’ questions with high accuracy and precision. Integration of these new technologies in our banking services will continue to be among our investment areas also in 2024.

Our branches, on the other hand, remain at the center of our service model. We are enabling allocation of more time to each customer by alleviating the operational workload of our employees, and increasing the added value of our services. In this way, we aim to transform our branches into financial advisory centers.

AS THE PIONEERING BANK IN SUSTAINABILITY, WE CONTINUE TO RAISE AWARENESS AND TO INFLUENCE ALL OUR STAKEHOLDERS POSITIVELY.

As Garanti BBVA, we have been working for years, mindful of the climate crisis, and acknowledging the critical role of the finance sector in green transformation. Accordingly, we have integrated sustainability in our main strategic priorities to manage related risks effectively and to assume a pioneering role in this transformation.

In our lending decisions, we consider not only financial aspects but also social, environmental and all potential risks. We already have major commitments that guide us in this respect. We are going to reduce the coal exposure of our portfolio to zero by 2040 or sooner. We have taken our commitment one step further, and announced our decarbonization goals by 2030 in other carbon-intensive industries such as energy, automotive, iron and steel, and cement. In relation to our pledge to provide a minimum financing of TL 400 billion by 2025 for sustainable transformation, we have already allocated approximately TL 120 billion.

Our target is to make green transformation broad-based and to increase awareness of the topic. For this purpose, we continue to expand the scope of our collaborations and to create value by way of various programs. We are striving to prevent marine pollution through the Blue Breath Project with TURMEPA, the Turkish Marine Environment Protection Association. In 2023, we pursued the Türkiye’s Life: Fire Management Grant Program that we initiated in collaboration with the WWF-Türkiye (The World Wide Fund for Nature) in 2022 to protect our forests. We are running the Sustainable Future in Exports program to brief and support our exporters and real sector representatives with our suggestions about the European Green Deal and the impacts of the climate crisis.

Alongside combating the climate crisis, inclusive growth is another strategic focus area for us with respect to sustainability. Unbanked Women Program that we launched in 2023 is intended to build on the financial literacy of unbanked women in Türkiye and to promote their active participation in economic and social life. In addition, we provide an holistic support with our Women Entrepreneurs Program that has been ongoing for 17 years.

THE STORY OF SUCCESS THROUGH SOLIDARITY...

In this tough year we left behind, we once again comprehended the critical importance of our competent human resource and our sense of solidarity in managing our works. At Garanti BBVA, happiness of our employees is our main focus. As a global institution, we are closely monitoring global trends and continuously improving our working models to enhance employee welfare and well-being. Being part of a global group allows us to offer varying opportunities for employee development and for providing them a global perspective. While 57 colleagues got the chance to acquire experience in different overseas projects with the Global Mobility program in 2023, 19 others started their new jobs at the BBVA Group and our affiliates thanks to permanent career opportunities. Additionally, it is of much importance to us to preserve and take further our strong corporate culture in line with our values. In this context, inclusiveness and gender equality are two key headings for us. Being the only bank from our country to be included in the Bloomberg Gender Equality Index for seven consecutive times, women employees constitute 56% of our total workforce, and 39% of senior and middle management. Always aware of the importance of diversity, we will remain adhered to our approach that embraces our differences.

As Garanti BBVA, as we step into the second century of our Republic, we take pride in being part of this longstanding heritage and in the contributions we make to our country together with all our stakeholders.
What was the year’s proudest moment on behalf of Garanti BBVA for you?

What will be Garanti BBVA’s top priority in medium-long term?

If Garanti BBVA’s 2023 strategy were a recipe, which key ingredients would you mention as contributors to success?
2023 MACROECONOMIC OVERVIEW AND 2024 OUTLOOK

Slower Global Growth Coupled With Disinflation Trend

Monetary tightening of the global central banks, in order to contain inflationary pressures following the post-COVID normalization policies, led to an overall slow-down in global growth in 2023. Meanwhile, geopolitical risks heightened further with Israel-Hamas conflict on top of the ongoing Russia-Ukraine war. The moderation of commodity prices has led the inflation to ease, while providing some support to the growth. Still expansionary fiscal policy and resilient labor markets are backing activity, but making the disinflation process more difficult. Markets have exhibited a positive tone lately, but remain subject to volatility, especially considering that uncertainty remains very high.

The Federal Reserve (Fed) delivered rate hikes of 100 bps throughout the year and took the funding rate up to 5.25-5.50%, while the European Central Bank (ECB) hiked the refinancing rate up to 4.5% from the highest level in the past 23 years. Similarly, the European Parliament and the ECB might start a gradual rate tightening of the global central banks, in order to contain inflationary pressures following the post-COVID normalization policies, led to an overall slow-down in global growth in 2023. Meanwhile, geopolitical risks heightened further with Israel-Hamas conflict on top of the ongoing Russia-Ukraine war. The moderation of commodity prices has led the inflation to ease, while providing some support to the growth. Still expansionary fiscal policy and resilient labor markets are backing activity, but making the disinflation process more difficult. Markets have exhibited a positive tone lately, but remain subject to volatility, especially considering that uncertainty remains very high.

Inflationary pressures will continue to alleviate with average US inflation falling to 2.6% in 2024. Similarly, the Euro area inflation is likely to come down to 2.3% in the same period. The tight stance in monetary policy will likely be maintained at least until June 2024. The Fed and the ECB might start a gradual rate cutting cycle in the second half of 2024, while they continue to reduce the liquidity levels. In China, monetary and fiscal easing measures may slightly increase the average inflation from 0.3% to 2.0% in 2024.

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Looking ahead, growth and inflation are expected to maintain a deceleration path in 2024. Expansionary fiscal policies ahead of the elections in many countries and resilient labor market conditions may continue to support the economic growth thereby allowing a soft landing. Global growth is expected to decline from 3.4% in 2022 to 3.0% in both 2023 and 2024. The US GDP growth is likely to decelerate to 1.5% in 2024 from the expected 2.5% in 2023. On the other hand, Eurozone may experience more subdued activity as the growth rate could materialize around 0.7% in 2024 after experiencing 0.5% in 2023. Despite the possibility of hitting the official 5% growth target of the government in 2023 with support of the better-than-expected growth performance in 3Q23, a solid recovery for Chinese GDP growth is unlikely. Hence the economic growth in China could decelerate to 4.5% in 2024.

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GDP Growth Projections*
(Annual Change)

<table>
<thead>
<tr>
<th>Region</th>
<th>2022</th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
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<td>2.3</td>
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<tr>
<td>Eurozone</td>
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<td>0.5</td>
<td>0.7</td>
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<tr>
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<td>1.5</td>
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</tr>
<tr>
<td>Latin America</td>
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</tr>
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<td>2.3</td>
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<td>2.9</td>
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<tr>
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<td>China</td>
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<td>3.0</td>
<td>3.0</td>
<td>3.3</td>
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</tbody>
</table>

Inflation Projections*
(Annual Average, YoY)

<table>
<thead>
<tr>
<th>Region</th>
<th>2022</th>
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<th>2024</th>
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<td>8.0</td>
<td>4.1</td>
<td>2.6</td>
<td>2.5</td>
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<tr>
<td>Eurozone</td>
<td>8.4</td>
<td>5.5</td>
<td>2.3</td>
<td>1.7</td>
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<tr>
<td>Spain</td>
<td>8.4</td>
<td>3.4</td>
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<td>Latin America</td>
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<td>Mexico</td>
<td>7.9</td>
<td>6.3</td>
<td>2.7</td>
<td>2.4</td>
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<tr>
<td>Peru</td>
<td>72.3</td>
<td>53.9</td>
<td>58.5</td>
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<tr>
<td>Turkey</td>
<td>2.0</td>
<td>0.3</td>
<td>1.4</td>
<td>2.0</td>
</tr>
<tr>
<td>China</td>
<td>9.3</td>
<td>6.9</td>
<td>6.9</td>
<td>4.5</td>
</tr>
</tbody>
</table>

* BBVA Research November 2023 projections. The latest updated data for 2023 are included.
On the monetary policy side, the Central Bank (CBRT) hiked the policy rate gradually to 45% in January 2024 from 8.5% of the pre-election period. During this period, a gradual normalization in monetary policy has been targeted by additional macro-prudential measures. The CBRT maintained its commitment to continue the monetary tightening process in order to establish a disinflation course as soon as possible, to anchor inflation expectations, and to control the deterioration in pricing behavior. Following the forward guidance in November 2023 regarding the completion of the tightening cycle soon, the CBRT reduced the pace of monetary tightening with 250 hikes in December 2023 and January 2024. We expect CBRT to maintain the policy rate at 45% in the upcoming period and continue quantitative tightening and macro-prudential measures.

In 2023, the current account deficit stood at USD 45.2 billion (4.2% of GDP), while high domestic demand and gold imports despite the easing in energy prices led to a deterioration in the external balance throughout the year. Some regulations in the banking sector have been eased or removed, which enabled normalization in the external balance. In the face of the ongoing ageing of the population, median age in Türkiye (30.9 years) is still below the average of its peer upper middle income countries (35 years). Although the share of young people in total population has been continuously declining, the youth population ratio stands at 15.2% of the total population, higher than the 27 European Union (EU) average of 10.5% in 2022. Nevertheless, according to Turkstat’s projections the demographic aging of Turkish population is expected to continue with proportion of young population expected to decline further to 13.4% and the share of population aged higher than 65 years rising from 9.9% in 2022 to 16.3% by 2040.

The geopolitical advantages of Türkiye coupled with its technological capabilities and know-how in industry and young labor force provide a unique set of opportunities for economic progress. Despite the ongoing ageing of the population, median age in Türkiye (30.9 years) is still below the average of its peer upper middle income countries (35 years). Although the share of young people in total population has been continuously declining, the youth population ratio stands at 15.2% of the total population, higher than the 27 European Union (EU) average of 10.5% in 2022. Nevertheless, according to Turkstat’s projections the demographic aging of Turkish population is expected to continue with proportion of young population expected to decline further to 13.4% and the share of population aged higher than 65 years rising from 9.9% in 2022 to 16.3% by 2040.

Türkiye, as an important trade hub, has become a prominent actor in global trade, raising its share in exports of goods and services from 0.7% in the beginning of 2000s to 1.2% as of 2022. With the support of its advantageous geopolitical location, Türkiye is a major trade partner of Europe with nearly 56% of its exports on annual terms going to this region. Furthermore, Türkiye’s trade data demonstrates higher integration into global value chains with increasing backward and forward participation. Garanti BBVA Economic Research team’s analyses on the economic complexity index methodology aiming to pinpoint the products or sectors which could ignite higher per capita income in economy, shows that Türkiye reports higher complexity outlook index compared to peer countries with the same level of economic complexity score. In other words, the Turkish economy shows higher capacity and capability to produce, and therefore export products with higher complexity compared to its peers. From this perspective, Turkish economy demonstrates a higher potential to achieve higher per capita income compared to other economies with similar know-how and technology.

Economic Complexity Index vs. Complexity Outlook Index (2020)
However, uncertainties remain over the economic development path of Türkiye. The Turkish economy is not immune from the disruptive impact of the global climate crisis. According to World Bank analysis, Türkiye is classified under high risk category among many climate risk and vulnerability metrics, experiencing food insecurity, water stress and extreme weather events such as wildfires. Furthermore, according to G20 Climate Atlas, Türkiye may lose 2.26% of its GDP due to climate-related events in the case of no urgent action.

One of the immediate risk factors on the Turkish economy stemming from climate crisis is visible on the agriculture and food production. Food security analyses of Garanti BBVA Economic Research reveal that the Turkish economy ranked 49th among 113 countries in terms of food security as of 2022. Türkiye scores below the OECD average in each of the subcategories of food security index affordability, availability, quality safety and natural resilience and resources, with the highest gap in affordability. High reliance on cereal imports particularly from Russia-Ukraine region, input price inflation adding upward pressures on producer prices and high course of food inflation exacerbate the food security related risks. Considering that 77% of total water reserves are allocated to irrigation for agricultural purposes, water stress intensifies the worsening in food security outlook.

### Food Security Index, OECD vs. Türkiye by Subcategories (2021)

![Diagram showing food security index by OECD and Türkiye subcategories](source)

### Youth not in employment, education or training (NEET), % in same age group, 2022

![Data chart showing NEET rates by country and age group](source)

As wildfires.1 Furthermore, according to G20 Climate Atlas, experiencing disruptive impact of the global climate crisis. According to World Bank Group, 2022. Türkiye scores below the OECD average in each of the subcategories of food security index affordability, availability, quality safety and natural resilience and resources, with the highest gap in affordability. High reliance on cereal imports particularly from Russia-Ukraine region, input price inflation adding upward pressures on producer prices and high course of food inflation exacerbate the food security related risks. Considering that 77% of total water reserves are allocated to irrigation for agricultural purposes, water stress intensifies the worsening in food security outlook.

Along with climate crisis, inclusivity in labor force is another important area of sustainability to be addressed. As of 2022, 28% of total population aged 15-29 years are neither in employment, education or training, a ratio that is more than double of the OECD average. The stark difference between Türkiye and OECD average becomes even more apparent among women ages 15-29 with 24.3 percentage points. 

### Youth not in employment, education or training (NEET), % in same age group, 2022

![Data chart showing NEET rates by country and age group](source)

On the global economy, weak external demand on the back of the continuing slow-down in activity in major trade partners pose risks over the performance of Turkish economic growth. Since the tight monetary conditions are expected to continue, capital flows to emerging markets including Turkish economy might be lacklustre. Nevertheless, continuing monetary tightening of the CBRT and a prudent fiscal policy helping rebalance the economy may attract portfolio inflows. On the other hand, geopolitical tensions led by Russia-Ukraine war and Israel-Hamas conflict could deteriorate portfolio flows towards the region, indirectly impacting the Turkish economy.

Overall, there is room for growth and development in the Turkish economy with its diversified know-how, advantageous geopolitical location, strong trade relations and comparatively young population. Despite the ongoing inflationary pressures and sensitivity to exchange rate fluctuations, tight monetary policy may support the economy in the short term. Over the longer horizon, the climate crisis induced stress factors on food security and natural resources as well as geopolitical conflicts remain as risk factors hindering economic growth. However, the Turkish economy’s capabilities may lead to the achievement of a higher per capita income and higher share in global trade. Ensuring sustainability, inclusivity and diversity in the economy and addressing climate mitigation and adaptation in the economic policies will contribute to the economic gains of Türkiye in the global arena.

### TURKISH BANKING SECTOR

#### Key Facts, Opportunities and Challenges

The Turkish banking sector is strictly regulated and highly monitored by two powerful agencies, the Banking Regulation and Supervision Agency (BRSA) and the Central Bank of the Republic of Türkiye (CBRT). According to the BRSA sector data as of December 2023, there are 60 banks operating in Türkiye (30 private commercial banks, 3 state-owned deposit banks, 19 development and investment banks, 8 participation banks). The top seven banks, three of which are state-controlled, are holding 71% of the banking sector’s total assets. The current fragmented structure presents future opportunities for mergers and acquisitions among the banks. 52% of Türkiye’s population is younger than 35 years old is one of the key indicators of the growth dynamic of the Turkish banking sector. In addition, the statistical indicator of a 94% internet connection rate in Türkiye points out considerably higher penetration levels than World average. Young and digital savvy population offers an opportunity for the sector to progress. Besides, unbanked population is still relatively high. In addition, while the ratio of household debt to GDP is 10.8% in Türkiye, it is 36.3% in the Emerging Markets. This indicates an environment where penetration is low and potential for banking activities is high compared to other Emerging Markets.

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2. International Telecommunication Union, March 2023 Database
3. OECD, Garanti BBVA Research
4. Source: OECD, Garanti BBVA Research
5. Sector figures are based on BRSA monthly data as of December 2023.
Total Assets Breakdown

37% State Banks
34% Top 4 Private Commercial Banks
29% Other

Total Assets US $802 bn

Unbanked Population

<table>
<thead>
<tr>
<th>Country</th>
<th>Unbanked Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>Türkiye</td>
<td>52%</td>
</tr>
</tbody>
</table>

Internet Penetration

<table>
<thead>
<tr>
<th>Country</th>
<th>Internet Penetration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Türkiye</td>
<td>94%</td>
</tr>
</tbody>
</table>

Household Debt /GDP

<table>
<thead>
<tr>
<th>Country</th>
<th>Household Debt /GDP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Türkiye</td>
<td>10.8%</td>
</tr>
</tbody>
</table>

DEVELOPMENTS IN 2023

The tightening monetary policy in the second half of 2023 led to an increase in loan rates and the rapid loan growth observed in the first half of the year slowed down. Due to the ongoing loan growth restrictions, TL loans did not grow in real terms. In 2023, average inflation recorded at 53% in which the sector’s credit expansion matched this rate. The primary contribution to loan growth came particularly from credit card receivables in the first half of the year. Private banks achieved higher growth in all segments of consumer loans compared to state banks; however, state banks exhibited stronger growth in TL business loans. Due to the low interest environment in the first half of 2023 and consequently strong collection performance, the banking sector had an extraordinarily good year in terms of asset quality. However, towards the end of the year, due to the impact of tightening monetary policy, there was an increase in the NPL rates of credit cards and consumer loans. Thus, the first signal of normalization in asset quality was observed.

Commercial banks continued to reduce their foreign currency loan exposures, which they have been reducing since 2017, this year as well. During this period, the compound annual growth rate in foreign currency loans in dollar terms was -4%.

The sector funds 16% of its assets from foreign currency deposits to standard TL time deposits. Banks faced penalties if they fell below the thresholds set by the regulatory authority, including commission payments to the Central Bank and the purchase of long-term, fixed-rate Turkish lira-denominated government bonds. With the acceleration of the transition to standard TL time deposits.

Although these regulations were subject to occasional changes, they generally involved increasing the reserve requirements for foreign currency and foreign-currency protected deposits, raising the share of TL deposits within total deposits, and mandating the transition from foreign-currency protected deposits to standard TL time deposits. Banks faced penalties if they fell below the thresholds set by the regulatory authority, including commission payments to the Central Bank and the purchase of long-term, fixed-rate Turkish lira-denominated government bonds. With the acceleration of the transition to standard TL deposits, the share of foreign-currency protected deposits within TL time deposits decreased to 35% (from 38% in 2022), amounting to 2.6 billion TL. During this period, the economic management gradually simplified regulations, starting to replace the penalty of purchasing government bonds with commission payments by the end of 2023. Consequently, the declining demand for securities began to increase the yield

* FC Liquidity Buffer: FC reserves under REM, money market placements, ST swaps, unencumbered securities, cash, FC collateral deposit

Source: TURSTAT

1 Source: TURSTAT
2 Source: World Bank, Global Findex Database 2021
3 International Telecommunication Union, March 2021 Database
4 Institute of International Finance (IIF), as of September 2023

66% World
44% EM
54.6% EU
38% EU
10.8% Türkiye
36.3% Türkiye
of this product. Additionally, at the end of the year, the practice of foreign-currency protected deposits for TL accounts was discontinued.

According to the Banking Regulation and Supervision Agency (BRSAs) data, the total amount of foreign currency and Turkish lira deposits in the Turkish banking sector at the start of the year were $195 billion and 4.323 billion TL. The year ended with $178 billion and TL 8.115 billion, indicating a 9% decrease in foreign currency deposits and a 88% increase in Turkish lira deposits.

Consequently, the slowdown in loans and the increase in TL deposits brought the sector’s TL loan-to-deposit ratio below 100% for the first time in many years. However, the increased competition in TL deposits due to the regulations also raised deposit costs and negatively impacted the sector’s profitability. According to BRSA data, in 2023, the sector’s interest expenses related to TL deposits increased by 26.3%, while TL loan income increased by 10.1%. Although CPI linkers, in which banks carried on their balance sheets throughout the year to protect themselves against inflation, supported the sector’s margins, there was a contraction in core interest margins. Especially in the last quarter of the year, the increased reserve requirement ratios imposed an additional burden on the balance sheet.

The sector’s commission and trading income were significant contributors to profitability throughout the year. However, considering the effect of high inflation, profitability continued to lag behind the inflation in 2023.

In 2023, the CBRT’s irration strategy culminated successfully. With the onset of the tightening cycle, the relationship between inflation, policy rates, loan, and deposit interest rates reached a healthy level. The banking sector, which frequently adjusts its balance sheet management strategies within the framework of changing macroprudential measures, once again demonstrated its agility and resilience.

At Garanti BBVA, we have hundreds of models established with various algorithms ranging from machine learning to deep learning in areas such as marketing and sales, pricing, fraud detection, credit assessment, and customer satisfaction. However, starting from 2023, generative artificial intelligence technology has begun to have a more significant role in our lives. Beyond analyzing existing data, artificial intelligence that can generate new data and create original content now allows us to provide higher quality services to a broader customer base. In this context, our goal is to integrate generative artificial intelligence into our mobile application’s chatbot, turning it into a personal assistant that understands our customers’ needs and guides them with proactive recommendations.

Artificial intelligence technologies are no longer just an advantage but a necessity to remain competitive in the business world. Therefore, at Garanti BBVA, we believe that investing in artificial intelligence technologies is not only a move towards the future but also a fundamental element of achieving success in today’s business world. However, we also recognize that issues such as intellectual property, copyright, and the potential risks associated with applying artificial intelligence to robotics (as 40% of global GDP is generated by human labor) are among the concerns that need to be addressed in the coming years.

MACHINE LEARNING AND GENERATIVE AI

Becoming a cornerstone of modern business practices from a futuristic concept, artificial intelligence has fundamentally altered how companies operate and compete. With its unprecedented ability to process and analyze vast amounts of data at an incredible speed, artificial intelligence enables companies to make more informed decisions, identify trends, and predict consumer behavior with exceptional accuracy.

At Garanti BBVA, within the framework of customer security principles, we comprehensively address external fraudulent incidents. We manage frauds related to card transactions, account operations, POS transactions, and credit product applications from all channels, both branch and non-branch, with a customer-centric approach. Additionally, we conduct separate analyses for external fraud risks for every newly developed product and process.

The increasing frequency and complexity of data breaches compel companies to be more vigilant and continuously update their security measures. At Garanti BBVA, we not only provide protection against current threats but also take proactive measures by anticipating potential future attacks. We continue to develop tools and projects to ensure data security and enhance the reliability of our infrastructure in order to promote and strengthen data security.

TALENT AND CULTURE

Although, the climate crisis has become a central issue for companies across all sectors within ESG criteria, there is a growing focus on S-Social issues. According to a BoFA report, companies with better culture and values have traded with a 20% premium over the lower end in the past 5 years. Having a strong workplace culture also positively influences employee happiness, which in turn enables talent retention within the company.
Important Developments Regarding 2023 Operations

The Competition Board decided dated 08 March 2013, no. 13-13/198-100, the Competition Board resolved to levy an administrative fine of TL 213,384,545.76 on the grounds that Garanti BBVA Economic Group violated Article 4 of the Law on the Protection of Competition. Believing this decision to be contrary to law and was based on inadequate examination, our Bank filed a lawsuit for the annulment of the decision. Before filing lawsuit, the administrative fine has been paid benefiting from 1/4-early payment discount. Ankara 2nd Administrative Court disregarded our defense in its entirety and dismissed the case. This time, an appeal was lodged with the higher court against this unfair and unlawful ruling. The 13th Chamber of the Council of State adjudged dismissal of our appeal and approved the ruling of the first degree court. For this unfair and unlawful adjudgment, our Bank applied for revision of decision. In this case, the 13th Chamber of the Council of State reversed the judgment of the first degree court on the grounds that it was not established with adequate standard of proof (beyond reasonable doubt) that all of the banks investigated by the Competition Board were aware of a single framework agreement in relation to deposit, loan, credit card or public deposit services. Prior to that joint groups were aware of the said framework agreement or common plan, just like we defended, and hence the judgment was based on inadequate examination. Following reversal, the first degree court decided to sustain the original ruling. An appeal was lodged against the unfair and unlawful decision, and the Plenary Session of Administrative Law Divisions adjudged to accept our appellate plea and to reverse the first degree’s decision to sustain its original ruling. The Competition Board, applied for revision of decision, which was rejected by the Plenary Session of Administrative Law Divisions. Following this ruling, the first degree court decided annulment of the administrative fine, upon which the deposited administrative fine amount was refunded. In response, the Competition Board resorted to appeal. The administration has appealed to the appellate law, however, the Council of State Administrative Law Chambers has decided to reject the appeal request. Upon this decision, the defendant administration has filed a request for correction of the decision. The Council of State Administrative Law Chambers has also decided to reject the request for correction of the decision. The judicial process has concluded in favor of our bank.

In 2023, additional steps were taken by the Monetary Policy Committee to ensure the effectiveness of monetary policy through the implementation of macroprudential measures. These measures were monitored and adjusted throughout the year to assess the performance of liraization-focused approaches and selective credit growth. In this context, banks served as the primary channel ensuring the success of these strategies.

Starting from 21 July 2023, the Central Bank of the Republic of Türkiye’s Monetary Policy Committee gradually increased the one-week repo auction interest rate, which they had reduced to 8.5% on 24 February 2023, and raised it to 45% on January 26, 2024. In the first inflation report of the year, the Central Bank of Türkiye maintained their interim inflation targets of 3.6% by the end of this year and 14% by end 2025. The Central Bank expects a slight adjustment monthly inflation to reach 3% on average this year with a level declining to 1.5% in the last quarter. In this regard, the current 45% policy interest rate will be maintained for a longer period of time and the monetary policy stance will be tightened if necessary. They mention that they will monitor the inflation outlook and demand conditions in February and March, and if there is no improvement in monthly inflation trends as expected, they will resort to additional monetary tightening. At this point, we evaluate that they will primarily utilize credit policies in addition to ongoing monetary tightening measures. We also do not disregard the possibility of the policy rate exceeding 45%.
1. Conversion to Standard TL Deposit (for CBRT FCPD)

- If conversion to Standard TL Deposit (15%), Roll-over (75%) and new foreign currency protected deposit (max. 5%) in total is below 95%:
  - Then, 6% + (2/95 * Overall Deficit)
- Above 95% but below 15% conversion to TL deposit
  - Then, Conversion Deficit / 3

2. Weight of Standard TL Deposits

- Retail Targets: If the bank’s TL deposit weight is:
  - Below 35%, then 2.2% - 35% - 45%, then 1.7%
  - 45%-50%, then 1.2%
  - Above 50%, then 0.5% monthly increase is mandated. If the target cannot be achieved 2% commission will be applied.
- Commercial Target: If the weight is decreased, then 1% commission will be applied

The commission amount is calculated based on the FC RR (in US$) and is subject to 5% Banking and Insurance Transfer Tax (in TL).

As of 2023 year-end the Treasury backed (TL) Foreign Currency-Protected Deposit is no longer available and matured accounts cannot be rolled-over.

3. Commercial Loan & GPL Rate

If ARR*
- x 1.4 > export & investment loan rate
- x 2.0 > GPL rate (amount > TL70k)

150% of the loan amount will be allocated as LT TL security.

4. Monthly Growth Rate Limitations

LT-TL security must be purchased (for 1 year), equal to the loan amount exceeding the monthly growth rate of:
- 2.5% for TL commercial loans (export, investment agriculture, and tradesman loans are excluded)
- 2% for auto loans
- 3% for GPL

Capital Adequacy

As of August, below loans:
- GPLs (including overdraft accounts),
- Consumer credit cards (including expenditures and cash withdrawals),
- Consumer auto loans,
- Vehicle-secured loans,
- Consumer financial leasing transactions and
- Mortgages (if the individual or the family already owns a house)

will have 150% risk weighting in the calculation of capital adequacy ratios.

* The regulation will not be applied to loans extended to the earthquake zone.

BRSA increased the USDTRY forbearance rate used to calculate loan risks from 18.70 (31.12.2022 CBRT «Buy» rate) to 25.82 (26.06.2023 CBRT «Buy» rate). CAR calculation from the updated exchange rate will be put in effect on 01.01.2024.
Garanti BBVA shapes its business model within the frame of its purpose to “bring the age of opportunity to everyone”.

Placing the “Values” at the heart of its corporate culture that defined with the involvement of its employees in 2017, Garanti BBVA is guided by these values in all its practices and actions. The Values is composed of three main values and each of the value is comprised of three behaviors, reflecting the Bank’s business conduct models. For instance, the notion “This is our bank” is reflected in the maximum performance attained by all employees as they carry out their jobs devotedly and enforce this value in their attitudes towards all stakeholders that they touch; all employees know what that means.

Employee career and development model measures the extent to which these values are enforced by the employees through performance assessments; specific educational and developmental tools are made available as part of the development plan resulting from these measurements, which also aim to ensure continued development throughout the year. In addition, adherence to values is addressed in a dedicated category in the reward program.

On the occasion celebrated as the Values Day on the same date in all countries to re-familiarize with, assimilate and live the values, employees redefine organizational strengths, improvement areas of leadership, and the future of teamwork, in addition to taking part in entertaining activities.

Values Day is celebrated simultaneously in all countries in the BBVA Group in order to increase awareness and contribute to the integration of values to their business life. During the Values Day, besides entertaining activities, employees redefine the strengths of the institution, the development areas of its leaders, and the future of teamwork in the light of these values.

Underlining the customer-centric approach of Garanti BBVA, this value identifies empathizing with the customer as the top priority of employees, describes the necessity to disclose all kinds of information when responding to customer needs within the frame of responsible business principles, and calls for a result-oriented approach.

Innovation is embedded in the corporate culture of Garanti BBVA that needs employee opinions. Employees in each position inspire their colleagues and their circles with the job they do. When serving their customers, Garanti BBVA employees go beyond meeting their needs and offer solutions that amaze the clients.

Fostering Garanti BBVA’s work culture, this value encompasses employee collaboration, the importance of commitment to work, and the sense of responsibility that needs to exist in order to achieve the “common purpose”.

Our Values

- We are empathetic
- We have integrity
- We meet their needs

- We are ambitious
- We break the mold
- We amaze our customers

- We are committed
- We collaborate
- This is our Bank
OUR BUSINESS MODEL

Capital generative, disciplined and sustainable growth strategy that strictly adheres to solid asset quality enables the bank to move forward strongly.

In order to reach more customers, to accelerate and drive value creation: Garanti BBVA prioritizes making banking services available to its customers at any time through any channel they choose, and delivering them a seamless and consistent omni-channel experience by being wherever customers are.

The Bank aims to merge and integrate technology and humanistic elements, to:

- Make life easier for its customers,
- Pursue their financial health, and help them make the right financial decisions,
- Support them grow their businesses sustainably, and,
- Bring its financial services to everyone.

Garanti BBVA seeks to deliver a better customer experience thanks to custom-tailored solutions and wide array of products offered to customers.

On sustainability, the Bank attaches great importance to mainstreaming the issue. Garanti BBVA creates shared value and recognizes and rewarding their achievements make the building blocks of the whole system.

Putting digitalization at the heart of its business model, Garanti BBVA targets to lead the transformation of the sector, command state-of-the-art technological infrastructure, and be efficient and productive in all its service channels. Adopting agile method approaches to execute its projects in order to quickly cater to evolving customer expectations and to accommodate advancing technology in its business model, Garanti BBVA makes efficiency its top principle in its business model with its operational excellence priority. In this context, the Bank aims to enhance operational efficiency as it continues to revamp and simplify its business processes, enhance customer experience and automate its processes. The Bank also monitors financial and non-financial risks closely at all times and exhibits proactive management.

Integrating the opportunities resulting from advancing technology and data sources in its business model, Garanti BBVA adopts a more analytical approach to customer management by making use of advanced data analytics and artificial intelligence. It also employs these outputs in its organizational model with the purpose of improving business results.

Always imagining and designing the future and striving to be unique in what it offers, Garanti BBVA considers raising competent, well educated, responsible, and ethical banking professionals who think big and are respectful of the society and the environment as an indispensable part of the sustainability of its business model. Conscious of the fact that human capital is the driving force behind all progress, continuously attracting, training and developing young and creative talents, offering employees an environment where they can demonstrate their skills, presenting opportunities, and recognizing and rewarding their achievements make the building blocks of the whole system.

Our strategic priorities:

- Financial advisory to our customers to help them make the right/healthy financial decisions
- Offer our customers solutions and suggestions that cater to their needs so as to help them attain their goals
- Deliver an excellent customer experience by placing the customers at the center of all our activities
- Build long-lasting relationships with customers and be their trusted partner

- Positively influence customers, decision-makers and the sector being the leading bank in sustainability; continue to support raising increased awareness of this matter
- Increase the diversity and use of our sustainable products offered to customers
- Observe climate change related risks and opportunities, integrate them into our business processes and risk policies
- Focus on community investment programs which deliver impactful outcomes on material topics and observe impact investment principles

- Expand our customer base and establish long-term relationships by deepening our customers’ relationships with our bank.
- Be wherever our customers are; make effective use of new channels including digital customer acquisition and partnerships
- Grow in areas of focus while monitoring risk and cost

- Constantly build on our business model in various ways including process automation, transaction convenience and enriched/remote services, etc.
- Increase end-to-end digital solutions, continue to improve experience through investments in our digital platforms
- Use capital effectively and maximize our value creation while focusing on sustainable growth
- Constantly improve our business model and processes with with new technologies and tools from an operational efficiency point of view while pursuing cost and revenue synergies
- Effectively managed financial and non-financial risks

- Increase the agility and strength of our technological infrastructure and platforms
- Speed up our solution processes through artificial intelligence, machine learning and big data interpretation, which is important in the day-to-day operations of the bank
- Effectively use data analytics in various areas such as offering the right product to our customers, pricing, risk management, etc.

- Invest in our human capital with a focus on their development, happiness and well-being in order to ensure work-life balance
- Form teams nurturing our values, possessing team spirit, acting with shared wisdom, thinking big, are socially responsible and result-oriented
- Adopt a fair and transparent management policy based on performance, focused on equal opportunities, diversity, and internal promotion
Corporate Profile

Established in 1946, Garanti BBVA is Türkiye’s second largest private bank with consolidated assets close to TL 2 trillion 202 billion (USD 76 billion) as of December 31, 2023.

Garanti BBVA is an integrated financial services group operating in every segment of the banking sector including corporate, commercial, SME, payment systems, retail, private and investment banking together with its subsidiaries in pension and life insurance, leasing, factoring, brokerage and asset management, besides international subsidiaries in the Netherlands and Romania.

Its custom-tailored solutions and wide product variety play a key role in reaching TL 1 trillion 614 billion performing cash loans and non-cash loans. Garanti BBVA’s capital generative, disciplined and sustainable growth strategy that strictly adheres to solid asset quality enables the Bank to move forward strongly.

The Bank has a leading position in key banking service areas:

- Largest private bank in TL lending with 20.3% market share among peers.
- Highest TL customer deposit base among private peers with 21.0% market share.
- Leadership in consumer loans with almost 25 million retail customers.
- 19.6% market share in TL business banking loans.

Garanti BBVA’s purpose is to bring the age of opportunity to everyone, and with this purpose the Bank works to create value for all of its stakeholders. In the light of strategic priorities; the Bank focuses on improving the customers’ financial health by providing advice and actionable insights to them. The Bank puts emphasis on influencing decision-makers and other players in the sector regarding sustainability and making sustainability as mainstream. Garanti BBVA creates shared value and drives positive change through lending-based on impact investment, as well as strategic partnerships and community programs focusing on material issues for both Garanti and its stakeholders.

Garanti BBVA constantly improves its business model and processes with operational excellence priority and keeps a close eye on financial and non-financial risks. In order to accelerate and drive its value creation, bank continues to focus on reaching more customers by being wherever customers are. As of December 31, 2023, Garanti BBVA provides a wide range of financial services to its over 25 million customers with total 22,016 employees including subsidiaries through an extensive distribution network of 796 domestic branches, 8 foreign branches, 7 in Cyprus and one in Malta, and 1 international representative office. Garanti BBVA offers an omnichannel convenience with seamless experience across all channels with Note: Market shares and rankings based on bank-only BRSA Weekly Data, among private banks. Note: Branch, ATM and Customer data do not include companies subject to consolidation.

Data, technology and “best and engaged team” are the key accelerators of strategy. With 15.0 million digital and 14.8 million mobile customers, Garanti BBVA has the highest digital and mobile customer base. Share of digital sales in total sales has reached 90%. The Bank is continuously investing in robust and reliable technology, leveraging advanced data analytics and artificial intelligence. Recognizing that human capital is the driving force behind all progress, the Bank builds systems to recruit, train and develop young and innovative individuals on a continuous basis, to provide a working environment that encourages full utilization of employees’ skills, offers a wide range of opportunities and ensures recognition and awarding of their accomplishments.

Implementing an advanced corporate governance model that promotes the Bank’s core values, Garanti has Banco Bilbao Vizcaya Argentaria S.A. (BBVA) as its majority shareholder with 85.97% share.²

Corporate Profile

Most valuable bank in Türkiye with 8.3 billion USD Market Capitalization (as of 2023 end)

Second largest private bank per asset size

Leader with 14.8 million mobile customers

Financial institution that young people most want to work at

High ROE and low leverage of 8.0x

Note: Market shares and rankings based on bank-only BRSA Weekly Data, among private banks.

¹ Please find the disclosure dated 18 May 2022

Garanti BBVA 2023 Integrated Annual Report
Garanti BBVA Shareholding Structure & Share

<table>
<thead>
<tr>
<th>NAME</th>
<th>NUMBER OF SHARES</th>
<th>NOMINAL (TL)</th>
<th>SHARE%</th>
</tr>
</thead>
<tbody>
<tr>
<td>BBVA (BANCO BILBAO VIZCAYA ARGENTARIA, S.A.)</td>
<td>361,089,589,019</td>
<td>3,610,895,890.19</td>
<td>85.97</td>
</tr>
<tr>
<td>OTHERS</td>
<td>58,910,410,981</td>
<td>589,104,109.81</td>
<td>14.03</td>
</tr>
<tr>
<td>GRAND TOTAL</td>
<td>420,000,000,000</td>
<td>4,200,000,000.00</td>
<td>100.00</td>
</tr>
</tbody>
</table>

**Domestic Institutional Investors:** Fund + Institutions + Investment Partnership + Other

**Structure & Share**

**Garanti BBVA Shareholding Structure & Share**

**About Garanti BBVA**

*Garanti BBVA carried out its IPO in 1990 on Borsa Istanbul and became the first Turkish company to offer its shares on international markets in 1993. Garanti BBVA’s depositary receipts are listed on the OTC (Over-The-Counter) Markets in the USA. In 2012, Garanti BBVA got qualified to get in the prestigious tier of the U.S. OTC market, OTCQX International Premier, where companies traded must meet high financial standards and an effective disclosure process. With its yield and daily trading volume growth in 2022, the Bank qualified to be included in 2023 OTCQX Best 50 company.*

Garanti BBVA had a market capitalization of TL 245 billion (USD 8.3 billion) as of year-end 2023. With 14% free float rate, The Bank’s free float market capitalization corresponded to TL 34 billion (USD 1.2 billion). 47% of Garanti BBVA’s shares in the free float are owned by foreign institutional investors. Including the share of the domestic institutions, 77% of the publicly traded shares are held by institutional investors, whereas the remaining 23% are held by individual investors.  

**SHARE PERFORMANCE**

Throughout 2023, Türkiye’s economic landscape and stock market continued to be highly dynamic. 2023, a year diverged as before and after the May elections, was marked by the implementation of two different economic policies. In the first half of the year, which was defined by the general elections in May, foreigners remained more cautious in entering the market while local retail investors were increasingly getting in the stock market to hedge themselves against the high inflation. Post elections, the new economic team’s steps towards policy normalization and simplification was well-received by the investment community as well as rating agencies. In-line with this, Fitch Ratings, Moody’s and S&P all upgraded Türkiye’s sovereign rating outlook. As a result, foreign ownership in BIST increased for the first time in August during the year and the pace especially picked up in October. Foreign ownership in BIST finished the year at 30%**, up from its lowest point of 25% in June 2023. This helped to contain the foreign investors’ net outflow from the Turkish stock market to USD 0.7 billion in 2023 and marks the lowest cumulative net foreign outflow the Turkish market has seen over the last three years. The majority of the net foreign outflow was driven by non-banking stocks and XBANK, outperformed XU100 by 28% in 2023.

More in depth look into GARAN, there was a net foreign inflow of USD 54 million during the year and foreigners’ share in the stock increased to 47% as of 2023 year-end from 42% at the end of 2022. Consequently, GARAN emerged as the best performer amongst the banking stocks. The stock yielded 109% in TL terms and 33% in USD terms, outperforming XBANK by 21%. Garanti BBVA concluded 2023 as the most valuable banking stock and with the fifth-largest MCAP in BIST-100. Taking into account the increase in share price and dividends paid in 2023, the per-share value growth for our shareholders in the year reached 116%.

**INVESTOR RELATIONS ACTIVITIES**

Communicating the value created in a proactive, transparent and consistent way. Garanti BBVA Investor Relations’ activities in 2023 can be summarized as follows:

- The team participated in 13 investment conferences and roadshows, either in-person or online. The team met with 167 international investment funds from Asia, USA, Canada, the Middle East, Europe and Türkiye.
- Each of the teleconference on quarterly Financial Results and operating Plan Guidance disclosure attracted live participation from average 150 analysts and investors.
- Consensus earnings expectations were managed by having one-on-one or group meetings on a regular basis with 21 equity analysts who cover Garanti BBVA.
- Operating Plan Guidance and results presentations were

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* According to MVK (CSD of Türkiye) data on 31 December 2023.
** In the calculation of foreigners share in BIST-100, QNB is not included.
published on Garanti BBVA Investor Relations website and mobile app. The audio recordings of these presentations are also available on the website and mobile application. Contents are prepared both in Turkish and English for the convenience of the investment community and enable investors from all around the world to have easy access to all the information they need.

- Periodic newsletters were sent to investors and other stakeholders informing them on the current material developments including macro-economic and ESG issues.
- Following the financial results in each quarter, 2-minute summary videos were made available for the convenience of the stakeholders. These videos are public on both the website and our bank’s social media accounts.
- Through the monthly released ‘Macro Talks’ videos, informative updates on macroeconomic developments are provided for all investors and stakeholders.
- Investor surveys were done to gather their opinions, and meet their expectations in relevant communications. Four surveys were conducted in total in 2023; the answers reflected their appreciation for the investor relations activities. The economic outlook was stated as a key determinant in their investment decisions. The main ESG criteria considered by the investors in their decision-making process were highlighted as the net-zero carbon goals as well as emphasis on Financial Health and Inclusive Growth.

Commitment to its irreplaceable values of the principles of trust, integrity, accountability and transparency serves as the guarantee of the Bank’s strong reputation and is Garanti BBVA’s main responsibility to all its stakeholders. The steps Garanti BBVA take to create value for the economy, the society and all its stakeholders are recognized by national and international authorities.

Garanti BBVA’s Investor Relations website was honored with a gold Stevie award in the banking category, while the 2022 Integrated Annual Report was recognized with a total of four international awards.

SUSTAINABILITY INDICES

Garanti BBVA is included in 9 sustainability indices. Having qualified for BIST Sustainability, BIST Sustainability-25 and BIST Corporate Governance indices, Garanti BBVA has also been qualified to get listed in 6 International Sustainability indices, presented in the table below.

Garanti BBVA received the highest score with 74 points among the banks reporting from Türkiye in the Emerging Markets category of the Dow Jones Sustainability Index within the scope of the S&P Corporate Sustainability Assessment. The Bank also received B grade in the CDP Climate Change Program and an A-grade in the CDP Water Program. The bank is also the main supporter of CDP-Türkiye, the Turkish communications office of CDP, recognized by Harvard Business Review as the world’s most powerful green non-governmental organization. It aims to encourage companies to develop the sustainable finance market and increase their transparency about climate risks and opportunities with financial products such as Garanti BBVA Climate Index and Garanti BBVA Climate Index Stock Fund, developed in cooperation with CDP. The bank, which has been operating for many years to promote gender equality, also attaches importance to gender equality in the workplace. In this context, with the steps taken to create an inclusive corporate culture and hybrid working environment, Garanti BBVA increased its score to 89.06 in 2023 and continued to be the only bank from Türkiye to be included in the Bloomberg Gender Equality Index for 7 consecutive years.

EQUITY ANALYSTS’ RATINGS

Garanti BBVA shares are widely covered by research analysts of leading domestic and international investment banks and brokerage houses. In 2023, 21 institutions have regularly issued equity research reports on Garanti BBVA. As of 2023 year-end, 12 analysts had “BUY”, 8 analysts had “HOLD” and 1 analysts had “SELL” recommendation on Garanti BBVA stock.

Garanti BBVA Investor Relations update the analysts’ year-end estimations on a quarterly basis and publicly discloses them transparently on its website. The consensus estimates can be reached here.

DIVIDEND DISTRIBUTION POLICY

Subject to the approval of the Banking Regulation and Supervision Agency, the Bank’s dividend distribution policy allows 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.

Index/ESG Rating | Scoring Range | Score/Inclusion | Description
---|---|---|---
S&P Corporate Sustainability Assessment | 0-100 | 74 | Highest score among the banks reporting from Türkiye
CDP Climate Change - 2023 | A / D- | B | 
CDP Water Security - 2023 | A / D- | A- |
MSCI | AAA-CCC | BBB |
FTSE4Good - 2022 | 0-5 | 3.8 |
Sustainalytics ESG Risk 2022 | 0-40+ | 21.1 |
Bloomberg Gender Equality Index - 2023 | 0-100 | 89.06 | The only bank from Türkiye to be included in the index for 7 consecutive years
BIST Sustainability Index | Inclusion | + |
BIST Sustainability 25 Index | Inclusion | + |
BIST- Corporate Governance Index | Inclusion | + |
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.

**CREDIT RATINGS**

**FITCH RATINGS (September 2023)**
- Long Term FC IDR: B-
- Long Term TL IDR: B (Outlook: Stable)

**MOODY’S (January 2024)**
- Long Term FC Deposit: B3
- Long Term TL Deposit: B3 (Outlook: Stable)

**JCR EURASIA RATINGS (September 2023)**
- Long Term International FC: BBB-
- Long Term International TL: BBB (Outlook: Stable)

For detailed information on Garanti BBVA’s ratings, their definitions and amendments on ratings and outlooks, please refer to Ratings section on Garanti BBVA Investor Relations website.
How does the role of branches evolve with the growing use of mobile banking?

Which product did your retail banking customers thank you the most for in 2023?

Executive Vice President
Retail Banking

CEREN ACER KEZİK

Scan the QR code or click here to watch the video for the answers.
## Garanti BBVA in Numbers

<table>
<thead>
<tr>
<th>BRANCHES</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>POS</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ATMs</td>
<td>5,260</td>
<td>5,309</td>
<td>5,401</td>
<td>5,450</td>
<td>5,511</td>
</tr>
<tr>
<td>TOTAL CUSTOMERS</td>
<td>17,749,599</td>
<td>18,878,621</td>
<td>20,376,831</td>
<td>23,179,429</td>
<td>25,351,113</td>
</tr>
<tr>
<td>MOBILE BANKING CUSTOMERS</td>
<td>7,731,683</td>
<td>9,074,914</td>
<td>10,608,777</td>
<td>13,032,549</td>
<td>14,768,620</td>
</tr>
<tr>
<td>DIGITAL BANKING CUSTOMERS</td>
<td>8,352,034</td>
<td>9,571,289</td>
<td>11,040,150</td>
<td>13,386,156</td>
<td>15,046,929</td>
</tr>
<tr>
<td>NUMBER OF EMPLOYEES</td>
<td>21,403</td>
<td>21,365</td>
<td>20,962</td>
<td>21,684</td>
<td>22,016</td>
</tr>
<tr>
<td>DEBIT CARDS</td>
<td>12,309,813</td>
<td>14,156,702</td>
<td>15,956,977</td>
<td>19,027,213</td>
<td>20,973,862</td>
</tr>
<tr>
<td>CREDIT CARDS</td>
<td>10,131,725</td>
<td>10,308,368</td>
<td>10,992,736</td>
<td>12,893,009</td>
<td>15,183,137</td>
</tr>
</tbody>
</table>

Note: The data does not include partnerships subject to consolidation. While calculating the number of branches, Garanti BBVA's domestic branches, foreign branches, and representative offices were taken into account. Subsidiary head offices and branches are not included. Consumer loans include individual credit cards.

### Garanti BBVA's Domestic Branches

- **Total Branches:** 2023
- **Total ATMs:** 2023
- **Number of Mobile Banking Customers:** 2023
- **Number of Digital Banking Customers:** 2023

### Garanti BBVA's Foreign Branches

- **Total branches:** 2023
- **Total ATMs:** 2023
- **Number of Mobile Banking Customers:** 2023
- **Number of Digital Banking Customers:** 2023

### Garanti BBVA's Representative Offices

- **Total branches:** 2023
- **Total ATMs:** 2023
- **Number of Mobile Banking Customers:** 2023
- **Number of Digital Banking Customers:** 2023

### Garanti BBVA's Marketing and Digital Banking Customers

- **Total branches:** 2023
- **Total ATMs:** 2023
- **Number of Mobile Banking Customers:** 2023
- **Number of Digital Banking Customers:** 2023

### Garanti BBVA's Employees

- **Total employees:** 2023
- **Number of employees:** 2023

### Garanti BBVA's Value Creation

- **Total employees:** 2023
- **Number of employees:** 2023

### Garanti BBVA's Financial Reports

- **Total branches:** 2023
- **Total ATMs:** 2023
- **Number of Mobile Banking Customers:** 2023
- **Number of Digital Banking Customers:** 2023

### Garanti BBVA's Data and Technology

- **Total branches:** 2023
- **Total ATMs:** 2023
- **Number of Mobile Banking Customers:** 2023
- **Number of Digital Banking Customers:** 2023

### Garanti BBVA's Sustainable and Community Investments

- **Total branches:** 2023
- **Total ATMs:** 2023
- **Number of Mobile Banking Customers:** 2023
- **Number of Digital Banking Customers:** 2023

### Garanti BBVA's Governance

- **Total branches:** 2023
- **Total ATMs:** 2023
- **Number of Mobile Banking Customers:** 2023
- **Number of Digital Banking Customers:** 2023

### Garanti BBVA's Consumer Loans

- **Total branches:** 2023
- **Total ATMs:** 2023
- **Number of Mobile Banking Customers:** 2023
- **Number of Digital Banking Customers:** 2023

### Garanti BBVA's Consumer Experience

- **Total branches:** 2023
- **Total ATMs:** 2023
- **Number of Mobile Banking Customers:** 2023
- **Number of Digital Banking Customers:** 2023

### Garanti BBVA's Customer Experience

- **Total branches:** 2023
- **Total ATMs:** 2023
- **Number of Mobile Banking Customers:** 2023
- **Number of Digital Banking Customers:** 2023

### Garanti BBVA's Organization

- **Total branches:** 2023
- **Total ATMs:** 2023
- **Number of Mobile Banking Customers:** 2023
- **Number of Digital Banking Customers:** 2023

### Garanti BBVA's Integration

- **Total branches:** 2023
- **Total ATMs:** 2023
- **Number of Mobile Banking Customers:** 2023
- **Number of Digital Banking Customers:** 2023

### Garanti BBVA's Financial Statement

- **Total branches:** 2023
- **Total ATMs:** 2023
- **Number of Mobile Banking Customers:** 2023
- **Number of Digital Banking Customers:** 2023

### Garanti BBVA's Financials

- **Total branches:** 2023
- **Total ATMs:** 2023
- **Number of Mobile Banking Customers:** 2023
- **Number of Digital Banking Customers:** 2023

### Garanti BBVA's Market Capitalization

- **Total branches:** 2023
- **Total ATMs:** 2023
- **Number of Mobile Banking Customers:** 2023
- **Number of Digital Banking Customers:** 2023

### Garanti BBVA's Net Income

- **Total branches:** 2023
- **Total ATMs:** 2023
- **Number of Mobile Banking Customers:** 2023
- **Number of Digital Banking Customers:** 2023

### Garanti BBVA's Dividend Payout Ratio

- **Total branches:** 2023
- **Total ATMs:** 2023
- **Number of Mobile Banking Customers:** 2023
- **Number of Digital Banking Customers:** 2023

### Garanti BBVA's Earnings Per Share

- **Total branches:** 2023
- **Total ATMs:** 2023
- **Number of Mobile Banking Customers:** 2023
- **Number of Digital Banking Customers:** 2023

### Garanti BBVA's % of Renewables in Energy Production Portfolio

- **Total branches:** 2023
- **Total ATMs:** 2023
- **Number of Mobile Banking Customers:** 2023
- **Number of Digital Banking Customers:** 2023

### Garanti BBVA's Number of Projects Subjected to Environmental and Social Impact Assessment System

- **Total branches:** 2023
- **Total ATMs:** 2023
- **Number of Mobile Banking Customers:** 2023
- **Number of Digital Banking Customers:** 2023

### Garanti BBVA's Total Loans Granted to Woman Entrepreneurs

- **Total branches:** 2023
- **Total ATMs:** 2023
- **Number of Mobile Banking Customers:** 2023
- **Number of Digital Banking Customers:** 2023

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**Note:** The data does not include partnerships subject to consolidation. While calculating the number of branches, Garanti BBVA's domestic branches, foreign branches, and representative offices were taken into account. Subsidiary head offices and branches are not included. Consumer loans include individual credit cards.

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**According to BRSA consolidated financials. Consumer loans include individual credit cards.**

* Since the dividend distribution proposal for 2023 has not yet been prepared by the Board of Directors as of the reporting date of this report, 2023 figure was not presented in the chart.

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**Note:** The data does not include partnerships subject to consolidation. While calculating the number of branches, Garanti BBVA's domestic branches, foreign branches, and representative offices were taken into account. Subsidiary head offices and branches are not included. Consumer loans include individual credit cards. According to BRSA consolidated financials. Consumer loans include individual credit cards.

* Since the dividend distribution proposal for 2023 has not yet been prepared by the Board of Directors as of the reporting date of this report, 2023 figure was not presented in the chart.
Garanti BBVA’s Competitive Advantages

**CUSTOMER DRIVEN GROWTH STRATEGY**
- 2nd Largest Private Bank in Türkiye
  - 2.2 Trillion TL Consolidated Asset Size
- Highest Share of Performing Loans in Assets
  - 54%
- Leader in TL cash loans
  - 20.3%
  - TL cash loan market share amongst private banks
- Leader in TL non-cash loans
  - 24.2%
  - TL non-cash loan market share amongst private banks

**HIGHLY LIQUID & STRATEGICALLY MANAGED FUNDING STRUCTURE**
- Leader in TL Customer Demand Deposits
  - 21.8%
  - TL customer demand deposits market share amongst private banks
- Strong Zero-Cost Demand Deposit Base
  - 42%
  - customer demand deposits share in total vs. private peers average 38%
- High FC Liquidity Buffer Against External Debt
  - 6.3 Billion $ vs. 4.1 Billion $ external debt

**STRONG ASSET QUALITY WITH PRUDENT STANCE**
- Highest provision level
  - 46 Billion TL total loan provisions on balance sheet
- Total Coverage Ratio
  - 4.3%
  - vs. private peers average 3.8%
- NPL ratio
  - 2.0%
  - vs. private peers average 2.5%

**CORE BANKING REVENUE DRIVEN NET INCOME GENERATION CAPABILITY**
- Leader in core banking revenues
  - 104 Billion TL
  - Core banking revenues¹ (cumulative) vs. private peers average 80 billion TL
- Highest Core Net Interest Margin (including swap costs, excluding CPI linker income)
  - 2.7%
  - vs. private peers average 0.3%
- ROAE
  - 44.9%
  - vs. private peers average 39.1%

---

¹ Core Banking Revenues = NII including swap costs, excluding CPI linker income + Trading income excluding currency hedge and swap costs + Net Fees & Commissions + Income from Financial Subsidiaries
Garanti BBVA’s Competitive Advantages

STRONG CAPITAL POSITION

- **CET-1**
  (consolidated, excluding BRSA forbearance)
  - 14.5% vs. Basel III requirements 10.15%

- **Excess Capital**
  (consolidated, excluding BRSA forbearance)
  - 72 Billion TL

PRACTICES THAT PRIORITIZE EMPLOYEE SATISFACTION AND WORK-LIFE BALANCE

- Hybrid Working Model
  - 40% / 60%
  - from office/home

- Strong Performance in Employee Loyalty
  - 4.31 / 5
  - poll results

- Bloomberg Gender Equality Index
  - the only Turkish bank to be included for 7 Consecutive years with 89,06 points

UNIQUE CUSTOMER EXPERIENCE WITH SUPERIOR DIGITAL EXPERIENCE

- Highest Digital and Mobile Customer Base
  - 15.0 Million Digital Customers and 14.8 Million Mobile Customers

- Share of digital in total sales (retail)
  - 90%

- Share of Active Digital Customers
  - 86%

- Market share in mobile financial transactions
  - 21%

- Carbon Neutral Bank as of 2020 and Member of Net Zero Banker’s Association

- Sustainable Finance Mobilization Target
  - 400 Billion TL (2018-2025)
  - 120 Billion TL allocated as of 2023.

- Contribution to community investment programs
  - 875 Million TL

- Customer’s main financial solutions partner
  - Corporate Banking NPS #1
  - Commercial NPS #1
  - Retail NPS #2
Garanti BBVA's Position in Business Areas

**CORPORATE & INVESTMENT BANKING**
- TL 120bn Contribution to sustainable finance (2018-2023)*
- Leader in Corporate Banking Net Promoter Score
- 100% Share of renewable energy projects in new project finance business.
- 92 Number of projects subjected to Environmental and Social Impact Assessment System (cumulative).

2024 Strategic Priorities:
- Continue innovating with new products in renewable energy financing and carbon markets.
- Assist our corporate customers in transitioning to a low carbon economy through leading sustainably-know how and advisory.
- Continue to increase our contribution to sustainable finance.
- Continue to serve as primary business partner of corporate customers, sustaining their pioneering and leading positions on the back of effective customer relationship management and solution-oriented approach.

**COMMERCIAL BANKING**
- #1 in Commercial Banking NPS in 2023
- TL 144 bn Green Loans & TL 161 bn Social Loans under Sustainable Finance support (+204% YoY) according to 1-12 2023 results
- TL 30.5 bn TL 150 mm Total investment in 56 startups
- 32.2% Share of SME loans in TL loans per BRSA definition
- >4,500 Women entrepreneurs' received training
- >45,000 encouraged female entrepreneurs
- Micro enterprises TL Cash Loan

2024 Strategic Priorities:
- To continue providing financial advisory to our customers, accurately analyzing their current needs, and offering them the most suitable solutions.
- To keep providing consultancy services and financial support to our customers in both environmental and social areas for sustainable living, and encourage them in this direction.
- To continue to sustain profitable and efficient growth by increasing our wallet share in both existing and new customers.
- Maintain our first place among banks in NTS by deepening relationship management within our customer base.
- Increasing the variety of products offered through digital channels and expanding the use of digital channels.
- Broadening the scope of the special service model we provide to multinational companies.

**SME BANKING**
- TL 27bn Financing to women-owned businesses
- 22.8%** Market share in SME loans (+128 bps Y-oY)
- TL 150 mm Total investment in 56 startups
- 9% consecutive year as Turkey’s (World Finance), 6th consecutive year as Europe’s Best Retail Bank (European CEO Awards)
- 5th consecutive year as Green Deal

2024 Strategic Priorities:
- To continue to work for helping SMEs, the backbone of the national economy, attain sustainable growth and financial health, in addition to the financial support provided.
- Expand the set of products and transactions offered digitally to SME customers.
- Keep expanding the collaboration with the best-in-class companies for the needs of our SME customers.
- Supporting the development of more women entrepreneurs, to promote their success and to facilitate their access to new markets and opportunities for their sustainability.
- Be the solution partner in the lifecycles of startups and technology entrepreneurs.
- Meet with the customers regarding the “Green Deal” to pave the way for sustainable investments.

**RETAIL BANKING**
- 19.7%* Market share leader of consumer loans.
- 22.47%** Micro enterprises TL Cash Loan market share (+235 bps YoY)
- TL 305 bn TL 150 mm Total investment in 56 startups
- 19.7%* Market share leader of consumer loans.
- 22.47%** Micro enterprises TL Cash Loan market share (+235 bps YoY)
- TL 144 bn Green Loans & TL 161 bn Social Loans under Sustainable Finance support (+204% YoY) according to 1-12 2023 results

2024 Strategic Priorities:
- Strengthen our leadership in retail banking by continuing to acquire new profitable customers.
- Ensure sustainable customer relations by deepening our existing customer base and becoming the leader in customer satisfaction.
- Add value to the investments of our customers and be with our customers in need of financing; to produce personalized and proactive suggestions by using the data of our customers in the most effective way, to improve their financial health and to contribute to their readiness for unexpected situations.
- Provide the best customer-oriented service and financial advice to all our individual and micro-business customers with different service models, both from our branches and from our non-branch channels.
- Enable young people and women to meet with banks with the awareness and responsibility of increasing access to financial services.

**PAYMENT SYSTEMS**
- 808k POS devices (+4% YoY)
- 480k Member merchants (+63% YoY)
- 15.2 Credit cards (+18% YoY)
- 7.4 m Cardless e-com checkout solution GarantiPay transaction volume (+82% YoY)
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- 15.2 Credit cards (+18% YoY)
- 7.4 m Cardless e-com checkout solution GarantiPay transaction volume (+82% YoY)
- TL 30,5 bn TL 14,4 bn Green Loans & TL 16,1 bn

2024 Strategic Priorities:
- Consolidate the leadership in payment systems with our innovative approach, digital capabilities, powerful brands and operational strength.
- Replace the physical wallets with the payment solutions offered byBonusFias.
- Expand the product line to offer need-based solutions by supporting member merchants’ digital transformation.
- Carry on with investments in environmentally and sustainable fintech solutions that will eliminate the need for plastic cards and physical POS devices.
- Solidify the leadership in the fastgrowing e-commerce payments through introduction of new Technologies.
- Further strengthen the leadership in digital banking through continued expansion of the mobile customer base.
- Support the Bank’s growth through increased share of digital banking.
- Position mobile banking as the primary channel of interaction with customers, cater to all their needs via smart assistant Liy and live support assistants when necessary.
- Increase the number of end-to-end digital solutions/products and boost digital channel contribution to sales and transactions.
- Keep enhancing customers’ experience with advisory and financial health suggestions offered via mobile channels.
- Make customers’ lives easier through effective use of open banking opportunities and new partnerships.

**DIGITAL BANKING**
- 15.0 mm Digital active customers (+12% YoY)
- 14.8 mm Mobile active customers (+13% YoY)
- 35% QR transactions share
- 18% Mobile financial transactions share

2024 Strategic Priorities:
- Make customers’ lives easier through effective use of open banking opportunities and new partnerships.

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* Garanti BBVA updated its target to provide funding for financing sustainable activities between the years 2018 and 2025 TL 400 billion in 2023.
** SME loans per BRSA definition, market share among private banks.
** Micro enterprises are according to BRSA definition, calculated using BRSA monthly data.
*** Prepared according to Borsa data.

Garanti BBVA 2023 Integrated Annual Report
To automate and optimize business and operational processes further, Garanti BBVA Factoring continues its operations with the aim of enabling its customers to make sound financial decisions and expedite solution processes, thanks to its continuously invested technological infrastructure and a team of experts in artificial intelligence, machine learning, and big data. The company continues to increase its efficiency through high asset quality and effective risk management policies.

2023 Key Data
- 11.9bn TL Total Assets (+23.4 Y-o-Y)
- 1.7bn TL Total Equity (+120.6 Y-o-Y)
- 0.5% Asset Contribution to Garanti BBVA Group
- 4.5% Asset Contribution to Garanti BBVA Romania
- 1.8% NPL Ratio vs. sector avg. of 2.4%
- 0.6% NPL (Sector Average 1.3%) (NPL decrease Y-oY 0.7%)

2024 Strategic Priorities
- Reaching more customers and strengthening market share presence in both loans and deposits within all business lines.
- Accelerating the quality of the services provided to the customers with a particular emphasis on the transformation of core banking systems and a continued push for digitalization.
- Continuing the sales transformation project with the aim of sales focused approach throughout the bank and increasing the sales performance.
- Maintaining focus on profitability and effective risk management to preserve operational excellence.
- Prudential approach with a strong capital adequacy ratio and a well-established liquidity position with sufficient high quality liquid assets.
- Expanding sustainable solutions and further enhancing employee engagement.

Established in 1990, Garanti BBVA Factoring conducts domestic and international factoring transactions through a wide network, with the synergy of the BBVA. The company serves a broad customer base, including primarily SMEs and organizations with an extensive supplier and dealer network, with 11 branches in eight provinces across Turkey and 120 employees. Garanti BBVA Factoring continues its operations with the aim of enabling its customers to make sound financial decisions and expedite solution processes, thanks to its continuously invested technological infrastructure and a team of experts in artificial intelligence, machine learning, and big data. The company continues to increase its efficiency through high asset quality and effective risk management policies.

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2024 Strategic Priorities
- To focus on increasing digital products and services offered to SME customers.
- To ensure sustained growth by implementing close relationship management with Corporate and Commercial customers.
- To automate and optimize business and operational processes further with the aim of ensuring sustainability and increasing efficiency.

Established in 1997, Garanti BBVA Asset Management, Turkey’s first asset management company, offers services in the areas of investment funds, pension funds, and private portfolio management. The company aims to provide investors with investment opportunities in every asset class across all risk groups, and to maintain its sustainable performance, with its experienced team of 50 members. Garanti BBVA Asset Management focuses on enhancing the value of investors’ savings by developing new products and solutions, thereby reaching more investors.

2023 Key Data
- 256bn TL Asset Under Management (+52.2 Y-o-Y)
- 143bn TL Mutual Fund (+92 Y-o-Y)
- 83.6% Coverage Ratio vs. sector avg. of 65.1%
- 22.6% Capital Adequacy Ratio
- 1bn TL Financial Contribution to Garanti BBVA (GPM Net Profit + TBB Investment Fund Commission Income)
- 482k Investor Accounts in Mutual Funds (+19 Y-o-Y)
- 526k Number of investment funds available for bank customers to invest in

2024 Strategic Priorities
- To enhance the value of investors’ savings by developing new products and solutions, thereby reaching more investors.
- To maintain sustainable fund performance by closely monitoring developments and trends in the markets.
- To reduce new product, integration costs, improve user experience, and enhance infrastructure capacity utilization through the new fund module project.

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- To ensure sustained growth by implementing close relationship management with Corporate and Commercial customers.
- To automate and optimize business and operational processes further with the aim of ensuring sustainability and increasing efficiency.
Established in 1990 to engage in leasing activities in Türkiye and abroad, Garanti BBVA Leasing serves its clients in Türkiye through its 11 branches, call center, its website, mobile site and social network channels. In addition to its contribution to the Bank’s BRSAs consolidated financials, the Company continues to create value through its 100% owned subsidiary Garanti BBVA Fleet, which ended the year 2023 generating TL 3,442 million in profits.

2024 Strategic Priorities
- To increase customer penetration.
- To enhance the customer experience by updating the e-Trader application with rich functionalities and contents, and to serve customers from a single platform by adding foreign markets to the application.
- To reach different target and segment customer groups by increasing the diversity of the products serviced.
- To increase customer penetration.

2023 Key Data
- 30,513 million TL Total Assets (+84% YoY)
- 4,405 million TL Net Profit (+103% YoY)
- 13,000 million TL 2022 Registered Contracts New Business/Volume (+70% YoY)
- 1.6% Asset Contribution

2024 Key Data
- 2.2 billion TL Total Assets (+11% YoY)
- 100.8 billion TL Total Private Pension System (PPS)/Fund/Cap
- 16.64% Total Number of PPS Participants Market Share
- 2.9 million Total Number of PPS Participants
- 10.7 billion TL Asset Size (+14% YoY)
- 49% of all PPS sales are from digital channels

200 thousand PPS participants under the age of 28

Garanti BBVA Fleet, with its strong and competent staff, has been providing fleet management services for all brands and models of passenger vehicles sold in Türkiye, light commercial vehicles as of 2020 and electric and hybrid vehicles with its sustainability strategy since 2007. Garanti BBVA Filo is one of the most credible companies in the industry, with the strongest financing opportunities, with a total active park of 25,245 vehicles and an asset size of TL 16.6 billion as of the end of 2023.

2024 Strategic Priorities
- Our company plans to increase its fleet to 27,000 in 2024.
- Garanti BBVA Fleet aims to increase its contribution to the bank’s sustainable profitability target by continuing to invest in its technological infrastructure and competent human resources, while maintaining its distinctive position in the sector with its strong brand image and advanced risk management systems.

- Maintaining industry leader position in digital sales.
- Developing Financial Consultancy service for upper segment customers on issues such as savings, health and fund management.
- Increase market share in PPS for under the age of 38.
- Increase individual and company penetration in life insurance.
Summary of the Board of Directors' Annual Report

2023 was shadowed by monetary tightening measures in effort to control inflationary pressures and increasing geopolitical risks. Although markets showed a more positive trend towards the end of the year, growth is expected to continue slowing down in 2024. Expansionary fiscal policies preceding elections in many countries and resilient labor market conditions may support economic growth, leading to a more moderate slowdown in global growth.

Looking at the Turkish economy, despite the earthquake disaster and imbalances in the global economy, growth remained robust in 2023. With the expansionary monetary policy in the first half of the year giving way to orthodox policies in the second half and with a slight slowdown in the economy, GDP growth is expected to reach 4.5% in 2023. However, in 2024, parallel to the tightening measures implemented, growth is expected to decrease to 3.5% due to a decline in domestic demand.

Throughout the year, macro-prudential policies and regulations guided the banks’ balance sheets, while the tightening measures taken by the Central Bank in the second half of the year increased pressure on banks’ margins. Despite this challenging environment, Garanti BBVA continued to preserve its capital and support its customers. With its strong capital base, competent human resources, and advanced technological infrastructure, the Bank easily met the expectations of both regulatory authorities and stakeholders by adapting to this rapidly changing environment.

As Garanti BBVA, we are pleased to report continued improvement in our operational results this year. With our robust and healthy balance sheet structure in terms of capital generation capacity, liquidity, and profitability ratios, we continue to provide uninterrupted support to the economy. In 2023, the Bank reported a consolidated net income of TL 86 billion 907 million. In parallel with the improvement in the macroeconomic outlook, the Bank reversed the previously allocated 8 billion TL free provisions during the year, included it into its capital.

In 2023, Garanti BBVA’s return on equity was registered as 44.5% and return on assets was 4.9%. The capital adequacy ratio was well above legal limits at 16.5% in 2023 (excluding BRSA’s forbearance). The Bank’s strong net income generation capacity, sound liquidity, and capital ratios carry it to a leading position in the sector.

Despite the pressure on net interest margin, the key drivers behind the 49% year-on-year increase in net income were:

- Diversified and robust commission base: Garanti BBVA succeeded in increasing its net fees and commissions by 140% during the year thanks to its strong position in credit cards, diversified commission sources, and expanding customer base. Payment systems and transaction volumes strengthened its leadership in TL time and demand deposits. Payment services and transaction volumes continued to be the most important factors behind the Bank’s commission generation capacity. Garanti BBVA maintained its leadership in acquiring and issuing volumes, as well as TL cash and non-cash loans.
- Increased FX buy/sell activity: Trading income (excluding swap costs and currency hedge) supported the bottom line with a year-on-year increase of 80% due to the depreciation and volatility in the exchange rate during the year.

- Better-than-expected asset quality: With the low credit risk environment during the first half of the year, asset quality performance was exceptionally good as the net cost of risk excluding currency impact was realized below expectations at 61 basis points in 2023.

- Increased contribution from subsidiaries: The income derived from Garanti BBVA’s subsidiaries increased by 162% in 2023 compared to the previous year. The largest contribution to this increase came from Garanti BBVA International, Securities, and Fleet.

In 2023, loan growth mainly occurred in Turkish lira loans, while foreign currency loans increased by 5% in US dollar terms, exceeding the Operating Plan expectations. TL loan growth during the year was 59%. The driving force behind the growth was credit cards and TL business loans. Garanti BBVA rose to the leading position among private banks in TL loans, and the Bank’s market share in TL performing loans among private banks reached 20.3%.

Within Garanti BBVA’s diversified and dynamic funding structure, the largest share continued to be customer-focused deposit base. While TL customer deposits increased by 107% year-on-year in line with the “Liraization” strategy, the driving force behind the growth was TL time deposits, which increased by 134%. In light of this, foreign currency deposit volume decreased by 4%.

As the bank that achieved the highest increase in TL deposits in 2023, Garanti BBVA strengthened its leadership in TL time and demand deposits, indicating that Garanti BBVA is the main preference of customers.

Garanti BBVA’s external debt decreased from $5.0 billion at the end of 2022 to $4.1 billion in 2023. On the other hand, the FX liquidity buffer level was $6.3 billion. The significantly lower FX loan volume in previous years reduces the need for external borrowing (the FX loan portfolio, which was $23 billion at the end of 2017, decreased to $16 billion by the end of 2023).

Operational expenses increased by 103% in 2023. When adjusted for donations made for the earthquake disaster in our country and the currency impact which is 100% hedged, this increase was 89%, indicating a growth below the Operating Plan Guidance expectations. In light of these, cost/income ratio normalized compared to the previous year and was realized as 34.8%, representing the lowest ratio among private peers.

As Garanti BBVA, we continue to strive to do our best to look after our world and our future, and we are committed to our efforts in this area. We announced our mid-term decarbonization goals compatible with the Paris Agreement Capital Transition Assessment (PACTA) methodology with sustainability efforts prioritizing climate crisis and inclusive growth. At the same time, as Garanti BBVA, we became the first bank in Türkiye to announce that we will not finance coal plants and coal mines. The Bank will minimize the risks associated with existing coal activities by 2030 and exit this sector entirely by no later than 2040. Garanti BBVA has committed to contributing 400 billion TL to BBVA’s 2025 €300 billion sustainable mobilization target and has contributed 120 billion TL to this target since 2018.

We will continue to pioneer the sector with our achievements and innovations in both the financial and sustainability fields.

Dear Shareholders,

We present to you our Integrated Annual Report for 2023 for your review and approval, which contains information about our activities throughout the year. We would like to thank our stakeholders for their trust in us and our employees for their dedicated efforts.
What is the secret behind your unbroken leadership in Net Promoter Score every year?

Can you elaborate 2023 in terms of sustainable finance?

Scan the QR code or click here to watch the video for the answers.

Executive Vice President
Corporate & Investment Banking and Global Markets

MAHMUT AKTEN
Double Materiality Analysis

The requirements established by Global Reporting Initiative Standards (GRI Standards) that enter into force in January 2023 was followed to determine the material issues. As BBVA Group, we identified and assessed the set of links between the company and the three pillars of sustainable development, from the perspective of the company’s impacts on the environment and people through its activity – impact materiality – and the impact that the environmental and social issues have on the company’s activity – financial materiality.

Issues are considered material if they have a high probability of generating a significant impact on both Garanti BBVA’s financial situation and its stakeholders and the broader environment.

The association between potentially material issues with the analysis of impact materiality (Y axis) and financial materiality (X axis) makes it possible to sort these issues into two axes according to Garanti BBVA’s impact on environmental and social issues and these issues’ impact on the Bank. This enables the Bank to identify the most relevant material issues in order to prioritize the Bank’s focus and actions to tackle possible impacts or opportunities.

The assessment, conducted by the BBVA Group, is overseen by the members are from Garanti BBVA’s Investor Relations, Sustainability, Strategic Planning, Compliance, Corporate Brand Management & Marketing and Customer Experience departments. Results are presented to the bank’s Sustainability Committee for discussion and approval.

In 2023, we have identified 9 material issues, compared to 13 issues published in 2022 analysis.

- “Digital Transition and Empowerment”, and “Financial health and personalized advice to clients” are renamed and unified into a single issue as “Clients: Accessibility of commercial channels and financial health advice”. Although the issue “Corporate governance and proper management of all risks” is not separately defined as material issue, it becomes a requirement to be fulfilled by each of the material issues.
- Additionally, “Ethical behavior, culture, and customer protection,” and part of the issue “Corporate governance and proper management of all risks” renamed and unified into a single issue as “Integrity and ethical behavior in business”.
- “Diversity and Work-Life Balance” and “Employee Engagement” renamed and unified into a single issue as “Employees”.
- The issue “Solvency and financial results” ceases to be classified as a material issue since it is a cross-cutting financial issue.
- to be classified as a material issue and becomes a requirement to be fulfilled by each of the material issues. In other words, each of the 9 material issues must have a governance model and proper management of all their risks, of any type.

As a result of this double materiality analysis, key material issues are:

1. Climate Change: Measures aimed at adapting to the consequences of climate change, including the establishment of policies, identification and management of climate risks and opportunities, and defining decarbonization goals for the portfolio aligned with the Paris Agreement.

2. Inclusive Growth: Promoting access to funding for vulnerable individuals or those with low incomes and small businesses/professionals with fewer resources and possibilities, accompanied by financial and digital education actions. Developing new products with the help of new technologies to access new markets previously inaccessible due to risk factors. Supporting governments and companies to promote employment and local development of territory and communities. Promoting society’s development through community investments carried out by the company.

3. Clients: Accessibility of Commercial Channels and Financial Health: Offering a good experience for all clients, ensuring the simplicity, agility, speed, and self-service of channels, while fostering innovation and digitization of services. Also, providing solutions that promote the financial health of clients, taking care of their finances and offering proposals or solutions to complex issues that require greater expertise.

4. Integrity and Ethical Behavior in Business: Ensuring an environment of business integrity and ethics by complying with regulations and establishing policies, standards, internal procedures, and other control measures to prevent and manage risks related to anti-competitiveness, monopolistic practices, market abuse, corruption, bribery, and money laundering, among others. Implementing measures to identify, prevent, and manage conflicts of interest, as well as addressing the interests of clients, including transparency in client information and prevention and detection of unethical sales practices.
5. Cybersecurity: Measures aimed at ensuring the security of the entity at the software and information security levels to prevent theft, attacks, or alterations of any kind that could compromise the credibility and good practices of the company.

All of the material issues are covered by the Bank’s 6 strategic priorities. In addition, for climate change and inclusive growth, 9 of the material issues are covered by the Bank’s 6 strategic

which are identified as key material issues that have an impact on people and environment. Garanti BBVA have set targets, and these are disclosed to the public.

You may find the report here.

### Process for Determining Material Issues

- **Phase 1 - Identification of material issues with the greatest impact on BBVA’s stakeholders and on BBVA itself.**

- **Phase 2 - Identification of potential impacts (positive and negative), as well as risks and opportunities for each of the identified issues.**

- **Phase 3 - Assignment of weights, quantification, and placement of issues in the double materiality matrix.**

- **Phase 4 - Application of expert criteria**

#### Potential and Current Issues generated by Garanti BBVA

### Impact Materiality

<table>
<thead>
<tr>
<th>Level</th>
<th>1st Level</th>
<th>2nd Level</th>
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<tbody>
<tr>
<td></td>
<td>Inclusive Growth</td>
<td>Climate Change</td>
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<td></td>
<td>Natural Capital</td>
<td>Defence of the Human Rights</td>
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<td></td>
<td>Customers: Accessibility of commercial channels and logical health</td>
<td>Employees</td>
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<td></td>
<td>Integrity &amp; Ethical Behaviour</td>
<td>Responsible Use</td>
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<td></td>
<td>Cybersecurity</td>
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### Financial Materiality

Potential and current issues affecting Garanti BBVA’s financial condition or operating performance

### PHASE 1 - IDENTIFICATION OF MATERIAL ISSUES

**For identified risk & opportunities on material issues please refer to the page 72-85.**

### PHASE 2 - IDENTIFICATION OF POTENTIAL IMPACTS

- **PHASE 1 - IDENTIFICATION OF MATERIAL ISSUES WITH THE GREATEST IMPACT ON BBVA’S STAKEHOLDERS AND ON BBVA ITSELF.**

  **Internal sources used:**

  1. Garanti BBVA’s material issues from previous years.

  2. Results of the Human Rights due diligence process carried out by BBVA in 2021, as well as subsequent updates and extensions made to it.

  3. Portfolio Impact Analysis Tool for Banks – UNEP-FI.

  4. The ENCORE tool for natural capital matters.

  **External sources used:**

  5. Consultations with stakeholders:

     - Customers, with a total of 1,204 surveys conducted in six countries (Argentina, Colombia, Spain, Mexico, Peru, and Türkiye), and non-customers, with a total of 1,138 surveys conducted in six countries (Argentina, Colombia, Spain, Mexico, Peru, and Türkiye).

     - Employees, with a total of 12,106 surveys conducted in eight countries (Argentina, Colombia, Spain, Mexico, Peru, Türkiye, Uruguay, and Venezuela).

     - Shareholders and investors: Investors and analysts feedbacks that Investor Relations team received.

  6. Garanti BBVA Reputation Risk Analysis

  7. BBVA Risk Assessment.

### PHASE 3 - ASSIGNMENT OF WEIGHTS, QUANTIFICATION, AND PLACEMENT OF ISSUES IN THE DOUBLE MATERIALITY MATRIX.

- **Garanti BBVA’s impact on the environment:** in order to quantify BBVA’s impact on the environment, the UNEP-FI impact identification tool (Portfolio Impact Analysis Tool for Banks) has been used as a base source. The results obtained have been complemented with other sources such as the human rights due diligence process conducted in 2021 and the ENCORE tool (for natural capital issues). Weightings have been assigned to each of the sources and score. The higher the score, the greater the impact.

- **Environmental impact on Garanti BBVA:** in order to quantify the impact that the environment has on BBVA, various sources have been used from the perspective of risks and opportunities of the issues, such as BBVA’s risk assessment. Garanti BBVA’s reputational risk analysis, customer, non-customer and employee surveys, and surveys of the investor relations area. The risk assessment has been carried out considering its impact and probability. Weightings have been assigned to each of the sources used and scores have been assigned. The higher the score, the greater the impact.

### PHASE 4 - APPLICATION OF EXPERT CRITERIA

Meetings have been held with the data domain areas. Accordingly, necessary adjustments were reflected on the results.

For each of these material issues, potential positive and negative impacts caused directly by Garanti BBVA or its value chain in the environment have been identified, as well as the risks and opportunities that can affect the value of BBVA in the short, medium, and/or long term.
MATERIAL ISSUES

Environmental

Materiality of Impact

<table>
<thead>
<tr>
<th>Subject</th>
<th>Description</th>
<th>Positive Impacts</th>
<th>Negative Impacts</th>
<th>Risk</th>
<th>Opportunities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Climate Change</td>
<td>Measures aimed at adapting to the consequences of climate change include the establishment of policies, identification and management of climate risks and opportunities, definition of decarbonization goals for the portfolio aligned with the objectives of the Paris Agreement, and the inclusion of sustainability criteria, specifically climate change, in the credit analysis of customer operations.</td>
<td>• Reduction of greenhouse gas (GHG) emission levels and contribution to the achievement of goals set in the Paris Agreement by financing and supporting clients/sectors in transitioning towards a lower carbon economy.</td>
<td>• Financing customers without transition strategies towards a lower carbon economy and lack of support in this transition, leading to non-compliance with decarbonization goals set by the Paris Agreement.</td>
<td>• Litigation and sanctions related to non-compliance with climate change regulations.</td>
<td>• Financing of new activities linked to the energy transition (mitigation and adaptation):</td>
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<tr>
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<td>• Reduction of GHG emission levels and contribution to the achievement of goals set in the Paris Agreement by directing and driving financing towards more sustainable sectors and activities.</td>
<td>• Lack of adaptation or slow adaptation of financial products to the effects of climate change.</td>
<td>• Lack of adaptation of the portfolio (especially high-risk sectors) to climate transition (transition risk).</td>
<td>• Reuse of oil and gas transport assets for bishells: SP;</td>
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<td></td>
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<td>• Reduction of pollution levels by directing and driving financing towards more sustainable sectors and activities.</td>
<td>• Portfolio exposure to acute and chronic physical risk events (storms, floods, heatwaves, etc.).</td>
<td>• Amortization and early withdrawal of existing assets (damage to properties and assets in “high-risk” locations).</td>
<td>• Electrification of the oil and gas industry and hydrogen use: SP;</td>
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<tr>
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<td>• Negative environmental impacts of the portfolio due to pollution in general, and from financing customers/sectors/operations with high GHG emissions that contribute negatively to climate change.</td>
<td>• Reduction in revenue due to financing/non-financing of highly polluting products/sectors.</td>
<td>• Renewables, SP;</td>
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<td>• Reduction in the value of fixed assets (e.g., highly polluting assets).</td>
<td>• Green hydrogen, SP;</td>
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<td>• Increase in costs and decrease in demand for products and services due to fines and judgments.</td>
<td>• Nuclear fusion, LP;</td>
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<td>• Distribution of solar panels in construction and infrastructure, SP;</td>
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<td>• Building renovation, SP;</td>
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<td>• Adaptation infrastructures, SP;</td>
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<td>• Low-emission electric transportation, SP;</td>
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<td>• Metals for electric vehicles, SP;</td>
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<td>• Agricultural waste for biogas, SP;</td>
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<td>• Energy in agricultural plants, SP;</td>
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<td>• Drought-resistant products, SP;</td>
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<td>• Use of sustainable fertilizers and feeds: SP</td>
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<td>• Carbon credit markets, SP;</td>
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<td>• Circular economy: SP;</td>
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<td>• Other sectors towards carbon neutrality: SP.</td>
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</tbody>
</table>

Additional information related to measures taken to manage the issue, associated impacts, and the monitoring of the effectiveness of the adopted measures can be found at BBVA’s Annual Report 2023.
<table>
<thead>
<tr>
<th>Subject</th>
<th>Description</th>
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<th>Opportunities</th>
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</thead>
</table>

### Customers: accessibility of commercial channels and financial health

Offer a good experience for all customers, ensuring the simplicity, agility, speed and self-service of the channels, in addition to promoting innovation and digitization of the service. Likewise, offer proposals or solutions that promote the financial health of our clients, taking care of their finances and offering proposals or solutions on issues that are more complex or require greater specialization.

- Positive contribution to the health of the economy through access to quality and personalized financial services.
- Positive contribution to the financial health and well-being of clients.
- Positive contribution to consumer protection.
- Financial education for clients and society in general, and specific for disadvantaged and/or vulnerable groups.
- Contribution to the transformation toward a digital and connected economy.
- Access to financing and financial services through the promotion of new channels, products and digital services.
- Access to financing and financial services by facilitating accessibility, simplicity and agility in customer transactions.

<table>
<thead>
<tr>
<th>Social</th>
<th>Materiality of Impact</th>
<th>Financial Materiality</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer accessiblity of commercial channels and financial health</td>
<td>• Positive contribution to the health of the economy through access to quality and personalized financial services.</td>
<td>• Lack of adaptation or slow adaptation to digital transformation expectations.</td>
</tr>
<tr>
<td></td>
<td>• Positive contribution to the financial health and well-being of clients.</td>
<td>• Loss of business due to competition from digital players providing financial services.</td>
</tr>
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<td></td>
<td>• Positive contribution to consumer protection.</td>
<td>• Costs associated with investments resulting from the approach and facilitation of services.</td>
</tr>
<tr>
<td></td>
<td>• Financial education for clients and society in general, and specific for disadvantaged and/or vulnerable groups.</td>
<td>• Implementation of solutions, products or services perceived as inadequate.</td>
</tr>
<tr>
<td></td>
<td>• Contribution to the transformation toward a digital and connected economy.</td>
<td>• Inadequate design of the products and services catalog, due to lack of inclusion of products and services with ESG orientation, or lack of inclusion of ESG criteria in products and services associated with failure to meet customer needs.</td>
</tr>
<tr>
<td></td>
<td>• Access to financing and financial services through the promotion of new channels, products and digital services.</td>
<td>• Inadequate management of customer claims/complaints.</td>
</tr>
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<td>• Access to financing and financial services by facilitating accessibility, simplicity and agility in customer transactions.</td>
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</tbody>
</table>

Additional information related to measures taken to manage the issue, associated impacts and monitoring of the effectiveness of the measures taken is included in the chapter:

- 3.2 Customers

The KPI linked to this issue is “Net Recommendation Index (IReNe) (see section "2.3.2 Customers - Responsible customer conduct Customer experience).” In addition, this KPI is used to calculate the AXR (see section “2.3.3 Employees - Remuneration”).
### Subject Description Positive Impacts Negative Impacts Risk Opportunities

**Inclusive Growth**
- Promote access to financing sources for vulnerable or low-income people and small businesses/professionals with fewer resources and possibilities, all accompanied by financial and digital education actions to promote responsible banking and informed decision-making.
- Develop new products with the help of new technologies, which allow access to new markets previously inaccessible due to the risk factor.
- Support governments and companies to promote employment and local development of the territory and communities.
- Promote the development of society through the philanthropic activities carried out by the Group.

<table>
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<tr>
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</thead>
<tbody>
<tr>
<td>Access to financing and financial services to people located in isolated or remote areas (e.g. rural areas).</td>
<td>Access to financing and financial services for vulnerable and disadvantaged groups, through both the offer of financing in general and through the offer of products specifically designed for these groups.</td>
<td>Increase in financial and digital education of clients and society in general, specifically that of disadvantaged and/or vulnerable groups.</td>
<td>Accessible, affordable and useful financial products.</td>
<td>Products aimed at SMEs and the self-employed with less access to financing and sustainable business models.</td>
<td>Strong and lasting public-private alliances.</td>
</tr>
<tr>
<td>Lack of access to finance and financial services in isolated or remote areas (e.g. rural areas).</td>
<td>Lack of access to financing and financial services for vulnerable and disadvantaged groups by not facilitating access to the general financing offer or by not creating an offer of specific products for these groups.</td>
<td>Reduced financial education of clients and society in general, specifically that of disadvantaged and/or vulnerable groups.</td>
<td>Financial products not accessible, affordable or useful.</td>
<td>Lack of products aimed at SMEs and the self-employed with less access to financing and sustainable business models.</td>
<td>Lack of collaboration with the third sector or with the public sector.</td>
</tr>
</tbody>
</table>

**Cybersecurity**
- No contribution or negative contribution to the health of the economy due to lack of protection or inadequate protection of customers’ finances.
- No contribution or negative contribution to the health of the economy due to lack of protection or inadequate protection of customers’ finances.
- Loss of competitiveness/revenue due to failures in information systems and/or lack of protection against cyber-attacks; leaks of confidential information and security breaches.
- Excessive dependence on service providers for cybersecurity management.

<table>
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<tr>
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</thead>
<tbody>
<tr>
<td>Measures aimed at guaranteeing the security of the entity at software and information security level to avoid theft, attacks or alterations of any kind, that could compromise the credibility and good work of the company.</td>
<td>Positive contribution to the health of the economy through the protection of customers’ finances.</td>
<td>Cybersecurity education for customers and society in general; resulting from information campaigns.</td>
<td>No contribution or negative contribution to the health of the economy due to lack of protection or inadequate protection of customers’ finances.</td>
<td>Loss of competitiveness/revenue due to failures in information systems and/or lack of protection against cyber-attacks; leaks of confidential information and security breaches.</td>
<td>Excessive dependence on service providers for cybersecurity management.</td>
</tr>
</tbody>
</table>

**Financial Materiality**
- Reputational loss due to lack of or insufficient financial inclusion measures.
- Loss of business opportunities due to not serving new segments (not expanding the customer base).
- Loss of opportunities in the development of financial products (less innovation).
- Loss of competitiveness/revenue due to excessive focus on financial inclusion.
- Reputational risk due to lack of contribution or inadequate contribution to the requirements of the social environment.
- Positioning and recognition by stakeholders, especially customers, as a company that provides and facilitates access to financing for vulnerable groups, disadvantaged areas and promotes the revitalization of the local and regional economy.
- Expansion of the customer base.
- Innovation and early access to new products and services aimed at disadvantaged and/or vulnerable groups or underserved areas.
- Positioning and recognition by stakeholders as a socially responsible company that contributes to the development of the societies in which it is present with its philanthropic activity.

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Additional information related to measures taken to manage the issue, associated impacts and monitoring of the effectiveness of the measures taken is included in the chapter:
- “2.1.3 Sustainability in business development”
- “2.3.1 Society”

The KPI linked to this matter is “Sustainable Business Mobilization” (see section “2.1.3 Sustainability in business development – Society”). In addition, the KPI is used to calculate the AVR (see section “2.3.3 Employees – Remuneration”).
### Business integrity and ethics

Guarantee an environment of business integrity and ethics, ensuring compliance with regulations in this issue and the establishment of internal policies, standards and procedures and other control measures to prevent and manage risks linked to anti-competitiveness and monopolistic practices, market abuse, corruption and bribery, and money laundering, among others. In addition to the implementation of measures aimed at identifying, preventing and managing conflicts of interest, as well as adequately addressing the interests of clients: transparency in client information; prevention and detection of bad sales practices, among others.1

<table>
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<tr>
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</thead>
</table>

1. Positive contribution to consumer protection.
2. Positive contribution to the health of economies.
3. Positive contribution to socioeconomic well-being.
4. Positive contribution to the achievement of ethical institutions.
5. Positive contribution to the health of economies through the mitigation of risks that may affect them.
6. No contribution or negative contribution to consumer protection.
7. No contribution or negative contribution to the health of economies.
8. Loss of competitiveness/revenue due to inappropriate advice and marketing (including malpractice and/or lack of transparency in the advice and marketing process, possible discrimination against customers in access to services and products; failure to offer products and services appropriate to the needs and/or type of customer, with special attention to vulnerable customers).
9. Loss of competitiveness/revenue due to inadequate product and service catalog design, including abusive clauses or wrong target audience.
10. Litigation related to non-compliance with customer protection matters arising from regulatory requirements.
12. Corporate governance structure or practices misaligned with good governance principles and standards.

### Additional information related to measures taken to manage the issue, associated impacts and monitoring of the effectiveness of the measures taken is included in the chapter:

- 2.4.1 Governance - Compliance and conduct
- The impacts identified, both positive and negative, are potential, as they come mainly from the UNEP-FI tool that considers the potential impacts of BBVA’s portfolio.
### OTHER ISSUES

#### Environmental

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Natural capital</td>
<td>Measures aimed at:  - Manage dependencies, impacts, risks and opportunities related to natural capital.  - Measures taken to preserve or restore biodiversity and ecosystems; sustainable use and protection of water and marine resources, prevention and control of pollution and transition to a circular economy.  - Development of products that guarantee responsible use of resources (energy, water, materials, etc.), and promotion of products and services with environmental content, aligned with the proper management of waste in accordance with the EU Taxonomy, which contribute to the circular economy and avoid pollution.  - Improve efficiency in the use of resources (raw materials (paper), water and energy) and waste generation in its own operations, in order to reduce the environmental and carbon footprint. It includes measures to promote the development and promotion of the circular economy and the prevention and management of waste.</td>
<td>• Reduction in the generation of waste produced by the entity’s own operations through management and circular economy measures.  • Reduction in the consumption of resources, mainly water, energy and paper, of the entity’s own operations through management and efficiency measures.  • Contribution to reducing and reversing the degradation of ecosystems by directing and promoting financing towards more sustainable sectors and activities and excluding more harmful activities.  • Contribution to the preservation or restoration of biodiversity through the financing of projects aimed at the protection and/or restoration of natural capital (forest protection, reforestation, restoration of ecosystems, etc.), including the blue economy.</td>
<td>• Negative environmental impacts derived from the waste produced by the entity’s own operations.  • Negative environmental impacts derived from the resources consumed, mainly water, energy and paper, in the entity’s own operations.  • Degradation of ecosystems through soil degradation, depletion of water resources, or destruction of forests and biodiversity as a consequence of the negative environmental impacts of the portfolio in general; and for the financing of clients / sectors / operations with high impact on the degradation of ecosystems.  • Degradation of ecosystems in areas of high ecological value through the financing of clients / operations with activity in these locations.</td>
<td>Financing of activities linked to the protection and restoration of natural capital (with its corresponding time horizon):  - Sustainable forest management.  - Reforestation.  - Blue economy.  - Nature-Based Solutions.  - Ecological agriculture.  - Adaptation of sectors in general to the degradation of ecosystems.  - Adaptation infrastructures.  - Anti-drought products.  - Ecosystem services credit markets.  - Cost savings through improved efficiency in resource consumption (water, energy, paper).  - Recognition for positioning as an environmentally efficient company.</td>
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### Responsible Use of Data

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<th>Subject</th>
<th>Description</th>
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<th>Risk</th>
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</thead>
<tbody>
<tr>
<td>Employees</td>
<td>Measures to ensure the management and integration of individual differences within the company’s stakeholders: implementation of discrimination, equality and diversity policies and plans; other initiatives aimed at ensuring equal opportunities, work-life balance, disconnection from work, and employee well-being. Talent management measures such as selection, attraction, retention and development of talent; Organization of working time; remuneration policies, competitive and fair wages; training policies and initiatives and career plans. Organization of social dialogue, including procedures for informing, consulting and negotiating with personal freedom of association, relationship with unions and collective bargaining agreements. Measures aimed at preventing occupational hazards and promoting the health (physical and mental) and safety of employees.</td>
<td>Positive contribution to the objectives of ensuring equal opportunities. Positive contribution to the well-being of society. Generation of quality employment and the payment of decent wages. Positive contribution to employees’ labor rights. Positive contribution to the safety, health and integrity of employees. Positive contribution to health and safety education.</td>
<td>No contribution or negative contribution to the objectives of ensuring equal opportunities. Contribution with worsening quality. No contribution or negative contribution to employees’ labor rights. No contribution or negative contribution to the safety, health and integrity of employees. No contribution or negative contribution to health and safety education.</td>
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Additional information related to measures taken to manage the issue, associated impacts and monitoring of the effectiveness of the measures taken is included in the chapter: – 2.3.2 Customers - Security and protection.

### Financial Materiality

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<tbody>
<tr>
<td>Social</td>
<td>Measures to ensure the management and integration of individual differences within the company’s stakeholders: implementation of discrimination, equality and diversity policies and plans; other initiatives aimed at ensuring equal opportunities, work-life balance, disconnection from work, and employee well-being. Talent management measures such as selection, attraction, retention and development of talent; Organization of working time; remuneration policies, competitive and fair wages; training policies and initiatives and career plans. Organization of social dialogue, including procedures for informing, consulting and negotiating with personal freedom of association, relationship with unions and collective bargaining agreements. Measures aimed at preventing occupational hazards and promoting the health (physical and mental) and safety of employees.</td>
<td>Positive contribution to the objectives of ensuring equal opportunities. Positive contribution to the well-being of society. Generation of quality employment and the payment of decent wages. Positive contribution to employees’ labor rights. Positive contribution to the safety, health and integrity of employees. Positive contribution to health and safety education.</td>
<td>No contribution or negative contribution to the objectives of ensuring equal opportunities. Contribution with worsening quality. No contribution or negative contribution to employees’ labor rights. No contribution or negative contribution to the safety, health and integrity of employees. No contribution or negative contribution to health and safety education.</td>
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<td>Employees</td>
<td>Measures to ensure the management and integration of individual differences within the company’s stakeholders: implementation of discrimination, equality and diversity policies and plans; other initiatives aimed at ensuring equal opportunities, work-life balance, disconnection from work, and employee well-being. Talent management measures such as selection, attraction, retention and development of talent; Organization of working time; remuneration policies, competitive and fair wages; training policies and initiatives and career plans. Organization of social dialogue, including procedures for informing, consulting and negotiating with personal freedom of association, relationship with unions and collective bargaining agreements. Measures aimed at preventing occupational hazards and promoting the health (physical and mental) and safety of employees.</td>
<td>Positive contribution to the objectives of ensuring equal opportunities. Positive contribution to the well-being of society. Generation of quality employment and the payment of decent wages. Positive contribution to employees’ labor rights. Positive contribution to the safety, health and integrity of employees. Positive contribution to health and safety education.</td>
<td>No contribution or negative contribution to the objectives of ensuring equal opportunities. Contribution with worsening quality. No contribution or negative contribution to employees’ labor rights. No contribution or negative contribution to the safety, health and integrity of employees. No contribution or negative contribution to health and safety education.</td>
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</thead>
<tbody>
<tr>
<td>Value Creation</td>
<td>Guarantee the privacy and security of personal data; ensure data protection against threats related to cybersecurity as well as leaks of personal data that pose a risk to the rights and freedoms of the interested parties (e.g. identity theft and debit and credit card fraud). Compliance with the regulations applicable to data protection, in the case of Spain, Organic Law 3/2018, of December 5, on Personal Data Protection, and guarantee of digital rights.</td>
<td>Positive contribution to the health of the economy through the protection of customers’ finances and data. Protection of the right to data protection. Education on responsible use of data for customers and society in general; resulting from information campaigns.</td>
<td>No contribution or negative contribution to the protection of the right to data protection.</td>
<td>Loss of competitiveness/revenue due to inadequate processing of customers’ personal information. Reputational risk due to inadequate processing of employees’ personal information. Litigation related to non-compliance regarding personal data use, arising from regulatory requirements.</td>
<td>Positioning and recognition by stakeholders, especially customers, as a company that makes responsible use of personal data.</td>
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</table>
Garanti BBVA 2023 Integrated Annual Report

Materiality of Impact

<table>
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<tr>
<td>Defense of the human rights</td>
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<tr>
<td>Measures aimed at:</td>
<td>Positive contribution to the protection of the human rights of employees, customers, third parties and society in general.</td>
<td>No contribution or negative contribution to the protection of human rights of employees, customers, third parties and society in general.</td>
<td>Reputational risk and litigation for non-compliance with employees’ human and labor rights.</td>
<td>Positioning and recognition by stakeholders as a company with a positive contribution to human rights.</td>
</tr>
<tr>
<td>• Conditions of employment: fair hiring and remuneration, labor rights and relations, and health and safety. It includes issues such as: forced labor, child labor, freedom of association and collective bargaining, equal pay or discrimination.</td>
<td>• Financing of customers/activities/sectors with a positive contribution to human rights (such as activities that provide access to services and commodities).</td>
<td>• Financing of customers/activities/sectors that violate human rights.</td>
<td>• Promotion of the financing of activities that provide access to services and basic products, especially for populations or regions with difficult access.</td>
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<tr>
<td>• Projects and products: impact on human rights derived from credit activity, with a focus on large corporate clients in sectors with great environmental or social impact (including local communities and indigenous populations);</td>
<td>• Contracting suppliers that violate the human rights of their employees.</td>
<td>• Contracting suppliers that violate the human rights of its employees.</td>
<td>• Strengthening relationships with suppliers by promoting the defense of human rights and establishing alliances.</td>
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</tr>
<tr>
<td>• Responsible supply chain: fair hiring, control of suppliers, and working conditions of its workers; discrimination, etc.</td>
<td>• Positive contribution to improving the protection of employers’ rights.</td>
<td>• Violation of the rights of direct employees.</td>
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</tr>
<tr>
<td>• Customer well-being: accessibility and service as well as safety and health and respect;</td>
<td>• Positive contribution to the social development of the countries in which we operate, by contracting local suppliers.</td>
<td>• Poor practices in social and governance matters by a third party supplier or contractor that may be linked to the company or the sector.</td>
<td></td>
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<tr>
<td>• Respect for communities: environmental protection and inclusive businesses;</td>
<td>• Positive contribution to the social development of the countries in which we operate, by contracting local suppliers.</td>
<td>• Unfair and abusive contractual conditions.</td>
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</tr>
<tr>
<td>• Integration into operational processes, identification and evaluation of the potential impacts that BBVA’s activity could have on human rights to prevent, mitigate and remedy them.</td>
<td>• Sustainable transformation of suppliers through the introduction of contractual clauses that require progress in Human Rights issues.</td>
<td>• Failure to contribute to the sustainable transformation of suppliers as a result of bad practices in the supplier approval process (e.g. working conditions that do not respect human rights) or failure to include sustainability requirements.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Additional information related to measures taken to manage the issue, associated impacts and monitoring of the effectiveness of the measures taken is included in the chapter — 2.3.5 Commitment to Human Rights.
Garanti BBVA seeks to have a positive impact on the lives of people, companies and as a whole the society through its activity. In this context, we focus on creating long-term value for all stakeholders with our responsible banking model.

We create value in various ways – by supporting economic growth via lending, creating job opportunities, providing a safe working environment and investing in community support programs. We also act as an agent for a social change. We take sector-leading action to ignite the transformation for a better future. At Garanti BBVA, we attach importance to not just the impact we create on the economy, but also to the impact we create on the environment, social life and technology and we act with this awareness.

Our Value Creation Model provides a general overview of our value chains and it is based on five capitals. Model should be read from left to right:

- **Natural and Social Capital**: Use of natural sources, our social ties, our brand, our environmental and social investments.
- **Human Capital**: Number of employees, our working model, our workplace and HR policies.
- **Financial Capital**: Assets, revenues, operating expenses and equity.
- **Digital and Intellectual Capital**: Our technological infrastructure, our processes and IT systems.
- **Relationship Capital**: Our communication and service channels, network.

### Value Creation Model

<table>
<thead>
<tr>
<th>Material Issues</th>
<th>Related Strategic Priorities</th>
<th>Value Creation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Climate-Change</td>
<td>Sustainability</td>
<td>Please see section “Sustainability and Community Investments”</td>
</tr>
<tr>
<td>2 Natural Capital</td>
<td>Sustainability</td>
<td>Please see section “Sustainability and Community Investments”</td>
</tr>
<tr>
<td>3 Customers: Accessibility of commercial channels and financial health</td>
<td>Financial Health; Reaching more Clients</td>
<td>Please see section “Customer Experience”</td>
</tr>
<tr>
<td>4 Inclusive Growth</td>
<td>Financial Health; Reaching more Clients</td>
<td>Please see section “Customer Experience”</td>
</tr>
<tr>
<td>5 Cybersecurity</td>
<td>Data and Technology</td>
<td>Please see section “Data and Technology”</td>
</tr>
<tr>
<td>6 Integrity &amp; Ethical Behavior</td>
<td>Financial Health; Data and Technology</td>
<td>The Best and the Most Engaged Team</td>
</tr>
<tr>
<td>7 Responsible Use of Data</td>
<td>Data and Technology</td>
<td>Please see section “Data and Technology”</td>
</tr>
<tr>
<td>8 Defense of the Human Rights</td>
<td>The Best and the Most Engaged Team</td>
<td>Please see section “Investment in Human Capital”</td>
</tr>
<tr>
<td>9 Employees</td>
<td>The Best and the Most Engaged Team</td>
<td>Please see section “Investment in Human Capital”</td>
</tr>
</tbody>
</table>

### OUR STAKEHOLDERS

In line with its responsible banking model, Garanti BBVA is in regular contact with its stakeholders, listening to their ideas and moving forward with the focus of being an inclusive bank in every field. Continuous feedback from stakeholders not only enables the Bank to better understand stakeholder expectations and more accurately meet their needs, but also provides a great opportunity to identify risks and opportunities, and to define its priorities and strategy more comprehensively. Today, dialogue with stakeholders significantly influences the management of sustainability in companies.

Garanti BBVA grouped its stakeholders as those impacted by the Bank through its operations, products and services and those that have an impact on the Bank’s achievement of its goal. Based on this analysis, key stakeholders are determined as:

- **Customers**
- **Employees**
- **Shareholders and investors**
- **Government agencies & regulatory bodies**
- **Society**

Non-governmental Organizations (NGOs) and international organizations, which monitor not just the public opinion but also the Bank’s activities and its contributions to the Sustainable Development Goals were taken into consideration as part of the society stakeholder.
• Competent human resource
• Hybrid Working Model
• Trainings in various fields from personal awareness to technical training
• Investments to programs for employee happiness
• Equal pay for work of equal value
• Diversity policies

Human Capital

• Equity
• Asset size
• Business model focused on capital generation, dynamic balance sheet management
• Data-driven and agile decision-making processes

Financial Capital

• Integration of artificial intelligence and machine learning systems
• Continuous investment in technology since the early 90s
• Investments in robotic process automation since 2019
• Experienced professionals in data science, teams working with agile discipline

Digital and Intellectual Capital

• Women Entrepreneur support program, Türkiye’s Woman Entrepreneur Competition, Türkiye Women Entrepreneur Academy, Garanti BBVA Accelerator Program, “Trade of Women” platform
• Accessible Banking Services, Partnership with Blindlook and Garanti BBVA Accessible Translation
• Unbanked Women Program (Hesabını Bilen Kadınlar Programı)
• Root cause analysis to reduce customer dissatisfaction

Relationship Capital

• 400 billion TL Sustainable Finance target
• Studies focused on combating the climate crisis and inclusive growth for 17 years
• Adding the sustainable finance target to the premium criteria of employees at all levels
• Active membership in 45 working groups and 30 initiatives
• Environmental and Social Impact Assessment Process (ESIAP) and Loan Policies (ESLP)
• The first signatory of the United Nations Net Zero Banking Association from Türkiye
• Coal Phase Out Plan

Natural and Social Capital

• Employee turnover
• Employee engagement score
• Hours training per FTE
• Absentee rate
• Gender pay gap
• Senior and middle-level woman employee rate

Human Capital

• Return on equity
• Dividend rate
• Tax payment
• Contribution to the economy with cash and non-cash loans

Financial Capital

• Share of digital sales in total sales
• Number of Robots contributing to the digital workforce
• Number of Customer Behavior scenarios analyzed on Complex Event Handling Platform
• Value added projects using Big Data and Machine Learning

Digital and Intellectual Capital

• Number of customers
• Net Promoter Score
• Products or services modified and developed according to customer feedback
• Change in customer complaints
• Net TCR Score
• The rate of interaction with the mobile banking “My Status” area, which focuses on financial health

Relationship Capital

• Total annual scope 1 and 2 GHG emissions (tCO2 e)
• Total annual waste quantity
• Emission reduction targets for carbon-intensive sectors
• Number of projects subjected to Environmental and Social Impact Assessment System
• Financing provided to Community Investment Programs
• Number of sustainability indices in which Garanti BBVA is included

Natural and Social Capital

• Total annual waste quantity
• Emission reduction targets for carbon-intensive sectors
• Number of projects subjected to Environmental and Social Impact Assessment System
• Financing provided to Community Investment Programs
• Number of sustainability indices in which Garanti BBVA is included

Human Capital
### HUMAN CAPITAL
- A happy and engaged organization
- Competency development-focused education solutions
- Acquiring the right talent and strong employer brand management
- An inclusive workplace with equal opportunities and diversity
- Employee health and well-being

### FINANCIAL CAPITAL
- 1644.5 ROE
- Turkey’s most profitable bank
- The bank with the highest market value
- The leading bank in TL loans

### DIGITAL AND INTELLECTUAL CAPITAL
- Delivering smarter, customizable solutions for customers more quickly
- Minimizing operational risk
- Ensuring customer privacy and information security, mitigating external fraud risks
- Contributing to customers’ digital transformation, digital customer penetration

### RELATIONSHIP CAPITAL
- Uninterrupted customer experience provided across all channels with an integrated channel strategy.
- Deepening and improving customer experience.
- Contributing to both the physical and financial freedoms of disabled customers
- Supporting entrepreneurs and women within the framework of inclusive growth
- Strengthening customers’ financial health
- Increasing customer awareness about addressing the challenges posed by the climate crisis

### NATURAL AND SOCIAL CAPITAL
- Financing the transition to a low-carbon economy
- Management of the environmental impacts of our activities
- Supporting the sustainable growth of our customer
- 875 million TL Financing provided to Community Investment Programs
- Long-term projects contributing to the community vision in the fields of sports, music, and culture.
- Supporting quality education.

### CONTRIBUTION TO SUSTAINABLE DEVELOPMENT GOALS

<table>
<thead>
<tr>
<th>Goal</th>
<th>Indicator</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. No Poverty</td>
<td>875 million TL Financing provided to Community Investment Programs</td>
</tr>
<tr>
<td>2. Zero Hunger</td>
<td>Long-term projects contributing to the community vision in the fields of sports, music, and culture.</td>
</tr>
<tr>
<td>4. Quality Education</td>
<td>Natural and Social Capital Goals</td>
</tr>
<tr>
<td>5. Good Jobs and Economic Growth</td>
<td>Enhancing customer experience and ensuring customer privacy and information security.</td>
</tr>
<tr>
<td>6. Decent Work and Economic Growth</td>
<td>Increasing customer awareness about addressing the challenges posed by the climate crisis.</td>
</tr>
<tr>
<td>8. Infrastructure and Innovation</td>
<td>Deepening and improving customer experience.</td>
</tr>
<tr>
<td>9. Sustainable Cities and Communities</td>
<td>Financing the transition to a low-carbon economy.</td>
</tr>
<tr>
<td>10. Responsible Consumption and Production</td>
<td>Competency development-focused education solutions.</td>
</tr>
<tr>
<td>11. Climate Action</td>
<td>Acquiring the right talent and strong employer brand management.</td>
</tr>
<tr>
<td>12. Life on Land</td>
<td>An inclusive workplace with equal opportunities and diversity.</td>
</tr>
<tr>
<td>13. Life Below Water</td>
<td>Employee health and well-being.</td>
</tr>
<tr>
<td>14. Life Above Water</td>
<td>A happy and engaged organization.</td>
</tr>
<tr>
<td>15. Peaceful and Inclusive Societies</td>
<td>Turkey’s most profitable bank.</td>
</tr>
<tr>
<td>16. Peace Justice, Strong Institutions</td>
<td>The bank with the highest market value.</td>
</tr>
<tr>
<td>17. Partnership for the Goals</td>
<td>The leading bank in TL loans.</td>
</tr>
</tbody>
</table>
Contribution to Sustainable Development Goals and Targets

We contribute to the United Nations 2030 Sustainable Development Goals and the Paris Agreement with our activities, collaborations and actions. The Bank published its first Sustainability Report in 2010, its Sustainability Policy in 2014, and its first Integrated Annual Report in 2017. In our 2023 Integrated Annual Report, we aim to explain in detail how we contribute to the Sustainable Development Goals with our practices. As Garanti BBVA, we contribute to all 17 Sustainable Development Goals and 70 targets.

Among these, SDGs that we have the most effect in parallel with our priority issues are:

1. Zero Hunger
2. Good Health & Well-being
3. Decent Work & Economic Growth
4. Industry, Innovation & Infrastructure
5. Clean Energy
6. Affordable & Clean Energy
7. Climate Action
8. Water & Sanitation
9. Industry, Innovation & Infrastructure
10. Reduced Inequalities
11. Sustainable Cities & Communities
12. Responsible Consumption & Production
13. Life on Land
14. Life below Water
15. Life on Land
16. Peace & Justice & Strong Institutions
17. Peace & Justice & Strong Institutions

SDG 1. NO POVERTY

1.4. By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate technology and financial services, including microfinance.

SDG 2. ZERO HUNGER

2.3. By 2030, double the agricultural productivity and incomes of small-scale food producers, in particular women, indigenous peoples, family farmers, pastoralists and fishers, including through secure and equal access to land, other productive resources and inputs, knowledge, financial services, markets and opportunities for value addition and non-farm employment.

2.4. By 2030, ensure sustainable food production systems and implement resilient agricultural practices that increase productivity and production, help maintain ecosystems, that strengthen capacity for adaptation to climate change, extreme weather, drought, flooding and other disasters and that progressively improve land and soil quality.

SDG 3. GOOD HEALTH & WELL-BEING

3.9. By 2030, substantially reduce the number of deaths and disabilities from hazardous chemicals and air, water and soil pollution and contamination.

3.6. Substantially increase health financing and the recruitment, development, training and retention of the health workforce in developing countries, especially in least developed countries and small island developing States.

SDG 8. DECENT WORK & ECONOMIC GROWTH

8.3. Promote the implementation of national strategies for eradicating poverty.

8.4. Target productive activities for the informal economy and their contributors, including the self-employed and micro, small and medium-sized enterprises, in all countries.

SDG 9. INNOVATION & INFRASTRUCTURE

9.4. By 2030, significantly increase access to affordable, safe and effective health and sanitation services.

9.5. By 2030, to increase significantly the proportion of the economic benefits from economic activities that reach people in the lowest 40% of income distribution.

SDG 10. REDUCED INEQUALITIES

10.1. By 2030, reduce at least by half the number of men and women who suffer from any form of violence.

10.2. By 2030, achieve full, productive employment and decent work for all women and men, including for young people and persons with disabilities, women migrant workers and persons in the informal economy, with equal opportunities for women and men.

SDG 11. SUSTAINABLE CITIES & COMMUNITIES

11.5. By 2030, deliver effective public and private policies to make cities and human settlements inclusive, safe, resilient and sustainable.

11.7. By 2020, ensure the consistent provision of affordable, safe and effective healthcare services.

SDG 12. RESPONSIBLE CONSUMPTION & PRODUCTION

12.5. By 2030, by 2030, achieve the sustainable management and efficient use of natural resources.

12.6. By 2030, implement integrated sustainability policies.

SDG 13. CLIMATE ACTION

13.5. By 2020, by 2020, increase the proportion of renewable energy in the global energy mix.

13.7. Establish and sustain the institutions needed for sustainable development and poverty eradication.

SDG 14. LIFE ON LAND

14.6. By 2020, achieve a significant reduction in the use and generation of hazardous chemicals and all forms of waste in the environment.

14.7. By 2030, ensure and promote the conservation and sustainable use of all mat
terial of terrestrial and marine origin.

14.8. By 2020, conserve and restore all types of ecosystems.

14.9. By 2030, substantially increase resource productivity and efficiency across the board.

SDG 15. LIFE BELOW WATER

15.6. By 2020, improve the security and protection of marine resources to reflect their true value.

15.7. By 2020, protect and restore ecosystems and marine biodiversity.

15.8. By 2030, protect at least 10% of all areas of all types of marine and coastal areas.

SDG 16. PEACE & JUSTICE & STRONG INSTITUTIONS

16.6. By 2030, ensure availability and sustainable management of water for all.

16.8. By 2030, achieve a significant improvement in access to sanitation in all developing countries and substantially reduce the proportion of population using inappropriate sanitation facilities.

16.10. By 2030, ensure the legal protection of all indigenous peoples and communities against illegal or arbitrary dispossession.

16.11. By 2030, protect and effectively enforce intellectual property rights.

16.12. By 2030, provide legal protection to all who are forcibly displaced in the context of armed conflict and other situations of violence and intensify efforts to support the voluntary repatriation, rehabilitation and resettlement of internally displaced persons, as well as refugees and other persons of concern.

16.13. By 2030, ensure access to fundamental human rights, in particular freedom of expression, including for cultural expression.

16.14. By 2030, achieve a significant reduction in all forms of violence against all gender.

16.15. By 2030, ensure the effective implementation of national policies, strategies and programmes to promote sustainable development in all countries.
4.3. By 2030, ensure equal access for all women and men to affordable and quality technical, vocational, and tertiary education, including university.

4.4. By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs, and entrepreneurship.

4.5. By 2030, eliminate gender disparities in education and ensure equal access to all levels of education and technical and vocational training for the vulnerable, including persons with disabilities, indigenous peoples and children in vulnerable situations.

4.6. By 2030, build and upgrade education facilities that are child-friendly, gender-sensitive, and provide safe, non-violent, inclusive and effective learning environments for all.

4.7. By 2030, ensure that all learners acquire knowledge and skills needed to promote sustainable development, including, amongst others, through education for sustainable development and sustainable lifestyles, human rights, gender equality, public health, the environment, and non-violence, global citizenship, and appreciation of cultural diversity and of culture’s contribution to sustainable development.

5.1. Encourage policies and investments to enable technology, in particular information and communications technology, to promote the empowerment of women and girls everywhere.

5.2. Enhance the use of enabling technology to promote the empowerment of women and girls everywhere.

5.3. End all forms of discrimination against all women and girls everywhere.

5.4. Ensure women’s full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.

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5.5. Ensure women’s full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.

5.6. Adopt and strengthen sound policies and enforceable legislation for the promotion of gender equality and the empowerment of all women and girls at all levels.

In July 2023, we launched the Unbanked Women Program with the aim of supporting the active participation of women in the economy who have not previously encountered banking services or have limited communication with them. (page 165)

The amount of TL cash loans provided under financing support for unbanked women entrepreneurs, categorized as a special customer group, increased significantly, with a total of 572 transactions, the end of 2023 in all segments combined. (page 166)

A total of 350 women were reached by the Turkish Women Entrepreneurship Academy in 2023. (page 168)

As per its mission to create new markets, Garanti BBVA has become the main sponsor of the “Trade of Women” platform led by KASKER (Women Entrepreneurs Association of Turkey) to strengthen cooperation of women entrepreneurs with one another and other entities and to seize new opportunity. The Platform will facilitate women entrepreneurs’ cooperation and relevant entities that will support their participation in procurements and tenders. (page 166)

In 2023, a cooperation agreement was signed with UN Women in 2016. (page 153)

A cooperation agreement was signed with UN Women in 2016. (page 153)

In 2022, by taking steps towards increasing access to new capital and implementing innovations in flexible working environments, we continued to be the only bank in Turkey to feature in the Bloomberg Gender Equality Index for seven consecutive years, achieving a score of 91.06 in 2023. (page 153)

Within the scope of Environmental and Social Loan Policies, social impacts are evaluated and risks are reduced as much as possible. (page 215)
6.1. By 2030: achieve universal and equitable access to safe and affordable drinking water for all.

6.2. By 2030: improve water quality by reducing pollution, eliminating dumping and minimizing release of toxic chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally.

6.3. By 2030: protect and restore water-related ecosystems, including mountains, forests, wetlands, rivers, aquifers and lakes.

7.1. By 2030: ensure universal attendance, affordable and quality health care for all.

7.2. By 2030: ensure universal health coverage.

7.3. By 2030: double the global rate of improvement in water and sanitation.

7.4. By 2030: ensure access for all people, at all stages of life, to affordable, clean, safe, and sustainable energy, while expanding affordable and clean energy technologies for all.

8.5. Take immediate and effective measures to eradicate forced labour, and modern slavery and human trafficking.

8.6. Protect labour rights and promote secure and decent work for all.

9.1. By 2020, develop and operationalize a global strategy on women’s economic empowerment.

9.2. By 2025 end child labour in all its forms.

9.3. By 2025 protect and promote the rights and safety of migrant workers and their families.

10. Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all.

10.2. By 2020, develop and support a digital strategy for youth employment and implement the G20 Labor Part of the International Labour Organization

FINANCIAL REPORTS
AND APPENDIX
OUR VALUE
CREATION
INTRODUCTION
GARANTI BBVA'S POSITION
IN THE SECTOR
CLEAN WATER & SANITATION
DESCRIPTION
STATUS
RELATED MATERIAL
ISSUES
6.1. By 2030: achieve universal and equitable access to safe and affordable drinking water for all.
Within the scope of the Blue Breath (Mavi Hava) project which is carried out in cooperation with Turkish Marine Environment Protection Association (“TURKEMPA”), seaweed is reaped approximately 200,000 tons of waste. Within the project, 2 sea swallowers operate in the Istanbul Strait. 1 liquid waste collection boat operates in Adapazari, and 2 sea swallowers collect solid and liquid waste in Van. (page 253)

6.2. By 2030: improve water quality by reducing pollution, eliminating dumping and minimizing release of toxic chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally.
As of March 31, 2021, the commitment to reduce and prevent the use of plastic declared to the Business World Plastic Initiative in 2021, has resulted in a reduction of 108,65 tons of plastic over the declared two-year period. (page 184)

6.6. By 2020: protect and restore water-related ecosystems, including mountains, forests, wetlands, rivers, aquifers and lakes.
In 2023, the bank, in addition to the Zonguldak Pea Field and Periklini Campus facilities, has been awarded the Basic Level Zero Waste Certificate by the Ministry of Environment, Urbanization and Climate Change for 14 service buildings. (page 183)

ENVIRONMENTAL AND SOCIAL LOAN POLICIES
DESCRIPTION
STATUS
RELATED MATERIAL
ISSUES
Loans disbursed under Green Mortgage in 2023: TL 1.4 billion (page 389)
Commitment to finance new investments in coal plants and coal mines and to zero risks associated with social activities in the portfolio by 2040 at the latest (page 375)
Since the introduction of the ISO 14001 Environmental Management System in 2012, the Bank’s carbon intensity decreased by 98% (page 148)
Garanti BBVA’s Eco-efficiency Plan, Climate Change Action Plan 2021-2025, and the Carbon Footprint and Energy Efficiency Plan were launched (page 131)
Garanti BBVA’s Eco-efficiency Plan, Target to cut at least 30% of the annual energy consumption from renewables and to reduce energy consumption per square meter and per employee each year between 2021-2025 (page 131)
Remote Eye System achieved a 15% savings in electricity consumption compared to the same periods in 2019-137 of bank’s locations (page 183)
In 2013, financing for energy efficiency projects assessed 430 million TL. (page 389)
Across the region of 2022, solar panels have been installed on the roofs of 41,476. With these installations, approximately 50% of the bank’s monthly energy consumption (annual 250 MWh) can be produced by solar energy (page 184)

9.1. By 2020, develop and operationalize a global strategy on women’s economic empowerment.
Within the scope of Environmental and Social Loan Policies, social impacts are evaluated and risks are reduced as much as possible. (page 250)
9.1. Develop quality, reliable and sustainable infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and accessible access for all.

9.2. Promote inclusive and sustainable industrialization and, by 2030, significantly raise industry’s share of employment and gross domestic product, in line with national circumstances, and double its share in least developed countries.

9.3. Increase the access of small-scale industrial and other enterprises, in particular in developing countries, to financial services, including affordable credit, and their integration into value chains and markets.

9.4. By 2030, upgrade infrastructure and retrofit industry to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally friendly technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.

9.5. Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries, by 2030, encouraging innovation and substantially increasing the number of research and development workers per 1 million people and public and private research and development spending.

9.6. Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries, by 2030, encouraging innovation and substantially increasing the number of research and development workers per 1 million people and public and private research and development spending. Support domestic technology development, research and innovation in developing countries, including by ensuring a conducive policy environment for: inter alia, industrial development and value addition to commodities.

9.7. By 2030, progressively achieve a fair and equitable distribution of the global burden of climate change and take effective measures to minimize and slow down climate change, including by CRP, taking into account different national circumstances.

9.8. By 2030, ensure that all countries, especially least developed countries, unilaterally or through regional and global cooperation, achieve a climate-resilient infrastructure, including by CRP, taking into account different national circumstances.
11.3. By 2030, enhance inclusive and sustainable urbanization and capacity for poverty alleviation, integrated and sustainable human settlement planning and management in all countries.

11.4. Strengthen efforts to protect and safeguard the world’s cultural and natural heritage.

11.4.1. Total per capita expenditure on the preservation, protection and conservation of all cultural and natural heritage, by source of funding (public, private), type of heritage (cultural, natural) and level of government (national, regional, local/municipal).

11.6. By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste-management.

11.8. By 2030, achieve the sustainable management and efficient use of natural resources.

12.1. Responsible Consumption & Production

12.2. By 2030, achieve the sustainable management and efficient use of natural resources.

12.4. By 2020, achieve the environmentally sound management of chemicals andall asbestos throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize the adverse impacts on human health and the environment.

12.5. By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.

12.6. Encourage companies, especially large and transnational companies, to adopt sustainable management practices and to integrate sustainability by information into their reporting cycle.

12.8. By 2030, ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature.

12.12. Ratios of coal inefficient fossil-fuel subsidies that encourage wasteful consumption by removing market distortions, in accordance with national circumstances, by including a small tax on fossil fuels and phasing out those harmful subsidies, where they exist, to reflect their environmental impacts, taking fully into account the specific needs and conditions of developing countries and minimizing the possible adverse impacts on their development in a manner that protects the poor and the affected communities.
13.1. Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.

13.2. Integrate climate change measures into national policies, strategies and planning.

13.3. Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.

13.4. Mobilize and significantly increase financial resources from all sources to conserve and sustainably use biodiversity and ecosystems.

14.1. By 2025, prevent and significantly reduce marine pollution of all kinds, in particular from land-based activities, including marine debris and nutrient pollution.

14.2. By 2020, sustainably manage and protect marine and coastal ecosystems to avoid significant adverse impacts, including by strengthening their resilience, and take action for their restoration in order to achieve healthy and productive oceans.

15.1. By 2020, ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under international agreements.

15.2. By 2030, substantially increase afforestation and reforestation.

15.3. By 2030, achieve the restoration of degraded lands, and restore degraded peatlands globally.

15.4. By 2030, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.

In collaboration with WNP, Turkey, we initiated the “Turkey’s Life: Fire Management Grant Program” in June 2022. As of the end of 2023, a total of 6 projects have been implemented under the support program. (page 250)

Garanti BBVA 2023 Integrated Annual Report
### PEACE, JUSTICE AND STRONG INSTITUTIONS

<table>
<thead>
<tr>
<th>ISSUE</th>
<th>DESCRIPTION</th>
<th>GARANTI BBVA ACTION</th>
<th>STATUS</th>
<th>RELATED MATERIAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>16.4.</td>
<td>By 2030, significantly reduce illicit financial and arms flows, strengthen the recovery and return of stolen assets and combat all forms of organized crime</td>
<td>- TCF and Reparation Training</td>
<td>Communicating with Violence Victims Employees training was designed specifically for TCF and Culture Advisors. (page 153)</td>
<td>- Environmental and Social Loan Policies</td>
</tr>
<tr>
<td>16.5.</td>
<td>Substantially reduce corruption and bribery in all their forms</td>
<td>- Equal (Edilbus) Project</td>
<td>Ethics Reporting Hotline (page 237)</td>
<td>- Garanti BBVA Code of Conduct</td>
</tr>
<tr>
<td>16.6.</td>
<td>Develop effective, accountable and transparent institutions at all levels</td>
<td>- Whitecollarwhistleblowing Channel</td>
<td>Inclusions, Gender Equality, and Anti-Corruption Trainings (page 237)</td>
<td>- Integrity Committee</td>
</tr>
<tr>
<td>16.7.</td>
<td>Ensure responsive, inclusive, participatory and representative decisionmaking at all levels</td>
<td>- Corruption Trainings (page 237)</td>
<td>Ethics, Gender Equality, and Anti-Corruption Trainings (page 237)</td>
<td>- Specific Guidelines</td>
</tr>
</tbody>
</table>

### PARTNERSHIPS FOR THE GOALS: STRENGTHEN THE MEANS OF IMPLEMENTATION AND REVITALIZE THE GLOBAL PARTNERSHIP FOR SUSTAINABLE DEVELOPMENT

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<tbody>
<tr>
<td>17.7.</td>
<td>Promote the development, transfer, dissemination and diffusion of environmentally sound technologies to developing countries on favourable terms, including on concessional and preferential terms, as mutually agreed</td>
<td>- Sustainability-themed sectoral working groups</td>
<td>Employment of UNEP FI Impact Tool (page 181)</td>
<td>- TUSIAD Working Group</td>
</tr>
<tr>
<td>17.14.4</td>
<td>Enhance policy coherence for sustainable development</td>
<td>- Environmental and Social Loan Policies</td>
<td>Involvement in the decarbonization of the banking industry with Net Zero Banking Alliance, Science-Based Targets initiative pledges. (page 181)</td>
<td>- Net Zero Banking Alliance</td>
</tr>
<tr>
<td>17.13.</td>
<td>Encourage and promote effective public, private and civil society partnerships building on the experience and resourcing strategies of partner ships</td>
<td>- Sustainable Finance</td>
<td>Contribution is lent to customers and financial institutions to improve their environmental and social performances through partnering on environmental and social issues. (page 171)</td>
<td>- Sustainability and Social Loan Policies</td>
</tr>
<tr>
<td>17.13.</td>
<td>By 2030, build on existing initiatives to develop measurements of progress on sustainable development that complement gross domestic product, and support statistical capacity building in developing countries</td>
<td>- Innovation and Inclusivity</td>
<td>The value we create through our partnerships with DAV, TURISP, biocatalyst, and AGIBER can be found in the &quot;Community Experience&quot; section. (page 171)</td>
<td>- Climate Change &amp; Ethical Behaviour</td>
</tr>
</tbody>
</table>

The information about sponsorships in sports, culture, and the created value can be found on (page 193).
Stakeholder Engagement

CUSTOMERS

<table>
<thead>
<tr>
<th>Issue</th>
<th>What does Garanti BBVA do about it?</th>
<th>Related Section</th>
<th>Relevant Material Topic</th>
</tr>
</thead>
<tbody>
<tr>
<td>The need for the provision of services giving the underbanked population, particularly individuals with disabilities and the underprivileged population, greater access to financial services.</td>
<td>Partnership with BlindLook</td>
<td>Customer Experience</td>
<td>Data and Technology</td>
</tr>
<tr>
<td>The need for supporting customers to build on their financial planning skills to help them be prepared against contingencies and plan their future.</td>
<td>&quot;My Ecological Status&quot; section on mobile banking launched in keeping with the focus on financial health</td>
<td>Customer Experience</td>
<td>Data and Technology</td>
</tr>
<tr>
<td>Regularly seek customer opinions and improve services based on an approach aligned with business ethics and protecting customers against risks.</td>
<td>Net TCR (Transparent, Clear and Responsible Banking) Score and Net Promoter Score (NPS) measurement (1st in Corporate Banking, 3rd in Commercial Banking, 2nd place in SME banking, 2nd place in retail banking and 2nd place in Mobile Banking)</td>
<td>Customer Experience</td>
<td>Data and Technology</td>
</tr>
<tr>
<td>Develop consumer products that will support customers’ transition to a low-carbon economy.</td>
<td>Over 50 sustainable finance products covering all our Retail, SME, Commercial, Corporate segments</td>
<td>Sustainability and Community Investments</td>
<td></td>
</tr>
<tr>
<td>Reach customers through any channel they need</td>
<td>Digital onboarding experience</td>
<td>Customer Experience</td>
<td>Data and Technology</td>
</tr>
</tbody>
</table>

EMPLOYEES

<table>
<thead>
<tr>
<th>Issue</th>
<th>What does Garanti BBVA do about it?</th>
<th>Related Section</th>
<th>Relevant Material Topic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Empower employees with knowledge and skills about Personal Data Protection Law through awareness activities</td>
<td>Cybersecurity investments affording remote access infrastructures with current needs and security principles, secure teleworking for employees</td>
<td>Investing in Human Capital</td>
<td>Data and Technology</td>
</tr>
<tr>
<td>Cybersecurity investments affording remote access infrastructures with current needs and security principles, secure teleworking for employees</td>
<td>Centralized Operations</td>
<td>Investing in Human Capital</td>
<td>Data and Technology</td>
</tr>
<tr>
<td>Physical and administrative OH&amp;S measures in work areas, supporting employee development</td>
<td>Take Good Care of Yourself&quot; Mobile App developed for employee wellness</td>
<td>Investing in Human Capital</td>
<td>Data and Technology</td>
</tr>
</tbody>
</table>

SUSTAINABILITY AND COMMUNITY INVESTMENTS

FINANCIAL REPORTS AND APPENDIX

Garanti BBVA 2023 Integrated Annual Report
<table>
<thead>
<tr>
<th>Issue</th>
<th>What does Garanti BBVA do about it?</th>
<th>Related Section</th>
<th>Relevant Material Topic</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Expectation for sharing the know-how and in-depth experience in ESG Management and Sustainable Finance</strong>&lt;br&gt;• Actively participating in or heading 45 working groups and 30 initiatives&lt;br&gt;• Garanti BBVA Climate Index&lt;br&gt;• Advisory service in relation to “Green Deal”</td>
<td>Sustainability and Community Investments</td>
<td><strong>Sustainability and Community Investments</strong></td>
<td><strong>Climate Change</strong>&lt;br&gt;<strong>Natural Capital</strong>&lt;br&gt;<strong>Inclusive Growth</strong>&lt;br&gt;<strong>Defence of the Human Rights</strong></td>
</tr>
<tr>
<td><strong>Expectation for alignment of portfolios with low carbon pathways</strong>&lt;br&gt;• Decarbonization targets by 2030 for other carbon-intensive industries such as energy, automotive, iron and steel, and cement&lt;br&gt;• Target to provide a min. funding of TL 400 billion for the financing of sustainable activities between 2018-2025&lt;br&gt;• Principles for Responsible Banking Impact Report&lt;br&gt;• Climate Change Action Plan&lt;br&gt;• First bank from Turkey to pledge coal phase-out in 2021&lt;br&gt;• Carbon-Neutral bank as of 2020, 15 years before the targeted date&lt;br&gt;• Responsible Banking and Sustainability Committee&lt;br&gt;• Environmental and Social Impact Assessment System</td>
<td>Sustainability and Community Investments</td>
<td><strong>Sustainability and Community Investments</strong></td>
<td><strong>Climate Change</strong>&lt;br&gt;<strong>Natural Capital</strong>&lt;br&gt;<strong>Inclusive Growth</strong>&lt;br&gt;<strong>Defence of the Human Rights</strong></td>
</tr>
<tr>
<td><strong>The need for the development of community investment programs supporting inclusive growth</strong>&lt;br&gt;• Investment amount in community programs: 875 million TL&lt;br&gt;• Unbanked Women Program&lt;br&gt;• 5 Projects: Social and Financial Leadership Program&lt;br&gt;• WWF-Turkey (World Wild Fund for Nature)&lt;br&gt;• Turkish Marine Environment Protection Association/ TURMEPA&lt;br&gt;• The Teachers Academy Foundation (ÖRAV)&lt;br&gt;• Salt&lt;br&gt;• Partnerships in the areas of sports and music&lt;br&gt;• Partnership with KAGIDER&lt;br&gt;• Partnership with Equality Matters</td>
<td>Sustainability and Community Investments</td>
<td><strong>Sustainability and Community Investments</strong></td>
<td><strong>Climate Change</strong>&lt;br&gt;<strong>Natural Capital</strong>&lt;br&gt;<strong>Inclusive Growth</strong>&lt;br&gt;<strong>Defence of the Human Rights</strong></td>
</tr>
<tr>
<td><strong>Expectation for adherence to Human Rights and having specific reports and targets for diversity and inclusion</strong>&lt;br&gt;• A fair and transparent working environment dominated by equal opportunities and diversity&lt;br&gt;• Target to increase % of women on Board seats to 25% min.&lt;br&gt;• In-house trainings to increase awareness for the Gender Equality</td>
<td>Investing in Human Capital</td>
<td><strong>Investing in Human Capital</strong></td>
<td><strong>Climate Change</strong>&lt;br&gt;<strong>Natural Capital</strong>&lt;br&gt;<strong>Inclusive Growth</strong>&lt;br&gt;<strong>Defence of the Human Rights</strong></td>
</tr>
</tbody>
</table>

**SHAREHOLDERS AND INVESTORS**

<table>
<thead>
<tr>
<th>Issue</th>
<th>What does Garanti BBVA do about it?</th>
<th>Related Section</th>
<th>Relevant Material Topic</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Expecting information on the following issues</strong>&lt;br&gt;- Macroeconomic projections&lt;br&gt;- Impacts of regulatory framework&lt;br&gt;- Inflation accounting&lt;br&gt;- Expectation for comparable, easily accessible data in Environmental, Social and Governance (ESG) areas&lt;br&gt;- Information about an evolving corporate governance structure against cybersecurity threats</td>
<td></td>
<td><strong>Sustainability and Community Investments</strong></td>
<td><strong>Financial Value</strong>&lt;br&gt;<strong>Sustainability and Community Investments</strong>&lt;br&gt;<strong>The Environment We Operate in</strong>&lt;br&gt;<strong>Data and Technology</strong></td>
</tr>
</tbody>
</table>

**GOVERNMENT AGENCIES AND REGULATORY AUTHORITIES**

<table>
<thead>
<tr>
<th>Issue</th>
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<th>Related Section</th>
<th>Relevant Material Topic</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Evaluation of Climate Change-related opportunities and risks by and between banks and regulatory authorities</strong>&lt;br&gt;• Actively participating in or heading 45 working groups and 30 initiatives&lt;br&gt;• Garanti BBVA Climate Index&lt;br&gt;• Advisory service in relation to “Green Deal”</td>
<td>CIBRT Open Banking services</td>
<td><strong>Sustainability and Community Investments</strong></td>
<td><strong>Climate Change</strong>&lt;br&gt;<strong>Natural Capital</strong>&lt;br&gt;<strong>Inclusive Growth</strong>&lt;br&gt;<strong>Defence of the Human Rights</strong></td>
</tr>
<tr>
<td><strong>As part of the Open Banking initiative launched by the end of 2023, applications for initiating payments through different institutions and the ability to track accounts from various institutions through a single point have been implemented</strong>&lt;br&gt;<strong>Access account information at other banks and make money transfers from those accounts from Garanti BBVA platforms</strong>&lt;br&gt;<strong>Capability to follow up member merchant/POS movements with other banks on the basis of member merchant/POS devices on Garanti BBVA Mobile and Internet</strong>&lt;br&gt;<strong>Partnership with Equality Matters</strong>&lt;br&gt;<strong>Partnership with KAGIDER</strong>&lt;br&gt;<strong>Partnership with Equality Matters</strong></td>
<td></td>
<td><strong>Sustainability and Community Investments</strong></td>
<td><strong>Financial Value</strong>&lt;br&gt;<strong>Sustainability and Community Investments</strong>&lt;br&gt;<strong>The Environment We Operate in</strong>&lt;br&gt;<strong>Data and Technology</strong></td>
</tr>
<tr>
<td><strong>Support the development of 2,200 participants with more than 60 internal training programs offered in areas including artificial intelligence, machine learning, deep learning, chatbot, data modeling for employees for propagating data-driven decision making culture</strong>&lt;br&gt;<strong>Providing education of 300 students in Computational Data Science, which was started to be offered as a credit course at Istanbul Technical University from 2021 with the aim of supporting the society’s competence in artificial intelligence and machine learning</strong>&lt;br&gt;<strong>New machine learning and deep learning model integrated into Garanti BBVA systems, in 59 projects in 2023</strong></td>
<td>National Artificial Intelligence Strategy (NAIS) of the Presidency of the Republic of Turkey Digital Transformation Office</td>
<td><strong>Financial Value</strong>&lt;br&gt;<strong>Sustainability and Community Investments</strong>&lt;br&gt;<strong>The Environment We Operate in</strong>&lt;br&gt;<strong>Data and Technology</strong></td>
<td><strong>Climate Change</strong>&lt;br&gt;<strong>Natural Capital</strong>&lt;br&gt;<strong>Inclusive Growth</strong>&lt;br&gt;<strong>Defence of the Human Rights</strong></td>
</tr>
</tbody>
</table>
What would you suggest to newcomer to the finance world?

AYDIN GÜLER
Executive Vice President
Finance and Treasury

Which financial metric do you check every day?

If you were to organize Financial Olympics what would be the most important criterion?

Scan the QR code or click here to watch the video for the answers.
Financial Value

Aiming to create and effectively use capital with the principles of real and responsible banking, Garanti BBVA contributes to the country’s economic growth while maintaining its solid financial performance with disciplined growth, dynamically managed balance sheet, and strong relationship banking.

### MATERIAL TOPIC

<table>
<thead>
<tr>
<th>Asset Growth (%)</th>
<th>2022</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>TL Loan Growth (%)</td>
<td>5%</td>
<td>69%</td>
</tr>
<tr>
<td>FC Loan Growth (in USD terms) (%)</td>
<td>79%</td>
<td>59%</td>
</tr>
<tr>
<td>NPL Ratio (%)</td>
<td>-10%</td>
<td>5%</td>
</tr>
<tr>
<td>Net Cost of Risk (bps)</td>
<td>2.5%</td>
<td>2.0%</td>
</tr>
<tr>
<td>NIM including swap costs (bps)</td>
<td>536 bps expansion</td>
<td>397 bps contraction</td>
</tr>
<tr>
<td>Net Fees and Commissions Growth (%)</td>
<td>9%</td>
<td>140%</td>
</tr>
<tr>
<td>OPEX Growth (%)</td>
<td>81%</td>
<td>103%</td>
</tr>
<tr>
<td>Cost/Income Ratio (%)</td>
<td>23.9%</td>
<td>34.8%</td>
</tr>
<tr>
<td>Leverage</td>
<td>7.5</td>
<td>8.0</td>
</tr>
<tr>
<td>ROAE (%)</td>
<td>51.0%</td>
<td>44.5%</td>
</tr>
<tr>
<td>Capital Adequacy Ratio (%)</td>
<td>16.8%</td>
<td>16.5%</td>
</tr>
<tr>
<td>CET-1 Ratio (%)</td>
<td>14.5%</td>
<td>14.5%</td>
</tr>
</tbody>
</table>

### LOANS

Garanti BBVA’s total assets reached 2.2 trillion TL in 2023, marking a 69% increase. One of the key distinguishing factors for the Bank is that the breakdown and growth of assets are customer-driven. Total performing loans constitute 54% of the assets, indicating the highest loan-to-asset ratio among private peers, ensuring the sustainability and continuity of the Bank’s growth.

While the growth in loans was primarily driven by Turkish lira loans, foreign currency loans increased by 5% in US dollars, surpassing the expectations outlined in the Operating Plan Guidance at the beginning of the year. The growth in FC loans was driven by export loans, supporting the Bank’s Net Interest Margin due to the high loan-to-deposit spread of the product.

The annual growth of 59% in Turkish lira loans was significantly influenced by economic policies and regulations. In the first half of the year, due to the low-interest environment and the interest rate cap on Turkish lira business loans, the growth in Turkish lira loans was driven by credit cards and consumer loans. However, in the second half of the year, with the increase in policy interest rate from 8.5% to 42.5%, the driving force behind the growth shifted to Turkish lira business loans while growth in credit cards and consumer loans slowed down compared to the first half. In light of these developments, Garanti BBVA rose to the leading position among private banks in Turkish lira loans, and the Bank’s market share in Turkish lira performing loans among private banks increased to 20.3%, driven by market share gains in TL business and SME loans.

Non-cash loans grew by 81% during with growth surpassing cash loans, and Garanti BBVA reached a leading position in Turkish lira non-cash loans.

### Market Share

<table>
<thead>
<tr>
<th>(among private comm’l banks)</th>
<th>2022</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>TL loans</td>
<td>19.7%</td>
<td>20.3%</td>
</tr>
<tr>
<td>TL Business</td>
<td>18.4%</td>
<td>19.7%</td>
</tr>
<tr>
<td>SME loans</td>
<td>20.5%</td>
<td>20.8%</td>
</tr>
<tr>
<td>Consumer (excl. CCs)</td>
<td>19.9%</td>
<td>19.7%</td>
</tr>
<tr>
<td>Consumer GPL</td>
<td>18.7%</td>
<td>18.0%</td>
</tr>
<tr>
<td>Credit Cards</td>
<td>22.9%</td>
<td>21.7%</td>
</tr>
</tbody>
</table>

### Asset Breakdown

- **5.6% Other**
- **1.5% Fixed Assets & Subs.**
- **10.7% Cash & Banks**
- **54.2% Performing Loans**
- **13.2% Balances w/ CBRT**
- **14.8% Securities**
- **44% Business**
- **5% Mortgage**
- **2% Auto**
- **18% GPL**
- **32% Credit Cards**

*Mainly composed of NPLs and accruals of foreign-currency protected deposits’ currency difference (TL 24bn as of Dec 2023).

### TL Performing Loan Breakdown (63% of total performing loans)

- **TL 751 bn**
- **25% Mortgage**
- **32% Credit Cards**
- **23% Loan**
- **16% Business Loans**
- **10% Other**

### Key Figures

- **CE T-1 Ratio (5%)**
- **Capital Adequacy Ratio (5%)**
- **Leverage (7.5)**
- **Net Fee & Commission Growth (%) (2.5%)**
- **NPL Ratio (1%)**
- **NIM Including Swap Costs (536 bps expansion)**
- **Asset Growth (%) (53%)**
- **TL Loan Growth (%) (59%)**
- **FC Loan Growth (%) (5%)**
- **Net Cost of Risk (%) (2.5%)**
- **Net Fees and Commissions Growth (%) (9%)**
- **ROAE (%) (51.0%)**
- **ROE (%) (16.8%)**
- **CET-1 Ratio (%) (14.5%)**
- **TL 2.2 tr**
- **TL 24bn**
In line with Garanti BBVA’s customer-driven growth strategy, the main source of funding continues to be deposits. The share of deposits in total assets has increased since the beginning of the year, reaching 73%.

The main differentiator of the Bank in its funding strategy is the high share of demand deposits. The share of demand deposits in total deposits is 41%, which is above the average of private banks. This indicates that customers prefer Garanti BBVA as their main bank for transactions.

TL time deposits grew by 124% in 2023 within the framework of the Central Bank of the Republic of Türkiye’s “liraization” strategy. In the first half of the year, regulations aimed at increasing the KKM base which led to an increase in the share of KKM in TL time deposits to around 70%. In the second half of the year, in line with the exit strategy from KKM and the conversion targets towards standard TL deposits, this ratio decreased to around 54% by the end of the year. In parallel with the regulations, the FC deposit base shrank by 4% during the year, with the shrinking being driven by FC time deposits.

(2023 Operating Plan Guidance does not include a target regarding the development of deposits.)

EXTERNAL BORROWING

Garanti BBVA’s external debt decreased from the level of USD 5.0 billion at the end of 2022 to USD 4.1 billion in 2023. In contrast, the FC liquidity buffer level was at USD 6.3 billion. The relatively low volume of FC loans compared to previous years reduces the need for external borrowing (the FC loan portfolio, which was USD 23 billion at the end of 2017, decreased to USD 15 billion by the end of 2023). Looking at the maturity profile of external debt, debts with a maturity of 1 year and less amount to only USD 1.4 billion.

(2023 Operating Plan Guidance does not include a target regarding the development of external borrowing.)
NET INTEREST MARGIN

In 2023, the Net Interest Margin (NIM) remained under pressure due to regulations and the increase in policy interest rate in the second half of the year. Including swap costs, the NIM contracted by 397 basis points year-on-year, indicating a contraction that remained below that of the peer banks.

The contribution of CPI linker to the Net Interest Margin decreased by 1.4 points. The decrease was due to the effective decrease in the October inflation rate from 85% in 2022 to 62% in 2023, despite the increased volume impact of the income accruals.

The Core Net Interest Margin, meaning NIM excluding swap costs excluding CPI linker income, contracted by 260 basis points year-on-year. The main factors behind this contraction were the interest rate caps on TL business loans in the first half of the year during a low-interest environment, and in the second half, the continued increase in TL deposit costs due to the rising in policy interest rates and continued impact of regulations.

Within the framework of all these effects, the TL loan-to-time deposit spread turned negative from the second quarter of the year and continued to be under pressure until the end of the year. On the other hand, the FC loan-to-time deposit spread supported the Core Net Interest Margin throughout the year.

Despite the challenging year, Garanti BBVA managed to maintain the highest Core Net Interest Margin level with the lowest margin decrease compared to peers, thanks to actively managed asset-liability duration gap, a profitable growth strategy, and having the highest demand deposit base among private banks.

The increase in insurance and credit-related commission items is a result of robust growth in both cash and non-cash loans. The growing role of digitization, coupled with increased transaction volumes in mobile and internet banking, supports commissions from money transfers. In 2023, brokerage services and asset management commissions also showed a significant year-on-year growth, parallel to the rising number of domestic retail investors on the Istanbul Stock Exchange.

2023 Operating Plan Guidance

In 2023, the Bank recorded an impressive 140% growth in Net Fee and Commissions, well above expectations. The strong position in credit cards, diversified commission items, expanding customer base, and increasing penetration support this performance. Particularly in the second half of the year, with the rising interest environment, the share of payment system commissions in Net Fee and Commission increased to 5.3%, and year-on-year, payment system commissions increased by 195%. Garanti BBVA continues to be the customers’ primary bank, leading in acquiring and issuing volumes, as well as the number of credit card customers.

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**SUBSIDIARY INCOME**

Garanti BBVA is an integrated financial services group with its financial subsidiaries offering services in life insurance and pension, leasing, factoring, fleet management, brokerage and asset management, along with its international subsidiaries operating in the Netherlands and Romania.

In 2023, the income from Garanti BBVA’s subsidiaries increased by 162% compared to the previous year. The largest contribution to the annual profit increase came from Garanti BBVA International, Securities, and Fleet, while the net income increase of all subsidiaries exceeded inflation.

- Garanti BBVA Securities: Registered a net income increase of all subsidiaries exceeded inflation.
- Garanti BBVA Fleet: Started applying inflation accounting in its financials in December following legal regulations. Within this scope, the revaluation of vehicles, increased rental income along with high inflation and exchange rate, and profitability from used vehicle sales resulted in a 233% net income increase.
- Garanti BBVA International: Despite the increasing funding costs, increase in loan and securities volumes and strong margin management supported the high banking revenues. Increased net interest income resulted in a 147% increase in the 2023 net income in Euro terms.
- Garanti BBVA Factoring: Especially with the increasing volume in SME and commercial business lines and the impact of strong spread management, net income increased by 286% compared to the previous year.
- Garanti BBVA Leasing: Increase in the volume of financial leases and the rise in management fees and insurance commissions supported the bottom-line and net income increased by 106%.
- Garanti BBVA Pension: Increased its net income by 116% compared to the previous year, thanks to the rising volume of pension funds, increasing private pension plan contributions, and rising life insurance premiums, coupled with the increase in technical income and interest rates.
- Garanti BBVA Asset Management: Achieved a 170% net income growth YoY driven by the high increase in investment and pension fund assets.

(Detailed information on subsidiaries can be found on page 60.)

**OPERATING EXPENSES**

Operational expenses increased by 103% in 2023. When adjusted for donations made for the earthquake disaster in our country and the currency impact which is 100% hedged, this increase was 89%, indicating a growth below the Operating Plan Guidance expectations.

Personnel expenses constitute 37% of operational expenses. The bank increased salaries twice during the year to protect its employees against inflation.

The remaining 63% of operational expenses consist of other expenses. The major items in this category include salary and pension customer promotions, as well as technology investments. The increase in other expenses is also attributable to the increase in the insured deposit upper limit to 400,000 TL.

In light of these, cost/income ratio normalized compared to the previous year and was realized as 34.8%, representing the lowest ratio among private peers.

2023 Operating Plan Guidance

<table>
<thead>
<tr>
<th>OPEX Growth: +103%</th>
<th>Realization</th>
</tr>
</thead>
<tbody>
<tr>
<td>+103%</td>
<td>+103%</td>
</tr>
</tbody>
</table>

When the donations and aid made for the earthquake disaster along with N200 hedged currency impact are excluded, the increase in operational expenses is realized as 89%, signaling a growth that is far better than expectations.

**ASSET QUALITY AND LOAN PROVISIONS**

Garanti BBVA also supervises the health of its loan portfolio as it grows and constantly takes a proactive and prudent approach to risk management. The performing loan book is followed up under Stage 1 and Stage 2. Stage 2 loans are subjected to quantitative (Significant Increase in Credit Risk) or qualitative (Watchlist, Past Due and Restructured) evaluation with TFRS 9 models.

In 2023, Stage 2 loans increased from 107 billion TL in 2022 to the level of 130 billion TL, mainly due to the depreciation in the currency. However, when 2022 year-end exchange rate is kept at the level of 130 billion TL, mainly due to the impact of strong spread management, net income increased by 286% compared to the previous year.

With Garanti BBVA’s commitment to a prudent approach, the total provision on balance sheet is the highest level in the sector, and the total coverage ratio is 4.1%. When adjusted for the written down loans since 2019, this ratio points to one of the highest total coverage ratios in the sector at 5.4%.
**2023 Operating Plan Guidance**

### Net Cost of Risk (excluding currency impact): ~100 basis points

The low-interest environment in the first half of the year resulted in an exceptionally low and better-than-expected asset quality.

### Provision Breakdown

**Stage 2 Breakdown** (TL billion)

- **Stage 2 (NPL)**: 1.3 tr
- **Stage 3 (NPL)**: 26.2
- **Stage 1**: 1103.5

### Coverage Ratios

**Total Coverage**

- Stage 1: 4.1%
- Stage 2: 23.4%
- Stage 3: 67.8%

**2023 Net Cost of Risk Trend Excl. Currency**

- 2019: 2.49%
- 2020: 2.31%
- 2021: 1.06%
- 2022: 1.30%
- 2023: 0.62%

### Solvency Ratios (without BRSA’s forbearance)

#### Return on Equity and Capital Adequacy

As a result of all these factors, Garanti BBVA managed to increase its net income by 49% year-on-year and posted a consolidated net income of 86 billion 907 million TL in 2023. 8 billion TL free provisions set aside in 2022 and the 8 billion TL free provision reversal done in 2023, the year-on-year net income increase becomes 34%. With this performance, the Bank’s return on average equity is 44.5%, and return on average assets is 4.9%. Similarly, when adjusted for free provision reversals, the return on average equity is 41.0%, and return on average assets is 4.5%.

With a growth strategy focused on capital generation in 2023 despite the negative impact of the currency depreciation and the increasing interest rate environment, the Capital Adequacy Ratio reached 16.5%. This level is significantly above the Basel III minimum adequacy level set for the year 2023 at 12.6% and excluding the BRSA forbearances, the Bank has an excess capital of 72 billion TL according to legal limits.

**Stage 2 Breakdown** (TL billion)

- **Stage 1**: 0.5%
- **Stage 2**: 21.4%
- **Stage 3**: 5.4%

**Currency depreciation impact**: 128bp

No impact on bottom line as it is 100% hedged.

**Net Income (TL bn)**

- **2022**: 78.9
- **2023**: 86.9

**Revenue**

- **2022**: 15.5%
- **2023**: 17.7%

**Cost of Risk**

- **2022**: 14.5%
- **2023**: 14.5%

**Net Income**

- **2022**: 58.5
- **2023**: 84.9

**Free provision reversal adjusted ROAE for 2023**

- **2023**: 4.5%
- **2024**: 44.5%

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*Garanti BBVA 2023 Integrated Annual Report*
2024 OUTLOOK AND OPERATING PLAN GUIDANCE

As per Article 10 of the CMB Communiqué no. II-15.1 on Material Events Disclosure, the Bank disclosed its forward-looking estimations covering 2024 outlook on 29 January 2024. The said disclosure can be found hereinafter, on the Public Disclosure Platform (KAP) and under the Operating Plan Guidance tab on the Garanti BBVA Investor Relations website.

TL Loan Growth (%Y) - CPI
FC Loan Growth (% in US$, %Y) Low-single digit growth
Net Cost of Risk (excluding currency impact) 125 bps
Net Interest Margin (including swap cost) Flattish
Net Fees and Commissions Growth (%Y) >avg. CPI
OPEX Growth (%Y) >avg. CPI
ROAE (%) 34-36%

With the expected slowdown in the economy and limitations on credit growth, 2024 TL loan growth is expected to be around inflation while the growth is expected to be across the board. Thus, it is expected that the share of TL business loans in the TL loans will continue to be around 50%. Consumer loans and consumer credit cards constitute the other half of TL loans.

In the retail banking sector, Garanti BBVA will continue to focus on expanding its customer base, deepening customer relationships, and maintaining a focus on customer satisfaction and loyalty. In line with these goals, the bank will continue to develop new instruments, channels, and processes, sustain big data-focused marketing activities with an analytical approach, and provide special and timely solutions tailored to customer needs while maintaining profitability targets.

With limited demand and redemptions FC loan base continued its shrinkage between 2013-2022 while in 2024 it is expected that there will be low single-digit growth in FC loans. With increased predictability in exchange rates and interest rates, an increase in foreign loan demand is anticipated. FC loan originations will continue to target entities and exporters with FC income and/or foreign currency-indexed income in line with our policy.

Net Cost of Risk excluding currency impact was exceptionally low in 2023 due to the low-interest rate environment and its expected Net CoR excluding currency to normalize and reach around 125 basis points in 2024.

It is expected that the Net Interest Margin, including swap costs, will remain flat year-on-year due to the decreasing contribution of CPI linker income, the ongoing pressure on TL deposit costs, and the impact of the slowdown in TL loans. The Bank will continue to manage the loan-deposit spread dynamically through careful pricing and diversified funding with effective asset-liability management.

Considering the Bank’s strength in diversified fee sources, and leadership in transaction volume, the growth of net fees and commissions is expected to exceed average inflation. Increased digitization will continue to contribute to the growth of transaction volumes in money transfers. The growth in operational expenses is also expected to remain above average inflation in 2024.

In 2024, active assets and liabilities management that will result in high return on capital will be sustained along with the risk/return focus. In light of these expectations, Garanti BBVA aims to achieve a Return on Average Equity in the mid-30s level in 2024.

2024 outlook for Garanti BBVA’s subsidiaries can be found on page 60 of the report.
What would be the three pieces of advice you would give to future Technology Directors?

İLKER KURUÖZ
Executive Vice President
Engineering Services and Data

In what ways did artificial intelligence start transforming the banking experience?

Scan the QR code or click here to watch the video for the answers.
### Data and Technology

Working to offer personalized and accurate solutions and increase operational efficiency through integration of artificial intelligence, big data and machine learning in our systems, Garanti BBVA is increasing the agility and strength of its technological infrastructure.

#### Related Indicators

<table>
<thead>
<tr>
<th>Indicator</th>
<th>2022</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Awareness programs on customer privacy and information security</td>
<td>20</td>
<td>30</td>
</tr>
<tr>
<td>Cybersecurity training hours per FTE</td>
<td>86%</td>
<td>86%</td>
</tr>
<tr>
<td>Training or information provided on external fraud (Number)</td>
<td>128</td>
<td>125</td>
</tr>
<tr>
<td>Number of UGI Smart Assistant Interactions</td>
<td>53.3 million</td>
<td>61.7 million</td>
</tr>
<tr>
<td>Number of queries answered by Bilge (The Wise) Employee Chatbots</td>
<td>550 thousand</td>
<td>669 thousand</td>
</tr>
<tr>
<td>Number of Robots supporting the digital workforce</td>
<td>35</td>
<td>41</td>
</tr>
<tr>
<td>Value-added projects using Big Data and Machine Learning</td>
<td>77</td>
<td>75</td>
</tr>
<tr>
<td>Number of Customer Behavior Scenarios analyzed on Complex Event Handling Platform</td>
<td>121</td>
<td>126</td>
</tr>
<tr>
<td>Number of RPA’s in Production Medium</td>
<td>120</td>
<td>134</td>
</tr>
<tr>
<td>Number of Annual Transactions Going Through Internet and Mobile Banking Channels</td>
<td>1.1 billion</td>
<td>1.5 billion</td>
</tr>
<tr>
<td>Number of Garanti BBVA Log-ins</td>
<td>3.7 billion</td>
<td>4.9 billion</td>
</tr>
<tr>
<td>Market share in QR transactions</td>
<td>37%</td>
<td>35%</td>
</tr>
<tr>
<td>Digital channel share in non-cash transactions (Retail)</td>
<td>97.6%</td>
<td>98.1%</td>
</tr>
<tr>
<td>Share of digital sales in total sales (Retail)</td>
<td>86%</td>
<td>90%</td>
</tr>
<tr>
<td>Total Projects using Data Science Suite</td>
<td>30</td>
<td>68</td>
</tr>
</tbody>
</table>

The advancements in technology and the arrival of new players such as fintechs expose the finance sector to a faster-than-ever transformation. For proactively responding to this transformation, Garanti BBVA is taking action quickly. The Bank has redesigned its way of doing business with agile methodologies in order to introduce new products and services swiftly. The Bank is operating more than 400 agile team disciplines, including particularly 100% of the technology organization.

With its uninterrupted investments in technology ongoing since the early 1990s, Garanti BBVA has erected its digital transformation strategy on offering a full-scale and integrated banking platform encompassing simple, accessible and personalized banking transactions and services. In this context, it is always a priority for the Bank to listen to customers’ needs and respond to them in a prompt manner.

The Bank is transforming its way of conducting work and automating processes with Business Process Management (BPM), Process Mining (PM), Intelligent Document Processing (IDP) and Robotic Process Automation (RPA) technologies. With the solutions created, the Bank is building agile work processes that render capturing and automatizing development and automation opportunities a part of the life cycle.

Intelligent Document Processing (IDP) solutions backed by advanced OCR technologies and artificial intelligence models continue to be used for digitalizing identification documents, contracts, instructions and similar documents and integrating them in business processes.

To counter the increasing cybersecurity threats with greater focus, the Information Security Operations team is divided into two main domains. The cybersecurity functions gathered under the Cyber Defense Center unit so formed were reorganized in 2023. The Bank is transforming its way of conducting work and automating processes with Business Process Management (BPM), Process Mining (PM), Intelligent Document Processing (IDP) and Robotic Process Automation (RPA) technologies. With the solutions created, the Bank is building agile work processes that render capturing and automatizing development and automation opportunities a part of the life cycle.

Intelligent Document Processing (IDP) solutions backed by advanced OCR technologies and artificial intelligence models continue to be used for digitalizing identification documents, contracts, instructions and similar documents and integrating them in business processes.

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world processes to guarantee the accuracy, high quality and easy accessibility of the data used in decision-making mechanisms, reports and artificial intelligence models. Further enriched every year with the addition of new information, Prisma ensures that the data are interpreted and transformed into knowledge and asset.

**DEVELOPMENTS IN 2023**

**Target**

- **Offer smarter, customizable solutions faster for customers**
  - Artificial intelligence, machine learning and big data applications:
    - In 2023, the new machine learning and deep learning model was integrated in Garanti BBVA systems in 75 projects.
    - The “no-code/low-code” platform “Data Science Suite” functions that have been developed were enriched in terms of “Data Flow” and algorithm varieties. This application served to create added value with 68 additional projects that were put into implementation in 2023, and the production timeline of the projects was shortened by up to three months.
    - Personalized offers to customers continue to be enriched with the graph theory introduced in 2022 and the technologies developing around it.
    - To expand data-driven decision-making culture, 2,200 participants were supported in their development through more than 60 internal training programs given in areas such as artificial intelligence, machine learning, deep learning, chatbot and data modeling.
    - 100 students were educated in Computational Data Science, which was started to be offered as a credit course at Istanbul Technical University from 2021 with the aim of supporting the society’s competence in artificial intelligence and machine learning.
  - Using image and data processing competencies in intelligent document processing, enhanced customer satisfaction and increased operational efficiency were secured through faster and higher quality processing of banking instructions received from customers.

- **Increase automation with Artificial Intelligence and minimize operational risk in processes**
  - Efforts continued for enriching the Prisma infrastructure, thereby securing more effective use of the new data warehouse by users. It was observed that users, who accessed 3,800 different information sets in total via Prisma, used the information as a reference in decision-making processes 12 million times in 2023.
  - Using Prisma data, users can generate their own reports with Business Intelligence Tools. To increase the competence in this scope, more than 40 training programs were given to 600 users, who can now produce their own solutions and share them with other employees, and help derive new values from data.
  - As part of the goal to bring the age of opportunity to everyone, reporting processes were vested in “AI-Benefited Business Intelligence Solutions” that are regarded as the future of business intelligence. Field users, who are positioned as “data consumers” in reporting processes, were able to find the answers to the questions they needed with the solution introduced, which added speed to decision-making processes.
  - Prima and business intelligence solutions served to increase operational efficiency, and opened up new domains for users to derive value from data.

- **Promote data literacy and data-driven decision-making by enriching Prisma, the enterprise data warehouse**
  - Data-based and artificial intelligence-supported decision-making processes regarding external fraud incidents are carried out to minimize possible Bank and customer losses. Decision-making processes were developed by strengthening artificial intelligence and machine learning capability with 4 different analytical models.
  - Importance is attached to information sharing among different sectors and institutions for promoting the activities and awareness regarding prevention of external fraud risks within the ecosystem.
  - Channels and methods are updated which are used for informing customers about fraud trends and important considerations, thus strengthening customer awareness.
  - 72 million customer briefs using 9 different methods:
    - Information on Branch Screens
    - Instant Customer Alerts on Mobile Banking frontend
    - Informative Videos Posted on Social Networks
    - Personal Information and Awareness initiatives are carried out.
    - Training or briefing programs on external fraud numbered 256 in 2023 (2022: 128)

- **Maintain deeper and value-adding relations with customers, expand the customer base, increase product/service sales volume and accelerate customer digitalization**
  - Work was initiated for reorganizing Garanti BBVA Cyber Security Center in view of current threats and technological novelties and for turning it into a structure capable of responding to the future needs now.
  - Tools were developed to ensure and expand data security, and infrastructure projects were continued to increase the reliability of the infrastructure.
  - Dealing with external fraud holistically within the framework of the principles of customer protection, Garanti BBVA manages frauds for card transactions, account transactions, POS transactions and loan product applications made through all branches and non-branch channels in a customer-centric manner.
  - The Bank examines the risks of external fraud in new products and processes developed by Garanti BBVA, and offers opinions and suggestions. Advancements in technology are closely monitored to ensure the highest effectiveness and efficiency in fraud risk management, and to deliver the best experience to Garanti BBVA Customers.

- **Ensure customer privacy and information security, eliminate external fraud risks**
  - In terms of Ruler (Complex Event Processing) activities in the reporting period, smart suggestions for protecting customers’ financial health were offered. Our consultancy service to digitally onboarded customers was taken to the next level, and appropriate product package suggestions were offered to our customers coming into a branch in addition to the digital.
  - With its personalized customer journey capabilities, Ruler processes an average of 9.5 million customer behaviors daily, using 126 scenarios through digital channels and branches, and enables 4.7 million direct customer contacts.

**GARANTI BBVA**
We have evolved our digitalization journey of operational processes that started with image processing applications even before 2000s into hyperautomation approach, which is a business model that places agility in its focal point.

To maximize benefits, we have introduced our new automation platform that allows orchestration of the correct tools and technologies that cater to the need and enables fast solution generation based on end-to-end automation principles. On our new automation platform, we have maximized the automation capacity with advanced tools and approaches that include the Robotic Process Automation (RPA), Intelligent Document Processing (IDP), Artificial Intelligence (AI), Process Mining and Business Process Management (BPM) and transformed agility into a way of doing business rather than an approach.

In response to the increased workload, we have increased the number of robots on our automation platform by 44%. In addition, we have introduced functions that provide end-to-end full automation in our processes including identity verification, customer instruction processes and so on with our intelligent document solution that is highly successful in document classification and data extraction, which we backed with artificial intelligence models we have developed in-house and thus, continued to transform the processes of our business units into agile business models.

ARK Platform: The ARK Platform allows developers to develop banking and affiliate applications using agile methodology, accelerates value creation thanks to use of modern technologies, and reduces costs owing to the cost advantage of open system technologies. The work related to the platform commenced in 2019 and the first application was taken into production on the platform by mid-2020. In 2023, the number of applications taken into production increased by 33%, bringing the total number of projects to 211. Through these applications, an additional 22.75% of transaction load of the existing architecture was transferred to the platform for a total of 75%. 79% of the developer resource was trained with new platform capabilities. In 2024, the transformation will continue to expand, and the platform will gain broader usage.

2024 FOCUS AREAS AND PRIORITIES

- Enhanced customer satisfaction and increased operational efficiency will continue to be achieved thanks to faster and higher quality processing of customer instructions in intelligent document processing using artificial intelligence.
- Reinforcement learning techniques are planned to take a greater place in business decision support systems for enhancing customer experience and personalized offers.
- Garanti BBVA targets to further enhance the service quality to customers making use of large language models and the power of generative artificial intelligence.
- While deriving benefits from the Generative AI field that is in development phase, speed will be added to efforts for introducing solutions aligned with responsible AI principles.
- Effectiveness of software development and production processes will continue to be increased and code structures will continue to be standardized to quickly respond to customer needs, (MLOps).

- Garanti BBVA will keep spending efforts to ally with customers on the back of process security approach and dynamic risk management against the evolving and increasing fraud risks in the ecosystem and continue to work towards providing a convenient and seamless environment to its customers for the fulfillment of their financial needs. The Bank will continue to offer the setting for secure transacting of its customers with its fraud risk management systems bolstered with state-of-the-art technology and analytical methods and its competent team.
- ARK Platform: New technologies will continue to be integrated in the platform and new service developments will be carried on. This approach will enable faster introduction of new products, secured additional cost saving, and drive our transformation further in 2024.
- “Strengthened identity and access management processes and infrastructures, and increased regulatory compliance” that we placed in our focus in 2023 will remain a target also in 2024.
Why should new graduates choose Garanti BBVA?

Executive Vice President
Talent and Culture

TUBA KÖSEOĞLU OKÇU

Which aspect of Garanti BBVA’s corporate culture would you take to the forefront in these projects?

What was the employee initiative or project that influenced you the most this year?

Scan the QR code or click here to watch the video for the answers.
Investments in Human Capital

With the goal of forming the best and the most engaged team, Garanti BBVA aims to establish a working culture that will attract the right talents, build on their skills optimally, realize their full potential and prepare them for the future. The Bank makes investments centered on employee engagement through initiatives for strengthening working environment experience and leadership in order to create and maintain flexible and transparent working environment where employees contribute to processes with their ideas, take responsibility and act as one team while preserving their differences.

In achieving these targets, Garanti BBVA aims to steer and inspire the course of human resources practices in the banking industry and in Türkiye.

To this end, Garanti BBVA Talent and Culture bases all its actions upon inclusive, data-driven, digital, innovative and efficiency-oriented approaches that reflect the culture and values of the Garanti BBVA Group. The Bank espouses a contemporary working culture fully respectful of human rights, which pursues equal opportunities and diversity.

The shared values that unite Garanti BBVA employees make the building blocks of its culture. The Bank maintains its values “We are one team”, “Customer comes first” and “We think big” through services and practices that cater to its employees’ needs and expectations, as well as its innovative approach and programs that promote entrepreneurship, its perspective that pursues diversity and inclusion, and capability to always deliver solutions that respond to customer needs and expectations. Garanti BBVA pays the utmost attention to creating the working environment with a holistic well-being and happiness approach designed to preserve its employees’ mental, physical, financial, emotional and social wellness and welfare. Garanti BBVA has been running a work-life balance program named Work Life Balance (İYİ) that supports a proper balance between work and private life for enhancing employee satisfaction and offering a richer working experience. In terms of Occupational Health and Safety (OH&S), the Bank takes the necessary measures within the framework of legal regulations and provides training to its employees.

Garanti BBVA’s flexible working model the Bank designed in view of diverse needs and employee wellbeing and with a keen eye on the changing dynamics and practices in working life continues to make a difference compared to other working practices in the sector.

While headquarters working hours are arranged in 40% office-based vs. 60% remote-working model, employees are offered the chance to choose one of three different time intervals for their daily working hours on office days.

<table>
<thead>
<tr>
<th>Employee and Diversity Indicators</th>
<th>2022</th>
<th>2023</th>
<th>Audited data (2023)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Employees</td>
<td>21,684</td>
<td>22,016</td>
<td></td>
</tr>
<tr>
<td>Ratio of open positions filled with internal employees (%)</td>
<td>90.2%</td>
<td>90.8%</td>
<td></td>
</tr>
<tr>
<td>Ratio of women employees</td>
<td>56.1%</td>
<td>55.7%</td>
<td></td>
</tr>
<tr>
<td>Women in senior management</td>
<td>36.4%</td>
<td>30.0%</td>
<td></td>
</tr>
<tr>
<td>Women in middle management</td>
<td>39.6%</td>
<td>39.3%</td>
<td></td>
</tr>
<tr>
<td>Women in technology</td>
<td>39.7%</td>
<td>39.9%</td>
<td></td>
</tr>
<tr>
<td>Women in revenue generating roles</td>
<td>65.4%</td>
<td>64.8%</td>
<td></td>
</tr>
<tr>
<td>Number of maternity leaves</td>
<td>489</td>
<td>437</td>
<td></td>
</tr>
<tr>
<td>Ratio of women employees returned to work after maternity leave</td>
<td>96.7%</td>
<td>98.4%</td>
<td></td>
</tr>
<tr>
<td>Number of maternity leaves</td>
<td>437</td>
<td>379</td>
<td></td>
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<tr>
<td>Number of employees with disabilities (people)</td>
<td>433</td>
<td>380</td>
<td></td>
</tr>
<tr>
<td>Employee turnover</td>
<td>11.79%</td>
<td>11.62%</td>
<td></td>
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<tr>
<td>Employee engagement score *</td>
<td>4.30</td>
<td>4.31</td>
<td></td>
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<tr>
<td>Programs for employee well-being</td>
<td>12</td>
<td>12</td>
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</tbody>
</table>

* Scores from the annual employee engagement survey conducted by an independent audit firm concurrently at all BBVA countries are evaluated on a scale of 5.

<table>
<thead>
<tr>
<th>Number of employees by age group</th>
<th>2022</th>
<th>2023</th>
<th>Audited data (2023)</th>
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<tbody>
<tr>
<td>&lt;30</td>
<td>4,777</td>
<td>5,170</td>
<td></td>
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<tr>
<td>30-39</td>
<td>9,947</td>
<td>9,521</td>
<td></td>
</tr>
<tr>
<td>40-49</td>
<td>5,956</td>
<td>6,136</td>
<td></td>
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<tr>
<td>&gt;=50</td>
<td>1,004</td>
<td>1,189</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>21,684</td>
<td>22,016</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Number of employees (overall BBVA breakdown) (Branches, Head Office, Technology)</th>
<th>2022</th>
<th>2023</th>
<th>Audited data (2023)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Headquarters</td>
<td>7,126</td>
<td>7,497</td>
<td></td>
</tr>
<tr>
<td>Branches</td>
<td>11,461</td>
<td>11,229</td>
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<tr>
<td>Technology</td>
<td>2,302</td>
<td>2,466</td>
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</tr>
<tr>
<td>Other</td>
<td>795</td>
<td>824</td>
<td></td>
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<tr>
<td>Total</td>
<td>21,684</td>
<td>22,016</td>
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New hires by age group

<table>
<thead>
<tr>
<th>Age Group</th>
<th>2022</th>
<th>2023</th>
<th>Audited data (2023)</th>
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<tbody>
<tr>
<td>&lt;30</td>
<td>1,658</td>
<td>2,079</td>
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<tr>
<td>30-39</td>
<td>618</td>
<td>421</td>
<td></td>
</tr>
<tr>
<td>40-49</td>
<td>50</td>
<td>34</td>
<td></td>
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<tr>
<td>&gt;=50</td>
<td>4</td>
<td>16</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>2,330</td>
<td>2,550</td>
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</table>

New hires by gender

<table>
<thead>
<tr>
<th>Gender</th>
<th>2022</th>
<th>2023</th>
<th>Audited data (2023)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Women</td>
<td>1,212</td>
<td>1,288</td>
<td></td>
</tr>
<tr>
<td>Men</td>
<td>1,118</td>
<td>1,262</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>2,330</td>
<td>2,550</td>
<td></td>
</tr>
</tbody>
</table>

New hires by nation

<table>
<thead>
<tr>
<th>Country</th>
<th>2022</th>
<th>2023</th>
<th>Audited data (2023)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Türkiye</td>
<td>2,541</td>
<td>2,550</td>
<td></td>
</tr>
<tr>
<td>Romania</td>
<td>287</td>
<td>302</td>
<td></td>
</tr>
<tr>
<td>Holland</td>
<td>35</td>
<td>46</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>2,863</td>
<td>2,898</td>
<td></td>
</tr>
</tbody>
</table>

Total employee turnover by age group

<table>
<thead>
<tr>
<th>Age Group</th>
<th>2022</th>
<th>2023</th>
<th>Audited data (2023)</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;30</td>
<td>24.37%</td>
<td>22.76%</td>
<td></td>
</tr>
<tr>
<td>30-39</td>
<td>9.38%</td>
<td>8.87%</td>
<td></td>
</tr>
<tr>
<td>40-49</td>
<td>5.21%</td>
<td>5.89%</td>
<td></td>
</tr>
<tr>
<td>&gt;=50</td>
<td>12.50%</td>
<td>15.07%</td>
<td></td>
</tr>
</tbody>
</table>

Gender Pay Gap (Women/Men)

<table>
<thead>
<tr>
<th>Year</th>
<th>Management Level*</th>
<th>Branch Manager / Mid-Level Manager*</th>
<th>Best of the Employee*</th>
<th>Average*</th>
<th>Audited data (2023)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2023</td>
<td>0.90</td>
<td>0.84</td>
<td>1.04</td>
<td>1.06</td>
<td></td>
</tr>
<tr>
<td>2022</td>
<td>0.87</td>
<td>0.85</td>
<td>1.07</td>
<td>1.07</td>
<td></td>
</tr>
<tr>
<td>2021</td>
<td>0.87</td>
<td>0.9</td>
<td>1.05</td>
<td>1.11</td>
<td></td>
</tr>
</tbody>
</table>

Management Level: Directors, Regional Managers, Corporate and Commercial Branch Managers, Managers, Branch Manager/Mid-level Managers; Branch Managers (except Corporate & Commercial branches), Senior Supervisors and Supervisors
Rest of Employees: Associates, Specialists and Specialized Assistants, Assistants and Support Staff

* Median value given, as average metrics is negatively affected by extreme values (i.e. very high/very low). Garanti BBVA Technology employees are not taken into account in the calculation.

Performance Indicators for Training

<table>
<thead>
<tr>
<th>Training Type</th>
<th>Number of Employees Completed</th>
<th>Total training duration</th>
<th>Audited data (2023)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender Equality Trainings</td>
<td>4,622</td>
<td>5,936</td>
<td></td>
</tr>
<tr>
<td>Anti-Corruption Trainings</td>
<td>7,586</td>
<td>5,792</td>
<td></td>
</tr>
<tr>
<td>Ethics Trainings</td>
<td>11,920</td>
<td>5,892</td>
<td></td>
</tr>
<tr>
<td>Information Security Trainings</td>
<td>18,360</td>
<td>18,912</td>
<td></td>
</tr>
<tr>
<td>PDPL Trainings</td>
<td>17,065</td>
<td>10,124</td>
<td></td>
</tr>
<tr>
<td>Cyber Security Trainings</td>
<td>13,011</td>
<td>13,011</td>
<td></td>
</tr>
</tbody>
</table>

This data shows the trainings completed by Garanti BBVA and domestic subsidiary employees in 2023 under the relevant training titles.

Performance Indicators for Training 2023

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Audited data (2023)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Training hours per employee</td>
<td>54.22</td>
</tr>
<tr>
<td>Number of training per male/female employee</td>
<td>54.25 (Female)</td>
</tr>
<tr>
<td>Number of training per male/female employee</td>
<td>50.20 (Male)</td>
</tr>
<tr>
<td>Share of digital training in total training hours</td>
<td>51%</td>
</tr>
<tr>
<td>Total expenditure on training</td>
<td>94,706,408 TL</td>
</tr>
</tbody>
</table>

Occupational Health and Safety Performance Indicators

<table>
<thead>
<tr>
<th>Indicator</th>
<th>2022</th>
<th>2023</th>
<th>Audited data (2023)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loss of labor force</td>
<td>1.60%</td>
<td>1.20%</td>
<td></td>
</tr>
<tr>
<td>Number of accidents</td>
<td>54</td>
<td>132</td>
<td></td>
</tr>
<tr>
<td>Number of fatal cases</td>
<td>1</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Accident frequency rate</td>
<td>0.22</td>
<td>0.52</td>
<td></td>
</tr>
</tbody>
</table>
ACQUIRING THE RIGHT TALENT AND STRONG EMPLOYER BRAND MANAGEMENT

Garanti BBVA remains adhered to its goal of being the employer of choice in the banking industry by introducing projects that attract potential talents and by enhancing employee engagement through internal communication initiatives catering to its employees’ needs, and being an attractive brand for its target groups in other sectors.

Target

Ensure the Bank’s representation on platforms and in events focused on its target groups in line with its employer brand strategy

Action Taken

1. As part of university events, the Bank got together with approximately 10,000 students and gave them an introduction to the Garanti BBVA Group and career opportunities in the Group.
2. Garanti BBVA was featured on media channels such as InBusiness and Bloomberg TV, and in sectoral gatherings by way of sponsorships, during which the strategic headings and good practices by Talent and Culture were tackled.

Young Talent Programs

1) Talent Day

Management Trainee (MT) recruitment talent program for new graduates, university seniors or postgraduate students.

The Management Trainee Program prepares MTs for their new positions in line with our Bank’s values, strategic priorities, corporate culture, and the strategy of having the technical and behavioral skills required by the sector and business life.

It consists of two different programs, Management Trainee and Management Trainee-Credits, customized for different task groups. Management Trainee program participants include talents who start working in head office units while MT Credits program participants include talents who start working in Credits units and Corporate branches.

For the head office and credits teams, the program offers a wide range of technical training on the banking sector, our products and services, finance, accounting, law, digitalization, data world and sustainability. The program, which is enriched with Senior Management experience sharing sessions, gamification and welcome events, consists of 2 modules, 8 weeks and 44 days in total.

In 2023, 37 new graduates were recruited under this program.

2) Sales Trainee

Our employees who will start working as Commercial Customer Relations Representatives in commercial branches are preparing for their new careers with the Sales Trainee Program.

The program offers many technical trainings on the banking sector, our products and services, finance, accounting, law, digitalization, sustainability, as well as our Group’s values, strategies and many behavioral development trainings.

Enriched with the experience sharing of Senior Management, gamification and welcome activities, the program, which consists of 2 modules and 9 weeks, enables them to acquire technical and behavioral skills required by our Bank’s values, strategic priorities, corporate culture, their new job, the sector and business life.

In 2023, 90 new graduates started in 2023.

3) Audit Day

It is a talent program for new graduates to be assigned within the Internal Audit as Assistant Auditors and Assistant Information Technologies Auditors.

Our employees who start working as Assistant auditors at Garanti BBVA Internal Audit are involved in a very comprehensive and long-term training process in which they can improve themselves in terms of professional, technical and managerial skills. In addition to the trainings that will provide a theoretical basis for the sector and the profession in the fields of banking as a whole, economy, finance, law and especially auditing, they also participate in data analysis trainings aimed at analyzing the big data that they commonly use in audits. They are involved in an intensive training process in modules, totaling 3 modules and 36 days, during the first 2 years. In 2023, 29 new graduates were recruited under this program.

4) Talent Spot

It is a talent program for new graduate engineer candidates who want to improve themselves in the field of technology to work at Garanti BBVA Technology.

The program is 1 module and consists of 12.5 hours of digital and 6 hours of online training, including the content that new graduates will need when starting their business life.

With this program, which is prepared for young talents who want to learn financial technologies from experts, improve themselves with the technical training and development program, 90 new graduates started in 2023.

Specialized Talent Programs

1) Data Day

It is a talent acquisition program for newly graduated students who want to work as Data Scientist MTs in different units within the Garanti BBVA group.

In addition to 2 modules and a total of 31 days of training in the Data MT program, participants attend the 8-day Beginner Level Data Science Training Program to increase their technical competencies in data science. In this training, participants gain knowledge on topics such as introduction to data science, statistics, machine learning and python.

In 2023, 13 new graduate Data Scientists were recruited to the group through this program.

2) Security Academy

The Security Academy program is designed to meet the need for security experts in the field of technology.

In 2023, 450 people participated in this program, which was designed to train young talents who want to direct their careers in the field of technology and security as “security engineers”, 30 young talents who were the most successful in the program, which lasted 4 months and consisted of 3 modules, were included in the 5-day Bootcamp at the end of the program.

3) BeCoder Software Developer Training and Vocational Development Programme

It is a software developer training and vocational training program for engineering students who are interested in software development. Within the scope of this program, in addition to the opportunity to participate in certified full stack developer trainings, students are also provided with the opportunity to do internships in different teams within Garanti BBVA Technology.

In 2023, 35 young talent affected by the earthquake were included in the BeCoder Software Developer Training and Vocational Training Program.

Internship Programs

1) Talent Camp

It is a long-term talent internship program for 3rd year university students, supported by online and on-the-job trainings.

Following their applications, internship candidates who successfully complete the general aptitude, English, inventory and interview processes are included in the long-term internship program starting from 3 months in different business areas in the Head Office teams of Garanti BBVA Group.
Students who successfully complete the internship process have the opportunity to be directly included in the MT talent program, provided that they graduate the following year.

In 2023, 29 interns participated in the program on internship in different units.

2) Gelecek Icin Birlikteyiz
This is our long-term development and employment program for first and second year university students who were affected by the earthquake disaster our country experienced in February.

Students who participate in the program develop themselves with the trainings they receive throughout the year, gain experience in the first period of their careers in the teams where they intern, develop new capabilities for their future and prepare for the first period of their careers under Garanti BBVA Group.

In 2023, 160 students started as interns in various business units of Garanti BBVA Group.

Target
Increase international career opportunities to support the development of talents and strengthen their loyalty to the company

Garanti BBVA employs various objective, competency-based measurement and evaluation tools and methods specific to each position to match the right person with the right job. Focused on developing its talents from within, the Bank gives priority to internal career transitions for all vacant positions.

Action Taken
- Garanti BBVA introduced the Garanti BBVA Career Platform that covers all external vacant positions and talent acquisition programs across the Group companies, which also reinforces its employer brand. (https://kariyer.garanti.bbva.com.tr/)
- A stronger candidate experience and process was created with the career platform, which lets each candidate view the vacant positions within the Garanti BBVA Group, instantly follow up and get information on the status of the recruitment process for which he/she applied, and also gain an insight into Garanti BBVA and see the organization’s values, priorities and talent programs.

To this end, the Bank aims to align its talent strategies with its fair, transparent and employee satisfaction-oriented culture that is molded according to employees’ and organization’s needs, and is nurtured by the organization’s values.

Garanti BBVA adopts a merit-based performance evaluation system that encourages employees’ determination/desire to achieve success and development, and differentiates good performers. Garanti BBVA’s performance evaluation system measures the extent at which employees reach their performance targets and to what extent they captured the values while reaching these targets. Systematic bonus and performance models are supported by concrete and measurable criteria during the assessment, and seek to ensure fairness among employees. With the performance evaluation and People Assessment process organized in line with the strategies of Garanti BBVA, goals, values and competencies are evaluated on the basis of objective criteria. Employees’ sustainable performances and competency results are used as input for remuneration, career and development.

Students who participate in the program develop themselves with the trainings they receive throughout the year, gain experience in the first period of their careers in the teams where they intern, develop new capabilities for their future and prepare for the first period of their careers under Garanti BBVA Group.

In 2023, 160 students started as interns in various business units of Garanti BBVA Group.

Target
Attract the best candidate in the fastest manner delivering the best experience

Garanti BBVA provides its employees with short- and long-term assignment opportunities at the BBVA Group. In 2023, talents from the Head Office and Group companies had the chance to acquire global experience and development in Madrid and New York within the scope of the international development program in which they assumed various duties. Talents assigned to field posts, on the other hand, were able to experience the implementations in Madrid and broaden their global networks. Employees who benefited from the in-group long-term assignment and permanent transfer opportunities also had the chance to be transferred to permanent roles in the Madrid office within the scope of talent programs in which they experienced different cultures while acquiring international working experience in Madrid, London, Amsterdam, Bucharest and different locations.

OPTIMUM TALENT MANAGEMENT

Garanti BBVA focuses on a talent strategy that prepares, develops and supports its employees for the next step in their career path within the framework of a development model in which talents are discovered in the early stages of their careers. Employees’ awareness of career options is increased and various development tools are offered.

Digital Learning Platform
Garanti BBVA kept improving the learning experience with new features added to the digital learning platform, which allow the employees to:
- Redo the training programs and activities related to their own choice, in addition to priority digital training for their development.
- Have the chance to take the training programs of their own choice, in addition to priority digital training for their development.
- Make use of different learning solutions such as podcasts, easily notice and complete compulsory trainings, easily reach the resources that reinforce the training, interactively share the training programs they like with one another, easily follow up their training programs and steps with the new development journey plan.

EDUCATION SOLUTIONS FOCUSED ON TALENT DEVELOPMENT

Garanti BBVA promotes continuous learning culture which fully prepares the employees for the competencies of the present and the future according to their needs.

In 2023, Garanti BBVA received 4 awards in total from TEGEP Learning and Development Platform Association and Brandon Hall. At the Excellence Awards organized by Brandon Hall Group, the Bank claimed the gold prize in the “Best Advance in Creating a Learning Strategy” category with “We Carry Development to the Future,” and silver prize in the “Best Advance in High Potential Development” category with “Talent Development Programs,” At the Learning and Development Awards 2023 organized by TEGEP, the Bank won the top prize in the “Talent Development Program” category with its Talent Development Programs and in the “Best Learning and Development Program” category with its MT Program.

The following were targeted in 2023 with the aim of gradually establishing a self-regulated development culture for employees:
- Developed sustainable training systems to enrich the learning and development ecosystem,
- Supported employees to undertake more responsibility and initiatives for self-development,
- Provided gamification of the digital training platform,
- Increased learning from one another and personalized learning experiences,
- Improved learning experience by making greater use of employees’ training data and of technologies such as Artificial intelligence.
Garanti BBVA, which considers ensuring the development of its talents and retaining its critical talents as one of its main focus areas, continued to provide its employees with rich training content and data-based "smart training suggestions".

**Employee Interaction in Training and Role-Based Learning**

**Target**
- Enrich and upgrade digital education platform aimed at promoting continuous learning culture

**Action Taken**
- In 2023, 152 new digital training packages were added to the digital education platform. 5,504 GETSm (webinars) were planned, achieving a total participation number of 73,630 across the Garanti BBVA Group companies.
- Through gamified training solutions, employees solved a total of 713,253 questions, spent 3,356 hours on apps, and digital training programs accounted for 51% of all training sessions in terms of hours.
- In 2023, rich contents continued to be added to two e-book platforms giving reach to resources in Turkish and English. During the reporting period, 1,382 employees used the libraries.
- Garanti BBVA, which considers ensuring the development of its talents and retaining its critical talents as one of its main focus areas, continued to provide its employees with rich training content and data-based "smart training suggestions".

**Target**
- Provide employees with location-independent access to training programs

**Action Taken**
- Garanti BBVA encourages location-independent access to development using different methods by adding podcast contents to the digital learning platform integrated in Connect, the mobile app for Garanti BBVA employees.
- In 2023, 68,093 hours of training were completed on the mobile app, including 4,699 hours of podcast training.

**Target**
- Familiarize each new hire with Garanti BBVA, make them feel a member of Garanti BBVA family from day 1 and support employee development

**Action Taken**
- Employees join the orientation program for the first 3 months of their employment.
- The one-day "Welcome on Board" events started to be organized quarterly, which enhances engagement and sense of belonging, builds on being one team and increases communication and interaction with internal teams, and makes one feel in the same place with stellar talents.

**Target**
- Raise more awareness on sustainability

**Action Taken**
- As part of sustainable upskilling; all employees were offered digital trainings and elective asynchronous training courses that run throughout the year. In 2023, 9,006 employees took part in the trainings designed for awareness raising in the field of sustainability at individual and organizational level.
- The sustainability team was supported with international academic programs and certification programs.
- 1,373 employees attended training and seminars on individual habits for a sustainable world on the "Sustainability Day" celebrated concurrently in all BBVA countries. The event covered online trainings with expert trainers on reducing carbon footprint, climate change, zero waste and similar themes; and seminars on sustainability and climate change, which were held at the Head Office buildings. As part of the Environment Day, the Bank organized "Zero Waste Life" training open to the public and a prize-incentivized Sustainability Simulation training for a selected group of willing employees.

**Target**
- Train employees competent in Engineering, Data and Information Security areas

**Action Taken**
- Data Scientist learning programs were delivered to 95 Data Specialists and 12 new hires.
- Technology Development Programs continued also in 2023 with new trainings and topics.
- The 12-month GTech Development Certificate Program was launched, which was participated by 123 employees. The second edition of the program was opened in 2023, for which 80 people qualified.
Learning Opportunities Provided under our Talent Acquisition and Talent Development Programs

**Target**
- Increase talent acquisition, and train/develop future leaders

**Action Taken**
- 77 of our newly graduated employees who started in Management Trainee position and 15 newly graduated employees who started to work as Sales Trainees successfully completed the two-module training programs, which included banking and business life trainings, as well as preparing them for their new duties, sector and business life.
- In 2023, 394 employees participated in the field and head office Talent Development Programs.

Value-Creating Learning Programs to Navigate Challenges

**Target**
- Organize education programs that will increase Garanti BBVA employees' resilience and strength, and help them overcome the challenges that they face

**Action Taken**
- The training program entitled “We Will Learn and Heal” was designed to support employees in case of natural disasters such as earthquakes. The program is intended to make sure employees are physically and psychologically prepared for natural disasters. 39,297 employees took part in 25 training programs held within the scope of “We Will Learn and Heal”.
- “Together for the Future”: The development, support and employment program “Together for the Future” was launched to bond up the wounds inflicted by the earthquake and to support employment of young people. Under the program, first- and second-year university students are presented with self-development opportunity and given the chance to gain experience in areas that fit their skills.

Foreign Language and Personal Interest Areas

**Target**
- Contribute to employees’ improving their foreign language skills

**Action Taken**
- 48 employees took part in the “Eat & Speak” Spanish language learning program.
- A2 Spanish training modules added to the digital learning platform contributed to language development of beginner level employees; 47 employees in total attended the training.
- Partnerships with external platforms and institutions for Spanish and English language development continued and employees’ language development was supported with face-to-face and online courses. Furthermore, GETLingo portal contents continued to be offered to employees.

**Target**
- Allow employees’ self-development and enable their strengthening in customer relationships by blending their interests with their jobs so as to equip them with new perspectives and new skills

**Action Taken**
- In 2023, cultural development of all employees continued to be supported through GETKültür training programs dealing with a wide variety of subjects from art history to yoga, motorcycling to chocolate making at home. In the reporting period, 7,052 employees followed 44,184 hours of GETKültür trainings, which scored a high number of positive employee feedback.
- The Let’s Talk event brought employees together with experts on a different theme every month. 8 Let’s Talk events were held in 2023.

A HAPPY AND ENGAGED ORGANIZATION

**Target**
- Enhance employee happiness and engagement

**Action Taken**
- During 2023, Garanti BBVA continued to offer various applications and services under “İYİ” (Work-Life Balance) roof in a bid to support “the best and the most engaged team” target and to consolidate employee happiness, well-being and engagement. With “İYİ Etkinlik – İYİ Sahne” (performance), “İYİ İndirimler” (discounts) and “İYİ Bak Kendine” (Take Good Care of Yourself) programs introduced in this context, the Bank increased the number of employees reached.
- “Life” section was created within the Connect Mobile app to give increased reach to all initiatives carried out within the scope of İYİ program, and facilitate access to contents.
- New steps were taken to support the welfare and well-being of employees through expanding the coverage of discount deals. Under more than 120 discount deals made with companies in different sectors varying from technology to clothing in 2023, employees were provided the chance to reach better products and services at more affordable prices. In addition, under the discount deal made with 24 educational institutions across the country, employees were given access to preschool education at discounted prices for their children.
- “İYİ Sahne” (performance) launched in 2023 brought 10 theater plays to thousands of employees in the conference halls in Zincirlikuyu and Pendik locations. Moreover, Garanti BBVA supported the theaters and stage actors in our country, and thus contributed to the cultural and artistic life, while setting a role model for the business world in integrating theater plays to professional work settings.
- “İYİ Etkinlik – İYİ Sahne” launched in 2023 brought 10 “İYİ Etkinlik” events organized by 14 hobby clubs including Winter Sports, Theater, Trekking, Jogging, Aviation, Turkish Classical Music, Outdoor Sports have been helping the socialization of Garanti BBVA employees and their engagement in their areas of interest.
- In 2023 that marked the centennial of the Turkish Republic, a comprehensive project was carried out with the active participation of volunteering employees to celebrate this occasion. Garanti BBVA penned its message to the new century of the Republic, and set out from Istanbul with its Sailing Club to Samsun, where the
Strengthen Our Leadership

Target

Build on the competencies and behaviors required of our managers to help them be individuals who live and keep alive the values, and help their colleagues thrive and achieve successful results.

Action Taken

• In 2023, Garanti BBVA launched “The Good Manager”, a project designed to contribute to development of leaders. Under the project, the Bank put into implementation the new Good Manager platform and tools that leaders need to inspire and steer their teams.
• Events were organized that featured renowned educators and speakers from the business world and academic circles to offer inspiring contents to managers.

Target

Establish a platform that will give a one-stop reach to the tools leaders need for supporting their development

Action Taken

• The Good Manager Platform was launched and started to be used by managers at all Group companies. As The Good Manager platform gave managers access to Leadership Index reports, NPS and Employee Engagement scores on a single platform, it also enabled access to managerial processes, inspirational documents and the Forum page increasing interaction of managers.

OHS, which is a team of 45 people consisting of Occupational Physicians, Occupational Safety Specialists and Workplace Nurses, is also responsible for the implementation and development of the Contingency Plan, which is part of the business continuity plan, to guarantee that employees, contractors, visitors and customers are through disasters and emergencies without being harmed.

Having received the International Safety Award once again this year given by the British Safety Council, one of the world’s most eminently authorities in health and safety, OHS succeeded in earning the prestigious award for the fourth consecutive year since 2020.

Right after the Kahramanmaras earthquakes that occurred in 2023, the Bank’s Crisis Management Committee met forthwith and quickly initiated action for the health and needs of its employees in line with the scope of the incident, based on sphere of influence analyses.

Having focused on the health status of its employees and their families in the region from the first moment, Garanti BBVA quickly planned need-based support for its employees, including their families and relatives. The Bank provided the necessary means for evacuation from the region, and additionally extended support for accommodation. Accommodation opportunity was offered in the tent cities set up by the Bank, and in hotels; also the Bank provided tents and shipping containers for those who wished to stay in the region.

Efforts were spent to cover financial needs and all fundamental necessities. The Bank kept under close watch and supplied life support materials such as food, clothing and hygienic materials for its employees, their families and relatives. Subsequently, the Bank set up tiny houses in Malatya and Kahramanmaras, and temporary settlement areas comprised of tiny houses in Hatay for sheltering needs.
Support was offered not just for the physical health but also for psychological well-being of the employees in the region. The Bank helped its employees build a new life and reconnect through support package initiatives that incorporated various aspects including damage control of the homes of employees in the region, their appointment to cities of their choice, as well as financial support for rent, furniture and relocation expenses. In all its efforts, the Bank attached the utmost priority to the health and welfare of its employees and their families.

Target

Resilience, business continuity and strategy setting in case of disasters and emergencies.

Action Taken

• All OHS training programs within the scope of contingency plans were reviewed, and improvement areas were identified and updated based on experiences from disasters and data. Actions were taken to ensure more effective execution of compulsory drills as per the Contingency Plan.

• As part of ‘Business Continuity’ process, a wide variety of scenarios such as earthquake, flood, fire and extreme weather and regional simulations were ameliorated through major improvements following the experiences derived from the earthquakes, floods and extreme weather events that took place. The scenarios were practiced with the participation of all units, and necessary actions were triggered with respect to relevant plans.

• Protecting employee health and maintaining business continuity are among the Bank’s priority responsibilities at all times. To achieve the capability to duly fulfill this responsibility at the time of a disaster as well, more than 50 projects on different topics are being conducted at Garanti BBVA as part of the preparations for the possible Marmara earthquake.

• On the basis of employee-oriented projects, training programs are being given to establish a corporate culture with a high level of earthquake consciousness and work is ongoing for being prepared in various aspects including sheltering, evacuation, psychological support, as well as life support preparations for vital necessities such as food and clothing.

At Garanti BBVA, where a compensation structure consisting of fixed income and variable income items is in place, the Remuneration Committee and the Talent and Culture Unit delegated thereby are responsible for reviewing and duly executing the compensation policies.

Garanti BBVA’s compensation policy is based on “equal pay for equal work” and “pay for performance” principles.

The Bank’s Compensation Policy is based on fairness, transparency, measurability and balanced performance targets; it encourages sustainable success and is in line with the Bank’s Risk Management Principles. The Bank transparently discloses the gender pay gap and keeps steps to close it. The Bank monitors fairness in remuneration as per Sustainable Development Goals and considers ensuring workforce equality and granting equal rights on economic resources as a priority to be attained by 2030.

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 is submitted for approval and determined at the General Shareholders’ Meeting. As of the 31 December 2023, 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. 455 million 242 thousand.

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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 is submitted for approval and determined at the General Shareholders’ Meeting. As of the 31 December 2023, 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. 455 million 242 thousand. As the public disclosures regarding the remunerations and benefits provided to key managers including board members are governed by the BRSAs’s regulations on the banks' qualitative and quantitative disclosures with regard to the remuneration policies, such remunerations and benefits are disclosed cumulatively.

REMUNERATION

As published on the Bank’s website, a Compensation Policy for employees, which is prepared in accordance with banking and capital market legislation, has been established and approved by the Board of Directors.

The Compensation Policy can be found on Garanti BBVA Investor Relations website, under Environment, Social and Governance >Policies tab.

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 in 2023 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. 45,000,000 net for the total compensation determined and will be paid until the first ordinary general shareholders’ meeting to be convened in 2024.

On the other hand, 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 instalments and spread over future periods.

The compensation system of the Bank is built on job-based remuneration; employees who are employed in similar jobs receive similar compensation. Jobs are evaluated according to objective criteria such as required competency, the risk involved and the number of employees supervised. The Bank’s Compensation Policy established within this framework has been approved by the Board of Directors and presented for the information of shareholders at the Ordinary General Shareholders’ Meeting. Presently, the policy is available to the public on the Banks’ website pursuant to corporate governance principles. The performance evaluation system at Garanti BBVA measures employee performance depending on objectives and the extent of their attainment. Systematic bonus and performance models are supported by concrete and measurable criteria in the assessment, and serve as major and effective management tools for achieving cost management and efficiency, while ensuring fairness among the employees. In this context, customer satisfaction, service quality and efficient management of human resources are also among the basic factors affecting the performance-based remuneration. Garanti BBVA monitors the competitiveness of its salaries through survey of salary levels in the sector. Job descriptions, performance criteria and bonus system criteria of all positions at the Bank are announced transparently to all employees via the Intranet.

The Bank’s Compensation Policy has been implemented as approved. The Policy 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.

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 executives 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 executives outside of the above mentioned framework.

**GENDER PAY GAP**

In line with the principle of equal pay for equal work defined in the Bank’s Compensation Policy, the Bank commits to protect the right of all employees to be paid in line with the work value of their role.

Wage comparison between different categories are given in the respective table at the beginning of the section in addition to female to male salary ratio (107%). Since each category has differences in terms of role, seniority, number of female and male employees and performance, the wage comparison chart is affected by these variables. The observed differences are due to the factors mentioned, and the category-based results do not represent the wage gap between male and female employees.

**GARANTI BBVA PENSION FUND**

T. Garanti BBVA Bankası A.Ş. Memur ve Müşteriäm(al Emekli ve Yarım Sandıklı Vakfı (Retirement and Social Assistance Fund) has been established as per Provisional Article 20 of the Social Security Law no: 506.

The founding purpose of the Fund is to deliver healthcare services to employees, retired members and their dependent family members, and to entitle qualifying Bank employees to pension, which rights shall not be less than those provided by the Social Security Institution.

The Fund’s Healthcare Centers located in Istanbul, Ankara and Izmir offer service with specialist physicians. İstanbul Şişli and Bakırköy Healthcare Centers were renovated, and they continue to offer service with an expanded team of physicians in a more modern, refreshing and comfortable setting. Members are given reach to comprehensive healthcare service through the extensive network of in-scope private hospitals and pharmacies. In addition to members, spouses and children satisfying the legal requirements also benefit from healthcare services.

Among the privileged services the Fund offers to retirees are the one-time Fund bonus paid in lump-sum in addition to pension payments, and the 13th pension payment that will continue throughout the duration of the retirement, provided that the conditions set out in the bylaws are satisfied.

Practical digital solutions are being introduced with the aim of increasing the quality and diversity of the services furnished to members.

Highlights of the activities of the Fund as of 31 December 2023 are as follows:
- The number of members receiving pension payments rose to 12,861.
- TL 2.6 billion was paid to retirees and beneficiaries.
- Healthcare expenses during the reporting period amounted to TL 730 million.

In 2023, Garanti BBVA made an arrangement for employees wishing to benefit from the Victims of Delayed Pension Age (commonly referred to as EV'T in Turkish) regulation for them to exercise their right to retire, or retire and be rehired.

**DATA-DRIVEN, DIGITAL AND INNOVATIVE TALENT MANAGEMENT**

We do not limit our strong capabilities in new technologies and data analytics to the products and services we offer to our customers, but also aim to ensure that our employees have the best experience by adopting the same innovative approach in our Talent and Culture processes.

In the Talent and Culture department, Garanti BBVA offers a working environment that enables reaching the right candidate in the talent acquisition process; supports candidate experience, induction and onboarding periods; helps understand their talents, skills, and career goals to offer appropriate opportunities; gaining the competences of the future and strengthens their leadership, productivity and well-being. The Bank backs this environment with digital platforms and data-driven innovative approaches, and further improves and ameliorates this experience by the day.

Garanti BBVA makes use of all the means emanating from advancements in technology to implement processes designed with end-to-end smart approaches so as to maximize the effectiveness of our Talent and Culture strategy that is devised to promote the organization’s strategy.

**Target**

Offer digital platforms backed with innovative technology and rich contents, whereby candidates, employees and managers will have the optimum experience in reaching and using Talent and Culture implementations and easily track processes.

**Action Taken**

- The new Garanti BBVA Career website has been developed, which provides a closer look into the Garanti BBVA Group, allows candidates to easily apply for roles that fit their skills and goals, enables tracking each phase of the process, delivers a stronger candidate experience, and which, at the same time, helps the organization reach the right talent in the shortest time possible.
- The new Leadership Platform “The Good Manager” was launched, which will strengthen our leaders, support them with inspirational contents and let them easily follow up the processes associated with the candidates.
- Support areas were developed on Connect, our employee experience platform, which will steer planning needs for the hybrid model, and will offer life-easing smart suggestions to managers with respect to the areas they need to follow-up in their teams’ day-to-day activities.
**Target**

Ensure employee happiness and support their well-being by giving employees easy, self-served reach and use to Talent and Culture applications via the Connect Mobile app.

**Action Taken**

- Pre-boarding was introduced, which will provide new hires with insights into Garanti BBVA and facilitate their adaptation to the working life in the organization.
- Employees can now convey their feedback regarding the Bank in face-to-face or online events for supporting employee wellness and well-being.
- Garanti BBVA employees were provided with uninterrupted, easy and convenient access using mobile platforms to discount opportunities of select brands, free or discounted tickets for concerts, theater plays and similar events, and well-being events and contents.
- Connect Mobile Platform was enriched with different solutions such as podcasts.
- Live broadcasts realized for informing large audiences about current developments, global and local priorities can now be streamed on the mobile app.
- Improved mobile accessibility is available for processes and applications the employees need in their daily lives.

**Target**

Adopt a data-driven approach to Talent and Culture processes to establish decision-making processes on more quantifiable, objective and strategic basis.

**Action Taken**

In order to respond more accurately to the needs of our employees, the depth of metrics for employees and the work environment has been improved, business intelligence applications have been enriched and their usage possibilities have been strengthened.

- Predictive models were introduced, which will support the decisions to be taken for critical processes in the Talent and Culture domain.

**FOCUS ON EMPLOYEE ENGAGEMENT, CULTURE AND DIVERSITY**

Garanti BBVA’s vision is to create an inclusive working environment entailing diversity, where each individual is respected and valued, and feels that he/she belongs in. Acting with the consciousness that the sense of belonging allows individual employees to completely express themselves, the Bank is guided by approaches that strengthen people so that they can materialize their full potential. The Bank reviews the processes, widens its talent pool, and develops policies to enhance employee wellness and engagement in order to reach its goal of being an inclusive employer by implementing a holistic approach to diversity and inclusiveness.

Considering diversity and inclusion not as an output, but as a process to be worked on constantly, Garanti BBVA believes that it will form an equal, fair and creative ecosystem at every step of the way, to the extent that it runs this process consistently.

Garanti BBVA defines organizational diversity as the intersection points of its employees’ cultural features, ethnicity, gender, sexual orientation, gender identity, language, physical condition, race, faith, socioeconomic status, educational background and age. The Bank believes that identifying the needs of a population with increasing diversity and developing services that fit these needs can be achieved by the visibility and expansion of organizational diversity.

Garanti BBVA is focused on fulfilling the requirements of, and achieving compliance with, the regulatory framework governing work life in our country, along with international covenants to which Türkiye is a party, specifically the UN Universal Declaration of Human Rights, and

- The basic tenets of the International Labor Organization, a specialized United Nations agency working to promote human rights, social justice and labor rights.

In accordance with Garanti BBVA’s Code of Conduct, employees at any level are obliged to conduct their relationships with each other in a way that will not injure the work climate and will not be perceived as harassment, discrimination or mistreatment in or out of the workplace. Garanti BBVA Managers are obliged to take the necessary measures to prevent mistreatment, discrimination or harassment of any type in the workplace and to report suspected cases to the Talent and Culture Department. If, for any reason, this method is not relevant or not the best way for the resolution of the issue, the case is referred to the Whistleblowing Channel.

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. Such complaints are addressed and resolved with due importance. Necessary administrative sanctions are implemented at the Bank against perpetrators of any kind of mistreatment, discrimination or harassment or actions to cover up such behavior. In keeping with the equal opportunity principle, Garanti BBVA does not discriminate against its employees. The fundamental criterion for choosing, promoting, or reassigning a person for a position is fitness for such position.

Garanti BBVA respects the constitutional right regarding unionization and collective agreements. All employees are free with respect to union membership and act of their own free will.

All these steps are guaranteed and followed up within the Bank’s Anti-Harassment and Non-discrimination Policy.

On another note, Garanti BBVA demonstrates zero tolerance to the issue with the Domestic Violence Platform it has set up. The Bank raises awareness among employees and continues to combat violence with the support mechanisms it provides.

Garanti BBVA, placing gender equality in its focal point, committedly endeavors for equal existence of women in every department and at every level of economic life.

Women employees comprise 56% of all Garanti BBVA employees and 39% of senior/middle-level management. As a result of the importance it attaches to gender equality and women’s equal representation, Garanti BBVA is one of the first companies to implement the Equal Opportunity Model (First Equal Model平等モデル/ FEM). In addition, Garanti BBVA, as one of the first signatories of the United Nations Women’s Empowerment Principles (WEPs), is the first bank from Türkiye to sign these principles.

In 2023, Garanti BBVA increased its score to 89.06 on the back of the steps taken to establish an inclusive working culture and innovations in flexible working environment, and thus, remained the only bank from Türkiye to be included for seven consecutive years in the Bloomberg Gender Equality Index.

**Action Taken**

- Under the EşitBiz Gender Equality Project, approximately 16,000 Garanti BBVA employees completed the “I am Aware of Equality” GET Kur’s training to date. Within the scope of EşitBiz project, face-to-face “I am In for Equality” workshop was held to address the obstacles, needs and solutions in relation to gender equality more thoroughly. 41 Garanti BBVA employees voluntarily took part in the workshop organized in cooperation with Equality Matters and with the contributions of leading academics and experts.
- Proactively working to support women to make a comeback to business life, Garanti BBVA collaborates with
YenidenBiz Association to create opportunities for women talents seeking employment.

- The Bank took part in global panels on Inclusive Leadership, Enabled Employee Experience and Domestic Violence last year in the annual Diversity and Inclusiveness Days, and presented seminars and contents on disability, gender equality, unconscious biases, inclusive language and violence for employee and leadership awareness.

- Caretakers of the World (Dünanya Iyi Bakanlar) formed under Employee Resource Groups (ERG) comprise of volunteering employees in four sub-projects. They work on projects that directly contribute to the Bank’s sustainability and gender equality targets.

**Target**

A working environment dominated by equal opportunities and diversity.

**Action Taken**

As an organization that considers it a duty to ensure equal employment, the Bank attaches importance to diversity of the talent pool. This approach also covers talents with visible or invisible disabilities. The Bank focuses on the experiences and talents of candidates instead of their disabilities and works towards an “accessible” working environment. It keeps taking steps to create a cooperative and inclusive working environment that is conducive to professional and personal development of employees, allows manifesting their best, and consolidates leadership skills that will help them adjust to the fast-changing world.

**New Approaches and Global Opportunities in Talent Acquisition**

Talent acquisition plans envisage proactive prediction of the needs, attracting passive talents, and introduction of system and process improvements that will establish the principle of making a difference.

- Talent acquisition processes will continue to be developed with the support of current technology and artificial intelligence models to enable the fastest identification of candidates with the right competencies and experiences, and the most effective candidate relations management.

- Investments in technology and programs targeted at the Bank’s other business lines will continue under the “Academic-Approach Programs for Talent Acquisition”. In addition, Talent Day, Talent Spot and Audit Day programs for talents targeting technology and audit fields, Talent Camp for intern, and Data Camp for those wishing to pursue a career in data field will be sustained. A comprehensive “Garanti BBVA Talent Days” program encompassing the Bank and the Group companies is being designed to combine all talent acquisition programs under a single roof.

- To be an employer of choice and to attract top talents, Garanti BBVA will redesign its employer brand and strategy in 2024, as to emphasize being part of a strong global organization, and will align its communication channels accordingly.

- In 2024, Garanti BBVA will also maintain and further increase its focus on short- and long-term assignments at the BBVA Group and overseas subsidiaries provided to its employees within the scope of international career opportunities.

**Skill-Based Career and Competence Development**

2024 focus areas include redesigning the career model framework and expanding the “skill-based organization” concept beyond existing areas of implementation.

- Technical competencies Garanti BBVA employees presently possess will be measured throughout the year with the target of defining critical competencies necessary for today’s world and for the future.

- To Garanti BBVA, ensuring talent development and retaining critical talents constitute primary areas of focus. To this end, the Bank will continue to offer rich learning contents and data-driven “smart learning suggestions” to its employees.

- The Bank plans to introduce a modular training program that will allow development of critical new competencies with an “The Camps” structure to be developed in 2024. In addition to those, various internal programs for training and development opportunities and for gaining new competencies will be implemented with reskilling & upskilling learning and development opportunities.

- A career model will be created that will allow skill-based differentiation and encourage employees to reskill and upskill.

- Coaching and mentorship practices, which are offered to contribute to employees’ competencies at Garanti BBVA and which generate high levels of satisfaction among the employees, are intended to be carried on and further improved in 2024.

- Employees’ training data and technological means such as artificial intelligence will be utilized at a higher extent to develop learning solutions with “smart suggestions”, and learning from one another and personalized learning experiences will be increased.

- Work will be ongoing in relation to short-term job rotation planning to positions targeted by field talents by way of job shadowing, mentoring to be offered by employees possessing technical expertise to employees wishing to progress in the given area by way of open mentoring, and designing of Management Trainee/Assistant Auditor post-relocation career and development retention programs.

**Employee Wellness and Welfare**

The main plans with respect to remuneration processes in 2024 include monitoring fast-changing economic conditions and sector dynamics for benchmarking purposes as in previous years, and sustained actions that look out for employee interests for the sake of retaining talent.

In 2024, the holistic wellness and well-being approach will be launched, which is designed to cover employees' mental, physical, financial, emotional and social well-being and welfare. Protecting employee health and maintaining business continuity are among the Bank’s priority responsibilities at all times. Talent and Culture team will carry out employee-oriented projects within the frame of initiatives conducted at the Bank as part of preparations for the Marmara earthquake, and preparatory work will continue in 2024 in relation to training programs targeted at increasing consciousness of earthquake preparedness, life support preparations, sheltering, evacuation, psychological support and the like. Geographical redundancy planning will continue for business continuity purposes. On another front, priority will be given to real-time close monitoring of Occupational Health and Safety indicators making the most of OHS data solutions that use the guiding role of data by taking data-driven actions.
As Garanti BBVA keeps working to enhance working environment experience, optimize buildings and render them earthquake-resilient through the modernization of Bank-owned buildings, 2024 priorities include securing energy and cost saving through actions that will contribute to sustainability focus.

Leadership Communication and Executive Development

2024 roadmap has been devised, which covers actions to empower and build on the managerial skills of leaders, who play a major role in the achievement of all targets of Garanti BBVA and who create the atmosphere surrounding the employees in doing so.

In 2024, The Good Manager platform will be enriched with inspirational contents, new solutions/tools that will increase awareness of leaders, and training programs that build on leaders’ competencies will continue.

“LiderA” training program that covers all Garanti BBVA employees will offer programs to employees to explore their leadership potentials and to take their entrepreneurship, responsibility taking and delegation skills further.

Our Culture, Values and Diversity

Initiatives that will capture Garanti BBVA culture and values, upgrade employee engagement will continue to take place at the heart of the actions to be taken once again in 2024. These are underpinned by the employee-oriented approach, sustainability of all the rights provided, and equality principle.

Cultural activities are carried out under the roof of three core values at Garanti BBVA. The values, e.g. Customer Comes First, We Think Big and We are One Team, are intended to deliver the best experience to employees and customers. The Bank will continue to develop merit-based practices that will encourage the will to succeed and promote the culture of high performing individuals and teams, and to provide the cultural development that will approach employees and customers with a radical focus; and to present the initiatives that will support this change.

Under the Diversity and Inclusion strategy, social and economic empowerment of women, increasing their role in decision-making mechanisms, and ensuring gender equality in professional life and within the community alike are at the heart of talent management. All employees are evaluated as per a performance-based promotion and remuneration policy without any discrimination in terms of gender. Garanti BBVA will continue to maintain its focus on being included in the International Bloomer Gender Equality Index. In addition, training programs are being devised to reinforce Diversity and Inclusion culture at the organization, and to consolidate awareness against all sorts of discrimination. Demonstrating zero tolerance to violence, the Bank has published its “Domestic Violence Policy”. In 2024, the Bank will be working on a new recognition and rewarding system, “I am Female Talent” program for manager and prospective manager women employees, Diversity and Inclusion Days events, and talent programs and new practices aimed at increasing the employment of talents with disabilities.

RISKS AND OPPORTUNITIES

Changing Needs in Talent Acquisition

Increased global demand for talent, diversified global employment opportunities, and evolved employee expectations made it inevitable for organizations to review their talent strategies and to cater to the needs of the new era. The dynamic talent market, altering talent requirements and changing segments, digital experience delivery and data-driven approach, the move-away from the conventional recruitment approach, and the selectiveness of candidates (salary, fringe benefits, working conditions, location, etc.) compell a transformation in talent acquisition processes.

Garanti BBVA’s aim is to establish effective channels and talent programs through which it will reach talent, adopt the process and business management approach for reaching the right candidate in the fastest time, deliver the best candidate experience, and convey the organization’s strong and attractive aspects to the talent through the employer brand.

New Competencies

Determining existing skill gaps arose as a necessity upon emergence of new/transformed roles.

Garanti BBVA continues to introduce upsizing programs to ready its employees’ competencies according to changing dynamics. Reskiling programs are being designed for acquiring new competencies, with the objective and strategy to prep the employees and the organization for the future.

New Working Models

Evolving expectations of employees and new working models around the world obscure the borders between work and life.

Garanti BBVA listens to employees through regular questionnaires and idea workshops to gain insight into employee expectations and increase engagement. The Bank follows up global trends to deliver a better employee experience and targets to continuously enhance customer satisfaction and welfare on the back of various practices.

Technological Advancements in Talent and Culture Field

The transformation speed of jobs and competencies driven by technological advancements, alignment with technological developments and integration in processes, and data security continue to be hot topics.

Garanti BBVA espouses the data-driven approach in all its processes and practices, and reviews and incorporates current solutions to include new technological advancements in its processes.
Why should an SME prefer to work with Garanti BBVA?

Executive Vice President
SME Banking

Sibel Kaya

What do empowered women need for being entrepreneurs for 17 years? What is the key motivation behind the uninterrupted support extended to women entrepreneurs over the years?

Customer Experience

What do women entrepreneurs need for being empowered?
Customer Experience

Relationships with stakeholders are deepened by offering personalized solutions that cater to customer needs at the right time, through the right channels.

<table>
<thead>
<tr>
<th>Related Indicator</th>
<th>2022</th>
<th>2023</th>
<th>Audited data (2023)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customers</td>
<td>23.2 million</td>
<td>25.4 million</td>
<td>2023 Audited data</td>
</tr>
<tr>
<td>Digital Banking Customers</td>
<td>13.4 million</td>
<td>15.0 million</td>
<td>2023 Audited data</td>
</tr>
<tr>
<td>Mobile Banking Customers</td>
<td>13 million</td>
<td>14.8 million</td>
<td>2023 Audited data</td>
</tr>
<tr>
<td>Yearly Transactions Performed through Internet and Mobile Banking Channels</td>
<td>1.1 billion</td>
<td>1.5 billion</td>
<td>2023 Audited data</td>
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<tr>
<td>Number of Garanti BBVA Logins</td>
<td>3.7 billion</td>
<td>4.9 billion</td>
<td>2023 Audited data</td>
</tr>
<tr>
<td>% of Active Digital Customers</td>
<td>85%</td>
<td>86%</td>
<td>2023 Audited data</td>
</tr>
<tr>
<td>Branches</td>
<td>838</td>
<td>805</td>
<td>2023 Audited data</td>
</tr>
<tr>
<td>ATMs</td>
<td>5,450</td>
<td>5,511</td>
<td>2023 Audited data</td>
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<tr>
<td>Number of Cardless Transactions via Garanti BBVA ATMs</td>
<td>119 million</td>
<td>123 million</td>
<td>2023 Audited data</td>
</tr>
<tr>
<td>Share of QR transactions</td>
<td>32%</td>
<td>35%</td>
<td>2023 Audited data</td>
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<tr>
<td>POS Terminals</td>
<td>771,497</td>
<td>808,478</td>
<td>2023 Audited data</td>
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<tr>
<td>Member Merchants</td>
<td>455,119</td>
<td>480,278</td>
<td>2023 Audited data</td>
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<tr>
<td>Credit Cards</td>
<td>12,893,019</td>
<td>15,183,137</td>
<td>2023 Audited data</td>
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<tr>
<td>Digital transactions share in non-cash financial transactions (Retail)</td>
<td>97.6%</td>
<td>98.1%</td>
<td>2023 Audited data</td>
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<tr>
<td>Digital sales (share in total sales) (Retail)</td>
<td>86%</td>
<td>90%</td>
<td>2023 Audited data</td>
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<tr>
<td>Engagement with the mobile banking “My Status” area, which focuses on financial health*</td>
<td>36%</td>
<td>36%</td>
<td>2023 Audited data</td>
</tr>
<tr>
<td>Accessible Garanti BBVA ATMs</td>
<td>5,431</td>
<td>5,496</td>
<td>2023 Audited data</td>
</tr>
</tbody>
</table>

* Engagement with the mobile banking “My Status” area, which focuses on financial health. The metric represents the ratio of mobile customers interacting with tips display, spending limit setting, saving target opening and Smart Transactions areas to customers who actively logged-in.

**Net Promoter Score study was conducted by independent research firm Ipsos for Garanti BBVA. Competitors are İşbank, Akbank, Yapi Kredi Bank and ONB Finansbank. The research was conducted in January-December 2023 period using online panel and telephone techniques, with quota sampling method, with customers who described the relevant bank as their main bank and contacted their bank in the last 3 months. The research conducted by telephone technique was based on the Garanti BBVA customer list. The Mobile Banking Net Promoter Score study was conducted by the independent research firm Ipsos for Garanti BBVA. Competitors are İşbank, Akbank, Yapi Kredi Bank and ONB Finansbank. The research was conducted in July-December 2023 period through the online panel, with customers who described the relevant bank as their main or second bank.

*** Commercial Net Promoter Score study was conducted by the independent research firm Ipsos for Garanti BBVA. Competitors are İşbank, Akbank, Yapi Kredi Bank, Ziraat Bank, Vakıfbank and Halkbank. The research was conducted in January-December 2023 period using telephone technique with former customers who described the relevant bank as their main or second bank, based on the Garanti BBVA customer list.

**** Net TCR (Transparent, Clear and Responsible Banking) Score measures how complete and clear the information provided by the bank. It is calculated like Net Promoter Score.

***** Represents the change in the number of complaints per 1,000 customers.
Delivering perfect customer experience is a primary area of focus for Garanti BBVA.

Garanti BBVA’s consistent performance in customer experience relies on four key competencies embraced in the execution of its strategy:

- customer understanding capacity further strengthened by technological means,
- ability to be wherever the customer may be thanks to effective channel usage and design,
- empathetic culture espoused by each member of the organization, and
- advanced measurement systems allowing constant control of processes and services rendered.

At the end of 2023, number of customers exceeded 25 million in total; more importantly, the rise in the number of customers in the reporting year was above 2 million. Main contributors to this result include smart, right and timely solutions that cater to customer needs alongside the omni-channel seamless service quality.

Regular surveys are conducted to measure customer expectations fulfillment performance and to identify improvement areas. These surveys include experience surveys for users of digital channels and various critical products with customers in retail, SME, commercial and corporate segments to measure the Bank’s performance in fulfillment of customer expectations and reveal improvement areas; after-service to measure the Bank’s performance in fulfillment of customer expectations fulfillment performance and to identify improvement areas; after-service to measure the Bank’s performance in fulfillment of customer expectations fulfillment performance and to identify improvement areas; after-service to measure the Bank’s performance in fulfillment of customer expectations fulfillment performance and to identify improvement areas; after-service to measure the Bank’s performance in fulfillment of customer expectations fulfillment performance and to identify improvement areas; after-service to measure the Bank’s performance in fulfillment of customer expectations fulfillment performance and to identify improvement areas.

In the light of the “Financial Health” concept that has also been established as the main theme of customer experience for the past several years, the Bank has been working to support and inspire its customers in attaining their dreams and life goals; to build fair and responsible win-win relationships, and to make this journey a long-lasting one.

Having achieved a Net TCR Score of 62% in 2023, Garanti BBVA had the second highest NPS among retail and SME customers representing its own profile and the highest one among Commercial customers, in both cases compared to its competition, according to the results of the Net Promoter Score research conducted with Retail, SME, Commercial and Mobile customers.

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2023 HIGHLIGHTS

Customer Contact Center

Ranked first in the “Best Contact Center” category at the 16th Türkiye Call Center Awards organized this year by IMI Conferences, Garanti BBVA Customer Contact Center continues to offer fast and innovative services focused on first-contact resolution based on its customer-oriented approach to service and financial products portfolio.

**Target**

**Action Taken**

- Garanti BBVA Customer Contact Center continued to lead the sector with 33% share of total sector incoming calls with the number of customer contacts that increased to 672 million in 2023, which were handled by its qualified team of 1,516.
- Offering customers fast and seamless experience with a call response rate of 99.7% in main service lines, Garanti BBVA Customer Contact Center captured a high Service Level by servicing 82.2% of its customers in and under 30 seconds.
- In addition to the “Türk ID Number or Any Card Pin” Interactive Voice Response (IVR) log-in processes that were launched in 2022, the Bank introduced “Digital Password” that enables customers to instantly and in 10 seconds make the payment for the products for which they wish to receive service for. 94% of our customers started receiving banking services using Digital Password from 444 0 333.
- Another important step in digitalization was taken with the post-call push notifications sent to customers after certain transactions who connect via 444 0 333 and contact different service points, which also creates awareness of Garanti BBVA Mobile among customers through our Customer Representatives and 74 QTY announcements developed on the IVR.
- Transactions performed via “Video Call” since 2019 with the aim of making customers’ lives easier such as Change Money Transfer Limit, Set Digital Password etc. were further expanded with the “SIM Card Activation” service in 2023, thus succeeding in fulfilling customer demands faster without directing them to a branch.
- Video Call for the Hearing Impaired service currently offered through the Digital Onboarding channel to give hearing impaired customers instant and much easier access to financial services was expanded to cover all video call operations handled by the Customer Contact Center.
- In 2023, number of employees assigned to the “Live Support” written communication channel handled by the Customer Contact Center via Garanti BBVA Mobile was increased and more than 887 thousand customer demands were fulfilled.
- While 33 different financial products available in its product range were offered to customers by expert Customer Representatives, sales activities were broadened in 2023, increasing the added value contributed to the Bank with a net financial income figure derived on the sales of 3.3 million financial products.
- The Customer Contact Center single-handedly managed retention efforts for all credit cards issued by Garanti BBVA and retained more than 1.2 million cards.
- In keeping with operational superiority that takes place among the Bank’s strategies, the Customer Contact Center that incorporated Garanti Pension Call Services into its structure in 2023 improved its performance by 17.5% year-over-year in retention services persuasion rates and by 258% in contribution generation. Hence, not only service integrity was maintained and customer experience was consolidated, but also significant increase was achieved in value-added product operations.
- Having outsourced initially niche projects followed by some of its fundamental services, the Customer Contact Center attained the flexibility to take action quickly in capacity management and optimized its productivity thanks to this strategic transformation decision. Concurrently, a switch was made to “centralized management” through centralization of the staffing and budget management of outsourced projects in different units of the Bank and quality management and complaints handling.
- Upon incorporation of Krypto BBVA A.Ş., a joint stock company, the Customer Contact Center that provided the operation of the company’s contact center continued to bring together the call services of not just the Bank but also the affiliates under one roof.
- In addition to the services rendered, parallel to the Bank’s business continuity strategy, the number of service locations at the Bank was increased to 3, which allowed backing up major service functions in Ankara, one of the least earthquake-prone cities in our country.
**Customer Complaints**

**Target**

- Reduce and resolve customer complaints

<table>
<thead>
<tr>
<th>Action Taken</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monthly average complaints were up by 10% in 2023 as compared to 2022 averages. Despite this increase, average number of complaints per thousand customers was down by 1%. Customer Complaints Management team continued to analyzing regularly the root causes of customer complaints and to take corrective and improvement actions accordingly. In 2023, 13 corrective actions helped decreasing the situations that were previously giving rise to customer dissatisfaction by 4.5%, while 9 proactive actions taken prevented potential situations likely to cause customer dissatisfaction.</td>
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</tbody>
</table>

**Digital Experience And Transformation**

Constantly advancing technology and artificial intelligence shape customer needs and expectations on the one hand, while clearing the way for brand new opportunities, solutions and possibilities on the other. Garanti BBVA sustains its own digital leadership continuously and devises its service models in a way to support its customers’ digital transformation.

Offering banking services end-to-end digitally, easily and in an accessible manner is critical for the continuity of Garanti BBVA’s digital transformation strategy. The Bank’s fundamental goals include delivering the best customer experience, compliance with new regulatory framework, and increasing transacting competencies on digital channels.

In 2023, the number of Garanti BBVA active digital customers reached 15 million and that of mobile-only customers 12.4 million. As of Q323, Garanti BBVA mobile banking preserved its leadership among private banks with having the highest number of mobile banking customer.

Number of yearly transactions that went through Internet and Mobile Banking channels came to 1.5 billion, up by 34% year on year.

With its set of 500+ functions, Garanti BBVA Mobile facilitates transacting for customers independent from time and location. In 2023, every 1 mobile transaction out of 5 carried through Garanti BBVA Mobile. Continuing to increase regularly, the number of Garanti BBVA Mobile logins reached 4.9 billion in total in 2023, up by 32%.

Combining users’ needs associated with debit and credit cards in a single app and encompassing technological solutions that will allow payments without the need for wallets, BonusFlas kept gaining growing use and received more than 33 million visits. Number of customer enrollments in campaigns increased by 36% YoY to top 78 million.

Enabling fast and secure payment at more than 3,000 e-commerce businesses without sharing card data, GarantiPay enlarged its volume by 99% to exceed TL 7 billion.

**Digital Slip** feature of BonusFlas, which is a first in the sector, became applicable for transactions of above TL 750 and Not Onur transactions as per the BRS4 regulation issued. The digital slip product that we launched in 2022 has been an inspiration to the market.

**Garanti Slip** product was redesigned and transformed into a full-scale business application for all physical, virtual and CepPOS business places. In addition to contactless payments, businesses can now receive payments via the newly added Payment with QR and Collection by Code payment methods.

- Sole proprietors can apply for CepPOS via CepPOS via Garanti BBVA Internet/Mobile, CepPOS app and garantibbavos.com.tr website.
- Application flow for commercial credit cards has been digitalized end-to-end for sole proprietors. Our sole proprietorship customers can now have a commercial credit card via Garanti BBVA Mobile Banking.

**Target**

- Facilitate customers’ digital transformation

**Action Taken**

- Garanti BBVA’s digital share in customer acquisition enabled by digital onboarding continued to increase significantly also this year. Development has been completed for infrastructures that will give customers access to products and services that are fit for them at the first contact. In order to create a holistic digital experience, Garanti BBVA designed processes targeted at being on their side in line with customers’ preferences. Alternative solutions were devised for instances when customers are unable to complete the remote onboarding process. The number of remotely-onboarded customers doubled in 2023 as compared to the previous year.
- Besides digitalizing onboarding processes, mobile banking continued to serve as the main touchpoint for our customers. Improved mobile experience associated with product applications and usage coupled with expanded product range helped grow the total number of digital sales by 24%.
- Garanti BBVA CepPOS product was redesigned and transformed into a full-scale business application for all physical, virtual and CepPOS business places. In addition to contactless payments, businesses can now receive payments via the newly added Payment with QR and Collection by Code payment methods.
- With 65 million interactions with 6 million customers in 2023. With its use increasing by the year thanks to its natural conversation language understanding capabilities, UGI increased the number of unique users by more than 18% in 2023.

The referral of Garanti BBVA customers to the right point of service at the time they need support with their transactions on the mobile app is intended to finalize mobile-initiated transactions without switching to another channel. In keeping with this vision, services offered through different channels such as SIM card changes and SIM card unblocking became accessible in the mobile app. In addition to these, developments continued for giving related customer groups access to the relevant points of service via chat or video services at the right moments depending on customer needs.
Financial Advisory

Garanti BBVA carries on with its initiatives focused on financial health and advisory that take place among its strategic priorities. In this vein, customized offers are presented to clients in the “My Status” section on the mobile app, which are intended to raise awareness and steer customers to perform controlled spending and save up. Garanti BBVA constantly improves its personalized offers and keeps them dynamic.

Inclusive Growth

To Garanti BBVA, participation of every individual in social and economic life is crucial. The Bank believes that contemporary, strong societies rise upon equal opportunity principle. Within the frame of inclusive growth, the other main topic of its inclusive sustainability strategy, Garanti BBVA has been treating disabilities through independence of individuals with disabilities and financial support to physical and financial independence of customers with disabilities through Accessible Banking Services.

Garanti BBVA values active participation of individuals with disabilities in everyday life, and undertakes various initiatives regularly to this end. The Bank upgrades experience via developments on its channels and partnerships with businesses with the goal of facilitating the access of individuals with disabilities to banking services and responding to their various needs. Garanti BBVA has been improving its service delivery to individuals with disabilities thanks to the Accessible Banking training given to its employees, and targets to raise increased awareness of the topic. Garanti BBVA increased the number of its ATMs accessible by visually impaired individuals from 5,431 to 5,496. The number of ATMs accessible by individuals with orthopedic disabilities, on the other hand, is 230 as of 2023. Garanti BBVA aims to contribute to financial freedom of individuals with disabilities by incorporating them in the banking ecosystem at a higher extent on the basis of additional improvements in service delivery and its channels.

Under its collaboration with Engelsiz Çeviri, Garanti BBVA started posting sign language and spoken versions of Garanti BBVA’s banking agreements on its website. Under its collaboration with BlindLook, Garanti BBVA enables visually impaired customers to freely perform their transactions with the help of voice instructions through Garanti BBVA Mobile and Internet Banking. Visually impaired customers can easily perform many transactions including account opening, money transfers and bill payments with the help of voice instructions without needing anyone else’s help. By virtue of this collaboration, Garanti BBVA remained a part of BlindLook’s EyeBrand (Görme Engelsiz Marka) network.

Garanti BBVA Customer Contact Center continued to make financial life easier for its customers by doubling the time allowed for punching in the numbers on the IVR system, and connecting hearing-impaired clients to the Live Support Assistant effortlessly and quickly within the scope of “Live Support” service, the written communication channel available on Garanti BBVA Mobile.

Garanti BBVA Partners Accelerator Program that contributes to the sustainability of early startups, the SMEs and scale-ups. Women in Trade platform that supports women entrepreneurs for penetrating new markets.

Under the Garanti BBVA Partners T ech sub-program targeted towards technology startups that focus on data, cybersecurity, payment systems and sustainability.

Garanti BBVA supports the entrepreneurial ecosystem with:
- Women Entrepreneurs Program launched in 2006,
- Türkiye’s Woman Entrepreneur Competition that will celebrate its 17th year, which helps encourage women entrepreneurs and unveil role models,
- Women Entrepreneurs Executive School of Türkiye that provides educational support,
- Garanti BBVA Partners Accelerator Program that contributes to the sustainability of early startups, the SMEs and scale-ups.
- Women in Trade platform that supports women entrepreneurs for penetrating new markets.

In July 2023, we have launched the “Unbanked Women” program to support active participation of unbanked or underbanked women in economic life in Türkiye.
In July 2023, we have launched the Unbanked Women program, under which we have developed free, online financial literacy training for women in cooperation with Financial Literacy and Inclusion Association (FODER). We collaborated with the Foundation for the Support of Women’s Work (KEDV) to help women better manage their finances. Within this scope, we have been carrying out face-to-face financial literacy and entrepreneurial upskilling training in partnership with women’s cooperatives in Istanbul, Izmir, Manisa, Muğla, Sakarya and Gaziantep since October. We are also supporting program participants with our custom-tailored banking products.

Support active participation of unbanked or underbanked women in economic life

• Garanti BBVA launched the Women Entrepreneurs Program in 2006. The Bank’s activities for empowering women entrepreneurs are grouped under 4 headings: “financing”, “encouraging”, “education” and “access to new markets”.
• As of the end of 2023, the amount of TL loans provided under financial support to women entrepreneur customers, who are classified as a special customer group, exceeded TL 27 billion in all segments.
• Within the framework of its foreign borrowing program, Garanti BBVA issued social bonds for US$ 75 million with a maturity of 6 years to be used in the financing of women entrepreneurs’ projects, with the World Bank Group member IFC (International Finance Corporation). In 2023, the Bank carried on with the on-lending of this fund, which is the first social bond issued by a private bank from an emerging country, to women entrepreneurs.
• Helping encourage women entrepreneurs and unveil role models, Türkiye’s Woman Entrepreneur Competition, which celebrates its 16th anniversary this year, received approximately 45,000 applications in total. The number of applications for the 2023 competition exceeded 1,800.
• Women Entrepreneurs Executive School of Türkiye, which has been supporting the development and capacity building of women entrepreneurs uninterruptedly for 12 years, reached nearly 350 women entrepreneurs with the education programs in 2023.
• Garanti BBVA continued to extend support to the “Women in Trade” platform, which was launched under the leadership of KAGIDER to strengthen women entrepreneurs’ cooperation with each other and with institutions, and to tap new opportunities within the scope of its mission of penetrating new markets.

Support women entrepreneurs within the frame of the commitment to ensure gender equality

2024 PRIORITIES

In a bid to better understand its customers and secure sustainable satisfaction, Garanti BBVA will take the following steps in 2024:

• Listens to customers on all interaction channels and collect insights throughout the year, while deriving its own insights and root causes on the basis of big data and predictive models. Hence, the Bank will understand that which underlies the uttered words and also induce the unspoken and so do across the entire customer base;
• Transform insights into self-serve solutions for customers with the support of manned and AI-based models and determine related actions;
• Touch deep into customers’ lives with real-time services in this period when advanced technology will bring along the need to be understood and the need to ensure security, whereas it will continue to maintain security as the most fundamental element.

Customer Experience

• In 2023, customer feedback received via the internet branch and website started to be categorized automatically by an AI-based analytical model. For that, about 3 out of every 4 entries were selected by AI instead of manual categorization by the assistant.

Raise increased awareness of customers regarding the combat against climate crisis

On the “My Ecological Status” section within Garanti BBVA Mobile, customers can view their carbon footprint and suggested ways to reduce it. When they take sustainable steps such as digital onboarding, digital account statement preference and the like, Garanti BBVA shoots seed balls in hard-to-reach places on their behalf with ecoDrones, aiming to contribute to their combat against climate crisis. Under the Ecological Steps project within Garanti BBVA Mobile, which was launched in March 2023, over 350 flight were performed particularly over hard-to-reach areas in Muğla region and more than 2.1 million seed ball shootings were made under the collaboration with Ecording. Also, an alternative income source has been created for seven women who are disadvantaged due to climate crisis through the production of the seed balls. Hence, besides contributing to reforestation and biodiversity with the help of ecoDrones, sustainability journey towards reduced inequalities has been strengthened.
Inclusive Growth

• Under the Unbanked Women Program (Hesabin Bilen Kadınlar Projesi), we are planning to build on the financial literacy knowledge of a higher number of women and to support their active participation in economic life using banking products through partnerships with the civil society, public sector and various brands in 2024.

• We will present opportunities for, and assist, women entrepreneurs penetrate new markets and reach new customers through competitions, training programs and events aimed at their encouragement, capacity building and developmental support.

• Being the bank contributing to the entrepreneurial ecosystem for many years, Garanti BBVA will offer holistic support with a broad coverage under the new Technology Startups Service Model to be introduced, which will range from financing to training programs, meetings and partnerships that will support their progress, to technology startups that will be setting the course of the future.

• In 2024, Garanti BBVA Partners Accelerator Program will be diversified with the Garanti BBVA Partners Tech sub-program targeted towards technology startups with a focus on data, diversified with the Garanti BBVA Partners Tech sub-program.

Digital Transformation

• Improvements and developments to the “digital onboarding” process will continue and efforts will be carried on for increasing the share of the digital in customer acquisition.

• In addition to capabilities introduced as part of open banking launched by end-2023 such as initiating payments from different entities and tracking accounts with different entities from a single point, Demand Payment feature will be introduced. This function will allow retail customers and sole proprietorships to send payment requests to the accounts their contacts have with Garanti BBVA or other banks. In line with the expansion of open banking legislation, the Bank will focus on making other financial product and transaction sets available to its customers within an effortless and secure experience.

• Within the scope of digitalization, we will enable our enterprise customers to apply for credit cards end-to-end digitally just like sole proprietorships are able to do. In addition, with the aim of contributing to sustainability, we will digitalize contract and document approval processes in all our commercial credit card application processes.

Financial Advisory

• Garanti BBVA will carry on with its activities focused not just on catering to its customers’ banking needs, but also on helping them become financially more independent, acting as an advisor that understands them and develops solutions for issues that they need.

Risks and Opportunities

In financial services, in order to understand the evolving needs of our customers and to create products and services accordingly to fulfill their expectations; we develop insights with the support of both human expertise and AI-driven models.

Opportunity

Open Banking

E-commerce and new payment solutions

2023 started with the expansion of Open Banking services across Turkey. In line with the developments in our country, Demand Payment service will be presented to Garanti BBVA customers by early 2024 as a sequel to these practices. Garanti BBVA has taken place among the pioneering banks to achieve compliance with the regulatory framework. Thanks to this feature that facilitates payments/monetary transfers, Garanti BBVA customers will be able use mobile and Internet channels to send payment demands to the accounts their contacts have with Garanti BBVA or other banks.

• In payment systems, e-commerce expenses that gained speed during the pandemic did not lose their growth momentum following the end of the pandemic either. In 2023, we continued to develop value-added products that businesses might need for e-commerce and introduce innovative products, in addition to Virtual POS. Accordingly, our member merchants that were to venture into e-commerce were provided with the opportunity to digitally apply for Virtual POS quickly, and actions were taken to speed up application processes. The virtual POS application process for private customers has been opened to internet and mobile banking. In the BBF market where e-commerce payments are relatively lower, new life-easing, value-added products were developed for business places. In response to the recent conversions of large retailers into marketplaces, the marketplace product was developed which can receive payments from any POS and also distributes payments automatically to sub-vendors.

• In addition, the “Supplier Payment System” was developed, which replaces conventional solutions such as cheques and promissory notes that main companies use to make payments to their suppliers with e-commerce payment. Allowing the suppliers to receive payments through the virtual POS without integration being necessary, the platform provides installment option to the main company while giving the supplier the opportunity to collect the money the following day. The product quickly started to be used by main companies and their suppliers in the sector.

• e-commerce will preserve its importance in 2024; accordingly, actions will continue to develop existing value-added products, respond to new customer needs with the development of new value-added products, and digitalize all virtual POS processes.

In the present era of intense digital transformation, the close-knit of banks with innovation is of vital importance to secure sustainable competitive advantage and customer satisfaction in the financial services sector. Steps are being taken in the industry in various areas such as mobile banking, AI-backed analyses, blockchain technology and so on. In this period of transformation, there is an ever-growing increase in partnerships and collaborations between banks and fintechs. Banks pursue higher customer satisfaction and higher productivity taking advantage of the technological novelties conceived by fintechs, whereas fintechs gain access to broad customer bases of banks. This win-win situation paves the way for more user friendly, faster and more innovative solutions in the financial services sector.

FinTechs and partnerships

Technology Startups

• Lately, the future of entrepreneurial ecosystem in Turkey is being steered by startups engaged in technology-based businesses.

• The agility, quick adaptability and innovative perspectives of these startups made collaboration even more attractive for large organizations.

• Therefore, entrepreneurship has become a key element of our inclusive growth strategy that is part of our sustainability approach.

• In terms of enhancing customer experience and financial health, partnering with, and supporting, these startups has been included within strategic priorities.

• Along this line, a service model and approach specific to technology startups is being developed by broadening the coverage of the longlasting support provided to women entrepreneurial, startup and technological entrepreneurial ecosystem.
What can a bank do to combat the climate crisis?

ÇAĞRI SÜZER
Executive Vice President
Client Solutions and Digital Banking

What was the prominent innovation in the 2023 payment systems universe?

What can you tell us about the near-future course of digital banking?

Scan the QR code or click here to watch the video for the answers.
Sustainability and Community Investments

For 17 years, Garanti BBVA has been supporting sustainable development focusing its efforts on combating climate crisis and inclusive growth to support sustainability, which is one of its strategic goals. Drawing on its sector-steering know-how and experience, the Bank leads sustainable development in the sector, actively contributes to socioeconomic development of the society. Garanti BBVA has been a leader in sustainable and inclusive growth to support sustainability, which is one of the Strategic Goals. Drawing on its sector-steering know-how and experience, the Bank leads sustainable development in the sector, actively contributes to socioeconomic development of the society. Garanti BBVA reached TL 120 billion as of the end of 2018-2023 period. Over the years, Garanti BBVA has been actively participating in the community investment projects and initiatives. The Bank has an impact along with its activities.

Garanti BBVA was the only bank from Türkiye, reached more than 150,000 SME initiatives (including applications and events) and 71,700, which are expected to significantly contribute to the sustainability and inclusive growth. Garanti BBVA transported the market with its peers and the business world on a global level to identify new opportunities, conceive best practices and product prototypes, and remain as a leader in sustainable finance development. Garanti BBVA helps to raise increased financial awareness (2012-2023) about the importance of sustainability and inclusive growth. The Bank has an impact along with its activities. Garanti BBVA was the only bank from Türkiye, reached more than 150,000 SME initiatives (including applications and events) and 71,700, which are expected to significantly contribute to the sustainability and inclusive growth. Garanti BBVA transported the market with its peers and the business world on a global level to identify new opportunities, conceive best practices and product prototypes, and remain as a leader in sustainable finance development. Garanti BBVA helps to raise increased financial awareness (2012-2023) about the importance of sustainability and inclusive growth. The Bank has an impact along with its activities.

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UN Sustainable Development Goals (SDGs) and the Paris Climate Agreement objectives, provides banks with a vision aligned with social goals, they also present a comprehensive framework that will help them embed sustainability in their DNA in every field of activity and at any level including strategy, portfolio management and specific transactions. Garanti BBVA releases its Responsible Banking Principles Impact Report annually and discloses its strategic approach to areas in which the Bank has an impact along with its activities.

You can reach UNEP FI Principles for Responsible Banking here.

With respect to combating climate crisis and inclusive growth in keeping with its approach to impact investment, the Bank's total contribution to sustainable development to date reached TL 120 billion as of the end of 2018-2023 period. UN Sustainable Development Goals (SDGs) and the Paris Climate Agreement objectives, provides banks with a vision aligned with social goals, they also present a comprehensive framework that will help them embed sustainability in their DNA in every field of activity and at any level including strategy, portfolio management and specific transactions. Garanti BBVA releases its Responsible Banking Principles Impact Report annually and discloses its strategic approach to areas in which the Bank has an impact along with its activities.

- Garanti BBVA has been the first bank from Türkiye to pledge coal phase-out in 2021 and pledged to eliminate...
In 2022, the Bank took these commitments one step further, and announced its decarbonization goals by 2030 in other carbon-intensive industries such as energy, automotive, iron and steel, and cement. These interim targets make up an important phase in reaching emissions targets aligned with net zero by 2050. In this context, Garanti BBVA is aiming to accompany its customers in their transition to a more sustainable future.

In 2020, Garanti BBVA has become a Carbon-Neutral Bank, in scope 1 and 2 emissions. Again in 2020, the Bank announced its target to reduce its carbon emissions by 29% by 2025 and by 71% by 2035 within the framework of Science-Based Targets in line with the Paris Agreement’s goal to limit temperature rise to 1.5 to 2 degrees, and has been the first company to declare such a target in Türkiye. Having reduced its operational emissions by 75% at end-2020, the Bank purchased carbon credits for its remaining emissions and became carbon-neutral 15 years earlier than its reduction target. Since 2021, the Bank has been continuing to offset its operational emissions by purchasing carbon credits and supporting the projects in voluntary carbon markets recognized by international institutions.

With its Climate Change Action Plan released in 2015, which focuses on carbon pricing, reducing deforestation, managing climate-related water risks through climate adaptation and establishing green office standards, the Bank also pledged that a minimum of 60% of the total funds allocated to new energy production facilities would be allocated to renewable investments; having also transcended this pledge, the Bank has allocated 100% of its greenfield energy project investments to renewable energy from 2014 onward. In addition, the Bank is targeting to update this Action Plan in 2024 following its climate risks measurement initiatives.

Garanti BBVA integrates its sustainability vision founded on combating climate change and inclusive growth in its management strategy and business model through its Sustainability Policy. Also aligned with the strategy of the BBVA Group, the Policy is reviewed annually in view of scientific developments and social needs.

Monitoring the Bank’s short-, medium- and long-term targets in accordance with the sustainability strategy, Sustainability and Responsible Banking Committee met twice in 2023 and assessed the Bank’s activities in relation to sustainability and sustainable finance with respect to the UN Principles for Responsible Banking. Targeting to embed its sustainability vision in each structure of its organization, Garanti BBVA keeps operating with its sustainability governance that it has reorganized with a more responsible and effective business model in 2022. Additionally, sub-teams and working groups set up within various units such as risk management and financial reporting develop sustainability approaches for different units in cooperation with sustainability and responsible banking teams.

**Effective Management of Sustainability Risks**

Given the increased prevalence of the visible impacts of the climate crisis on social life, all financial sector stakeholders, especially customers and investors, started placing environmental, social and governance (ESG) risks in the focal point of banking risk management and governance mechanisms. As developments take place in the regulatory framework and good practices in the world and in Türkiye, Garanti BBVA monitors these developments on the one hand, and acts with the aim of setting a role model for the sector on the other.

The Bank’s decarbonization targets set for carbon-intensive industries such as energy, automotive, iron & steel, and cement by 2030 have been prepared using the internationally recognized PACTA (Paris Agreement Capital Transition Assessment) methodology and were publicly disclosed in 2023. In keeping with the ever-improving data quality, Garanti BBVA reviews and takes steps to update these targets.

### Emissions reduction targets for carbon-intensive sectors

<table>
<thead>
<tr>
<th>Sector</th>
<th>Emission Group</th>
<th>Metric</th>
<th>Scenario</th>
<th>Garanti BBVA Baseline (2022)</th>
<th>Garanti BBVA Progress (2023)</th>
<th>Difference</th>
<th>Reduction Target by 2030</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy</td>
<td>1+2</td>
<td>kgCO₂e/MWh</td>
<td>IEA Net Zero 2050</td>
<td>388</td>
<td>339</td>
<td>-13%</td>
<td>-72%</td>
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<tr>
<td>Automotive</td>
<td>3</td>
<td>kgCO₂e/Km</td>
<td>IEA Net Zero 2050</td>
<td>162</td>
<td>179</td>
<td>-1%</td>
<td>-40%</td>
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<tr>
<td>Iron &amp; Steel</td>
<td>1+2</td>
<td>kgCO₂e/Tiron&amp;steel</td>
<td>IEA Net Zero 2050</td>
<td>1,096</td>
<td>1,320</td>
<td>20%</td>
<td>-20%</td>
</tr>
<tr>
<td>Cement</td>
<td>1+2</td>
<td>kgCO₂e/Elemnet</td>
<td>IEA Net Zero 2050</td>
<td>726</td>
<td>726</td>
<td>0%</td>
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<tr>
<td>Coal</td>
<td></td>
<td>TŁmn</td>
<td>Phase-out of the sector by 2040</td>
<td></td>
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</tbody>
</table>

Note: It is important to emphasize that the baseline of these metrics may change, since the sources of information used and the methodology are constantly changing.

### What does Garanti BBVA aim with sectoral decarbonization targets?

- **Measure customers’ progress in decarbonization processes and extend the financial support they need for their investments in new technology and production methods in this pathway**

- **Mitigate the transition risks in the credit portfolio by increasing the weight of exposure with clients achieving their decarbonization targets**

- **Fill up the transparency commitment in environmental and social performance disclosures that have lately become highly important for the financial sector.**

Garanti BBVA regularly monitors its performance towards the 2030 mid-term decarbonization targets through data collection, customers visit internal plans and internal risk assessment tools. In this context, it was observed that the Bank’s emission intensity in the energy and automotive sectors decreased by 23% and 1%, respectively, in 2023. There was no change in the emission intensity due to the limitation in the database used in the calculations regarding the cement sector. A 20% increase in emission intensity was observed in the iron and steel industry due to the increase in short-term risks amounts in companies using production technologies that cause high emissions. As a result of the interviews and analyses conducted with all companies within this scope, it was evaluated that the decarbonization plans and strategies of the companies were compatible with the Bank’s 2030 targets. Even if the emission intensity of the relevant sector increases compared to the previous year, it is expected to decrease in the years following the completion of the capital investments.

In line with its Net Zero Banking Alliance (NZBA) and Science Based Targets Initiative (SBT) commitments, Garanti BBVA aims to align its credit portfolio with net zero by 2050 scenarios. In this framework, the Bank started calculating the financed GHG emissions under six asset classes, namely the Bank’s working capital loans, project finance, commercial property, mortgage, auto loans and public equity and corporate bonds, employing the PCAF (Partnership for Carbon Accounting Financials) methodology in 2023.

The Pillar-III ESG reporting, which was included in legal disclosures by the European Banking Authority (EBA) in 2022, allows the evaluation of banks’ ESG risks and finance strategies by all financial sector stakeholders, including customers and investors. In 2023, Garanti BBVA continued to analyze the resilience of the banking portfolio against transition risks and physical risks arising from climate change.

Garanti BBVA evaluated the risks arising as a result of the studies below in determining the targets of combating climate change and Net-Zero Banking.

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**Note:** The table above presents the latest emission intensity data and targets for carbon-intensive sectors. The Bank aims to align its credit portfolio with the Net-Zero targets by 2050, reflecting its commitment to sustainability and responsible banking practices. Garanti BBVA continues to monitor and update its targets in line with scientific advancements and regulatory changes.
Garanti BBVA also monitors actions plans for sectoral vulnerabilities and the standing of physical climate risks under two headings: acute and chronic. The Bank monitors these effects on repayment capabilities. Hence, since 2022, Garanti BBVA has been addressing climate-related physical risks under the following activities:

- Identifying risks in sectors incompatible with the Paris Agreement and measuring transition risks
- Energy performance monitoring of real estate collaterals of the bank
- Emission intensities of customers in carbon-intensive industries (PACTA)
- Physical risks arising in the bank portfolio as a result of the climate crisis, and
- Financing for climate mitigation activities.

Physical climate risks are highly important due to the negative effect on the production capacities of the Bank’s customers and declined revenues, direct loss of assets due to climate-related disasters, increased insurance costs, human resource impacted by climate-driven migrations, loss of assets or collaterals due to scarce water supply, elevated operational costs and their effect on repayment capabilities. Hence, since 2022, Garanti BBVA has been addressing climate-related physical risks under two headings: acute and chronic. The Bank monitors these risks using a model developed based on the heat map revealing sectoral vulnerabilities and the standing of physical climate risks in customers’ locations as defined by internationally accepted data sources.

- For 2023, it was evaluated that 9% of the Bank’s total loan portfolio could be exposed to chronic, 4% to acute and 1.3% to both chronic and acute climate risks. Garanti BBVA started working towards reducing the exposure of both its customers’ activities and its own activities to climate risks in 2023.
- Garanti BBVA also monitors actions plans for climate scenario analyses conducted in 2022 for the head office building and branches. The Bank measured the physical risks in the face of:
  - Drought, extreme precipitation and extreme temperatures under RCP 2.6 and RCP 8.5 climate scenarios.
  - Drought, extreme precipitation, extreme temperatures, changes in average temperature, and changes in precipitation amounts under RCP 8.5 climate scenario for its renewables portfolio.

As part of climate risk monitoring, Garanti BBVA makes use of various methodologies to measure and manage the transition risks that its portfolio is exposed to.

- The Bank’s Risk Department follows up the risk limits in high-transition risk sectors as defined by the BBVA Group such as mining, electrical energy generation, natural gas etc. by way of monthly High Transition Risk reporting.
- Since 2023 year-end, emission intensity based on current unit production of customers engaged in seven carbon-intensive industries (energy, automotive, iron and steel, cement, oil and gas, aviation, coal mining) are being measured according to PACTA database.
- With the tools developed within the bank, the current situation of customers, especially those operating in carbon-intensive sectors, regarding climate change and their preparations for the transition to a lower-carbon business model is analyzed.
- Energy efficiency certificates and greenhouse gas emissions data of the real estates under the bank’s guarantee are obtained and their energy efficiency performances are monitored.

For effectively managing sustainability risks, Garanti BBVA takes care to consider ESG criteria also in new product launches to customers in its portfolio and in new customer evaluations.

- Having reviewed its credit allocation and new customer processes in 2023, the Bank began requiring sustainability data in varying degrees of detail from its customers in different segments. The progress of sustainability reporting in Turkey is anticipated to lead to enhanced availability and quality of these data, and bank processes are intended to support the progress in the market.

ENVIRONMENTAL AND SOCIAL IMPACT ASSESSMENT

Garanti BBVA keeps implementing its continually improved Environmental and Social Loan Policies (ESLP) integrated in its processes to minimize the environmental and social impacts of its lending in line with its commitments, and to evaluate and monitor the compliance of its customers and transactions within the policy scope. The activities carried out under the Policy will continue in 2024.

Internal briefing about ESLP was provided via the training video on Garanti BBVA Kampüs. 635 employees completed the training in 2023.

Current ESLP can be found here.

With the aim of effectively managing and minimizing the environmental and social risks in its credit portfolio, Garanti BBVA conducts an Environmental and Social Impact Assessment Process (ESIAP) compliant with international norms and good practices within the frame of international best practices. In addition, in 2012, the Bank developed the Environmental and Social Impact Assessment Model (ESIAM) to classify projects according to their characteristics, scale, vulnerability, location, and E&S impact and to systematically evaluate them with respect to risk exposure. Using this model, Garanti BBVA verifies that the projects financed by the Bank meet the thresholds for amounts/transactions satisfy the social and environmental standards required by legislation and the Bank’s policies; that the project owners have an impact assessment made, effective control mechanisms are in place, and determined measures are taken.

In 2023, 4 projects with a total loan amount of USD 134 million were subjected to the ESIAP process. All four projects were given clearance on condition that the environmental and social impact management systems set out in the loan agreements will be implemented, and none was rejected. As such, ESIAP process was carried out for numerically 21% of projects for which financial closure occurred in 2023.\(^1\)

To date, 92 projects underwent ESIA, and thanks to the action plans based on these assessments and field monitoring, Garanti BBVA minimized the environmental and social risks and indirect impacts of its lending. The Bank paid 27 site visits in 2023. In addition, Garanti BBVA contributed to improvement of environmental and social performances of 11 customers and financial institutions by way of briefing meetings about environmental and social issues in the reporting period.

In line with the Bank’s coal phase-out plan, risks pertaining to customers engaged in coal mining and coal-fired thermal power plant operations are kept under close watch and are targeted to be decreased gradually. Along this line, risk exposure in relation to coal customers went down by 19% in 2023.\(^1\)

RESPONSIBLE BUSINESS

Targeting to be guided with this consciousness in all its activities since 2016 when it has become a signatory to UNEP FI Principles for Responsible Banking, Garanti BBVA remained a core member of this initiative as the only bank from Türkiye in 2023. In the core group that is assigned with determining the anticipated steps from signatories by 2030, the Bank shares the developments in the Turkish banking sector and provides opinions about how the sector and stakeholder relationships can be improved further to benefit the society.

- With the purpose of setting its impact goals in relation to inclusive growth and to direct social financing to the right groups, Garanti BBVA reviewed its sustainable finance standards and established its specific thresholds for vulnerable groups (the elderly, individuals with disabilities, etc.), micro businesses, low-income segment, inclusive infrastructure.
- Reputational risk refers to the Bank’s risk of loss due to loss of confidence in the Bank or damage to the Bank’s reputation because of the Bank’s internal and external stakeholders’ negative opinions about the Bank or nonconformity to existing regulatory framework. Within the scope of the BBVA Group’s global Reputational Risk Analysis, Garanti BBVA conducts this study every year for the Bank and its seven subsidiaries.

\(^1\)NPLs are excluded from the calculation.
\(^2\)These are projects where the amount/transaction thresholds determined within the scope of ESIAP are controlled.
The Bank considers and manages its reputational risk within the frame of the Board of Directors approved policy, avoiding all kinds of transactions and activities that would cause reputational risk in the eyes of its stakeholders. Garanti BBVA and its subsidiaries achieved a robustness score of 75.3/80 in the reputational risk robustness quantification conducted in 2022.

**ESG RATINGS AND SUSTAINABILITY INDICES**

Garanti BBVA espouses transparency in reporting and publicly discloses its sustainability approach through nationally and internationally-recognized ESG ratings and publicly discloses its sustainability approach through the indices and keeps improving its sustainability indices. Regarding ESG-related index structures co-developed with the CDP and to encourage businesses to be more transparent regarding climate risks and opportunities. A longstanding champion of gender equality, the Bank overrates its management concept that promotes diversity. Garanti BBVA achieved its highest score to date on Bloomberg Gender Equality Index 2023 and has become the only bank from Türkiye qualifying for the Index for 7 years in a row.

Within the scope of S&P Corporate Sustainability Assessment, the highest scorer among the banks reporting from Türkiye in the Dow Jones Sustainability Index (DJSI) Emerging Markets category with a score of 74. Garanti BBVA achieved a score of B in CDP Climate Program and A- in the CDP Water Program. The Bank is also the main sponsor of CDP-Türkiye: the Türkiye office of CDP acknowledged as the world’s most powerful green civil society organization by the Harvard Business Review. The Bank is aiming to develop the sustainable finance market through financial products such as Garanti BBVA Climate Index and Garanti BBVA Climate Index Equity Fund co-developed with the CDP and to encourage businesses to be more transparent regarding climate risks and opportunities. A longstanding champion of gender equality, the Bank overrates its management concept that promotes diversity. Garanti BBVA achieved its highest score to date on Bloomberg Gender Equality Index 2023 and has become the only bank from Türkiye qualifying for the Index for 7 years in a row.

<table>
<thead>
<tr>
<th>Index/ESG Rating</th>
<th>Scoring Range</th>
<th>Score/Inclusion</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>S&amp;P Corporate Sustainability Assessment</td>
<td>0-100</td>
<td>74</td>
<td>Highest score achieved by any bank in Türkiye</td>
</tr>
<tr>
<td>CDP Climate Change – 2023</td>
<td>A/D</td>
<td>8</td>
<td></td>
</tr>
<tr>
<td>CDP Water Security - 2023</td>
<td>A/D</td>
<td>A-</td>
<td></td>
</tr>
<tr>
<td>MSCI</td>
<td>AAA-CCC</td>
<td>88B</td>
<td></td>
</tr>
<tr>
<td>FTSE4Good - 2022</td>
<td>0-5</td>
<td>3.8</td>
<td></td>
</tr>
<tr>
<td>Sustainalytics ESG Risk 2022</td>
<td>0-40+</td>
<td>21.1</td>
<td></td>
</tr>
<tr>
<td>Bloomberg Gender Equality Index - 2023</td>
<td>0-100</td>
<td>89.06</td>
<td>The only bank from Türkiye to be included in the index for 7 years</td>
</tr>
<tr>
<td>BIST-Sustainability Index</td>
<td>Inclusion</td>
<td></td>
<td></td>
</tr>
<tr>
<td>BIST-Sustainability 25 Index</td>
<td>Inclusion</td>
<td></td>
<td></td>
</tr>
<tr>
<td>BIST - Corporate Governance Index</td>
<td>Inclusion</td>
<td></td>
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<tr>
<td>BIST - Corporate Governance Index</td>
<td>Inclusion</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**DEVELOPMENTS IN 2023**

**Target**

Financing low-carbon transition

**Action Taken**

In 2022, Garanti BBVA took Net-Zero Banking Alliance (NZBA) commitments one step further and set its decarbonization targets by 2030 for other carbon-intensive industries including energy, automotive, iron & steel and cement. These interim targets constitute a key stage in achieving emission targets aligned with net zero by 2050. The Bank works in cooperation with its parent BBVA Group to measure climate risks and to encourage its customers for green transformation.

- Financing 100% renewables in greenfield electricity generation projects within the scope of its Project Finance deals since 2014, the Bank continued to support exclusively renewable energy investments in greenfield energy investments in 2023.
- The market share of the Bank-financed wind power plants (WPPs) and solar power plants (SPPs) by installed power remained at 24.6% and 21.3%, respectively, in 2023. The cumulative financing amount Garanti BBVA provided to renewable energy investments exceeded USD 6.472 billion.
- In 2023, total avoided emissions of operational renewable power projects, in the financing of which Garanti BBVA was involved, were 14.65 million tCO₂e based on the current average grid emission factor for Türkiye.
- 2.832 billion USD for Wind Power Plant (WPP) projects with an installed capacity of 2917 MW,
- 2.487 billion USD for Hydroelectric Power Plant (HEPP) projects with an installed capacity of 3077 MW,
- 0.742 billion USD for Solar Power Plant (SPP) projects with an installed capacity of 2486 MW,
- 0.275 billion USD for Geothermal Power Plant (GPP) projects with an installed capacity of 337 MW.

**The list of supported initiatives can be found here.**

**Development**

In addition to following up local and global developments, Garanti BBVA maintains collaborations for the implementation and announcement of these developments in the Turkish market. In the sessions they took part in, Sustainability and Sustainable Finance teams that attended the 28th UN Climate Change Conference of Parties (COP28) that provides the setting for international climate negotiations discussed the investments in green growth in emerging economies, managing physical and transition risks in the banking sector, the place of new technologies such as artificial intelligence and hydrogen in sustainable processes, and developments in various areas such as agriculture, supply chain and industry. Furthermore, the
Bank was a speaker in events held at the Turkish pavilion, during which the topics addressed included Turkey’s energy transformation plan, energy transformation and innovative reform needed in the industry, and TUSIAD’s specific financing and financial sector solutions for Carbon Border Adjustment Mechanism, as well as potential contributions in the process that can be delivered from the banking business perspective.

• Garanti BBVA Climate Index
  Garanti BBVA launched in 2021 in cooperation with CDP Türkiye and Borsa İstanbul includes companies listed on Borsa İstanbul whose most recent score is B- or higher according to the CDP Climate report. An additional requirement is that stocks of companies included in the index must have averaged a minimum daily trading volume of TRY1 million. Garanti BBVA kept sharing its activities targeted at supporting sustainable transformation in various events and on different platforms.

• Having appeared in the program titled Sustainable Future on Bloomberg TV in May, Executive Vice President İspıl Evlioğlu Akdemir talked about the Bank’s new initiatives and future strategy in this area.

• BBVA Global Head of Sustainability Intelligence and Advocacy Antona Balbargia was the keynote speaker about the impact of sustainable finance resources on development and needs in emerging economies in the TUSIAD Sustainable Finance Event hosted by Executive Vice President Murat Çağrı Süzer in December 2022. Moderated by the Head of TUSIAD Environment and Climate Change Working Group and Green Deal Task Force and member of the Steering Committee of Chapter Zero Turkey, the panel session “Sustainable Finance in Turkey” featured Executive Vice President Mahmut Akten, and other panelists, who discussed the local developments in sustainable finance and Turkey’s vision for combating climate change.

• Garanti BBVA Sustainability Unit continued to attend the 12th Development Plan Specialization Commissions Consultation Meetings held at the Republic of Turkey Presidency of Strategy and Budget in January 2023. During the meetings that dealt with recent regulatory and policy updates, good practices, corporate organization models and financing, the Bank presented its policy proposals based on its experiences in, and expectations from, the sector.

• Garanti BBVA also contributes to the Banks Association of Turkey Sustainability Working Group that aims to provide guidance on sustainability-related matters to banks. Contribution was made to the “Draft Communiqué on Green Asset Ratio” published by BRSA through the activities, carried out within the scope of the relevant working group. The bank’s expert sustainability teams continue to be a part of the studies that will provide input to the transition risk assessment methodology in the coming period.

Target
Manage the environmental impacts of our operations

Action Taken
During 2023, 829 Garanti BBVA branches and 49 buildings received iREC certification, which proves that their 93.4 GWh electricity need was entirely supplied from renewables. Thus, almost 43,000 tCO₂ equivalent emissions were avoided, which corresponds to the carbon sink capacity of roughly 2.7 million trees.

Garanti BBVA Eco-Efficiency Plan released in 2021 targets sourcing at least 80% of its energy consumption from renewables, and reduction of water consumption per square meter each year between 2021 and 2025.

In 2021, Garanti BBVA started using the Remote Eye System for limiting electricity consumption through infrastructure monitoring and control. The number of locations reached 293 including new installations and installations in relocated/renovated branches. The system secured 15% saving in electricity consumption in 157 of the Bank’s locations compared to the same months of 2019.

Carbon Intensity (tCO₂/€ Total Assets)

<table>
<thead>
<tr>
<th>Year</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>-98%</td>
</tr>
<tr>
<td>2023</td>
<td>8</td>
</tr>
</tbody>
</table>

The Bank has secured a significant reduction in carbon intensity over the years as a result of long-standing efforts for carbon footprint improvement. Since the introduction of the Environmental Management System in 2012, the Bank’s carbon intensity decreased by 98%.

• Garanti BBVA Zincirlikuyu Head Office building is the one and only bank building in Türkiye that holds a Platinum certificate in LEED, one of the green building rating systems, whereas Garanti BBVA Kızılay Branch is the only bank building holding Platinum certificate in the New Buildings category. In addition, Pendik Technology Campus, Sivas Customer Contact Center and Karsiyaka İzmir Building all have LEED Gold certifications.

• Garanti BBVA sorts the waste at the source and implements effective waste management at its branches and buildings. In 2023, the Bank earned the Basic Level Zero Waste Certification, which is issued by the Ministry of Environment, Urbanization and Climate Change, for 14 service buildings in addition to its Zincirlikuyu Head Office and Pendik Campus buildings. Furthermore, all employees are given “Zero Waste Training for a More Livable World” for increased employee awareness purposes.

In an effort to control and systematically manage the environmental impact of its operations, the Bank has been working in this direction on the basis of the ISO 14001 Environmental Management System certification obtained in 2012. Encompassing all branches and buildings since 2015, the system is also backed by a comprehensive Environmental Policy and a compulsory “ISO 14001 Environmental Management System Training”, assigned to all employees for raising increased awareness of all stakeholders.
• In 2023, the Bank obtained the worldwide-recognized ISO 50001 Energy Management System certification for Zincirlikuyu Head Office, Pendik Campus and Güneşli Service Building with the purpose of managing and improving the Bank’s energy performance and using resources effectively. The Energy Policy established accordingly has been disclosed to all employees and the public for raising increased employee awareness, “ISO 50001 Energy Management System Training” is given via the Kampios platform, which is compulsory for all employees in certified buildings and optional for those in other locations. The system set up is intended to mitigate the environmental impact and reduce carbon footprint, decrease costs associated with energy, and ensure effective resource utilization.

• In keeping with the water consumption reduction target under the Bank’s Eco-Efficiency Plan, 2022 water consumption at the Bank branches and buildings were calculated for the first time ever, and certified according to internationally-recognized ISO 14046 Water Footprint Standard in 2023.

• The Bank’s 2023 pledge to reduce and avoid the usage of 318.6 tonnes of plastic in two years was achieved as of 31 March 2023 under its commitment to Business for Plastic Initiative of BCSD Türkiye (Business and Sustainable Development Council Türkiye).

• Supporting the country’s combat against the climate crisis with its renewable energy initiatives, the Bank took steps in 2023 into many projects to meet electricity consumption directly with its own renewable energy sources.

• Solar Power Plants (SPP) planned to have a total installed capacity of approximately 300 kW and an annual power generation capacity of 350 MWh were installed in Pendik Campus and Güneşli Service Buildings. The PPS energy generation is targeted to reduce annual carbon emissions by 160 tonnes in total, which is equivalent to the carbon sink capacity of nearly 9,884 trees.

• 83 rooftop solar panels were installed on ATMs from early 2023. These panels will supply nearly 50% of the monthly energy consumed by an ATM (150 kWh on average) from solar energy.

• The SPPs on the roofs of Akdeniz Branch, Sivas Customer Contact Center and Bodrum Branch, which started electricity generation in earlier years, had an installed capacity of 90 kW. Including the recently installed PPSs, Garanti BBVA’s total installed capacity approached 400 kW. This helps increase the ratio of renewable energy within total energy consumed by the Bank for its activities, while contributing to reduction of the Bank’s carbon footprint.

• The Bank has been putting all its energy into utilizing renewable energy resources and reducing the energy consumption in business processes as well as environmental impact in the long term.

• Energy-efficient LED lighting fixtures are preferred in all branches and ATMs.

• Energy efficiency at branches is increased by using new generation climateization equipment that provides savings, by switching to climateization systems in energy A+ class, which are less harmful to the ozone layer.

• Timers are installed in branches regulated internal lighting and switched off advertising lighting from 0:00 a.m. at approximately 600 branches.

• Heat recovery equipment are used in branches that have the appropriate architectural design.

• With timers set up in 90% of branches, the operating hours of part of the lightings were limited without remote control.

• Garanti BBVA keeps the lights of eight Bank buildings turned off for one hour on March 25th joining in WWF Earth Hour initiative carried out since 2007, in support of the motto “together, we can solve the climate crisis.” The Bank also briefs all employees and encourages individual participation in the initiative.

• Electronic waste recycling drive was initiated at Zincirlikuyu Head Office Building in partnership with Mol-e, the winner of Turkey’s Woman Entrepreneur Competition in 2023 Garanti BBVA co-organizes with the Ekonomist Magazine and KAGİDER (Women Entrepreneurs Association of Turkey). Through Mol-e, the Bank’s employees make donations to the Teachers Academy Foundation (ÖRAV) to support education by redeeming the points they earn in return for their unused electronic waste. Thanks to this partnership, Garanti BBVA makes a contribution to the future within the frame of its sustainability strategy and keeps supporting women entrepreneurs at the same time.

Mol-e is a holistic digital management platform for e-waste, which manages electronic waste of individuals and companies end-to-end in an ecological and economic fashion. The startup also creates a data pool of waste images, and submits year-end electronic waste balance sheet both to institutions and international reportings.

Target

Support customers’ sustainable growth

Action Taken

• The sustainability strategy of Garanti BBVA focuses on supporting sustainable development through financial instruments offered to customers for combating climate change and enabling inclusive growth.

Combating climate crisis

• Credit mechanisms are being established, which are linked to customers’ climate action goals in line with bringing the Bank’s lending and investment portfolio in alignment with net zero by 2050. In 2023, Garanti BBVA arranged a long-term sustainability-linked loan facility for a sector-leading industrial company. The sustainability performance targets in this facility include direct reduction of the company’s Scope 1 and 2 emissions (Science-Based Targets Initiative – SBTi approved targets), and SBTi-approved targets imposed for the suppliers of purchased products for Scope 3 emissions. Considered a best practice model for Türkiye with respect to direct emissions reduction, this and similar deals are intended to lend maximum contribution to the harmonization of the real sector and the finance sector in Türkiye to low-carbon economy.

• Also intending to provide consultancy regarding the impacts of climate change through the services rendered to its customers, Garanti BBVA has been offering carbon footprint and sectoral impact analysis to its corporate customers through its digital channels since 2022. Using the carbon footprint application, corporate customers can monitor their carbon footprint emissions resulting from their activities and benefit from awareness raising guidance, and they can follow up the impacts of their respective sectors on sustainability at a global scale.

• Furthermore, Garanti BBVA targets to incite its retail customers to take up habits that positively affect sustainable transformation and help them set themselves social and environmental goals. “Ecological” tab under the “My Status” section on Garanti BBVA Mobile is intended to raise awareness of customers by allowing them to monitor their carbon footprint, while providing useful tips and suggestions to help them reduce their footprints. The Bank intends to use its technological capabilities to generate benefits that will touch the lives of the people and the society, and will contribute to the sustainability of the world.

Inclusive Growth

Garanti BBVA has been broadening the scope of the support extended for women’s empowerment in business, entrepreneurship and technology startup ecosystem, and developing specific service models and approach within the frame of inclusive growth that makes the other headline of its sustainability strategy.

The Bank’s efforts for empowering women entrepreneurs spent under the Women Entrepreneurs Program launched in 2006 are categorized under four headings: “financing”, “encouraging”, “education” and “access to new markets”.

Garanti BBVA has introduced “Hesapım Bilen Kadınlar” program for unbanked women in Türkiye, in order to support their active...
participation to the economy and financial system as a part of its inclusive growth strategy. The program has two different education models: online and face to face financial literacy trainings.

A financial literacy training which is prepared for women to better manage their own economies in cooperation with the Financial Literacy and Inclusion Association (FODER) has been available free of charge since July 2023. Face-to-face training programs are being organized with women’s cooperatives in collaboration with the Foundation for the Support of Women’s Work (KEDV) to build on women’s financial literacy and entrepreneurial skills.

On the other hand, the Bank also supports program participant customers with advantageous custom-tailored banking products. Women who participate in the program, regardless of the income declaration requirement, can benefit from a fee-free Bonus Troy credit card up to 3,000 TL, micro loans up to 5,000 TL, and a private pension contract that they can start for themselves and their children from 100 TL. Also, women who get the FPS for the program are given free Critical Women Diseases insurance and a mammogram that they can use once a year.

In 2024, the Bank is intending to help build on the financial literacy knowledge of a higher number of women and to support their active participation in economic life using banking products through partnerships with the civil society, public sector and various brands.

Support to the entrepreneurial ecosystem is carried on with the Garanti BBVA Partners Accelerator Program. In the new term, it will be diversified with the Garanti BBVA Partners Tech sub-program targeted at technology startups with a focus on data, cyber security, payment systems and sustainability.

Garanti BBVA will offer supporting content and events such as training, meetings, and collaborations, in addition to financing resources, with the Technology Entrepreneurs Service Model that it will offer in the coming period to technology startups that will shape the future.

### The actions the Bank has taken in this respect can be found on pages 166-167 of the Report.

#### SUSTAINABLE FINANCE

Garanti BBVA diversifies the financial instruments provided for low-carbon economy and inclusive growth, and continues to cooperate with international financial institutions for low-cost funding. Drawing on its intellectual capital, the Bank introduces worldwide pioneering applications and innovative financial resources that incorporate sustainable finance criteria.

The BBVA Group, the Bank’s principal shareholder, doubled its sustainable financing target from EUR 100 billion it declared in 2018 to EUR 200 billion in 2021 in parallel with its climate change and sustainable development strategy aligned with the Paris Agreement. Being already ahead of its goals in 2022, the BBVA Group revised the 2025 goal for a second time, tripling the original amount to EUR 300 billion. This pledge is intended to contribute to the joint global combat against climate change, encourage inclusive growth where all segments are involved in the process, and share the benefit derived in line with the goal of bringing the age of opportunity to everyone. Having stated that it would contribute increasing amounts of financing in parallel with the BBVA Group’s sustainable finance target initially and later pledged that it would allocate funds totaling TL 150 billion, Garanti BBVA updated its target to provide funding for financing sustainable activities between the years 2018 and 2025 to combat climate change and for sustainable development as TL 400 billion in 2023. In the 2018-2023 period, the total amount of resources allocated by the Bank to the financing of sustainable activities reached 120 billion TL.

Putting the emphasis particularly on all areas of production from agriculture to industry, Garanti BBVA supported the financing of solar power plants (SPP), hydropower plants (HEPP), geothermal power plants (GTTP), wind power plants (WPP) and Biomass/Biogas to Energy plants in all sectors. The Bank also took part in the financing of waste water treatment facility investments by its customers from any sector which is critical for fighting environmental pollution. Besides the financial support extended to its customers, the Bank also provides cooperation opportunities to startups engaged in this area and producing innovative solutions. As a key player in Turkey’s sustainable development, Garanti BBVA was also granted the Best Investment Bank in Turkey for Sustainable Finance award by Global Economics for three consecutive years.

The Bank has put under close watch its customers in high emission intensity sectors within the frame of the interim targets announced in 2023 as part of its Net-Zero Banking Commitment. In this respect, climate transition risks and low-carbon transition plans of these customers are evaluated and the credit portfolio is actively managed. The Bank also works closely with and provides guidance to its customers that have investment plans for low-carbon transition thanks to these evaluations.

#### Target

<table>
<thead>
<tr>
<th>Borrowings</th>
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</table>

#### Action Taken

Utilizing the world’s pioneer syndicated loan linked to sustainability criteria in 2020, Garanti BBVA was entitled to a reduction in due interest as it satisfied the performance indicators it has committed for the loan, which were renewable energy use and not financing a greenfield coal-fired thermal power plant. In 2021, both the amount of financing provided increased and the sustainability-linked syndicated loan incorporated the commitment to purchase electricity supplied from renewables. In 2022, the syndicated loan was renewed as a social-linked facility with the commitment to increase the financing made available to women and micro entrepreneurs. As the first one of the Bank’s two syndicated loans coincided with the aftermath of the earthquakes of February 6th, the Bank opted to update the facility for 2023 with new social criteria related to the amount of financing provided to women entrepreneurs and micro businesses in the earthquake region. The agreement for the syndicated loan, which consisted of two tranches for USD 199 million and EUR 218.5 million with a maturity of 367 days, was signed with the participation of 26 banks from 13 countries. Provided that the targets for the syndicated loan are successfully achieved, a discount will be granted on due loan, and the amount so gained will be utilized for the earthquake region. The second ESG-linked syndicated loan was renewed for the amount of USD 415 million. The agreement for the loan consisting of two tranches in the amount of USD 259.5 million and EUR 142.5 million was signed with the participation of 35 banks from 19 countries. Sustainability performance criteria prioritized with this loan include activities supporting the Bank’s decision to not finance coal-fired thermal power plants and coal mining activities, and increasing the financing allocated to sustainable development.

#### Target

| Mutual and Pension Funds |

#### Action Taken

Garanti BBVA Asset Management has 4 sustainability-themed mutual funds: • “Garanti BBVA Asset Management Clean Energy Variable Fund” that invests in the capital market instruments of companies engaged in clean/renewable/alternative energy technologies. • “Garanti BBVA Asset Management ESG Sustainability Fund of Funds” intended to help encourage companies to exercise sensitivity in ESG issues for a sustainable future while also targeting high financial performance by selecting assets with a “Sustainable Investment” approach • “Garanti BBVA Asset Management Garanti BBVA Climate Index Equity (TL) Fund” set up based on equity on the Garanti BBVA Climate Index and exchange traded funds,
With this fund introduced in January 2023, the Bank continuously invests at least 80% of the fund’s total value in issuers’ shares on the Garanti BBVA Climate Index (GBNIE) and exchange traded funds established to track the indices consisting of these shares.

Garanti BBVA’s Total Financing in the form of customizable flexible structures, integration of sustainability These loans allow creation of more concrete impacts with their high-emission intensity sectors in 2023. In sustainability-linked loans, metrics that are significant with respect to alignment of the Bank’s portfolio to the net zero universe started to be prioritized particularly within the frame of net zero targets.

Introduced in 2021 as the first of its kind in Türkiye to support increased prevalence of hybrid and electric vehicles within the fleets of corporations, the Corporate Green Auto Loan is intended to lead the companies’ transition to more efficient hybrid and electric vehicles at advantageous rates, while contributing to a sustainable future by encouraging fleets to continue their operations with environment-friendly vehicles. Total lending in this area reached TL 762 million as of year-end 2023.

Total lending to consumers within the scope of Environmentally-Friendly Auto Loan provided in 2023 for the financing of hybrid and electric automobiles exceeded TL 1.9 billion.

Turkey’s first Retail Rooftop Solar Power System (SPS) Shopping Loan for customers wishing to make use of solar power in their buildings, Environment-Friendly Building Insulation Loan for supporting efficient energy consumption in buildings and promoting insulation investment, Electric Bicycle Special Shopping Loan for supporting green transportation theme, and EV Charging Station Loan provided for more efficient charging of electric vehicles in households are available at advantageous rates for the customers.

2023 disbursements under the Green Mortgage product launched in 2017 to encourage living in green, environment-friendly buildings totaled TL 1.4 billion.

Agriculture takes one of the top spots among the sectors that will take the most devastating blow from climate change according to the European Environment Agency and makes one of the main subjects in European Green Deal’s call-to-action. The agricultural industry acquired an ever-growing role in the Turkish economy and community employment, but one of its significance with respect to the global hunger crisis. Garanti BBVA keeps standing by agricultural establishments during and after production with the financial products it develops to promote industrialization in agriculture and modern and sustainable agriculture in Türkiye. The Bank provides financing to the SMEs, first and foremost for replenishment of modern irrigation equipment and construction of greenhouses. The Bank targets to be an institution that does not solely establish a credit line for agricultural establishments and farmers, but to be a solution partner that fulfills their needs in the sector, offers suggestions and advisory service. The Bank continues to support the agricultural sector by diversifying its practices such as the Alternative Production Techniques Loan and the TMO (Turkish Grain Board) Card, as well as Crop and Livestock Loans, Agricultural Machinery and Equipment Loan, and SME Retirement Plan for Farmers designed to meet the needs of establishments employing alternative agricultural production techniques such as Good Agricultural Practices and Organic Farming that gained prevalence particularly in recent years.

Under Social Sustainable Finance Standards, funding for healthcare infrastructure expenditures amounted to TL 4.2 billion in all segments.

Financing provided to energy efficiency projects in 2023 exceeded TL 430 million.

COMMUNITY INVESTMENTS

Engaged in the banking business with the goal of “bringing the age of opportunity to everyone”, Garanti BBVA moves ahead with the target of having a positive impact on the people, businesses, and the society at large at all times in line with its corporate values. Various policies and internal guidelines of the Bank represent its pledge to be a responsible bank and create value over the long term, which it has communicated to all its stakeholders. Released in July 2021 based on the Board of Directors decision, the Corporate Social Responsibility Policy is intended to emphasize the Bank’s principles, guidelines and commitments related to corporate social responsibility and adapt them to the priorities of the Bank and the society.

When setting its strategies for community investment programs, the Bank focuses on social sensitivities and common issues in Türkiye and in the world that overlap with Garanti BBVA’s values. In keeping with its responsible banking concept,
the Bank prioritizes the society’s needs and the stakeholders’ expectations from the Bank in a strategically aligned fashion with its core business lines and devises programs that will yield social benefits.

The Bank carries out its activities aimed at contributing value to the society in three focuses of action within the frame of community investment programs:

• Reducing inequalities and promote inclusive growth
• Education for all
• Frontier knowledge and accessible culture

In addition to these areas on which focus is placed to support inclusive growth, programs are developed to contribute to the fight against the climate change.

Corporate Social Responsibility Policy can be found on Garanti BBVA Investor Relations website, under the Environmental, Social and Governance > Policies tab.

**Target**

**Increasing financial literacy**

**Action Taken**

**Unbanked Women Program Trainings**

Two different training modules were implemented within the scope of the Unbanked Women Program, which was launched in 2023 to support women’s active participation in economic life.

• Basic financial literacy training, prepared for women to better manage their own economies in cooperation with the Financial Literacy and Inclusion Association (FODER), has been available online and free of charge since July 2023.
• In cooperation with the Foundation for the Support of Women’s Work (KEDV), face-to-face trainings are organized with women’s cooperatives to increase women’s financial literacy and entrepreneurship skills. The provinces in which the trainings take place since October 2023 are Istanbul, İzmir, Muğla, Manisa, Gaziantep and Şanlıurfa.

In 2023, 1,760 women participated in financial literacy trainings.

**Target**

**Prevent deforestation**

**Turkey’s Life: Fire Management Grant Program**

Under the Turkey’s Life: Fire Management Grant Program co-launched with WWF-Turkey in June 2022, support is being extended to local civil societies’ projects related to forest fires. Under the grant program intended to mitigate the risk of forest fires that destroy natural life and people and to be better prepared for possible fires, 6 projects were launched as of end-2023:

• “Forest Fire-Resistant Settlements” The Foresters’ Association of Türkiye (TOD)
• “Fire-Resistant Production Models” The Prosumer Economy Association (TürED)
• “Don’t Let Caracals Get Hurt by Forest Fires!” The Society for the Conservation of Nature and Culture (NATURA)
• “A Forest Fire Prevention Eco-Kit: Local Knowledge and Practices of Protecting Wildwoods and Fighting Wildfires along Köyceğiz - Gökova Route” The Association for Equal Opportunity and Sustainable Future (FESG)
• “Be a Drop of Water” Hatay Association for Conservation of Nature (TAKGDER)
• “Raising Increased Awareness of Wildfires in Tourism” The Foresters’ Association of Türkiye West Mediterranean Branch (TCOBA)

As per Garanti BBVA Environmental and Social Loan Policies Deforestation Impact Management Process, in the financing of new investments such as highways in particular which are linear and expansive, a thorough situation assessment is conducted for projects that are established to pose a high risk according to the Environmental and Social Impact Assessment Model assessment with respect to their impact on deforestation; accordingly, if an impact is established:

• Forestation Commitment is obtained from the borrower according to the environmental and social risk degree of the project;
• Forestation Commitment incorporates planting of at least 4 or 5 folds of the number of trees affected by the project and ancillary units.

At present, commitments for the planting of approximately 30 million trees have been obtained from the clients cumulatively and tree plantation activities are followed up. According to available data, commitment completion rate is around 70%.³

**Target**

**Prevent marine pollution**

**Blue Breath**

• In cooperation with Turkish Marine Environment Protection Association / TURMEPA, the Blue Breath project was launched in September 2021 for preventing surface pollution and mucilage on the Sea of Marmara and to raise awareness of sea cleanliness. Following Marmara, the project was moved to other areas in line with needs. Five main activities are being carried out under the project that incorporated Adrasan in July-October 2022 and July-October 2023 periods, and Lake Van from April 2023 onwards.
• Two solid waste sea sweepers are operating on the Sea of Marmara, one liquid waste sea sweeper in Adrasan and one combo sea sweeper in Van. Since September 2022 to date, all sea sweepers in all regions collected approximately 200,071 tonnes of solid waste, which were recycled. The waste collected by sea sweepers corresponds to the waste produced by almost 177 thousand people daily.
• In a bid to raise increased awareness of sea cleanliness, education is being given to secondary school students and teachers about the importance of the seas, and individuals’ responsibilities for the protection of the marine ecosystem and sustainable water resources. Since September 2021, 3,553 teachers and 63,612 students from 273 schools in Kocaeli, Bursa, Istanbul, Tekirdağ, Balıkesir, Çanakkale and Tavaran were reached within the scope of the education program.
• On the Blue Breath Training Bus, robotic coding and production skills trainings developed with zero waste concept are given and workshops are organized for the students. The traveling bus reached 248 teachers and 3,291 students from 167 schools in Kocaeli, Bursa, Istanbul, Tekirdağ, Çanakkale, Balıkesir and Yalova since September 2021.
• In the “Blue Detectives” leg of the project, high school students are given training on zero waste and are encouraged to develop projects revolving around marine pollution. Prospective Blue Detectives are also envisaged to mentor their peers to raise their awareness. The project has covered 271 students from 15 schools since September 2021.

Garanti BBVA has been offering “Participation in Social Responsibility Projects” leave option to its employees since 2020 in order to support volunteering activities. In 2023, 198 volunteers benefited from this leave, who took part in the trainings given with Blue Breath buses and the coastal cleaning and waste separation activities carried out in places such as Istanbul, Çanakkale, Tavaran and Ayvalık.
The webinar series carried out in collaboration with the Teachers Academy Foundation (ÖRAV) has reached 12,730 students and 913 teachers since 2016 to date. With 71,826 teachers reached in 2023, ÖRAV had more than 359 thousand teachers in total from 2008 to date. eKampüs, the remote learning platform of the Teachers Academy Foundation, provides a knowledge/experience sharing platform that can be accessed by all teachers. eKampüs has 80,000 active users.

After the February 6 earthquakes, in order to support the psychological well-being of teachers, workshops were conducted with 3,670 teachers in the earthquake zone and support kits were distributed to teachers.

### 5 Pebbles: Social and Financial Leadership Program

- Implemented since 2016 in collaboration with the Teachers Academy Foundation, 5 Pebbles: Social and Financial Leadership Program is intended to build on primary and secondary school students’ social and financial leadership knowledge, attitudes and skills. While raising the students’ awareness of social and financial topics, the ultimate goal is to instill a consciousness of “good citizenship.”
- In 2023, 12,730 students and 913 teachers were reached. These figures included over 3,200 teachers and over 42,000 students were reached since 2016 to date.

### Teachers without Distance

- The webinar series carried out in collaboration with the Teachers Academy Foundation is designed to support teachers’ digital skills and classroom management abilities to ensure more active participation of students in lessons.
- Carried out since 2020, the series has been instrumental in reaching more than 17,000 teachers in total, and 2,158 teachers in 2023 only.

### Action Taken

**Teachers Academy Foundation (ÖRAV)**

- Continuous development is essential to enable higher professional success for teachers who play a key role in the social and cultural transformation of societies. The Teachers Academy Foundation was established by Garanti BBVA in 2008 with the aim of championing children’s right to access quality education by supporting professional and personal development of teachers.
- With 71,826 teachers reached in 2023, ÖRAV had more than 359 thousand teachers in total from 2008 to date.
- eKampüs, the remote learning platform of the Teachers Academy Foundation, provides a knowledge/experience sharing platform that can be accessed by all teachers. eKampüs has 80,000 active users.
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### Action Taken

**Salt**

- Founded by Garanti BBVA in 2011 to support the production of knowledge, culture and arts, Salt continues its activities as a cultural institution that presents its visitors and users with a free setting for learning, encountering, research and expression through its innovative programs.
- Salt conducts various programs including exhibitions, publications, digital projects, speeches, conferences, film screenings, performances and workshops on various topics including art, architecture, design, urban life, and society.
- Through its diverse archival and research projects, the institution contributes to the memory of Türkiye and its neighboring countries. It supports production of knowledge by promoting the dialogue between the past and the present.
- Salt provides free access to the works in its Galata and Beyoğlu buildings and all digital programs and contents on saltonline.org.
- Since 2011, the institution held 116 exhibitions and more than 6,500 public programs and hosted approximately 4,000,000 visitors.
- Salt Research archival collections give online access to more than 2 million documents and resources. The library located in Salt’s Galata building, which is available to its users free of charge five days a week, has a collection of more than 100,000 publications.

### Action Taken

**Garanti BBVA**

- Garanti BBVA is one of the leading sponsors of jazz music in Türkiye. Dating back to 1994, the Bank’s support to Istanbul Jazz Festival organized by the Istanbul Foundation for Culture and Arts (IKSV) has been ongoing uninteruptedly from 1997 in the form of festival sponsorship. Having become an indispensable part of the city’s life and named among Europe’s select jazz festivals, Istanbul Jazz Festival has brought numerous famous artists to music lovers including, among others, Sting, Björk, Simply Red, Buena Vista Social Club Feat. Ibrahim Ferrer, Bryan Ferry, Lenny Kravitz, George Benson, Chick Corea, Melody Gardot, Grace Jones, Biuika, Lisa Eldahl, and Marcus Miller.
- The Bank brings acclaimed artists together with music lovers with the support it extends to concerts held at IF Performance Hall Beşiktaş, Salon IKSV, Blind, Nardis Jazz Club, and Zorlu PSM, five of İstanbul’s most important musical performance venues.
- On the UNESCO-declared International Jazz Day celebrated on April 30th every year, Garanti BBVA keeps celebrating the occasion with the most colorful concerts in the city under the tagline “One Night Five Concerts”.
- Long-lived projects in music that contribute to the society’s vision
- Support to Turkish basketball in keeping with the principle of permanent and sustainable contribution to the society
Supporting Social Development in Early Childhood

Within the scope of EqualUs project, face-to-face “I am In for Training”, which addresses preschool and guidance teachers, is being conducted since the beginning of 2022 in order to contribute by raising awareness on gender equality. With the Mother Child Education Foundation (AÇEV)’s social initiative Equality Matters (Eşitliğe Değer), it is targeted to raise awareness among all Garanti BBVA employees with the internal training. In this context, 16,277 Garanti BBVA employees completed the internal “Equality Awareness Training”.

Within the scope of EqualUs project, face-to-face “I am In for Training” workshop was held to address the obstacles, needs and solutions in relation to gender equality more thoroughly. 41 Garanti BBVA employees voluntarily took part in the workshop organized in cooperation with Equality Matters and with the contributions of leading academics and experts. “Supporting Social Development in Early Childhood Training”, which addresses preschool and guidance teachers and is focused on gender equality, is being carried out in cooperation with the Teachers Academy Foundation. In 2023, 549 teachers and indirectly 8,235 students were reached with the training. From 2024, the program scope will be broadened to cover primary school teachers as well.

2024 PRIORITIES

- Build on advisory services and activities related to sustainability and sustainable finance offered to customers
- Propagate sustainable solutions in retail and SME customer segments
- Raise increased internal awareness to prevent greenwashing and establish additional control mechanisms
- Integrate ESG assessments in the Bank’s activities with external stakeholders
- Review the alignment of Garanti BBVA’s Environmental and Social Loan Policies to the latest and most comprehensive national and international legislation and standards in accordance with the Bank’s sustainability targets
- Support development of national and international policies
- Develop sustainability data governance systems
- Broaden sustainability-linked product portfolio
- Set targets in line with the inclusive growth goal
- Monitor interim targets and determine new targets and related strategies in relation to the financing of carbon-intensive sectors based on Garanti BBVA Net Zero Banking pathway
- Analyze and manage the climate-related physical risk exposure of the Bank’s portfolio
- Raise increased awareness of climate risks among customers in particular and the society in general
- Improving the Bank’s competencies to ensure full compliance with new regulations on sustainability reporting

Action Taken

EqualUs (EşitBiz)

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Garanti BBVA’s Response

- Constantly broaden sustainable finance products range.
- Set short-, medium- and long-term goals for combating climate change and for inclusive growth targets.
- Support customers’ combat against climate change acting as an advisor.
- Environmental and Social Loan Policies ensure effective management of the positive and negative effects of the Bank’s financing transactions.
- Support the sustainable business model via sustainability governance model integrated in the Bank’s different units.
- Collaborate with public institutions and organizations to develop sustainable economy and sectoral policies.
How would you elaborate 2023 for Commercial Banking in one word?

Executive Vice President
Commercial Banking

What is the number one thing you would hope to inspire others?

CEMAL ONARAN

Scan the QR code or click here to watch the video for the answers.
Organizational Structure

### BOARD OF DIRECTORS

- Risk Committee
- Legal Services
  - Legal Advisory Services
  - Legal Collections
  - Litigation
  - Corporate Legal Services
  - Legal Strategy and Performance
- Internal Control
- Internal Audit
- Compliance
- Corporate Secretary

- Risk Management
  - Market and Structural Risk
  - Internal Capital and Operational Risk

- CEO
  - Economic Research
  - General Secretariat
  - Information Systems Security
  - Retail Collections
  - Retail Banking
  - SME Banking
  - Commercial Banking
  - Corporate, Investment Bank, & Global Markets
  - Client Solutions
  - Engineering & Data
  - Talent & Culture
  - Finance & Treasury
  - Credit Risk Management

### Organizational Changes

The changes in the organizational structure are mentioned below:

- **Financial Control** organization reporting to Finance and Treasury Executive Vice President was closed, and its functions were transferred to Internal Control Department.
- **Legal Services Strategy and Development** function reporting to the Board of Directors was closed, and its current responsibilities were transferred to Litigation organization reporting to the Board of Directors.
- **Chief Economist for Asia** position reporting to CEO was closed, and it was continued as Chief Economist in the Economic Research Department reporting to the CEO.
- In order to create a special focus on SME Banking customers in Istanbul and Anatolian regions, SME Banking Marketing Department and SME Banking Network and Performance Management Department organizations reporting to SME Banking EVP were closed and SME Banking business line was restructured as follows:
  - **SME Banking Istanbul Marketing Department** was established in order to manage SME Banking marketing and sales coordination activities for customers in Istanbul Regions, Batı Anadolu and Marmara regions, and SME business line network performance planning function.
  - **SME Banking Anatolia Marketing Department** was established in order to manage SME Banking marketing and sales coordination activities for all regions except Istanbul Regions, Batı Anadolu and Marmara regions, as well as SME business line strategic planning and enterprise banking functions.
- **Retail Risk Coordinator** position reporting to Chief Credit Risk Officer was closed, and Retail Loans Evaluation, Retail Risk Strategies and Commercial Risk Strategies departments started to report directly to Chief Credit Risk Officer position.
- Restructuring and monitoring functions were assigned to Wholesale Recovery Department in addition to its existing functions, together with Corporate and Commercial Credits Restructuring Department in order to manage and execute restructuring requirements of corporate and commercial customers more focused and effectively in line with the criteria set out by the NPL, Collection and Credit Restructuring Committee. Wholesale Recovery Department was renamed as Wholesale Restructuring and Collection Department.
- **Abacus Planning and Branch Operation Department** reporting to Abacus Operations Center was established to undertake following functions:
  - To monitor Abacus Operations Center performance metrics, and to carry out qualitative improvement and change.
  - To evaluate solutions for developing business processes, increasing and improving product and service quality, and to take measures on failing issues.
  - To coordinate Abacus Operations Center departments / teams in the development works with Technology Center teams.
  - To coordinate the alignment issues between Abacus Operations Center and BBVA.
  - By ensuring the ownership of the Customer Service Staff job roles serving many business lines, to monitor the service level, to improve: to raise the roles’ needs and to provide support.
  - To answer all questions coming from the network at the 1st level, and in case they cannot be answered: to direct them to the relevant teams and to ensure that they are answered.
  - To measure agile methods and principles in our Head Office organization and to provide the most accurate and quality service to our customers, moved to an...
organizational model in which teams will assume end-to-end responsibility under the same service roof, and in this context, Talent and Culture business area was restructured as follows:
- Talent and Culture Front organization was structured to be responsible for making short and long-term in-bank human resources planning by providing information and consultancy to all unit / region / branch employees regarding Talent and Culture activities in line with their needs, as well as corporate and ethical principles and occupational health and safety functions.
- Talent Solutions and Rewards organization was structured to be responsible for developing policies and strategies in the areas of specialization in compensation and benefits, career, talent management, and executing all practical and services related to these areas of expertise with a view to continuous improvement and development.
- Talent Acquisition, Employer Brand and Global Mobility organization was established to be responsible for executing talent acquisition strategy, planning and recruitment activities as well as talent acquisition programs; managing employer brand activities, and developing strategies and policies regarding global mobility activities in coordination with the group.
- A new organization as Employee Engagement and Culture was established to undertake the functions of employee engagement, culture and diversity, directly reporting to the Talent and Culture Executive Vice President.
- Talent and Culture Projects and Internal Communication and Culture Discipline organizations were closed in parallel with the new structure.
- The names of the organizations reporting to Finance and Treasury Executive Vice President were changed as follows for the alignment with the group:
  - Cost Management and Efficiency organization was renamed as Investment and Cost Management.
  - Financial Planning and Analysis organization was renamed as Financial Planning and Business Performance Management.
  - Financial Reporting and Accounting organization was renamed as Accounting and Regulatory Reporting.
  - Purchasing organization was renamed as Procurement.
- Legal Services business area reporting to the Board Member responsible for Legal Services, was restructured as follows:
  - Legal Strategy and Performance organization was established for the alignment with the group, which serves the entire Legal Services business area, with the following functions:
    - To determine the strategic priorities and initiatives of the Legal Services area by taking into account the recommendations of the relevant organizations.
    - To follow the business budget, KPI and performance metrics and to ensure coordination with relevant organization.
    - To conduct analysis for the determination of contracted law firms for submitting them to the relevant decision-making authority, and to audit the determined Contracted Law firms in terms of their compliance with the legal rules and Bank policies.
    - To determine the areas of expertise defined within the BBVA Global structure for Legal Services business area, to structure business development teams by staffing lawyers having these expertise in projects that require these expertise in coordination with related organizations.
    - To manage the project portfolio prioritized in line with business area strategies and to execute the projects.
    - To ensure communication and coordination with the holding and other business areas within the Bank.
    - To evaluate all applications and services with a perspective of continuous improvement and development, to identify areas of efficiency and development and ensuring that necessary actions are taken.
    - To follow the regulations regarding the banking sector, to inform and direct the relevant teams, and to ensure the coordination of audits, investigations and inspections initiated by the regulators within the bank.
    - The project and business development functions under Litigation organization, were transferred together with the existing team, to the newly established Legal Strategy and Performance organization.
- Payment Systems and Partnerships Executive Vice President position was merged with Client Solutions Executive Vice President position. The organizations reporting to Payment Systems and Partnership business area have changed as follows:
  - Consumer Finance and Credit Cards & Member Merchant Coordination organizations were transferred to Client Solutions business area.
  - Digital Asset Management organization was closed.
- Organizations reporting to Retail Banking Executive Vice President have changed as below:
  - Mortgage Department was restructured in line with the following changes:
    - Marketing and product management functions were transferred to Retail Customer Solutions organization.
    - The organization that continue to execute mortgage financing, sales and distribution channel management activities was renamed as Mortgage Sales Department.
    - Marketing activities of Retail Banking Marketing Department as Retail segment management and strategy and targets setting of the related products managed together with this segment, investment products management, and subsidiaries target monitoring and coordination, etc. were transferred together with the relevant teams to Retail Customer Solutions reporting to Client Solutions Executive Vice President, in parallel the organization was renamed as Retail Banking Department.
  - Marketing activities of Mass Banking Marketing Department as Mass segment strategy management, loan products management, pension customer banking and loyalty products management, etc. were transferred together with the related teams to Retail Solutions reporting to Client Solutions Executive Vice President, also micro segment management functions were transferred to Enterprise Client Solutions, and in parallel the organization was renamed as Mass Banking Department.
  - Affluent Banking Marketing Department was renamed as Affluent Banking Department.
  - Organizations reporting to Client Solutions Executive Vice President were restructured as follows:
    - Insurance Discipline organization was closed and its functions were transferred to Retail Customer Solutions organization.
    - With the new functions to be transferred from Retail Banking business area, Retail Customer Solutions organization was restructured as follows:
      - Customer strategy development for mass segment, loan products management, business development activities of related functions and pension customer banking were preserved in the current organization, and the organization was renamed as Mass Customer and Product Management.
      - Retail Customer and Product Management organization was established to be responsible for budget and segment development for mass segment, insurance, deposit, investment and mortgage products management and business development functions.
      - Customer Contact Center Department was transferred to Retail Banking business area with preserving business development and project management activities executed by the department under Seamless Experience and Relationship Model Disciplines organization.
      - Wholesale Structuring and Collection Department reporting to CEO was transferred to Finance and Treasury Executive Vice President.
COMPOSITION OF THE BOARD OF DIRECTORS

Garanti BBVA has a one-tier Board of Directors that is formed by 11 members with the composition of 2 female and 9 male board members as of 31 December 2023. In accordance with the principle of separation of powers and authority, the Chairman and the CEO have different roles at Garanti BBVA. This clear distinction establishes a balance between authorities and powers within the scope of the Bank’s corporate structure, drawing the lines of decision making capacity of each position. The CEO is the only executive member of the Board of Directors.

The structure established by the Board of Directors for monitoring and overseeing the Bank’s operations and for taking action can be grouped under 3 main headings: defining the general frameworks, monitoring risks via committees and powers within the scope of the Bank’s corporate structure, closely follow up the Bank’s internal operation; the primary purpose is to be aware of and informed about the current topics about the same, and to ensure monitoring of the decisions to be made. Via these committees, the Board of Directors conducts first-hand oversight and supervision of the senior management’s activities. Operating under internal systems, the Internal Audit Department, Risk Management, Compliance and Internal Control units periodically report their activities to the Board of Directors via the Audit Committee. In accordance with the Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) legislation, the Bank’s compliance efforts within the scope of AML/CFT are carried out by the Compliance Department that reports to the Board of Directors. At our Bank, the Board of Directors’ oversight function in this respect is delegated to a Board Member in accordance with the legislation. The structure established by the Board of Directors for monitoring and overseeing the Bank’s operations and for taking action can be grouped under 3 main headings: defining the general frameworks, monitoring risks via committees and powers within the scope of the Bank’s corporate structure, closely follow up the Bank’s internal operation; the primary purpose is to be aware of and informed about the current topics about the same, and to ensure monitoring of the decisions to be made. 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Via these committees, the Board of Directors conducts first-hand oversight and supervision of the senior management’s activities. Operating under internal systems, the Internal Audit Department, Risk Management, Compliance and Internal Control units periodically report their activities to the Board of Directors via the Audit Committee. In accordance with the Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) legislation, the Bank’s compliance efforts within the scope of AML/CFT are carried out by the Compliance Department that reports to the Board of Directors. At our Bank, the Board of Directors’ oversight function in this respect is delegated to a Board Member in accordance with the legislation. The structure established by the Board of Directors for monitoring and overseeing the Bank’s operations and for taking action can be grouped under 3 main headings: defining the general frameworks, monitoring risks via committees and powers within the scope of the Bank’s corporate structure, closely follow up the Bank’s internal operation; the primary purpose is to be aware of and informed about the current topics about the same, and to ensure monitoring of the decisions to be made. Via these committees, the Board of Directors conducts first-hand oversight and supervision of the senior management’s activities. Operating under internal systems, the Internal Audit Department, Risk Management, Compliance and Internal Control units periodically report their activities to the Board of Directors via the Audit Committee. In accordance with the Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) legislation, the Bank’s compliance efforts within the scope of AML/CFT are carried out by the Compliance Department that reports to the Board of Directors. At our Bank, the Board of Directors’ oversight function in this respect is delegated to a Board Member in accordance with the legislation. Two non-executive members of the Board have board memberships in other companies and four non-executive members have board of trustees memberships in foundations.

There are four independent members on the Board of Directors. CMB requirements regarding Corporate Governance Principles stipulate that minimum three independent members must serve on the boards of directors of banks. Since the Board members assigned as members of the Audit Committee are deemed as independent Board members according to CMB regulations, Jorge Saenz-Azzucagna Carranza, Sema Yurdum and Aymi Aydin Duren, who currently serve as Audit Committee members, are independent Board members. In addition, Mevhibe Canan Üzsoy was elected as independent Board member at the Ordinary General Shareholders’ Meeting convened on 31 March 2023. Before being elected as the declaration of independence by Mevhibe Canan Üzsoy:

TO TÜRKİYE GARANTI 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-271 on Corporate Governance Principles issued by the Capital Markets Board of Türkiye. 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 Türkiye 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.”

No circumstances arose in 2023 fiscal year, which prejudiced the independence of independent Board members.

The positions held by our Bank’s Board of Directors members are stated in their resumes. 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.

Resumes, experience and duties of the members of the Board of Directors, are available on page 206-211 of The Integrated Annual Report.

**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. The Board of Directors operates on the principle that it must convene as and when necessitated by the Bank’s affairs and transactions, but at least once a month. Pursuant to the Articles of Association of the Bank, the Board of Directors meets with the attendance of seven members minimum and resolutions of the Board of Directors are taken by affirmative votes of at least seven members present in the meeting.

The Board of Directors, other than the powers given to the General Assembly under relevant laws or the Bank’s Articles of Association, adopts resolutions regarding all kinds of acts and transactions necessary to fulfill the Bank’s scope of activity, oversees the course of business, and prepares reports regarding the subjects to be brought before itself. The Board can also pass decisions to establish committees and commissions which may consist of the Board members for the purposes of enforcing its resolutions or internal auditing.

Board meeting agenda mainly covers topics that any Board member including the CEO demands to be discussed. Executive Vice Presidents in charge of related business lines and relevant senior positions and responsible people are informed of the resolutions made. In 2023, the Board of Directors resolved 17 decisions by satisfying the required quorums for meeting and decision.

**Working Principles and Procedures of Garanti BBVA**

Board of Directors can be found on Garanti BBVA Investor Relations website, under Environment, Social and Governance section, Policies tab.

**Transparency in Governance and Effective Communication**

At the heart of Garanti BBVA’s corporate governance structure are the Bank’s effective Board of Directors and transparent communication between the Board of Directors and senior management. The Board of Directors acts as the ultimate internal monitor and contributes an outside view to corporate strategy, oversees performance against the strategy set out, and helps Garanti BBVA thrive in the long run. Making effective use of the committees, the Board of Directors maintains uninterrupted and transparent communication with the senior management and is actively involved in each stage of corporate governance. To ensure effective risk management, the Board monitors compliance, internal control and risk management policies and systems that are aligned with the Bank’s strategy and risk appetite, and subsequently performs its oversight function. For the oversight function, there are several committees established within the Bank, and the Board of Directors monitors and audits the entire Bank through these committees. In line with its responsible and sustainable banking approach, the importance it attaches to the Corporate Governance and Sustainability Principles and ethical values, Garanti BBVA creates policies, principles and statements to regulate behavior and business relations. In this way, a strong structure is established between the Board of Directors, Senior Management and Committees and the Bank; this structure strengthens the corporate culture and plays an important role in implementing the best governance practices.
Board of Directors

AVERAGE TENURE

<table>
<thead>
<tr>
<th>Members</th>
<th>13 YEARS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Independent Members</td>
<td>7 YEARS</td>
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</tbody>
</table>

AVERAGE EXPERIENCE

<table>
<thead>
<tr>
<th>Members</th>
<th>35 YEARS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Independent Members</td>
<td>35 YEARS</td>
</tr>
</tbody>
</table>

EDUCATION

| Bachelor’s | 55% |
| Master’s | 36% |
| Doctorate | 9% |

EXPERIENCE COMPOSITION

Chart is prepared in accordance with the Global Industry Classification Standard (GICS). The Global Industry Classification Standard (GICS) is an industry taxonomy developed by MSCI and Standard & Poor’s (S&P) for use by the global financial community.

COMMITTEE MEMBERSHIP

1. Credit Committee
2. Audit Committee
3. Corporate Governance Committee
4. Risk Committee
5. Remuneration Committee
6. Information Security Committee
7. IT Strategy Committee
8. Information Systems Steering Committee
9. Corporate Assurance Committee
10. Portfolio Strategy (PSM) Committee
11. Asset Liability Committee
12. Risk Management Committee
13. Data Security and Protection Steering Committee
14. Cost Management and Efficiency Committee
15. Corporate-Crisis and Business Continuity Committee
16. Responsible Banking and Sustainability Committee
17. Operational Risk Admission and Product Governance Committee
18. Information Systems Continuity Committee
19. Integrity Committee
20. Information Systems Sharing Committee

* In order to guarantee adequate and balanced composition of the Board of Directors, renewal and election processes will encourage diversity of their members based on the needs of the Bank at all times. In particular, best endeavors will be spent to ensure balanced representation of women and men on the Board of Directors. To this end, a target has been set for the representation of the lesser-represented gender, namely, to endeavor that female directors constitute at least 25% of the Board of Directors by the end of the 2025 fiscal year and beyond.
SÜLEYMAN SÖZEN
Chairman
Süleyman Sözen is a graduate of Ankara University Faculty of Political Sciences and worked as a Chief Auditor and Deputy Chairman of the Auditors’ Board at the Ministry of Finance and also worked in the Undersecretariat of Treasury. Since 1981, he held various positions in the private sector on the Board of Directors level primarily at banks and other 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 on September 19, 2017. Mr. Sözen is a graduate of Ankara University Faculty of Political Sciences and worked as a Chief Auditor and Deputy Chairman of the Auditors’ Board at the Ministry of Finance and also worked in the Undersecretariat of Treasury. Since 1981, he held various positions in the private sector on the Board of Directors level primarily at banks and other 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 on September 19, 2017.

JORGE SÁNZ AZCÚÑAGA
Independent Board Member
Deputy Chairman
Jorge Sáenz Azcúñaga earned his BS in Business Administration from Universidad Deusto. He developed his entire career in BBVA chronologically as Research Analyst, Corporate Strategist, Head of CEO’s Office, Business Development (Commercial & Institutional Banking in Spain), Head of Strategy (Corporate Banking & Asset Management), Head of Strategy and Planning (Spain & Portugal) and between 2013 and 2015 as Regional Manager for the North of Spain. As of 2015, he serves 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-Azcúñaga is a Member of the Board of Directors of BBVA Mexico. He serves 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. Mr. Sáenz-Azcúñaga was appointed as the Deputy Chairman of the Board of Directors on September 19, 2017.

RECEP BAŞTUĞ
Board Member
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 Marketing Department Coordinator during 2004-2012, and served as an EVP of Commercial Banking and Consumer Finance during 2013-2018. After serving briefly 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 CEO at Garanti BBVA and also serves as Board Member. He is also the Chairman of the Board of Directors at Garanti BBVA International, Garanti BBVA Romania, Garanti BBVA Securities, Garanti BBVA Pension and Life, Garanti BBVA Factoring, Garanti BBVA Leasing and Garanti BBVA Payment Systems. Garanti Kultur and he is Board Member at Garanti HOLDING B.V. and G Netherlands B.V.

In addition to his responsibilities, he also serves as the Board Member in the Banks Association of Turkey and as the Chairman of the Teachers Academy Foundation. Mr. Baştuğ has 34 years of experience in banking and Business administration.

SAİT ERGÜN ÖZEN
Board Member
Ergün Özen graduated from New York State University’s Department of Economics and Advanced Management Program at Harvard Business School. He started his banking career in the Treasury Department in 1987 and joined Garanti BBVA in 1992. Mr. Özen served as the CEO of Garanti BBVA between 2000-2015 and has been a Member of the Board of Directors since 14 May 2003. Mr. Özen is the Chairman of Beymen Perakende ve Tekstil Yatırımları A.Ş. and Board Member of Atom Bank and WeSoda. Mr. Özen has 36 years of experience in banking and business administration.

DR. MUAMMER CÜNEYT SEZĠN
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. Mr. Sezgin, served as an executive in the field of investment banking and risk management at various banks, prior to joining Garanti BBVA in 2001. In addition to serving as a Board Member of the Board of Directors of Garanti BBVA, Dr. Sezgin serves as a Board Member and Secretary General of Besiktas JK, Member of the Trustees of the Teachers Academy Foundation and WWF-Turkey; and Member of the Board and Board of Trustees of Kabatay Education Foundation and Member of the Board of the Turkish Finance Managers Foundation. Mr. Sezgin has been serving as a Board Member of Garanti BBVA since June 30, 2004 and has 35 years of experience in banking and business administration.
PABLO ALFONSO PASTOR MUÑOZ
Board Member
Pablo Alfonso Pastor Muñoz graduated from Deusto University in B.S. degree in Economics and Business Administration and earned his MBA from École Des Affaires Paris (EAP Madrid). He started his career as Investment Analyst at Banesto (Chile and Argentina) during 1989-1991, and worked at Corporate Risk Unit during 1991-1998. He joined BBVA Group in 1998 and during 1998-1999 he worked at Country Credit Risk, 1999-2002 SME Credit Risk, 2002-2007 Corporate and Commercial Credit Risk, 2007-2010 New Developments & USA, 2010-2012 Corporate Banking Risk Management within Global Risk Management. During 2012-2015 he was Chief Risk Officer of BBVA Bancomer. During 2015-2017 he was responsible of Corporate Investment Banking, Asset Management and Insurance within Global Risk Management. After serving as the Global Risk Management Head of Corporate and Investment Banking during 2017-2019, Pablo Alfonso Pastor Muñoz was serving as Global Risk Management Wholesale Credit Risk-Discipline Head until March 2021 when he was appointed as Head of Global Risk Management for South America & Türkiye. He has been serving as the Board Member of Garanti BBVA since March 31, 2021 and has 33 years of experience in banking and business administration.

RAFAEL SALINAS MARTINEZ DE LECEA
Board Member
Rafael Salinas Martinez 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 (CEMFII), MSc in Econometrics and Mathematical Economics of London School of Economics and MBA from the Graduate School of Business of University of Chicago. He has occupied BBVA in 1990 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 Chief Financial Officer (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 in BBVA. In 2015 he became Head of Global Risk Management and between 2021-2023, he served as the Global Head of Finance of the BBVA Group. In September 2023, he retired from his executive functions at the BBVA Group. He is currently a Board Member of BBVA Mexico and Garanti IBİŞVA. Mr. Salinas has 32 years of experience in banking and business administration.

BELKIS SEMA YURDUM
Independent Board Member
Sema Yurdum graduated from Bogazici University, Faculty of Economics and Administrative Sciences in 1979 and completed the Advanced Management Program at Harvard Business School in 2000. After working as a Human Resources Expert in a private sector company between 1979-1980, she continued her career in the 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. Offering management consultancy services since 2006, Ms. Yurdum was appointed as Independent Board Member at Garanti BBVA on April 30, 2013. Since her appointment as an Audit Committee Member on March 29, 2018 she is deemed as an Independent Board Member of Garanti BBVA in accordance with the relevant regulations of the Capital Markets Board of Türkiye. Furthermore, Ms. Yurdum is a Board Member of Garanti BBVA Romania and has 43 years of experience in banking and business administration.

MEVHIBE CANAN ÖZSOY
Independent Board Member
Mevhibe Canan Özsoy graduated from Istanbul University with Bachelor’s Degree of Dental Medicine in 1985. She obtained her Master’s Degree in 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 Sabanci University in 2015. Before joining the pharmaceutical industry in 1990, Ms. Özsoy had her career as a Medical Dentist. She has occupied Sales & Marketing and commercial leadership positions in Hoescht Marion Roussel, Glaxo Wellcome, Sanofi Aventis operating in the pharmaceutical industry. She was appointed as Vice President in charge of Marketing International in 2007 at General Electric Healthcare. Paris. Ms. Özsoy was then assigned as Chief Marketing Officer at General Electric Healthcare, USA in 2009. She returned 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 Electric Ticaret ve Servis A.S. in 2012. Besides, she has been serving as the Chief Growth Officer in charge of Middle-East, North Africa and Türkiye since 2017. Currently, Ms. Özsoy is Vice Chair of ABFT (American Business Forum in Türkiye) and is on the Board of Trustees for SEV Foundation and Vice Chair of SEV Foundation. Ms. Özsoy was appointed as Independent Board Member at Garanti BBVA on April 4, 2019, and has 32 years of experience in banking and business administration.

AVNİ AYDIN DÜREN
Independent Board Member
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 and Corporate Secretary. On June 17, 2020 he was appointed as a Board Member and since his appointment as an Audit Committee Member he is deemed as an Independent Board Member of Garanti BBVA in accordance with the relevant regulations of the Capital Markets Board of Türkiye. Furthermore, Mr. Düren is Board Member of Garanti BBVA Payment Systems, Garanti Mortgage, Garanti BBVA International, Garanti BBVA Pension and Assistance Fund Foundation. Garanti Kollîtor Garanti BBVA Factoring, Garanti BBVA Leasing, Garanti BBVA Pension and Life, Garanti BBVA Fleet, Garanti BBVA Financial Technology and Board of Trustees Member of Teachers Academy Foundation. Mr. Düren has 32 years of work experience in banking and business administration.
Senior Management
### Senior Management

#### GENDER

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<td></td>
<td>75</td>
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#### AVERAGE EXPERIENCE

- 28 YEARS

#### EDUCATION

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<th>Level</th>
<th>Bachelor's</th>
<th>Master's</th>
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<td>Percentage</td>
<td>40%</td>
<td>50%</td>
<td>10%</td>
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#### COMMITTEE MEMBERSHIP

- Credit Committee
- Audit Committee
- Corporate Governance Committee
- Risk Committee
- Remuneration Committee
- Information Security Committee
- IT Strategy Committee
- Information Systems Steering Committee
- Corporate Assurance Committee
- Portfolio Strategy (PSM) Committee
- Asset Liability Committee
- Risk Management Committee
- Data Security and Protection Steering Committee
- Cost Management and Efficiency Committee
- Corporate Crisis and Business Continuity Committee
- Responsible Banking and Sustainability Committee
- Operational Risk Admission and Product Governance Committee
- Integrity Committee
- Information Systems Continuity Committee
- Data Sharing Committee

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#### Executive Vice Presidents

- **RECEP BAŞTUĞ**
  - CEO
  - Board Member
  - Experience: 34 years

- **MAHMUT AKTEN**
  - Executive Vice President
  - Corporate & Investment Banking and Global Markets
  - Experience: 25 years

- **AYDIN GÜLER**
  - Executive Vice President
  - Finance and Treasury
  - Experience: 34 years

- **CEREN ACER KEZİK**
  - Executive Vice President
  - Retail Banking
  - Experience: 33 years

- **ILKER KURUÖZ**
  - Executive Vice President
  - Engineering Services and Data
  - Experience: 27 years

- **SIBEL KAYA**
  - Executive Vice President
  - SME Banking
  - Experience: 27 years

- **TUBA KÖSEOĞLU OKÇU**
  - Executive Vice President
  - Talent and Culture
  - Experience: 27 years

- **MURAT ÇAĞRI SÜZER**
  - Executive Vice President
  - Client Solutions and Digital Banking
  - Experience: 25 years

- **CEMAL ONARAN**
  - Executive Vice President
  - Commercial Banking
  - Experience: 33 years

- **MURAT CAĞRı SİZER**
  - Executive Vice President
  - Commercial Banking
  - Experience: 25 years

- **SIBEL KAYA**
  - Executive Vice President
  - SME Banking
  - Experience: 27 years
**RECEP BASTUĞ**
CEO
Board Member

Recep Bastuğ graduated from Çukurova University Faculty of Economics. He started his career in Garanti BBVA Internal Audit Department in 1989. Mr. Bastuğ worked as Corporate Branch Manager during 1995-1999, Commercial Regional Manager during 1999-2004, Commercial Banking Marketing Department Coordinator during 2004-2012, and served as an EVP of Commercial Banking and Consumer Finance during 2013-2018. After serving briefly 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 CEO at Garanti BBVA and also serves as Board Member. He is also the Chairman of the Board of Directors at Garanti BBVA International, Garanti BBVA Romania, Garanti BBVA Securities, Garanti BBVA Pension and Life, Garanti BBVA Factoring, Garanti BBVA Leasing and Garanti BBVA and Garanti Kültür. Bastuğ also is Board Member at Garanti Holding B.V. and G Netherlands B.V.

In addition to his responsibilities, he also serves as the Board Member in the Banks Association of Turkey and as the Board of Trustees Member of Teachers Academy Foundation. Mr. Bastuğ has 34 years of experience in banking and Business administration.

**MAHMUT AKTEN**
Executive Vice President
Corporate and Investment Banking and Global Markets

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, in 2006, he joined a global management consulting firm. After working in the Boston and Istanbul offices between 2006 and 2012, and most recently as Associate Partner, he joined Garanti BBVA on July 1, 2012 as the Senior Vice President responsible for Mass Retail Banking. On January 17, 2017, Mr. Akten was appointed Executive Vice President responsible for Retail Banking, leading Retail Banking Marketing, Mass Banking Marketing, Affluent Banking Marketing and Consumer Finance. In addition, Mr. Akten has served as a Member of the Board of Directors of Garanti BBVA Mortgage, Garanti BBVA Romania, Garanti BBVA Securities, Garanti BBVA Payment Systems, and Garanti BBVA Pension and Life. On June 1, 2022, he was appointed to be responsible for Corporate Banking, Global Markets, Global Markets Business Solutions, Cash Management, Financial Institutions, Investment Banking and Finance, and Corporate and Investment Banking Strategy, Analysis and Coordination, and Sustainable Finance. Mr. Akten also serves as a Member of Board of Directors of Garanti Kültür.

With an undergraduate degree from Boğaziçi University in Electrical and Electronics Engineering and graduate degree in Business Administration from Carnegie Mellon University, Akten has 25 years of experience in banking and business administration.

**TUBA KÖSEOĞLU ÖKÇÜ**
Executive Vice President
Talent and Culture

Tuba Köseoğlu Ökçü started her career as a Simultaneous Conference Interpreter in 1994 and served on the Translation Council. After working as a lecturer at Boğaziçi University, Tuba Köseoğlu Ökçü worked within Doğuş Group between 1997 and 2008. Then she served as Performance Consultant at Garanti Bank Training Directorate, Senior Executive Development Manager at Humantias Doğuş Manpower Management, Head of Human Resources Department at Doğuş Holding and Human Resources Coordinator at Doğuş Otomotiv, respectively. She worked as Eastpharma Deva Holding Human Resources Organizational Development Director between 2008-2012, and as Hurpeeq Human Resources Director and Executive Board Member between 2012-2019. Between March 2020 and September 2022, worked as the Learning Director of Garanti BBVA. As of September 2022 she serves as the Executive Vice President responsible for Talent and Culture of Garanti BBVA. Ms Köseoğlu’s areas of responsibility are Talent and Culture Partnerships and Recruitment, Talent Solutions and Remuneration, Talent and Senior Management, Culture Employee Experience, Talent and Culture Education, Talent and Culture Projects, Internal Communication and Culture, Construction and Real Estate. Ökçu also a Member of Board of Directors of Garanti Kültür.

**CEREN ACER KEZİK**
Executive Vice President
Retail Banking

Ceren Acer Kezik started her career in 2005 in a global management consultancy firm. She mainly worked in banking, telecommunications, retail and private equity sectors along marketing, strategy and new business development functions. She joined Garanti BBVA on October 2012 as the Manager of Retail Mass Segment. As of April 2016, she was appointed as the head of new business unit SME Micro segment. Since 2017 she was also held responsible for Retail Mass Banking under Retail Banking business line. On June 1 2022, she was appointed Executive Vice President responsible for Retail Banking, leading Retail Banking, Mass and Micro Banking, Affluent Banking, Housing Finance, and Customer Communication Center. In addition, Mrs. Kezik serves as a Member of the Board of Garanti BBVA Securities, Garanti BBVA Payment Systems, Garanti Kültür and Garanti BBVA Pension and Life. Ceren Acer Kezik earned an undergraduate degree from Bilkent University in Industrial Engineering and an aggladue degree in Business Administration from Harvard University, has 19 years of experience in banking and business administration.

**AYDIN GÜLER**
Executive Vice President
Finance and Treasury

Aydin Güler joined Garanti BBVA Fund Management Department in 1990. After working at different Head Office departments for 10 years, in 2000 he was appointed as Risk Management and Management Reporting Senior Vice President. Mr. Güler, who served as the Financial Planning & Analysis Department Senior Vice President between 2001-2013, was appointed as the Coordinator of the Department in 2013. On December 21, 2015, Mr. Güler was appointed as Executive Vice President responsible for Finance and Treasury. Mr. Güler’s areas of responsibility are Investor Relations, Financial Management, Cost Management and Efficiency, Financial Data, Performance Management and Budget Planning, Financial Reporting and Accounting, Tax Management, Assets & Liabilities Management, Financial Projects, Finance Risk and Controls, Purchasing, Credit Cards and Member Merchant Coordination. Mr. Güler also serves as a Member of the Board of Directors of Garanti BBVA Fleet, Garanti BBVA Leasing, Garanti BBVA Mortgage, Garanti Payment Systems, Garanti Culture, Garanti BBVA Financial Technologies, Garanti BBVA-Pension and Life, Garanti BBVA Factoring, Garanti BBVA Securities, and Garanti BBVA Pension and Assistance Fund.

Mr. Güler, who graduated from Istanbul Technical University Department of Mechanical Engineering, has 33 years of experience in banking and business administration.
ILKER KURUÖZ
Executive Vice President
Engineering Services and Data

Ilker Kuruztu started his career in the USA in 1994. After working as an Application Development Department Senior Vice President at Garanti BBVA Technology between 1997-2006, he joined a global consultancy company and served as IT Consulting Senior Manager. Between 2006-2016, Kuruztu served as Technical Solutions Division Head, Chief Information Officer, Chief Technology Group Officer and acting General Manager for a short period of time in a private communication and technology services company; between 2016-2018, Kuruztu continued his duty as the CEO at Doğuş Teknoloji and CTO at Doğuş Group. As of March 14, 2018, Mr. Kuruztu was appointed as the President responsible for Engineering Services & Data and additionally Kuruztu serves as a member of the Board of Directors at Garanti BBVA Payment Systems, Garanti Investment Securities, SALT Garanti Culture, Garanti BBVA Pension and Assistance Fund. In 2019, Garanti BBVA Financial Technologies. Mr. Kuruztu is graduated from Bilkent University Computer Engineering Department with a bachelor’s and master’s degree and has 32 years of experience in banking and business administration.

Memberships and additional responsibilities:
- Board of Trustees and Board Member of Teachers Academy Foundation

CEMIL ONARAN
Executive Vice President
Commercial Banking

Cemal Onaran started his career as Assistant Auditor in Garanti BBVA at the Audit Committee in 1990. 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 2012, and Executive Vice President of Garanti BBVA responsible of SME Banking since January 17, 2017. Mr. Onaran was appointed as the Executive Vice President responsible from Commercial Banking as of February 2021. Mr. Onaran’s areas of responsibility are: Commercial Banking Anatolian Marketing and Commercial Banking Istanbul Marketing. Mr. Onaran also serves Vice Chairman at Garanti BBVA Mortgage and at Garanti Housing Finance Advisory and as a Member of the Board of Directors at Garanti BBVA Romania. Garanti BBVA Leasing, Garanti BBVA Factoring, Garanti BBVA Pension and Assistance Fund Foundation, Garanti Kültür, Garanti Bank S.A., Garanti Fleet, Garanti Financial Leasing, Garanti Factoring. Mr. Onaran graduated from Middle East Technical University with a degree in Public Administration in 1990, and has 33 years of experience in banking and business administration.

Memberships and additional responsibilities:
- Board of Trustees and Board Member of Teachers Academy Foundation

SIBEL KAYA
Executive Vice President
SME Banking

Sibel Kaya started her career in 1997 as a Management Trainee at GarantiBBVA. She held managerial positions in the Commercial Banking department between 1998-2005. Between 2005-2016, Aegae Region Manager between 2016-2018 and Human Resources Director between 2018-2021. Sibel Kaya, who was appointed as the Executive Vice President responsible for Garanti BBVA Small and Medium Enterprises (SME) Banking on February 2, 2021, is responsible for SME Banking Marketing and SME Banking Field and Performance Management. Additionally, she holds positions as the Vice Chairman of the Board of Directors at Garanti BBVA Payment Systems, and serves as a member of the Board of Directors at Garanti BBVA Pension and Life, Garanti BBVA Leasing, Garanti BBVA Factoring, Garanti BBVA Pension and Assistance Fund Foundation, Garanti Kültür, Garanti Bank S.A., Garanti Fleet, Garanti Financial Leasing, Garanti Factoring. She holds a Master degree in Business Administration (MBA) at Istanbul Bilgi University. She has 27 years of experience in banking and business administration.

Memberships and additional responsibilities:
- Board of Trustees and Board Member of Teachers Academy Foundation

SIBEL KAYA
Executive Vice President
SME Banking

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MURAT ATAY
Executive Vice President
Chief Credit Risk Officer

Murat Atay started his career in 1993 at Garanti BBVA as a corporate and credit analyst. He served as Corporate Branch Manager between 2000-2009, and between 2009-2012 he was General Manager of Garanti BBVA Romania and also served as Chairman of the Board of Directors at Motoroactive, Rafael and Domenia companies. Between 2012 and 2020, he served as Garanti BBVA Mortgage General Manager, and as of January 2021, he was appointed as the Chief Credit Risk Officer. His responsibilities include under credit risk management group include Corporate and Specialty Loans, Commercial Loans under the Credit Risk Management group; Under the Retail and SME Loans Risk Management group, Risk Strategies, Loan Policies Implementation and Analysis, Retail and SME Loans Evaluation, Corporate and Commercial Loans Structuring, Risk Planning, Monitoring and Reporting, Regional Loans Coordination, Risk Projects and Credit Risk Management Advanced Analytics. Atay also serves as the Vice Chairman of the Board of Directors of Garanti BBVA Leasing and Garanti BBVA Factoring, a Member of the Board of Directors of Garanti Kültür, Garanti BBVA Securities and Garanti BBVA Romania. Mr. Atay graduated from Middle East Technical University Department of Political Science and Public Administration and earned his master’s degree in Accounting from Yeditepe University, and doctoral degree in Banking and Finance from Istanbul Oğuz University. He has 30 years of work experience in banking and business administration.

Memberships and additional responsibilities:
- Board of Trustees and Board Member of Teachers Academy Foundation

MURAT ÇAĞRI SÜZER
Executive Vice President
Client Solutions and Digital Banking

Çağrı Süzer joined Garanti Payment Systems as a Marketing Coordinator, overseeing product management, CRM, digital marketing, and customer satisfaction process management. He then advanced to the role of Assistant General Manager of Digital Channels and Commercial Cards at Garanti Payment Systems in 2015, and subsequently assumed the position of Assistant General Manager of Marketing from January 2017. From 2017 to 2020, he served as the Executive Vice President of Retail Banking at BBVA America. Since May 2020, Süzer has served as the CEO of Garanti Payment Systems, Deputy Chairman of Board of Directors of Garanti Kültür and as the Executive Vice President at Garanti BBVA since June 2022. His areas of responsibility include Payments Systems, Partnerships, Retail Digital Solutions, Enterprise Clients Solutions, Corporate Brand Management and Marketing Communication, Insurance and Pension Coordination. Çağrı Süzer received his bachelor’s degree in industrial engineering from the Middle East Technical University. He pursued his graduate studies at INSEAD campuses in France and Singapore, earning his MBA degree.

Memberships and additional responsibilities:
- Board of Trustees and Board Member of Teachers Academy Foundation

SIBEL KAYA
Executive Vice President
SME Banking

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Memberships and additional responsibilities:
- Board of Trustees and Board Member of Teachers Academy Foundation
Can you elaborate 2023 in terms of credit risk?

Executive Vice President
Chief Credit Risk Officer

MURAT ATAY

How do you use data and technology in credits?

Scan the QR code or click here to watch the video for the answers.
Remuneration and Financial Rights

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.

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.

Garanti BBVA’s compensation policy is essentially based on “equal pay for equal work” and “pay for performance” principles. In addition to individual performance, the Bank keeps a close eye on general macro-economic circumstances, the current inflation rate in Türkiye and the trends in the sector. At the Bank, the salary package is comprised of various components including the monthly salary, annual bonus payments and premium payments, meal cards, foreign language payments and other benefits with variations depending on the level of seniority or the scope of work and the location of the services.

The benefits provided to the Board of Directors members and senior executives are shown in the Financial Statements, and to independent Board members are submitted for approval at the Ordinary General Shareholders’ Meeting held in 2023 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 45,000,000 net for the total compensation so determined and will be paid until the first ordinary general shareholders’ meeting to be convened in 2024.

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.

international practices, continued to be implemented. 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.

The Compensation Policy can be found on Garanti BBVA Investor Relations website under the Policies tab under the Environment, Social and Governance heading.

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 2023 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 45,000,000 net for the total compensation so determined and will be paid until the first ordinary general shareholders’ meeting to be convened in 2024.

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The portion of 8.69% of the total personnel expenses figure for the benefits provided in 2023 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.

GENDER PAY GAP
Wage comparison between different categories are given in the chart below in addition to female to male salary ratio (106%). Since each category has differences in terms of role, seniority, number of female and male employees and performance, the wage comparison chart is affected by these variables. The observed differences are due to the factors mentioned, and the category-based results do not represent the wage gap between male and female employees.

In line with the principle of equal pay for equal work defined in the Bank’s Compensation Policy, the Bank commits to protect the right of all employees to be paid in line with the work value of their role.

DONATIONS MADE IN 2023
The total amount of aid and donations made by the Bank during 2023 was 794,158,705 TL. The Bank, with the understanding of adding value to the community, mainly supports persons, NGOs, associations or foundations, public institutions and organizations operating in education, culture, art, environment and sports.

The largest item among the donations made in 2023 is the donation of 650 million TL made to AFAD to help overcome the pain and difficulties of the earthquake disaster in February 2023.

Donations can also be made in order to promote Bank’s corporate identity and expand the activities and banking. Information on the amount of donations and aids made and on beneficiaries are made public during the Annual Shareholders’ Meeting as a separate agenda item.

<table>
<thead>
<tr>
<th>BENEFICIARIES</th>
<th>AMOUNT (TL)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disaster and Emergency Management Authority (AFAD)</td>
<td>650,000,000.00</td>
</tr>
<tr>
<td>Teachers Academy Foundation (ÖRAV)</td>
<td>75,825,851.00</td>
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<td>TÜRK POLİS TEŞKİLATI GÜÇLENDİRME VAKFI</td>
<td>28,703,391.00</td>
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<tr>
<td>Turkish Marine Environment Protection Association (TURMEPA)</td>
<td>20,916,000.00</td>
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<tr>
<td>Istanbul Foundation For Culture &amp; Arts (KEDV)</td>
<td>5,133,000.00</td>
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<td>Foundation for the Support For Women’s Work (KEGİVE)</td>
<td>3,018,600.00</td>
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<td>AYHAN ŞEHED VAKFI</td>
<td>3,008,621.13</td>
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<td>The Foundation for Children with Leukaemia (LOSEV)</td>
<td>2,037,000.00</td>
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<tr>
<td>WWF-Türkiye</td>
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<tr>
<td>ÇUKUROVA ÜNİVERSİTESİ SANAYİ İŞ BİRLİĞİ VAKFI</td>
<td>2,000,000.00</td>
</tr>
<tr>
<td>Other Foundations, Associations and Organizations</td>
<td>1,536,242.27</td>
</tr>
<tr>
<td>TOTAL</td>
<td>794,158,705.40</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Management*</th>
<th>Branch Manager/Mid Level Management*</th>
<th>Other*</th>
<th>General</th>
</tr>
</thead>
<tbody>
<tr>
<td>Female/ Male - 2023</td>
<td>0.90</td>
<td>0.84</td>
<td>1.04</td>
</tr>
<tr>
<td>Female/ Male - 2022</td>
<td>0.87</td>
<td>0.85</td>
<td>1.07</td>
</tr>
<tr>
<td>Female/ Male - 2021</td>
<td>0.87</td>
<td>0.90</td>
<td>1.05</td>
</tr>
</tbody>
</table>

Management Level: Bank Directors, Regional Managers, Corporate and Commercial/Branch Managers, Unit Directors
Branch Manager/Mid Level Management: Branch Managers (Except Corporate & Commercial), Senior Officers and Officers
Other: Bank Associates, Specialists and Assistant Specialists and Support Staff
* The median value is given because the mean metric is negatively affected by extreme values (too high/too low). Garanti BBVA Technology personnel are included in the calculations.
Committees and Policies

There are a number of committees set up at the Bank to fulfill the supervisory function. The Board of Directors oversees and audits the entire Bank via these committees. The structure, activities and effectiveness of the committees are regularly reviewed. In addition, necessary actions are taken to ensure that the processes and documentation of the committees are systematically traced and recorded. There are 9 committees approved by the Board of Directors. These committees are: Credit, Audit, Corporate Governance, Risk, Remuneration, Information Security, Information Technology (IT) Strategy, Information Systems (IS) Steering and Data Sharing committees. In addition to these, there are Corporate Assurance, Portfolio Strategy, Asset Liability, Risk Management, Data Security and Protection, Cost Management and Efficiency, Corporate Crisis and Business Continuity Management, Responsible Business and Sustainability, Operational Risk Admission and Product Governance, Integrity, and Information Systems Continuity committees. While at least one member of each committee is a senior executive, the ratio of committees with Members of the Board of Directors to the total committees is an indicator of an effective governance structure at the level of 95%. Commitment to its irreplaceable values of the principles of trust, integrity, accountability and transparency is Garanti BBVA’s main responsibility to all its stakeholders, particularly its customers and employees, and serves as the guarantee of the Bank’s strong reputation. In line with its responsible and sustainable business concept, and the importance it attaches to Corporate Governance and Sustainability Principles and ethical values, Garanti BBVA establishes a number of policies, codes and statements governing conduct and business relationships. In 2022, the Sustainability and the Corporate Social Responsibility Policies were revised. Through Committees and Policies, there is an effective structure established between the Board of Directors, senior management and committees of the Bank, which strengthens corporate culture and plays an important role in implementing the best governance practices.

Policies

- Personal Data Protection and Processing Policy
- Code of Conduct
- Occupational Health and Safety Policy
- Declaration of Human Rights
- Disclosure Policy
- Dividend Distribution Policy
- Human Resources Policy
- Anti-Money Laundering Policy
- Donation and Contribution Policy
- Compensation Policy
- Employee Compensation Policy
- Sustainability Policy
- Environmental Policy
- Environmental and Social Loan Policies
- Climate Change Position Statement and Action Plan
- Code of Conduct for Suppliers
- Working Principles and Procedures of the Board of Directors
- Anti-Corruption Policy Statement
- Corporate Governance Committee Working Procedures and Principles
- Competition Policy Statement
- Corporate Social Responsibility Policy
- Board of Directors Diversity and Suitability Policy
- Business Continuity Policy
- Corporate Governance Policy
- Energy Policy

Committees

Board of Directors

- Credit
- Audit
- Corporate Governance
- Risk
- Remuneration
- Information Security
- Information Technologies (IT) Strategy
- Information Systems (IS) Steering
- Cost Management and Efficiency
- Corporate Crisis and Business Continuity Management
- Responsible Banking and Sustainability
- Operational Risk Admission and Product Governance
- Integrity

You can find detailed information about the policies in the Environmental, Social and Governance section on Garanti BBVA Investor Relations website by clicking on the relevant title.
Risk Committee’s Assessment

2023 has been a year where the global economy has slowed down, reflecting the deterioration in energy and food markets caused by Russia/Ukraine war, as well as the tightening of monetary policy in developed economies in response to high inflation. As global inflation has started to come down, central banks in major developed economies are expected to start cutting rates to normalize their policy stance going forward.

For Türkiye, 2023 was a year of two different halves due to the policy shift after May. In the second half, Türkiye has adopted a more conventional macro policy framework to rebalance the economy and bring inflation down. Monetary and macro-prudential policies were tightened, and a series of tax hikes were introduced. A combination of cost-push factors, such as depreciation of Turkish Lira, fuel price hikes and increase in minimum wages, coupled with strong domestic demand and higher inflation expectations, pushed inflation to 64.8% (YoY) in December from 38.2% (YoY) in June. In response to rising inflationary pressures, the Central Bank of the Republic of Türkiye (CBRT) has started a tightening cycle, hiking its policy rate to 42.5% in December from 8.5% in May, and signalled completion of monetary tightening steps as soon as possible. To achieve this, the CBRT confirmed that monetary tightening, Bank’s interest rate risk exposure in terms of net interest income sensitivity and economic value was closely monitored and managed with the robust and proactive structural interest rate risk management applied by the Bank. Relatively lower levels of duration of assets also made a strong contribution to this scheme in such a period of interest rate hikes. With respect to liquidity risk, risk management continued to focus on the maintenance of an adequate volume of stable resources and a diversified wholesale funding structure, which limit the weight of short term funding, ensure the access to the different markets, optimize funding costs and preserve a cushion of liquid assets to overcome a liquidity survival period under stress scenarios. Despite the volatility in the market and numerous regulatory changes affecting the Bank’s strategy throughout the year, the liquidity position of the Bank kept its strong stance and proactive management continued.

In 2023, the Bank maintained its healthy asset quality while growing 61% in loans continuing the focus on TL portfolio. Due to strong growth in the performing loans and collections in 2023, Stage 2 ratio which accounted for 13.6% in 2022 decreased to 10.3% as of 2023 year-end. In order to overcome the impact of the earthquake and to contribute to the speedy recovery in the region, maturities for repayments of the loans have been extended in the disaster-hit provinces and a prudential approach was followed in the provisioning of these loans. Despite the adverse effect of the earthquake in loan portfolio, as a result of the achievements in collections and debt sales and write-down operations that were continued throughout the year, alongside with the strong growth in performing loan portfolio, the Bank only non-performing loan ratio, which was 2.6% at the end of 2022, stood at 2.0% at the end of 2023. In the period ahead, loan portfolio will continue to be managed through the policies and tools which enable effective decision-making, appropriate collateralization process, effective monitoring and prudential provisioning. With respect to the management of nonperforming loans portfolio on the other hand, the Bank will keep focusing on efficient recovery strategies and also evaluating the options for write-down and sale of non-performing loans.

Within 2023, Bank’s risk management activities were continued to be carried out with the target of maintaining a moderate risk profile, which ensures a robust financial position and a sound risk adjusted profitability throughout-the-cycle, and facilitates its commitment with sustainable development, as the optimal way to face adverse situations without jeopardizing the strategies. As a consequence of this approach, the Bank accomplished to maintain profitable growth and consolidated Return on Equity (ROE) realized as 44.5% at the end of 2023.

Within the framework of the risk appetite and risk based policies approved by the Risk Committee and the Board of Directors, in 2023, the Risk Management continued to improve 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. Projects have been undertaken for this purpose towards more automated and advanced processes and enhanced data quality. In addition, Risk Management in the Bank also supported a prudent management that will ensure the Bank’s adaptation to the risk of climate change. In order to combat the increasing effects of the climate crisis, risk indicators that support the transition to a low-carbon economy were included within the framework of the Bank’s risk appetite. The Bank evaluates climate-related financial risks that may significantly affect the financial situation of itself and its customers, and considers their interactions with other risks it is exposed to, taking into account their effects in different time cycles.

To the purpose to maintain an integral approach, the risks that the Bank exposed to on a consolidated basis continued to be managed in an effective manner seeking for the best risk measurement and reporting practices for subsidiaries as well. With the coordination of the Risk Management, 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, were approved by Risk Committee and the Board of Directors. Based on their scope, the subsidiaries were reviewed by the Risk Committee in order to ensure a consistent risk culture throughout the organization.

The Risk Committee held 11 meetings in 2023 in order to assist the Board of Directors.
Audit Committee’s Assessment

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

The Audit Committee comprised of 3 members oversees the effectiveness and adequacy of the Bank’s internal control, internal audit and risk management. Throughout the year, the Committee oversees the operation of accounting and reporting systems in line with applicable regulations, and the integrity of the resulting information. The Audit Committee also monitors the key recommendations of the training sessions within the scope of these programs.

Convened for 7 times in 2023, the Audit Committee informs the Board of Directors about the activities of the internal systems units every six months. The Committee reviews the periodical activities of especially the Internal Audit Department, and Internal Control Unit. Compliance Department and Risk Management Department as well as external audit activities.

The Audit Committee also invites managers of other related departments of the Bank to meetings with specific agenda items, when deemed necessary, and request information on important topics.

The Committee reviews and approves the results of continuous risk assessment of the Internal Audit Department, annual internal audit plans, quarterly prioritizations, and plan revisions. The Committee evaluates whether the scopes of planned and conducted audits cover the Bank’s current and planned operations and resulting risks. The Committee reviews conformity to the plans on a quarterly basis. Throughout the year, the Committee regularly receives information about all critical and significant findings covered in the audit reports, along with the action plans set and past due deadlines. When relevant, the Committee invites the responsible units to the meetings and closely monitors whether actions are implemented for timely remediation of the findings.

Via quarterly internal audit activity reports, the Committee reports to the Board of Directors the target realization status of the audit plan, audit results, results of examinations and investigations, level and adequacy of the Internal Audit Department personnel’s professional education, the outcomes of quality assurance activities, and other undecided and material issues together with its assessment on the same. The Committee oversees the results of the compliance activities carried out across the Bank and its subsidiaries through the Compliance Department’s reports and presentations, and ensures that material issues are submitted to the Bank’s senior management and/or Board of Directors. The Audit Committee is informed about the amendments made to the legal, regulatory or supervisory frameworks related to Compliance and Ethics, as well as their implications for the Bank and its subsidiaries.

The Audit Committee also follows up the training and awareness raising programs on topics falling under the responsibility areas of the Compliance Department and the current progress of the training sessions within the scope of these programs. The Committee also monitors the key recommendations resulting from the tests conducted to verify the execution of risk mitigation measures and controls in terms of the management of compliance risks, and the current status of actions taken in relation to these recommendations.

The Committee reviews the results of the Internal Control Unit’s activities and assesses whether these activities adequately covered the Bank’s processes within the frame of applicable legislation and internal policies. The Committee also examines the results of the routine controls, activities covered in the Unit’s process examination procedure and the results attained by the Committees for which the Unit acts as the secretary. The Internal Control Unit reports the material issues identified with controls to the Committee throughout the year. The Unit also informs the Committee about the quarterly activity reports presented to the Board of Directors. The Committee monitors the measures taken by the relevant unit heads in relation to the activities and their adequacy.

The Risk Management Department reviews the risk appetite core metrics for capital adequacy, profitability, liquidity and funding, and metrics and limit thresholds by types of risks for rate, structural exchange rate, credit, liquidity and operational risks on consolidated and unconsolidated bases and submitted them for the approval of the Risk Management Committee, Risk Committee and the Board of Directors. The Department reports the realizations in relation to approved risk appetite core metrics and limits to the Committee on a quarterly basis. The Department conducts stress tests and scenario analyses along with internal calculations on the basis of risk types within the framework of ICAAP (Internal Capital Adequacy Assessment Process) and stress test reports pursuant to the regulations published by the BRSA. The Department presents the validations performed for models and parameters used in ICAAP studies to the Committee. The Department monitors compliance of the risk models used by the Bank with the internal ratings-based (IRB) approach, assesses their use by the Bank and submitted the credit risk models monitoring report drawn up accordingly to the Audit Committee. The Risk Management Department provides information about its activities and professional training and competencies of the Department employees through quarterly activity reports. The Department presents risk review reports on market, counterparty credit, structural exchange rate and interest rate, liquidity and non-financial risks to the Committee. The Department follows up important regulatory changes and regulatory framework governing risk management and provides regular and continuous information flow to the Committee.
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.

- Propose market, counterparty credit, structural interest rate, exchange rate and liquidity risk-based activities within the scope of ICAAP (Banks’ Internal Systems and Internal Capital Adequacy Assessment Process) workflow, and risk assessment for new business and products/services; monitor and report risk-based concentrations.

- Monitor affiliates’ adherence to Enterprise Risk Management Framework.
risk, environmental, social and governance (ESG) risk, financial and tax risk, fraud risk, governance risk, information and data security risk, insurance and actuarial risk, legal risk, market risk, people risk, physical security and safety risk, strategy and business model risk, structural risk, technology risk, third party risks, transaction processing risk and money laundering and terrorism financing risk. The risk taxonomy is revised when needed in order to perform the evaluations with a higher depth.

The organization of the IAD is structured to respond to the needs of the agile approach. The IAD organization comprised of 163 personnel including the internal audit staff of domestic and foreign subsidiaries is among the Head Office departments with the highest number of personnel. The auditors specialized on certain risks and constituting a major part of this organization are assigned to different fields in line with their seniority and competences. The field works are led by program managers assigned for a specific risk or several risks. The senior management of the IAD is comprised of the Head of Internal Audit and Assistant Directors performing the duties of planning the audits and communication of results to the auditees. Moreover, the building blocks supporting the effective performance of the audit activities directly report to the Head of IAD and is positioned as independent from audit activities.

Most of the activities carried out by the IAD in 2023 were comprised of process audits, branch audits, routine inspection and investigation activities aiming for providing assurance. The results of the advisory engagements carried out by the IAD become of greater importance every year both for the Bank and the senior management. The share of advisory engagements attracting attention with their proactive role to detect the risks in the processes which are in design stage or are recently launched in the audit plan is increasing.

Having conducted 125 process audits, 232 branch audits and 106 inspections and investigations in 2023 at the Bank and its subsidiaries, the IAD follow up the audit results with methods complying with the global methodology and evaluates the adequacy of the actions taken by subjecting them to additional tests required by this methodology. The IAD reports the deficiencies in audit reports and the action plans agreed upon with the auditees to the senior management including especially the Audit Committee and the Board of Directors with periodical activity reports, various committee meetings and periodical finding follow-up meetings.

Keeping a close eye on the current internal audit practices in the banking industry at a global level, the IAD also introduces new practices every year in line with continuous development principle. The Department also tries out new audit methods such as focus audits and deep assessments, in addition to the risk-based process audits. The IAD measures new coverage metrics and monitors their progress by periods to ensure that the risk exposure of the Bank and its subsidiaries within the audit universe are captured in the multi-year plan in the most efficient and intensive way. In addition to the examination of the processes covered by the audits, the Department rates the Bank control model across the processes and monitors its maturity and functioning and reports its results to the senior management.

The IAD boasts a strong data team composed of data scientists and data specialists. Thanks to this team carrying out successful audit projects using advanced analytics and models such as machine learning, image processes and text mining, a significant part of the audits are aimed to be carried out by effectively using big data. Machine learning is used in internal fraud detection studies, which ensures keeping operational risk losses caused by internal frauds low.

The senior management of the IAD supports the academic, technical and professional development of the auditors. The IAD creates an internal continuous learning environment by ensuring that each auditor receives theoretical and on-the-job trainings in the areas they want to specialize in, in addition to the structured block trainings provided upon hiring and during promotion periods. The IAD continues to employ encouraging practices such as obtaining professional certificiates, attending masters and PhD programs every year in parallel with talent and culture policies of the Bank. Moreover, actions plans are determined if any area of improvement is identified as a result of quality assurance studies and therefore, the auditors are supported with continuous trainings and on-the-job practices.

These practices aim for ensuring that the IAD personnel are comprised of more qualified auditors specialized on certain areas, and the scope and effectiveness of internal audit activities are increased with the agile IAD organization and up-to-date audit approaches.

FIGURE-X: INTERNAL AUDIT RISK TAXONOMY

The Internal Control Unit (ICU) is responsible for the establishment and coordination of a sound internal control environment within Garanti BBVA. ICU conducts second line of defense control activities and reports directly to the Board of Directors (BoD). It ensures that banking activities are carried out in accordance with the management strategies and policies as well as other existing regulatory framework and guidelines, in a regular, efficient and effective manner. Internal controllers fulfill their roles and responsibilities in line with the “ICU Charter” and “Non-Financial Risk Management Policy” which are approved by the BoD.

In this context, second line of defense control activities ensure that segregation of duties principle is implemented, relevant reconciliation mechanisms are established, operational risks the Bank is subject to are defined and quantified. Besides, the control activities that are designed and carried out in the first line of defense are challenged in all the branches and Head Office departments either on-site or remotely for ensuring the adequacy, accuracy, and quality of those controls designed and implemented in the processes.

Third-party related risks are also assessed, monitored and controlled by the ICU. It is ensured that the internal processes regarding the procurements that are classified as “support services” are implemented accurately and in total compliance with the related legislation. In addition to “support services”, operational risks that might be derived from “critical third parties” and “outsourcing” activities are also covered in ICU studies.
Information Technologies (IT) Internal Control Function, which is also a regulatory requirement, is structured in the ICU for ensuring that the Bank’s IT processes are established with sound controls enabling secure execution of IT-related activities in accordance with internal and external rules and regulations as well as international standards.

The Internal Control Unit also monitors and ensures that the internal control environments of the Bank’s financial subsidiaries are adequately established and corporate standards are applied in those subsidiaries uniformly.

Findings and recommendations resulting from the control activities are reported to relevant parties and necessary actions are also followed up accordingly. ICU conducts secretarial role in main Bank committees that have responsibilities in assessing risk and controls about new initiatives such as new products/services, new processes/businesses, technology transformations, and outsourcing, before their implementation, and in assessing and discussing main internal control issues and monitoring relevant action plans.

ICU also offers regular training programs, classroom-based or online learning programs to Bank staff for increasing and promoting their operational risk awareness.

THE COMPLIANCE DEPARTMENT

Working with the purposes of managing the potential compliance risks of the Bank and of identifying and preventing these risks in advance, the Compliance Department aims to help improve the compliance culture constantly across the Bank. The Compliance Department is responsible for promoting awareness of the Code of Conduct, Anti-Corruption Policy, and Competition Policy, encouraging due execution of these policies, ensuring development and dissemination of the procedures for execution, and offering advisory for resolving any hesitations that may arise during the implementation of the policies and procedures.

As part of Corporate Compliance activities, the Compliance Department is responsible for promoting awareness of the Code of Conduct, Anti-Corruption Policy, and Competition Policy, encouraging due execution of these policies, ensuring development and dissemination of the procedures for execution, and offering advisory for resolving any hesitations that may arise during the implementation of the policies and procedures.

Enforced upon its approval by the Board of Directors, Code of Conduct describes the standards that need to be adhered to in order for actions to be in harmony with the values at the Garanti BBVA Group. There is an Ethics and Integrity Committee, whose mandate is to contribute to preserve the corporate integrity of the Bank.

The Compliance Department also manages the Whistleblowing Channel, which is generally used to report any noncompliance to the Code of Conduct. In the process that observes the anonymity of the complainant, all reports received through the Channel are processed carefully and promptly, ensuring they are investigated and resolved. The Whistleblowing Channel can be accessed by all employees, customers and suppliers (E-mail: EtikBildirim@Garantibbva.com.tr, Phone: +90 216 662 5156).

During 2023, the Compliance Department carried on with activities to build on the knowledge and awareness of all employees regarding the Bank’s Code of Conduct, Anti-Corruption Policy and Competition Policy.

The Bank’s Whistleblowing Channel received 45 notifications in 2023, which were reviewed and resolved by the related parties in accordance with the Bank’s policies and procedures. There were no notifications on account of contradiction to the Bank’s Anti-Corruption Policy among the said reports. Out of 45 incidents reported to the Whistleblowing Channel, various disciplinary actions were taken for 16 as a result of the reviews conducted.

In addition to training and awareness activities, the Bank’s Compliance Department also addresses and provides advisory for employee questions within the frame of the Code of Conduct. In this respect, 292 employee questions received in 2023 were answered and escalated as per the Bank’s Policy and procedures.

Garanti BBVA is strictly adhered to the laws and ethical principles particularly in relation to anti-corruption. Garanti BBVA rejects categorically any corrupt practice and also expects the same from its employees and third parties; in addition, the Bank pledges to play an active role in the eradication and prevention of corruption, both in public and in private sector. To that end, Garanti BBVA has in place several internal policies, procedures and controls that complement, develop and elaborate on the principles and guidelines set out in section 5.3 of the Code of Conduct under the heading “Anti-Corruption Policy”. Garanti BBVA’s Anti-Corruption Policy has been prepared in accordance with the most rigorous national and international standards on the matter including the US Foreign Corrupt Practices Act (FCPA) and the UK Bribery Act (UKBA), taking into account the guidelines of international organizations for the prevention of corruption as well as those outlined by the International Organization for Standardization (ISO).

Garanti BBVA employees neither derive, nor offer or promise, directly or indirectly, payments, gifts, donations, job offers, sponsorships, privileged treatment or any kind of benefit to influence or attempt to influence decisions of third parties.
individuals, public officers or authorities with the aim of obtaining unfair profits or advantages for the Bank’s operations or for people working for the Bank. This prohibition also covers the so-called facilitation payments.

**Detailed information can be found in the Anti-Corruption Policy and Code of Conduct documents under the Environment, Social and Governance > Policies tab on Garanti BBVA Investor Relations website.**

Garanti BBVA believes that fair competition is one of the essential principles of a well-functioning market, which benefits the development, progress and well-being of the society. The purpose of Garanti BBVA Competition Policy is to create the framework of actions for preventing and detecting practices preventing competition at Garanti BBVA or situations putting the Group at risk; outline the general guidelines on competitive practices associated with the handling of the compliance risk in certain areas at the Bank and its affiliates according to risk assessment results, and evaluates the adequacy of the control mechanisms in place.

During 2023, breaches were reported for 10 incidents to the Personal Data Protection Authority, which stemmed from individual employee mistakes. No administrative sanctions were imposed against the Bank on account of data breach notifications in 2023.

Personal data disclosure queries from 17 customers were responded to in line with the applicable legislation in the reporting period.

The Bank has established all necessary internal guidelines and processes for achieving compliance with the Personal Data Protection legislation. Personal Data Protection and Processing Policy is available for the entire employee body on the Bank’s intranet and is also publicly accessible at Garanti BBVA Investor Relations website.

While the general principles covered in the policy apply to all subsidiaries of the Bank, all affiliated companies have drafted their own Personal Data Protection Policies in parallel with the Bank’s policy and made them public on their respective websites.

In addition to this policy, the following have been prepared:

- **Personal Data Retention and Destruction Procedures** intended to set out the actions and principles implemented by the Bank to act in accordance with the personal data erasure, destruction or anonymization principles stipulated in the By-Law on Erasure, Destruction or Anonymization of Personal Data (“By-law”) published by the Personal Data Protection Authority.
- **Personal Data Breach Response Procedure** that sets out the process for handling and reporting incidents of personal data breach by the Bank’s Data Officer and Data Processor.
- **Specific Personal Data Protection and Security Standards Procedure** intended to set out the fundamental principles concerning the security measures that need to be taken for specific personal data which are processed by the Bank.

To the extent permitted by applicable legislation, the Bank retains personal data in view of its confidentiality obligations. When sharing information with third parties, the Bank acts in accordance with the regulatory requirements, takes into account customer permission, consent and instructions, and looks out for the principle of proportionality. The associated principles and rules implemented at the Bank and subsidiaries are addressed in the Personal Data Protection and Processing Policies.

The Bank established the “Personal Data Retention and Destruction Procedure” and Personal Data Protection and Processing Policy to govern the actions taken and principles implemented to achieve compliance with the requirements associated with personal data erasure, destruction or anonymization and to be relevant, limited and proportionate with the purpose such personal data are processed for. As per the provisions of the Personal Data Protection Law, the Bank destroys the personal data, the processing reasons and the usage purpose of which ceased to exist. Destruction is repeated at six-month intervals at the maximum.

The Bank’s Compliance Department carried on with efforts to build on the knowledge and awareness of the entire employee body within the scope of personal data protection compliance program activities in 2023.

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, Talent and Culture Department, Legal Department and Customer Experience and Service Management Department, as well as other relevant units.
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. She has also been a member of the Board of Directors of Garanti Portföy Yönetimi A.Ş. since 28 September 2021.

The responsibilities of the Head of Risk Management are outlined below:
• Define, measure, monitor and report risks, and ensure that control activities are conducted thoroughly and timely; monitor and supervise results.

BEYZA YAPICI  
Director, Capital and Operational Risk

Beyza Yapıcı got her 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. At the same time, since December 2023 Mr. Yapıcı is a board member at Garanti BBVA Digital Assets.

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.
• Ensure that 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.

SIDIKA DİZDAR  
Director, Market and Structural Risk

Sıdika Dizdar holds a bachelor’s degree in mathematics from Bogazici 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.

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 25 years of banking experience, has been serving as the Head of Compliance since 01 August 2015 and also continues to serve as a Board Member at the Association for Compliance with Legislation.

His responsibilities as 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
Barış Ersin Gülcan got his bachelor’s degree in economics and his master’s degree in HR management from Istanbul 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 25-year experience in the banking sector, he functioned as Compliance Officer and Assistant Head of the Internal Audit Department. He assumed the position of Head of Internal Control in March 2014. Mr. Gülcan holds a CIA (Certified Internal Auditor) certificate since 2004 and a CPA (Certified Public Accountant) certificate 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 BBVA’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,
• Have the information obtained from examination/operational risk control activities, reports issued, and results of the analyses conducted interpreted; make recommendations to the relevant units for the establishment of new operational risk and control systems, adoption of necessary measures and creation of new procedures when necessary,
• Ensure supervision of internal control functions at affiliates.

Osman Bahir 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. Mr. Turgut, who has CMB certificates for Level 3 (Advanced Level License) and Corporate Governance and Derivative Instrument License, is also a member of the Board of Directors and Audit Committee at Garanti BBVA Leasing and Garanti BBVA Fleet; a member of the Board of Directors and Corporate Governance Committee at Garanti BBVA Factoring; a member of the Board of Directors and Audit Committee at Garanti BBVA Emekvi ve Life (Pension Fund); Garanti BBVA Asset Management, Garanti BBVA Pension and Assistance Fund Foundation Board member; and a member of the Audit Committee at Garanti BBVA Leasing SA. Garanti BBVA Consumer Finance SA and Garanti BBVA Otomotiv Sistemleri (Payment Systems); a member of the Board of Trustees and Audit Committee at Teachers Academy Foundation (ORAV); a member of the Board of Directors at the IIA Türkiye—the Institute of Internal Auditing – Türkiye and a member of the Audit Committee at WWF-Türkiye.

The primary responsibilities of the Head of the Internal Audit Department in relation to the Department’s activities are outlined below:

• Ensure that the activities of the Internal Audit Department are carried out in line with the regulatory framework, ethical and integrity principles,
• Verify that the activities of the Internal Audit Department are compliant with internal audit principles and practices published by the BRSA or generally accepted ones; ensure that guidelines, procedures and methodologies, along with a suitable organization structure, are established for the performance of these activities,
• Effectively manage the Internal Audit Department in accordance with the goals set out in the Internal Audit Charter,
• Ensure that the Internal Audit Department remains independent and impartial, and inform the Board of Directors of any hindrance or bottleneck that can arise when conducting Garanti BBVA’s activities, submit an annual explicit confirmation to the Audit Committee that the Audit function is being executed independently from management levels as a result of the personal assessment he/she will make,
• Ensure that the Internal Audit Department has adequate and appropriate tools and human resource to achieve its goals,
• Create the Annual Audit Plan in an integrated manner with the Multi-Year Plan,
• Prepare and implement contingency audit plans for audit needs that may arise due to regulatory changes or the Bank’s specific needs,
• Submit the audit plan to the Audit Committee for approval, and conduct periodic reporting on the progress against the plan. Similarly, inform the Audit Committee of necessary major changes in the audit plan due to significant changes in the Bank’s risk assessment or other circumstances,
• Inform the Board of Directors and the Audit Committee about the primary activities of the Internal Audit Department on a quarterly basis,
• Submit a report - at least once a year to the Audit Committee covering the audits conducted, the developments in the structure and internal governance of the Internal Audit Department, outcomes of quality assurance and improvement programs, HR management practices and declaration of independence,
• Inform the Board of Directors about the strategy he/she will devise for the audit function and associated action plans,
• Inform the Bank’s Senior Management about the findings from the audits and suggested improvements.

M. Feridun Aktaş got his bachelor’s degree in Electronics and Communication Engineering from Istanbul Technical University and his master’s degree in Electronics Engineering from Boğaziçi University and in Management (in English) from Marmara University. After working as an R&D engineer for approximately 3 years at a telecommunications company, Mr. Aktaş started working at Garanti BBVA Technology in 1997. From 2009, he concurrently served as Network Technologies Expert, IT 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 Director of Technology Governance and Security at a telecommunications operator for over 5 years starting from 2014. Mr. Aktaş rejoined Garanti BBVA Technology in October 2019, and currently serves as the Corporate Security Director.

Corporate Security encompasses responsibilities for Garanti BBVA’s 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.
- Design, implement and operate Cyber Security functions against changing threats.
- Ensure business continuity planning and disaster recovery testing.

Anti-Fraud Monitoring:
- Develop strategies and design, implement and operate necessary functions for minimizing financial and other losses that may arise from external fraud.
- 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:
- Assign Security Officers within the framework of the current law and the Bank’s needs.
- Design, configure and operate measures against all kinds of physical security risks in the buildings, branches and in the settings where cash transactions are made.
- Design electronic security systems, closed circuit monitoring and warning mechanisms in ATMs, branches and campuses/buildings, operate 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 activities are carried out, reported and audit-related matters are managed before regulatory agencies 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, exercising due professionalism.

Risk Management

Garanti BBVA measures and monitors its risk exposure on consolidated and unconsolidated bases by using methods compliant with international standards, and in accordance with the applicable legislation. Advanced risk management methods and tools are utilized in measuring credit risk, operational risk, market risk, counterparty credit risk, structural interest rate risk, structural exchange rate risk, and liquidity risk.

End-to-end structured processes are run to design, improve, execute and regularly update the risk measurement models, whose reliability is ensured by way of internal validations.

The Bank’s risk management strategy, policies and implementation procedures, and the tools and models employed for risk management are reviewed within the framework of regulatory changes and the Bank’s needs.

Through the risk appetite framework that consists of risk appetite statements and metrics and is integrated with the risk management strategy, policies and implementation procedures, and the tools and models employed for risk management are reviewed within the framework of regulatory changes and the Bank’s needs.

Risk assessment is performed also for the Bank’s new product and service developments and risk mitigation measures are determined with the involvement of related parties; the resulting risk mitigation framework is evaluated as to its suitability by the relevant committees.

Continuous automation and improvements guarantee the effectiveness and efficiency of risk management, and precision and accuracy of measurement and reporting.

Defined Risks and Their Management

The following risks that the Bank is exposed to are defined and managed in accordance with policies approved by the Board of Directors. Within the scope of the ICAAP and stress testing program process, the internal capital required for credit risk, counterparty credit risk, market risk, structural interest rate risk, structural exchange rate risk and operational risk is calculated annually; stress tests and scenario analyses are conducted and the results are evaluated.

Credit Risk

Credit risk is defined as the change in a creditor’s ability and willingness to pay its debts and fulfill all contractual obligations due to adverse economic conditions or unexpected developments, which result in the potential loss exposure of the Bank. For the entire credit portfolio, the “probability of default” generated by credit risk models, “loss given default” calculated
using the Bank’s internal data, and “risk amount” parameters are used to calculate the internal capital requirement, which is then monitored as a metric.

Credit risk management, which is a process for consistent assessment and monitoring of credit risks, covers all credit portfolios. Credit risk is managed on a portfolio basis considering the risk/return balance and asset quality of the Bank. Up-to-date analyses are performed for risks that do or are expected to gain the foreground in a given period. Stress test analyses are regularly renewed and their results are assessed. Level of compliance with the credit management guidelines issued are evaluated by all units linked to credits, referred to necessary committees, and decisions and actions are taken accordingly.

In view of the risk-based return, the Board of Directors sets limits for credit portfolios, introduces additional or revised limits depending on current needs. Limits are reviewed more frequently in extraordinary situations. Internal capital limits for credit portfolios are determined and monitored. Impact of market price fluctuations, at a specified probability within a certain confidence interval. While VaR is calculated using historical simulation method and two-year historical data at 99% confidence interval at Garanti BBVA, regular back testing is conducted to measure the reliability of the VaR model. Regularly reviewed depending on need, the model is validated on an annual basis at a minimum.

The Bank also calculates internal capital for each counterparty credit risk using the loss given default and probability of default parameters calculated for each counterparty based on the internal model.

MARKET RISK

Market risk is defined as the risk of loss that the Bank’s on and off-balance sheet positions may be exposed to within the frame of exchange rate risk, commodity risk, interest rate risk and equity position risk resulting from the changes in market prices.

Market risk is effectively managed by measuring and limiting risk in accordance with international standards, and allocating sufficient capital, as well as risk mitigation through hedging transactions and within a structure that is readily compatible with the constantly evolving and changing new market conditions and regulatory framework using methods and models recognized in international best practices.

Besides measuring regulatory capital requirement using the standard method, the Bank utilizes the Value-at-Risk (VaR) model for identifying, measuring and assessing market risks. Regulatory capital requirement and internal capital requirement based on VaR are also calculated and monitored as a metric for the portfolio the Bank maintains for trading purposes. In this context, 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. While VaR is calculated using historical simulation method and two-year historical data at 99% confidence interval at Garanti BBVA, regular back testing is conducted to measure the reliability of the VaR model. Regularly reviewed depending on need, the model is validated on an annual basis at a minimum.

Market risk is closely monitored and managed using risk mitigation aligned with the risk appetite and trading policies, creation of an effective control environment and limits. To this end, economic capital, VaR and stop/loss limits approved by the Board of Directors are employed. Limit levels are determined according to annual profit/loss targets and new business strategies. The Bank’s market risk exposure is limited with the desk based VaR and risk factor sensitivity limits, in addition to the aforementioned Board of Directors limits, and the set limits are monitored and reported daily to the senior management and related committees. The stress period used in stress VaR calculations is regularly reviewed, and updated as necessary. In addition, to identify the risks that might arise from market volatilities, regular stress tests and scenario analyses are conducted using the VaR model and reported to related parties.

In 2023, market risk factors sustained sharp fluctuations in connection with macroeconomic developments triggered by domestic regulatory changes; nonetheless, market risk limits were put on closer watch and the profitability of the Bank’s trading portfolio was preserved sustainably. The Bank kept working and preparing for the regulatory change anticipated to be made in 2024 and enforced in 2025 by the BRSA for alignment with the Fundamental Review of the Trading Book (FRTB) principles in parallel with Basel requirements.

OPERATIONAL RISK

Operational risk is defined as the probability of loss resulting from human error, inadequate or failed internal processes, improper communication with respect to customers, markets or organizations, failures, interruptions or faults in systems or communication, improper data management, and external events including regulatory risk, cyber attacks, external fraud, natural disasters and faulty services rendered by suppliers.

Operational risk is managed based on the three lines of defense approach. Operational risk appetite and associated limits are determined by the Board of Directors, and the senior management ensures that the operational risk management framework is consistently and effectively implemented and maintained across all operations, processes and products. Formed of business and support units, the first line of defense is responsible for the principal management of the operational risk in products, operations, processes and systems within the frame of the Bank’s policies and procedures. The second line of defense consists of the Risk Management Department, Internal Control Unit and Compliance Department units, which assist the senior management in understanding and managing the operational risks that the Bank is exposed to and support the Board of Directors with respect to monitoring operational risk management activities. The Internal Audit Department that constitutes the third line of defense carries out internal audit activities, and assesses the operational risk management framework independently from all aspects.
Operational risk loss data covering the Bank and affiliates are collected, analyzed and reported to define, measure, monitor and mitigate operational risks. Risk and Control Self-Assessment defines operational risks and measures controls including their risk mitigating impacts serves to identify potential weaknesses, and necessary actions are followed up. Key Risk Indicators that point out major risks are defined and monitored within the frame of determined thresholds. As part of stress testing, low-frequency, high-impact operational risk incidents included in the scenario portfolio are analyzed in detail.

In 2023, the devastating Kahramanmaraş Earthquake disaster took its toll on operational risk losses; thereafter, losses were limited as a result of solid management of operational risks in view of increased expected losses and decreased gross revenues in connection with the Bank’s activities.

**STRUCTURAL INTEREST RATE RISK**

Structural interest rate risk is defined as potential variations in the Bank’s net interest income and/or total economic value resulting from the alterations in interest rate.

Structural interest rate risk is assessed in terms of repricing risk, yield-curve risk, basis risk and optionality risk, measured as per international standards and managed through limitations and mitigations through hedging transactions. It is measured using income/expenditure and economic value approaches. The income/expense approach takes into account the potential changes in the Bank’s net interest income resulting from the changes in interest rates. The economic value approach analyzes the impact of changes in interest rates upon the Bank’s current value.

To determine and manage the Bank’s exposure to structural interest rate risk arising from potential maturity mismatches in its balance sheet, duration gap, economic value of equity (EVE), economic capital (ECAP), credit spread risk sensitivity, net interest income (NII), earnings at risk (EAR) are monitored by measuring market price sensitivity of securities portfolios monitored in the banking book. In risk measurements, the more

real-like status of various balance sheet items and risks such as basis risk, optionality risk are included in the calculations using periodically reviewed and continuously improved behavioral models such as loan prepayment, deposit and collection terms of NPLs. The risk metrics calculated and the reports generated are used in the balance sheet interest rate risk management under the supervision of the Asset and Liability Committee.

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, and managers 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. Furthermore, 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 BRSA on a monthly basis.

2023 has been a year of upturn in interest rates due to the interest rate fluctuations particularly in the domestic market and to regulatory changes that closely concerned the banking sector. To minimize the potential variation risk in the Bank’s net interest income and total economic value due to the potential changes in interest rates, structural interest rate risk continued to be monitored and managed closely. Necessary preparations were carried out for the BRSA’s regulatory change anticipated to be made in 2024 and enforced in 2025 in relation to the Interest Rate Risk in the Banking Book in parallel with Basel requirements.

**STRUCTURAL EXCHANGE RATE RISK**

Structural exchange rate risk is defined as the potential impact of negative exchange rate fluctuations upon the capital adequacy ratio and FC risk-weighted assets, in the case that the Bank performs material operations in currencies other than the local currency in its balance sheet or maintains positions for the sake of preserving capital.

Structural exchange rate risk, the potential impact of negative exchange rate fluctuations upon the capital adequacy ratio in the case that the Bank performs material operations in currencies other than the local currency in its balance sheet or maintains positions for the sake of preserving capital, and FC risk-weighted assets are tracked regularly, monitored according to internal limits and reported. 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.

In 2023, structural exchange rate risk continued to be managed cautiously and equity capital was preserved against exchange rate fluctuations.

**REPUTATIONAL RISK**

Reputational risk is defined as the Bank’s risk of loss due to negative views of stakeholders such as customers, employees, shareholders, suppliers, competitors and supervisory authorities or loss of trust in the Bank or reputation impairment as a result of non-compliance with existing legal regulations.

The Bank considers and manages its reputational risk within the frame of the Board of Directors approved policy, avoiding all kinds of transactions and activities that would cause reputational risk in the eyes of customers, legal authorities and other stakeholders. Awareness trainings are held about reputational risk throughout the Bank for 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 to 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 risk mitigation. The risks and risk factors are defined in various aspects, which are products and services, ethics and workplace, leadership and finances, innovation and digital transformation, and citizenship and sustainability.

Additional activities for monitoring 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.

Detailed information can be found in the Committees Section on the website.

Garanti BBVA and the Bank’s seven affiliates took part in the reputation risk resilience measurement for 2022 and achieved a resilience score of 75.3/80. One risk factor requiring urgent action was established, upon which action was taken and remedied was secured.

**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, water footprint etc. 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, the Bank monitors a variety of environmental, social and occupational health and safety indicators, benchmarks itself against best practices worldwide, takes steps to close the gap, raises the awareness of employees and collaborates with its stakeholders including its peers, financial institutions, customers and business associations.

The Bank also implements an Environmental and Social Impact Assessment Process (ESIAP) in line with international best practices to perform an effective risk assessment of its loan portfolios and to ensure active risk management, and monitors environmental and social risks including climate-related physical risks and transition risks.

Within the scope of ESIAP, the Bank 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 establish and monitor internal liquidity and funding limits to ensure that the Bank has a sufficient liquidity buffer to face exceptional liquidity stresses. Liquidity risk is monitored by internal limits 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. Deposit behavior modeling is performed for deposits, which is an important balance sheet item in terms of liquidity management. Concentrations in liquidity and funding risks are monitored, TL Loans/Deposits indicator that regularly changes in terms of limit during the course of the year is monitored with reference to the sector. Within the scope of consolidated monitoring, consolidated stress testing analysis results are regularly followed up throughout the year. Intraday liquidity risk is monitored regularly using defined metrics. Under the contingency plan covered in the liquidity and funding risk procedure approved by the Risk Committee, situations anticipating intraday liquidity stress, which could activate the contingency plan, are monitored, and stress testing is performed for intraday liquidity risk. Within the scope of internal liquidity assessment process, liquidity planning is performed annually.

Liquidity stress tests for affiliates are monitored and it is ensured that affiliates which are important with respect to liquidity risk establish and monitor internal liquidity and funding limits to assess the robustness of their liquidity and funding structures.
In addition to the routine activities performed as part of liquidity risk analyses, with respect to sustainability, acts included in the Environmental, Social and Governance (ESG) principles are sorted within the frame of stress test projections in line with the Bank’s strategy, providing assignment of higher renewal rates and integration of this strategy within liquidity risk documentation. Furthermore, stress testing projections are reviewed quarterly in terms of consistency and caution within the year.

During 2023, a close eye was kept on domestic and global macroeconomic events, the Bank’s new product and service initiatives and budgeting processes. The effect of relevant changes upon liquidity metrics were analyzed regularly, and shared with the Bank’s senior management. The effects of numerous regulatory changes as part of macroprudential measures on liquidity and funding risk metrics were closely watched throughout the year and communicated to related committees and parties.

In 2023, the Bank’s liquidity position preserved its solid stance and proactive risk management was sustained. The Liquidity Coverage Ratio, which refers to highly liquid assets held by financial institutions for continued fulfillment of short-term liabilities, remained robust throughout the year and 2023 Q4 average was registered as 939.0%. Following the publication of the Net Stable Funding Ratio Regulation by the BRSAs in 2023, calculations started to be performed and monitored regularly.

MODEL RISK

Model Risk is the Bank’s potential risk of loss resulting from decisions made based on flawed model outcomes, due to errors in development or use of the model for unintended purposes.

Model risk refers to potential risks that may arise during the life cycle of risk models. The Bank aims to minimize the model risk and manages it using the model risk management framework created.

RISK MANAGEMENT IN AFFILIATES

The Bank closely monitors risk management activities carried out at affiliates with a holistic risk management perspective, in conformity with the international best practice norms in risk management, and in alignment with each company’s own risks, operations and arrangements. The Bank determines the needs for risk management of affiliates and ensures that required studies and reports commensurate with the structure, complexity, size and risks of the related affiliate 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. Risks associated with affiliates, risk measurement results and other risk management activities are monitored. The Bank’s risk management oversees and evaluates the risk management activities carried out at affiliates, and supports them with the methodology needed in this respect. Consolidated perspective is also applied as and when appropriate.

In 2023, financial risk monitoring activities at the Bank’s affiliates engaged in different business lines were further expanded and put on closer watch given that it has been a year of rate hikes and activity in financial markets due to an altered interest rate policy as per macroprudential measures as well as regulatory changes. Work was undertaken for establishing a risk management system at new fintechs the Bank founded as an outcome of its investment strategy and vision with respect to financial technology field.

The fundamental principle in all our processes is to be aligned with the procurement procedure that defines our purchasing principles and ethical rules. Within the frame of this procedure, we procure our internal needs at low-cost and quality service, drawing on our technological capabilities. The procurement procedure is intended to set out our standard work processes to ensure consistency and productivity. On the other hand, we define and oversee our policies and control mechanisms to prevent any conflicts of interest between our employees and suppliers.

At Garanti BBVA, we attach great importance to establishing transparent and sustainable relationships with our suppliers as part of our procurement processes. In this context, we carry out need-based purchasing in numerous areas including communication, media and marketing, general and professional services, insurance, construction, logistics, technology and infrastructure, and hardware and software.

We aim to speed up our activities by making use of the power of the digital to ensure time and cost saving in our procurement processes. We have incorporated our suppliers in our purchasing processes through Garanti BBVA Supplier Portal that went live as part of digital transformation. The Supplier Portal lets all current or prospective companies collaborating with Garanti BBVA digitally complete the application procedure, necessary document and data entry for contracting with the Bank, and agreement and evaluation processes. In addition, Garanti BBVA Supplier Portal (https://satinalma.garantibbva.com.tr/gportal/pages/#/Landing/Security/SupplierCodeOfConduct) enables all related stakeholders to perform their transactions via a reliable and traceable platform.

The total number of suppliers we actively work with as of year-end 2023 is 1,931. 95% of these suppliers are local, and the remaining 5% are overseas suppliers. All of these suppliers have been assessed, and 99% of them have qualified.

It is important for us that our suppliers comply with our ethical, environmental and social values, and act in accordance with our Code of Conduct for Suppliers. In 2023, we have increased the depth of our assessment to obtain more information about our suppliers’ approach to ESG issues, their regulatory compliance and awareness in these respects. In keeping with this perspective, all qualifying suppliers are included in our quotation and assessment processes only after they agree to and approve our “Code of Conduct for Suppliers” https://satinalma.garantibbva.com.tr/gportal/pages/#/Landing/Security/SupplierCodeOfConduct.

Procurement Processes and Suppliers

367 1.5 min

2023 GARANTI BBVA 2023 Integrated Annual Report

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Under Business Continuity Management, our target is to enhance resilience against any potential incident that can impact business continuity for Garanti BBVA and subsidiaries, establish a corporate culture embodying a high level of awareness, and achieve compliance with regulations, the Holding’s guidelines and good practices. In unison with all our employees, we are providing the execution and continuous improvement of business continuity management system.

The scope of the management system covers Garanti BBVA’s all business units, facilities, service buildings, domestic and overseas regional offices and branches, internal and contracted employees, all products and services rendered and all their supporting processes, and all data centers housing the IT infrastructures of these processes. Within the structure established to protect employee, building, technology, information assets and other corporate resources against business continuity risks, and to resume, reactivate the Bank’s operations and recover corporate resources with the shortest interruption possible in the event of the occurrence of risk despite all measures taken. Information Systems Continuity Plan has been updated with the approval of the Board of Directors in 2023, ensuring alignment with the Holding. Ankara disaster recovery center transition test aimed at exercising the disaster recovery center transition test aimed at exercising the possible disasters such as earthquakes, floods, fire and extreme weather, etc. were centrally coordinated, allowing all regions and branches to acquire practical experience. In 2023, 27 real incidents were managed under centralized coordination and reported. Furthermore, rehearsals were carried out using satellite phones that senior management could need in case of a disaster. As a natural deliverable of these efforts, the Bank earned the "ISO 22301 Business Continuity Management System Security and Resilience" certificate.

Being aware that we live in one of the geographies with the most active fault lines in the world, ensuring the safety of our employees and their relatives and securing the continuity of our operations have always been our top priorities. For this purpose, numerous efforts have been made since 2020 to restructure the Business Continuity Management System and conduct disaster preparedness activities.

The Marmara Earthquake Preparedness Program was launched in 2022 to be prepared for all earthquakes that may occur on fault lines in the Marmara Region and Anatolia. Within the scope of the program, a comprehensive study is carried out under the headings of “Disaster Governance, Employee Oriented, Customer & Community Focused, Life Safety, Technology, Vendor & Partner Focused Projects” to prepare for various possible disasters such as earthquakes, floods, fire and bad weather conditions. Action is taken to increase the resilience of employees and the Bank against disasters and to accelerate the return to normal by reducing the effects of the disaster as much as possible. Our projects within the scope of our Marmara Earthquake Preparedness Program are carried out under the sponsorship of the Corporate Crisis and Business Continuity Management Committee.

During 2023, Corporate Crisis and Business Continuity Management Committee met twice to communicate the modifications made within the scope of business continuity management and project maturities. The Business Continuity Management System has been structured with the transformation project led again by the committee, and an awareness program has been implemented with more than 30 thousand assignments of 10 different trainings with the aim of increasing business continuity awareness at the Bank and subsidiaries. An earthquake simulation was conducted, in which Corporate Crisis and Business Continuity Management Committee was involved. 11 rehearsals that dealt with different scenarios like earthquake, flood, fire, extreme weather, etc. were centrally coordinated, allowing all regions and branches to acquire practical experience. In 2023, 27 real incidents were managed under centralized coordination and reported. Furthermore, rehearsals were carried out using satellite phones that senior management could need in case of a disaster. As a natural deliverable of these efforts, the Bank earned the "ISO 22301 Business Continuity Management System Security and Resilience" certificate.

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Compliance with Corporate Governance and Sustainability Principles

Garanti Bankası A.Ş. (“Garanti Bank” or “Garanti” or “the Bank” or “Garanti BBVA”) complies with the corporate governance principles set out by the banking legislation, capital market legislation, the Turkish Commercial Code and ancillary regulations, and pays the utmost attention to implement these principles.

Garanti BBVA 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-171 is provided under the related headings of the Corporate Governance Principles Compliance Report. In addition, disclosures within the scope of Sustainability Principles Compliance Framework as per the Communiqué no: II-171 is provided under the related headings. Along with non-mandatory principles, Corporate Governance Principles issued by the CMB, which was effective at the time. In 2023, the Committee held 2 meetings with full participation of its members. The Board of Directors deemed that the activities performed by the Corporate Governance Committee in 2023 were efficient, appropriate, adequate and compliant with the relevant legislation. The activities of the Corporate Governance Committee are presented in detail on the Investor Relations website. On the other hand, Garanti BBVA, during 2023, achieved compliance with all of the mandatory principles of the Corporate Governance Communiqué No. II-171. Along with non-mandatory principles, Corporate Governance Principles Compliance Status and Sustainability Principles Compliance Status are summarized in the tables below.

Corporate Governance Principles

The Corporate Governance Committee, responsible for overseeing compliance with corporate governance principles and for ensuring that relevant improvement efforts are carried out at the Bank, 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. In 2023, the Committee held 2 meetings with full participation of its members. The Board of Directors deemed that the activities performed by the Corporate Governance Committee in 2023 were efficient, appropriate, adequate and compliant with the relevant legislation. The activities of the Corporate Governance Committee are presented in detail in the Investor Relations website. On the other hand, Garanti BBVA, during 2023, achieved compliance with all of the mandatory principles of the Corporate Governance Communiqué No. II-171. Along with non-mandatory principles, Corporate Governance Principles Compliance Status and Sustainability Principles Compliance Status are summarized in the tables below.

<table>
<thead>
<tr>
<th>Corporate Governance Principles</th>
<th>Full Compliance</th>
<th>Partial Compliance</th>
<th>N/A</th>
<th>Exempted</th>
<th>No Compliance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shareholders</td>
<td>15</td>
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<td>0</td>
<td>0</td>
<td>1</td>
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<tr>
<td>Public Disclosure and Transparency</td>
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<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
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<tr>
<td>Stakeholders</td>
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<td>0</td>
<td>0</td>
<td>1</td>
<td>0</td>
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<tr>
<td>Board of Directors</td>
<td>22</td>
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<td>1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Total</td>
<td>62</td>
<td>1</td>
<td>2</td>
<td>0</td>
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<table>
<thead>
<tr>
<th>Sustainability Principles Compliance</th>
<th>Full Compliance</th>
<th>Partial Compliance</th>
<th>N/A</th>
<th>No Compliance</th>
</tr>
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<tr>
<td>General</td>
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<td>0</td>
<td>0</td>
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<tr>
<td>Environmental</td>
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<td>0</td>
<td>0</td>
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<tr>
<td>Social</td>
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<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Governance</td>
<td>2</td>
<td>0</td>
<td>0</td>
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<tr>
<td>Total</td>
<td>56</td>
<td>0</td>
<td>0</td>
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</tbody>
</table>

Corporate Governance Principles Compliance Report

**1.1. FACILITATING THE EXERCISE OF SHAREHOLDER RIGHTS**

<table>
<thead>
<tr>
<th>Corporate Governance Principles</th>
<th>Yes</th>
<th>Partial</th>
<th>No</th>
<th>Exempted</th>
<th>Not App.</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1.2 - Up-to-date information and disclosures which may affect the exercise of shareholder rights are available to investors at the corporate website.</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**1.2. RIGHT TO OBTAIN AND REVIEW INFORMATION**

<table>
<thead>
<tr>
<th>Corporate Governance Principles</th>
<th>Yes</th>
<th>Partial</th>
<th>No</th>
<th>Exempted</th>
<th>Not App.</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.2.1 - Management did not enter into any transaction that would complicate the conduct of special audits.</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**1.3. GENERAL ASSEMBLY**

<table>
<thead>
<tr>
<th>Corporate Governance Principles</th>
<th>Yes</th>
<th>Partial</th>
<th>No</th>
<th>Exempted</th>
<th>Not App.</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.3.2 - The company ensures the clarity of the General Assembly agenda, and that no item on the agenda does not cover multiple topics.</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>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.</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>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.</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>1.3.10 - The agenda of the General Shareholders’ Meeting included a separate item detailing the amounts and beneficiaries of all donations and contributions.</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.3.11 - The General Shareholders’ Meeting was held open to the public, including the stakeholders, without having the right to speak.</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Compliance Report

Corporate Governance Principles | Yes | Partial | No | Exempted | Not App. | Explanation
--- | --- | --- | --- | --- | --- | ---
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 | | | | | 
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 the 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 be 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. 6202. 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 websites 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.

Compliance Report

Corporate Governance Principles | Yes | Partial | No | Exempted | Not App. | Explanation
--- | --- | --- | --- | --- | --- | ---
1.6. DIVIDEND RIGHT
1.6.1 - The dividend policy approved by the General Shareholders’ Meeting is posted on the company website. | X | | | | | 
1.6.2 - The dividend distribution 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 | | | | | 
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 represents a true and complete view of the company’s activities. | 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 fide principles.

3.1.3 - Policies or procedures addressing stakeholders’ rights are published on the company’s website.

3.1.4 - A whistleblowing programme is in place for reporting illegal and ethical issues.

3.1.5 - The company addresses conflicts of interest among stakeholders in a balanced manner.

**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.

Contrary to what is suggested in the principle numbered 3.2.1, there are no written internal regulations in 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 20 committees.

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.

3.3.1 - The company has adopted an employment policy ensuring equal opportunities, and a succession plan for all key managerial positions.

3.3.2 - Recruitment criteria are documented.

3.3.3 - The company has a policy on human resources development, and organises trainings for employees.

3.3.4 - Meetings have been organised to inform employees on the financial status of the company, remuneration, career planning, education and health.

3.3.5 - Employees, or their representatives, were notified of decisions impacting them. The opinion of the related trade unions was also taken.

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.

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 maltreatment.

3.3.8 - The company ensures freedom of association and supports the right for collective bargaining.

3.3.9 - A safe working environment for employees is maintained.

**3.4. RELATIONS WITH CUSTOMERS AND SUPPLIERS**

3.4.1 - The company measured its customer satisfaction, and operated to ensure full customer satisfaction.

3.4.2 - Customers are notified of any delays in handling their requests.

3.4.3 - The company complied with the quality standards with respect to its products and services.

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.

**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.

3.5.2 - The company has been mindful of its social responsibility and has adopted measures to prevent corruption and bribery.
### 4.1. ROLE OF THE BOARD OF DIRECTORS

<table>
<thead>
<tr>
<th>Compliance Report</th>
<th>Corporate Governance Principles</th>
<th>Yes</th>
<th>Partial</th>
<th>No</th>
<th>Exempted</th>
<th>Not App.</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>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.</td>
<td></td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.1.2 - 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.</td>
<td></td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.1.3 - The opinions of board members that could not attend the meeting, but did submit their opinion in written format, were presented to other members.</td>
<td></td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.1.4 - 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.</td>
<td></td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.1.5 - The board has a charter/written internal rules defining the meeting procedures of the board.</td>
<td></td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.1.6 - Board minutes document that all items on the agenda are discussed, and board resolutions include director’s dissenting opinions if any.</td>
<td></td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.1.7 - There are limits to external commitments of board members. Shareholders are informed of board members’ external commitments at the General Shareholders Meeting.</td>
<td></td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.2. STRUCTURE OF THE BOARD OF DIRECTORS</td>
<td></td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.2.9 - 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 remunerates directors so as to be compliant with the policy.</td>
<td></td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.3.10 - At least one member of the audit committee has 5 years of experience in audit/accounting and finance.</td>
<td></td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### 4.4. BOARD MEETING PROCEDURES

<table>
<thead>
<tr>
<th>Compliance Report</th>
<th>Corporate Governance Principles</th>
<th>Yes</th>
<th>Partial</th>
<th>No</th>
<th>Exempted</th>
<th>Not App.</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.4.1 - Each board member attended the majority of the board meetings in person.</td>
<td></td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>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.</td>
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<td>X</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>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.</td>
<td></td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.4.4 - Each member of the board has one vote.</td>
<td></td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.4.5 - The board has a charter/written internal rules defining the meeting procedures of the board.</td>
<td></td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.4.6 - Board minutes document that all items on the agenda are discussed, and board resolutions include director’s dissenting opinions if any.</td>
<td></td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>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.</td>
<td></td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.5. BOARD COMMITTEES</td>
<td></td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.5.5 - Board members serve in only one of the Board’s committees.</td>
<td></td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.5.6 - Committees have invited persons to the meetings as deemed necessary to obtain their views.</td>
<td></td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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 110 million (BBVA and Garanti BBVA included) for the individual liabilities of executives and Board members arising from their improper conduct.
The company did not extend any loans to its board directors or executives, nor extended their administrative responsibilities may also be granted with loans or credit cards, in accordance with the limits submitted for approval and determined at the General Meeting of Shareholders. As of 31 December 2023, the net payment provided or to be provided to the key management personnel who left their position during the year, amounted to TL 455,242 as the remuneration to be paid during any given year to Board members undertaking a specific role at the Bank and to independent Board members are subject the BRSA's regulations on the banks' donation policy of the company.

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 2023, 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 455,242 as of (31 December 2022: TL 284,601). 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.

4.6.4 - The company did not extend any loans to its board directors or executives, nor extended their administrative responsibilities may also be granted with loans or credit cards, in accordance with the limits submitted for approval and determined at the General Meeting of Shareholders. As of 31 December 2023, the net payment provided or to be provided to the key management personnel who left their position during the year, amounted to TL 455,242 as the remuneration to be paid during any given year to Board members undertaking a specific role at the Bank and to independent Board members are subject the BRSA's regulations on the banks' donation policy of the company.

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4.6.5 - The individual remuneration of board members and executives is disclosed in the annual report.

4.6.6 - The board of directors has conducted a board performance evaluation to review whether it has discharged all its responsibilities effectively.

4.6.8 - Minutes of all committee meetings are kept and reported to board members.

4.7. - If external consultancy services are used, the independence of the provider is stated in the annual report.

4.5.8 - If external consultancy services are used, the independence of the provider is stated in the annual report.

4.5.7 - If external consultancy services are used, the independence of the provider is stated in the annual report.

4.5.6 - The individual remuneration of board members and executives is disclosed in the annual report.

Remainder of text continues with corporate governance principles and information form regarding shareholder rights, general assembly, and other relevant disclosures.
The number of the relevant item or paragraph of the meeting and all responses to them that contains all questions asked in the general assembly.

Specifying the names of the sections of the website providing the information requested by the Principle 2.2.1.

List of languages for which the website is available.

The number of information requests received by the Principle 2.1.

Specify the names of the sections of the website providing the information requested by the Principle 2.2.1.

The link to the related PDP general shareholder meeting notification.

Garanti BBVA Investor Relations website Home > Contact > Garanti BBVA

Latest shareholding and management structure: Garanti BBVA Investor Relations website Home > About Garanti BBVA > Shareholding Structure

Detailed information on preference shares: There are no preference shares.

The latest version of the Articles of Association: Garanti BBVA Investor Relations website Home > Environment, Social and Governance > Articles of Association

Disclosures: Garanti BBVA Investor Relations website Home > News > Disclosures

Financial Reports and Annual Reports: Garanti BBVA Investor Relations website Home > Presentations

Prospectuses and other public disclosure documents: Garanti BBVA Investor Relations website Home > News > Disclosures

General meeting documents: Garanti BBVA Investor Relations website Home > Environment, Social and Governance > Annual General Meetings

Dividend distribution policy: Garanti BBVA Investor Relations website Home > Environment, Social and Governance > Policies > Disclosure Policy

Dividend distribution policy: Garanti BBVA Investor Relations website Home > Environment, Social and Governance > Policies > Disclosure Policy

Ethical rules created by the company: Garanti BBVA Investor Relations website Home > Environment, Social and Governance > Policies > Code of Ethics

Frequently asked questions: Garanti BBVA Investor Relations website Home > FAQ

Garanti BBVA has two different websites prepared in Turkish and English languages. These can be accessed as follows:

The website in Turkish: www.garantibbva.com.tr

The website in English: www.garantibbva.com/en

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.garantibbvaayatirimciiliskileri.com

Investor Relations website in English: www.garantibbvainvestorrelations.com

a) The page numbers and/or names of the sections in the Annual Report that demonstrate the information on committees formed within the board structure.

b) 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.

c) The page numbers and/or names of the sections in the Annual Report that demonstrate the information on amendments in legislation which may significantly affect the activities of the corporation.

d) The page numbers and/or names of the sections in the Annual Report that demonstrate the information on significant lawsuits filed against the corporation and the possible results thereof.

Sections Board of Directors, page 206

Committees and Policies, Page 225

Organizational Structure, page 298

Section: Important developments regarding 2023 Operations, page 34
The role of the Board on developing and ensuring that the company has a
the internal regulation addressing the participation of employees on
3.2. Supporting the Participation of the Stakeholders in the Corporation’s Management
The name of the section on the corporate website that demonstrates
the conflict of interest of the
of the employees and activities of corporate social responsibility in respect
that demonstrate the information on social rights and professional training
that the direct contribution to the capital exceeds 5%
that demonstrate the information on the cross ownership subsidiaries
f) The page numbers and/or name of the sections in the Annual Report
that the number of defective convictions the company was subject to in relation to breach of employee rights
i) The contact detail of the company alert mechanism “Garanti BBVA Whistleblowing Channel”
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.
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.

3.3. Human Resources Policy
The name of the section on the corporate website that demonstrates the
the internal regulation addressing the participation of employees on
management bodies.
Corporate bodies where employees are actually represented
The name of the section on the corporate website that demonstrates the
while complying with local laws.

3.5. Ethical Rules and Social Responsibility
The name of the section on the corporate website that demonstrates the
the conflict of interest of the
of the employees and activities of corporate social responsibility in respect
that demonstrate the information on social rights and professional training
that the direct contribution to the capital exceeds 5%
that demonstrate the information on the cross ownership subsidiaries
f) The page numbers and/or name of the sections in the Annual Report
that the number of defective convictions the company was subject to in relation to breach of employee rights
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priorities, ensuring their involvement in decisions.
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.

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 the 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

Garanti BBVA's Anti-Corruption Policy sets out the actions that need to be taken to prevent and
determine proper action and consequences that may be appropriate.

Garanti BBVA's Anti-Corruption Policy sets out the actions that need to be taken to prevent and
determine proper action and consequences that may be appropriate.
4.2. Activity of the Board of Directors

Date of the last board evaluation conducted

In its meeting on 24 May 2023, 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 1 June 2023.

Whether the board evaluation was externally facilitated

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

In accordance with the legislation regarding the decision of the Board of Directors dated March 31, 2021, it has been decided to transfer the duties and responsibilities within the internal systems to the Audit Committee, except for the “Risk Management” duties delegated to the Risk Committee, based on the opinions, recommendations, evaluations, and similar transactions of the Audit Committee. Additionally, it has been decided, in accordance with the relevant legislation, to appoint Mr. Aydin Dönen, one of our Board Members, to be responsible for the functions of the Compliance Unit, in place of Mr. M. Coskun Saygin, who was appointed by the decision of the Board of Directors dated March 31, 2021. Furthermore, in accordance with the legislation regarding the decision of the Board of Directors dated June 3, 2021, it has been decided to appoint Mr. Aydin Dönen, one of our Board Members, to assume the position of the Internal Systems Responsible for the KKTC Country Directorate, effective as of May 31, 2021, in place of Mr. M. Coskun Saygin, who resigned from this position on May 31, 2021.

Current diversity policy targeting women directors

There are 2 women members representing 18% of the full number of members.

4.3. Board Meetings

Number of board meetings held

The Board held 11 physical meetings in 2023.

Whether the board meets frequently or infrequently

The name of the section on the corporate website that provides the summary of the review of the effectiveness of internal controls

The roles of the Chairman and CEO are undertaken by different individuals. If the CEO and Chair functions are combined, provide the link to the relevant section or page number of the annual report

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.

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 procedures, the responsibilities of the committees can be found at Garanti BBVA Investor Relations web-site > Environment, Social and Governance > Principles and Policies of the Board > Garanti BBVA Investor Relations/Investor Relations - Principles and Policies of the Board https://www.garantibbvainvestorrelations.com/en/environment-social-governance/detail/Principles-and-Policies-of-the-BoD

4.5. Board Committees

Page numbers or section names of the annual report where information about the board committees are presented

The number of reports submitted by the internal control unit to the audit committee or relevant committees

The Bank’s capital is TL 4.2 billion, and a Directors and Officers Liability cover for 110 million EUR has been obtained for the individual liabilities of Mr. Cüneyt Sezgin, who was appointed by the decision of the Board of Directors dated March 31, 2021. Furthermore, in accordance with the legislation regarding the decision of the Board of Directors dated June 3, 2021, it has been decided to appoint Mr. Aydin Dönen, one of our Board Members, to assume the position of the Internal Systems Responsible for the KKTC Country Directorate, effective as of May 31, 2021, in place of Mr. M. Coskun Saygin, who resigned from this position on May 31, 2021.

Whether the Director has at least 5 years’ experience on Audit, Accounting and/or Finance or Not

Principles-and-Procedures-of-the-BoD/1590/7516/0
## 4.4. Meeting Procedures of the Board of Directors

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/778/3229/0

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/84/393/0

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/84/393/0

For information on Credit and Risk Committees within the frame of banking legislation: https://www.garantibbvainvestorrelations.com/en/environment-socialgovernance-committees-list/Committees/63/166/0

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/83/166/0

## 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 Value, page 112

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 “Environmental, Social and Governance” section on Investor Relations website. Related link: https://www.garantibbvainvestorrelations.com/en/corporate-governance/Compensation-Policy/200/432/0

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: Remuneration, page 223

## Sustainability Principles Compliance Report

### A. General

<table>
<thead>
<tr>
<th>No</th>
<th>Principal</th>
<th>Yes</th>
<th>No</th>
<th>Partial</th>
<th>Not applicable</th>
<th>Explanation</th>
<th>Report Information on Publicly Disclosed Information (Page numbers, main name on the website)</th>
</tr>
</thead>
<tbody>
<tr>
<td>A1.1</td>
<td>The prioritised environmental, social and corporate governance (ESG) issues, risks and opportunities have been determined by the Company’s Board of Directors.</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td>Garanti BBVA identified its material issues using double materiality analysis. Based on the materiality analysis, ESG risks and opportunities were defined.</td>
<td>2023 Integrated Annual Report pages 68-83</td>
</tr>
<tr>
<td>A1.2</td>
<td>The ESG policies (Environmental Policy, Energy Policy, Human Rights and Employee Policy etc.) have been created and disclosed to the public by the Company’s Board of Directors.</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td>Garanti BBVA’s policies are made available to the public on the corporate website.</td>
<td>Corporate website - <a href="https://www.garantibbvainvestorrelations.com/en/corporate-governance/policies-list/">https://www.garantibbvainvestorrelations.com/en/corporate-governance/policies-list/</a> Policies/52/5473/0</td>
</tr>
<tr>
<td>A1.3</td>
<td>The short- and long-term targets set within the scope of ESG policies have been disclosed to the public.</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td>Garanti BBVA publicly disclosed its short- and long-term goals in accordance with its ESG policies.</td>
<td>2023 Integrated Annual Report pages 68-83 and 174-175</td>
</tr>
</tbody>
</table>

### A2. Implementation/Monitoring

<table>
<thead>
<tr>
<th>No</th>
<th>Principal</th>
<th>Yes</th>
<th>No</th>
<th>Partial</th>
<th>Not applicable</th>
<th>Explanation</th>
<th>Report Information on Publicly Disclosed Information (Page numbers, main name on the website)</th>
</tr>
</thead>
<tbody>
<tr>
<td>A2.1</td>
<td>The responsible committee and/or business units for the implementation of ESG policies and the senior officials related to ESG issues in the Company and their duties have been identified and disclosed to the public.</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td>Responsible Banking and Sustainability Committee members and the committee’s responsibilities are publicly disclosed on the corporate website.</td>
<td>Corporate website - <a href="https://www.garantibbvainvestorrelations.com/en/environment-social-governance/detail/Responsible-Banking-and-Sustainability-Committee/203/5366/0">https://www.garantibbvainvestorrelations.com/en/environment-social-governance/detail/Responsible-Banking-and-Sustainability-Committee/203/5366/0</a></td>
</tr>
<tr>
<td>A2.2</td>
<td>The activities carried out within the scope of policies by the responsible committee and/or unit have been reported to the Board of Directors at least once a year.</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td>Responsible Banking and Sustainability Committee is responsible for providing information to the Board of Directors on the Committee’s activities when needed.</td>
<td>Corporate website - <a href="https://www.garantibbvainvestorrelations.com/en/environment-social-governance/detail/Responsible-Banking-and-Sustainability-Committee/203/5366/0">https://www.garantibbvainvestorrelations.com/en/environment-social-governance/detail/Responsible-Banking-and-Sustainability-Committee/203/5366/0</a></td>
</tr>
<tr>
<td>A2.3</td>
<td>In line with the ESG targets, the implementation and action plans have been formed and disclosed to the public.</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td>ESG-related commitments are publicly disclosed on the corporate website.</td>
<td>Corporate website - <a href="https://www.garantibbvainvestorrelations.com/en/sustainability/detail/Commitments/2025/9323/0">https://www.garantibbvainvestorrelations.com/en/sustainability/detail/Commitments/2025/9323/0</a></td>
</tr>
<tr>
<td>A2.4</td>
<td>The Key ESG Performance Indicators (KPI) and the level of reaching these indicators have been disclosed to the public on yearly basis.</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td>ESG Key Performance Indicators and their annual oversight are publicly disclosed on the corporate website.</td>
<td>Corporate website - <a href="https://www.garantibbvainvestorrelations.com/en/images/pdf/ESG_AnaMer_Data_ENG_2023.pdf">https://www.garantibbvainvestorrelations.com/en/images/pdf/ESG_AnaMer_Data_ENG_2023.pdf</a></td>
</tr>
<tr>
<td>A2.5</td>
<td>The activities for improving the sustainability performance of the business processes or products and services have been disclosed to the public.</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td>Related activities are publicly disclosed in the Bank’s integrated reports.</td>
<td>2023 Integrated Annual Report Sustainability and Community Investments pages 174-175</td>
</tr>
</tbody>
</table>
## A3. Reporting

<table>
<thead>
<tr>
<th>No</th>
<th>Principal</th>
<th>Yes</th>
<th>No</th>
<th>Partial</th>
<th>Not applicable</th>
<th>Explanation</th>
<th>Report Information on Publicly Disclosed Information (Page Numbers, Main section on the website)</th>
</tr>
</thead>
<tbody>
<tr>
<td>A3.1</td>
<td>The information about the sustainability performance, targets and actions have been given in annual reports of the Company, are understandable, accurate and sufficient manner.</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2023 Integrated Annual Report pages 174-195</td>
</tr>
<tr>
<td>A3.2</td>
<td>The information about activities which are related to the United Nations (UN) 2030 Sustainable Development Goals have been disclosed to the public.</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2023 Integrated Annual Report pages 92-105</td>
</tr>
<tr>
<td>A3.3</td>
<td>The lawsuits filed and/or concluded against the Company about ESG issues which are material in terms of ESG policies and/or will significantly affect the Company’s activities, have been disclosed to the public.</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2023 Integrated Annual Report pages 34-37</td>
</tr>
</tbody>
</table>

## A4. Verification

<table>
<thead>
<tr>
<th>No</th>
<th>Principal</th>
<th>Yes</th>
<th>No</th>
<th>Partial</th>
<th>Not applicable</th>
<th>Explanation</th>
<th>Report Information on Publicly Disclosed Information (Page Numbers, Main section on the website)</th>
</tr>
</thead>
<tbody>
<tr>
<td>A4.1</td>
<td>The Company’s Key ESG Performance metrics have been verified by an independent third party and publicly disclosed.</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2023 Integrated Annual Report pages 282-291</td>
</tr>
</tbody>
</table>

## B. Environmental Principles

<table>
<thead>
<tr>
<th>No</th>
<th>Principal</th>
<th>Yes</th>
<th>No</th>
<th>Partial</th>
<th>Not applicable</th>
<th>Explanation</th>
<th>Report Information on Publicly Disclosed Information (Page Numbers, Main section on the website)</th>
</tr>
</thead>
<tbody>
<tr>
<td>B1</td>
<td>The policies and practices, action plans, environmental management systems (known by the ISO 14001 standard) and programs have been disclosed.</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2023 Integrated Annual Report pages 174-195</td>
</tr>
<tr>
<td>B2</td>
<td>The environmental reports prepared to provide information on environmental management have been disclosed to the public which include the scope, reporting period, reporting date and limitations about the reporting conditions.</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2023 Integrated Annual Report pages 294-299</td>
</tr>
<tr>
<td>B3</td>
<td>The environmental targets within the scope of performance incentive systems which included in the rewarding criteria have been disclosed to the public on the basis of stakeholders (such as members of the Board of Directors, managers, and employees).</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2023 Integrated Annual Report pages 304-319</td>
</tr>
<tr>
<td>No.</td>
<td>Principal</td>
<td>Yes</td>
<td>No</td>
<td>Partial</td>
<td>Not applicable</td>
<td>Explanation</td>
<td>Report Information on Publicly Disclosed Information (Page Numbers: Main text on the website)</td>
</tr>
<tr>
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<td>-------------------------------------------------</td>
</tr>
<tr>
<td>B14</td>
<td>The actions to reduce greenhouse gas emissions of third parties (suppliers, subcontractors, dealers, etc.) have been carried out and disclosed.</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td>Code of Conduct for Suppliers can be found on the Bank’s corporate website. The Bank also set and publicly disclosed its sector-specific interim decarbonization targets by 2030 in line with the net-zero by 2050 target that it has pledged to the Net-Zero Banking Alliance (NZBA).</td>
<td>Corporate Website - <a href="https://www.garantibbvainvestorrelations.com/en/environment-social-governance/detail/Code-of-Conduct-for-Suppliers/1548/7063/0">https://www.garantibbvainvestorrelations.com/en/environment-social-governance/detail/Code-of-Conduct-for-Suppliers/1548/7063/0</a></td>
</tr>
<tr>
<td>B15</td>
<td>The environmental benefits/gains and cost savings of initiatives/projects that aim to reduce environmental impacts have been disclosed.</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td>Benefits of initiatives and projects for mitigating environmental impacts are publicly disclosed in integrated reports.</td>
<td>2023 Integrated Annual Report pages 182-184</td>
</tr>
<tr>
<td>B16</td>
<td>The data related to energy consumption (natural gas, diesel, gasoline, LPG, coal, electricity, heating, cooling, etc.) have been disclosed as Scope 1 and Scope 2.</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td>Energy consumption data have been disclosed to stakeholders within the scope of Environmental Performance Indicators.</td>
<td>Corporate Website - <a href="https://www.garantibbvainvestorrelations.com/en/images/pdf/ESG_Analytical_Data_ENG_2023.pdf">https://www.garantibbvainvestorrelations.com/en/images/pdf/ESG_Analytical_Data_ENG_2023.pdf</a></td>
</tr>
<tr>
<td>B17</td>
<td>The information related to production of electricity, heat, steam and cooling as of the reporting year has been disclosed.</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td>Energy generation data have been disclosed to stakeholders within the scope of Environmental Performance Indicators.</td>
<td>Corporate Website - <a href="https://www.garantibbvainvestorrelations.com/en/images/pdf/ESG_Analytical_Data_ENG_2023.pdf">https://www.garantibbvainvestorrelations.com/en/images/pdf/ESG_Analytical_Data_ENG_2023.pdf</a></td>
</tr>
<tr>
<td>B18</td>
<td>The studies related to increase the use of renewable energy and transition to zero/low carbon electricity have been conducted and disclosed.</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td>Garanti BBVA supplies the electricity it consumes entirely from producers holding renewable energy certificate. The Bank also makes use of the total energy potential on its own campus and ATMA.</td>
<td>Corporate Website - <a href="https://www.garantibbvainvestorrelations.com/en/images/pdf/ESG_Analytical_Data_ENG_2023.pdf">https://www.garantibbvainvestorrelations.com/en/images/pdf/ESG_Analytical_Data_ENG_2023.pdf</a></td>
</tr>
<tr>
<td>B19</td>
<td>The renewable energy production and usage data has been publicly disclosed.</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td>Renewable energy generation and consumption data have been disclosed to stakeholders within the scope of Environmental Performance Indicators.</td>
<td>Corporate Website - <a href="https://www.garantibbvainvestorrelations.com/en/images/pdf/ESG_Analytical_Data_ENG_2023.pdf">https://www.garantibbvainvestorrelations.com/en/images/pdf/ESG_Analytical_Data_ENG_2023.pdf</a></td>
</tr>
<tr>
<td>B20</td>
<td>The Company conducted projects about energy efficiency and the amount of reduction on energy consumption and emission achieved through these projects have been disclosed.</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td>Energy efficiency projects are developed and the reduction amounts accrued are publicly disclosed.</td>
<td>2023 Integrated Annual Report pages 174-175</td>
</tr>
<tr>
<td>B21</td>
<td>The water consumption, the amount, procedures and sources of recycled and discharged water from underground or above ground (if any) have been disclosed.</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td>Environmental performance indicators are reported on an annual basis.</td>
<td>Corporate Website - <a href="https://www.garantibbvainvestorrelations.com/en/images/pdf/ESG_Analytical_Data_ENG_2023.pdf">https://www.garantibbvainvestorrelations.com/en/images/pdf/ESG_Analytical_Data_ENG_2023.pdf</a></td>
</tr>
</tbody>
</table>

C. Social Principles

C.1. Human Rights and Employee Rights

C.1.1 The Institutional Human Rights and Employee Rights Policy has been established in the light of the Universal Declaration of Human Rights, E.O. Conventions ratified by Turkey and other relevant legislation. The policy and the officials responsible for the implementation of it have been determined and disclosed. | X | | | | Declaration of Human Rights, Human Resources and Compensation Policies are available for the information of stakeholders on the corporate website. | Corporate website - https://www.garantibbvainvestorrelations.com/en/environment-social-governance/detail/Declaration-of-Human-Rights/584/1865/0 |

C.2.1 Considering the effects of supply and value chain, fair workmanship, improvement of labor standards, women’s employment and inclusion in new businesses (gender, race, religion, language, marital status, ethnic identity, sexual orientation, gender identity, family responsibilities, union activities, political opinion, disability, social and cultural differences, etc., such as non-discrimination) are included in its policy on employee rights. | X | | | | Declaration of Human Rights and Code of Conduct for Suppliers and Garanti BBVA’s approach are publicly disclosed. | Corporate website - https://www.garantibbvainvestorrelations.com/en/environment-social-governance/detail/Code-of-Conduct-for-Suppliers/1548/7063/0 |

C.3.1 The measures taken for the minority rights/equality of opportunity or the ones who are sensitive about certain economic, environmental, social factors (low income groups, women, etc.) along the supply chain have been disclosed. | X | | | | The Bank’s approach for pursuing the rights/equal opportunities of/to certain economically, environmentally, socially vulnerable or minority groups or persons is publicly disclosed in integrated reports. | 2023 Integrated Annual Report pages 174-175 |

**No** | **Principal** | **Yes/No** | **Partial** | **Not Applicable** | **Explanation** | **Report Information on Publicly Disclosed Information (Page Number, Menu name on the website)**
---|---|---|---|---|---|---
C1.5 | Investments in employees (education, development policies), compensation, fringe benefits, right to union, work/life balance solutions and talent management are included in the employee rights policy. | X | | | | Garanti BBVA's approach to relevant topics is publicly disclosed in integrated reports. 2023 Integrated Annual Report pages 68-108 and 125-127
C1.6 | The mechanism for employee complaints and resolution of disputes have been established and related solution processes have been determined. | X | | | | Information about the communication with stakeholders (which stakeholder, subject and frequency) have been disclosed. 2023 Integrated Annual Report pages 68-83
C1.7 | The personal data protection and data security policies have been established and disclosed. | X | | | | International reporting standards that adopted in reporting have been explained. 2023 Integrated Annual Report pages 14-25
C1.8 | The ethics policy have been established and disclosed. | X | | | | Affiliation to international and local initiatives is publicly disclosed on the corporate website. 2023 Integrated Annual Report pages 14-25
C1.9 | The studies related to social investment, social responsibility, financial inclusivity and access to finance have been explained. | X | | | | Information about the communication with stakeholders (which stakeholder, subject and frequency) have been disclosed. 2023 Integrated Annual Report pages 68-83
C1.10 | The informative meetings and training programs related to ESG policies and practices have been organized for employees. | X | | | | Details of sustainability indices in which Garanti BBVA is included are publicly disclosed in integrated reports. 2023 Integrated Annual Report pages 174-175

**No** | **Principal** | **Yes/No** | **Partial** | **Not Applicable** | **Explanation** | **Report Information on Publicly Disclosed Information (Page Number, Menu name on the website)**
---|---|---|---|---|---|---
C2.1 | The customer satisfaction policy regarding the management and resolution of customer complaints has been prepared and disclosed. | X | | | | Information about the communication with stakeholders (which stakeholder, subject and frequency) have been disclosed. 2023 Integrated Annual Report pages 68-83
C2.2 | The customer satisfaction policy regarding the management and resolution of customer complaints has been prepared and disclosed. | X | | | | Information about the communication with stakeholders (which stakeholder, subject and frequency) have been disclosed. 2023 Integrated Annual Report pages 68-83
C2.3 | The occupational health and safety policies have been established and disclosed. | X | | | | Information about the communication with stakeholders (which stakeholder, subject and frequency) have been disclosed. 2023 Integrated Annual Report pages 68-83
C2.4 | The personal data protection and data security policies have been established and disclosed. | X | | | | Information about the communication with stakeholders (which stakeholder, subject and frequency) have been disclosed. 2023 Integrated Annual Report pages 68-83
C2.5 | The personal data protection and data security policies have been established and disclosed. | X | | | | Information about the communication with stakeholders (which stakeholder, subject and frequency) have been disclosed. 2023 Integrated Annual Report pages 68-83

**C2. Stakeholders, International Standards and Initiatives**

**C2.1**

- **The opinions of stakeholders have been sought in the determination of measures and strategies related to sustainability field.**
- **Details of sustainability indices in which Garanti BBVA is included are publicly disclosed in integrated reports.**

**C2.2**

- **The principles adopted regarding sustainability the investing or member international organizations, committees and principles have been disclosed.**
- **Affiliation to international and local initiatives is publicly disclosed on the corporate website.**

**C2.3**

- **The social responsibility projects, awareness activities and trainings have been carried out in order to be included in the Borsa İstanbul sustainability indices and/or international index procedures.**
- **Garanti BBVA identified its material issues using double materiality analysis. Based on the materiality analysis, ESG risk and opportunities were defined.**

**C2.4**

- **The improvements have been made and studies have been carried out in order to be included in the Borsa İstanbul sustainability indices and/or international index procedures.**
- **Garanti BBVA’s approach to relevant topics is publicly disclosed in integrated reports.**

**C2.5**

- **The improvements have been made and studies have been carried out in order to be included in the Borsa İstanbul sustainability indices and/or international index procedures.**
- **Garanti BBVA identified its material issues using double materiality analysis. Based on the materiality analysis, ESG risk and opportunities were defined.**

**C2.6**

- **The social responsibility projects, awareness activities and trainings have been carried out in order to be included in the Borsa İstanbul sustainability indices and/or international index procedures.**
- **Garanti BBVA’s approach to relevant topics is publicly disclosed in integrated reports.**

**C2.7**

- **The social responsibility projects, awareness activities and trainings have been carried out in order to be included in the Borsa İstanbul sustainability indices and/or international index procedures.**
- **Garanti BBVA identified its material issues using double materiality analysis. Based on the materiality analysis, ESG risk and opportunities were defined.**
Together, we are closing the year with outstanding results. Thank you all for your contributions and performance.

Scan the QR code or click here to watch the video for the answers.
CONVENIENCE TRANSLATION OF THE AUDITOR’S AUDIT REPORT ORIGINALLY ISSUED IN TURKISH

INDEPENDENT AUDITOR’S REPORT ON THE ANNUAL REPORT OF THE BOARD OF DIRECTORS

To the General Assembly of Türkiye Garanti Bankası A.Ş.

1) Qualified Opinion

We have audited the annual report of Türkiye Garanti Bankası Anonim Şirketi (“the Bank”) and its subsidiaries (“the Group”) for the period of January 1, 2023 – December 31, 2023.

In our opinion, except for the matter described in the Basis for Qualified Opinion section of our reports, the consolidated and unconsolidated financial information provided in the annual report of the Board of Directors and the discussions made by the Board of Directors on the situation of the Group are presented fairly and consistent, in all material respects, with the audited full set consolidated and unconsolidated financial statements and the information we obtained during the audit.

2) Basis for Qualified Opinion

As described in the Basis For Qualified Opinion section of Independent Auditor’s Reports on the complete set of audited unconsolidated and consolidated financial statements of the Bank and the Group for the period between January 1, 2023 and December 31, 2023 dated January 29, 2024, the unconsolidated and consolidated financial statements as at December 31, 2023 include the impact of reversal of the free provision at an amount of Thousand TL 8,000,000 which was fully provided in prior years and reversed in current year by the Bank and the Group management for the possible effects of the negative circumstances which may arise from the possible changes in the economy and market conditions which does not meet the recognition criteria of “Turkish Accounting Standard” TAS 37 “Provisions, Contingent Liabilities and Contingent Assets.”

We conducted our audit in accordance with “Regulation on independent audit of the Banks” published in the Official Gazette no.29314 dated April 2, 2015 published by Banking Regulation and Supervision Agency (BRSA Independent Audit Regulation) and Independent Auditing Standards (IFAs) which are part of the Turkish Auditing Standards as issued by the Public Oversight Accounting and Auditing Standards Authority of Türkiye (POA). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Annual Report section of our report. We are independent of the Group in accordance with the Code of Ethics for Independent Auditors (Code of Ethics) as issued by the POA, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

3) Our Auditor’s Opinion on the Full Set Consolidated and Unconsolidated Financial Statements

We have expressed qualified opinions in our auditor’s reports dated January 29, 2024 on the full set consolidated and unconsolidated financial statements of the Group and the Bank respectively for the period of 1/1/2023-31/12/2023.

4) The Responsibility of the Board of Directors on the Annual Report

In accordance with Articles 514 and 516 of the Turkish Commercial Code 6102 (“TCC”) and communique on ‘Principles and procedures set out by the regulations on preparation and issuance of annual reports of Banks’ the management of the Group is responsible for the following items:

(a) Preparation of the annual report within the first three months following the balance sheet date and submission of the annual report to the general assembly.

(b) Preparation and fair presentation of the annual report; reflecting the operations of the Group for the year, along with its financial position in a correct, complete, straightforward, true and honest manner. In this report, the financial position is assessed according to the consolidated and unconsolidated financial statements. The development of the Group and the potential risks to be encountered are also noted in the report. The evaluation of the board of directors is also included in this report.

(c) The annual report also includes the matters below:

- Subsequent events occurred after the end of the fiscal year which have significance,

- The research and development activities of the Group,

- Financial benefits such as salaries and bonuses paid to the board members and to those charged governance, allowances, travel, accommodation and representation expenses, financial aids and aids in kind, insurances and similar deposits,

- Other matters prescribed in the communique on ‘Principles and procedures set out by the regulations on preparation and issuance of annual reports of Banks’ published in official gazette no.26333 dated November 1,2006.

When preparing the annual report, the board of directors takes into account the secondary legislative arrangements published by the Ministry of Trade and related institutions.
INDEPENDENT ASSURANCE REPORT

To the Management of Türkiye Garanti Bankası Anonim Şirketi
İstanbul, Türkiye

This report is intended solely for the management of Türkiye Garanti Bankası Anonim Şirketi (hereinafter ‘the Bank’ or ‘Garanti BBVA’) for the purpose of reporting of Selected ESG Information (“Selected Information”) listed below in its 2023 Integrated Annual Report (hereinafter ‘2023 Integrated Annual Report’) that has been prepared by the Garanti BBVA for the period running from January 1, 2023 to 31 December 2023.

Subject Matter Information and Applicable Criteria
In line with the request of the Bank, our responsibility is to provide limited assurance in accordance with Global Reporting Initiative Standards (‘GRI Standards’) and Selected Information listed below within the scope of the reporting approach of the Bank specified in “Appendix 1: Reporting Guidelines for Non-Financial Data” (“Reporting Guidelines”) included in pages 294-300 of 2023 Integrated Annual Report.

The Scope of Our Assurance
The scope of our assurance is limited to the examination of governance, operational, social, and environmental indicators marked with √ and UNEP-FI Principles for Responsible Banking Impact Report (‘Impact Report’) Indicators listed in the Selected Information shown below, which are reported in pages 135-137, 160-161, 174-175, 299-305 and 307 of the 2023 Integrated Annual Report.

Governance Indicators
1. Materiality analysis
2. Sustainability governance
3. Privacy Policies
4. Code of Ethical Conduct

Operational Indicators
5. Number of customers
   • Total number of customers
   • Number of digital banking customers
   • Number of mobile banking customers
6. Customer complaints
7. Number of cardless transactions via Garanti BBVA ATMs

The name of the engagement partner who supervised and concluded this audit is Damla Harman.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi

A member firm of Ernst & Young Global Limited

Damla Harman, SMMM
Partner
01 March 2024
İstanbul, Türkiye

5) Auditor’s Responsibilities for the Audit of the Annual Report

Our aim is to express an opinion, based on the independent audit we have performed on the annual report in accordance with provisions of the Turkish Commercial Code and the Communiqué on ‘Principles and procedures set out by the regulations on preparation and issuance of the annual reports of Banks’ published in official gazette no.26333 dated November 1, 2006, Banking Regulation and Supervision Agency (‘BRSA’) Accounting and Financial Reporting Legislation which includes, “Regulation on Accounting Applications for Banks and Safeguarding of Documents” published in the Official Gazette no.26333 dated 1 November 2006 and other regulations on accounting records of Banks published by Banking Regulation and Supervision Agency (BRSA) and Turkish Financial Reporting Standards (“TFRS”) for those matters not regulated by the aforementioned regulations, on whether the consolidated and unconsolidated financial information provided in this annual report and the discussions of the Board of Directors are presented fairly and consistent with the Group’s audited consolidated and unconsolidated financial statements and to prepare a report including our opinion.

The independent audit we have performed is conducted in accordance with InAs and BRSA Independent Audit Regulation. These standards require compliance with ethical provisions and the independent audit to be planned and performed to obtain reasonable assurance on whether the consolidated and unconsolidated financial information provided in the annual report and the discussions of the Board of Directors are presented fairly and consistent with the Group’s audited consolidated and unconsolidated financial statements and to prepare a report including our opinion.

The name of the engagement partner who supervised and concluded this audit is Damla Harman.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi
A member firm of Ernst & Young Global Limited

Damla Harman, SMMM
Partner
01 March 2024
İstanbul, Türkiye
### Social Indicators

8. Women employee ratio (%)
   - Ratio of women employees in senior/middle management
   - Women employees/total employees
   - Women employee ratio in revenue-generating roles

9. Total employees
   - Total
   - Age breakdown
   - Location breakdown
   - Number of employees with disabilities

10. Ratio of women in technology-related roles

11. New hires
   - Gender breakdown
   - Age breakdown
   - Nation breakdown

12. Number of maternity leaves
13. Ratio of women employees returning to work after maternity leave (%)
14. Number of paternity leaves
15. Gender pay gap
16. Ratio of open positions filled with internal employees (%)  

17. Total employee turnover
   - Total
   - Gender breakdown
   - Age breakdown

18. Absentee rate
19. Number of accidents
20. Number of fatal cases
21. Accident frequency rate
22. Number of employees that completed gender equality trainings and total training duration
23. Number of employees that completed anti-corruption trainings and total training duration
24. Number of employees that completed ethics trainings and total training duration
25. Number of employees that completed information security trainings and total training duration
26. Number of employees that completed PDPL trainings and total training duration
27. Number of employees that completed cyber security trainings and total training duration
28. Training hours per employee

### Environmental Indicators

31. Total annual energy consumption by source (MWh)
32. Total electricity consumption from renewable energy generation (MWh)
33. Total annual greenhouse gas (GHG) emissions reported according to Scope 1 and 2 of the Greenhouse Gas Protocol (2015) (CO$_2$e)
34. Total Scope 3 emissions (CO$_2$e)
   - Business travel
   - Total waste generated
35. GHG intensity per total assets (CO$_2$e/TL)
36. Percentage change in GHG intensity compared to 2012 (%)
37. Total annual water consumption by source (m$^3$)
38. Total annual waste generated (tonnes)
   - Hazardous waste generated (tonnes)
   - Non-hazardous waste generated (tonnes)
39. Total annual emissions prevented by renewable energy projects financed by Garanti BBVA (CO$_2$e)
40. Environmental and Social Impact Assessment Process applied in projects financed by Garanti BBVA
   - Projects evaluated in 2023
   - Projects rejected in 2023
   - Risk notes of projects evaluated in 2023
   - Number of site visits in 2023
41. Contribution to sustainable development (billion TL, 2018-2023)
42. Renewable energy portfolio
   - Amount of renewable energy project investments by type as of the end of the reporting period (TL)
   - Installed capacity of renewable energy projects by type as of the end of the reporting period (MW)
   - Garanti BBVA’s market share in the installed power of the wind power plants financed in Türkiye as of the end of the reporting period (%)
   - Garanti BBVA’s market share in the installed power of solar power plants in Türkiye as of the end of the reporting period (%)

### UNEP-FI Principles for Responsible Banking Impact Report ("Impact Report") Indicators

2.1 Impact Analysis
2.2 Target Setting
2.3 Target Implementation
5.1 Governance Structure for Implementation
The Bank’s Responsibilities
Garanti BBVA’s management is responsible for the preparation, collection, and presentation of the information for the Selected Information. In addition, the Bank’s management is responsible for ensuring that the documentation provided to the practitioner (EY) is complete and accurate. This responsibility includes establishing and maintaining internal controls, maintaining adequate records, and making estimates that are relevant to the preparation of the 2023 Integrated Annual Report, such that it is free from material misstatement, whether due to fraud or error.

Our Responsibilities
We conducted our assurance engagement in accordance with the Assurance Engagement Standard (AES) 3000 and 3410 which is a part of the Turkish Auditing Standards as issued by the Public Oversight Accounting and Auditing Standards Authority of Türkiye (POA). These regulations require that we comply with the ethical standards and plan and perform our assurance engagement to obtain limited assurance about the Selected Information.

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior.

Our firm applies the International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Our firm considers that the procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

The procedures selected depend on the practitioner’s judgment. The procedures include inquiry of the personnel responsible for collecting and reporting on the Selected Information and additional procedures aimed at obtaining evidence about the Selected Information.

The assurance provider is only performing assurance of the accuracy of the disclosed content. This means that the assurance provider should evaluate if the bank’s description of processes, activities and their outcomes sufficiently reflects actions taken by the bank, rather than evaluating the applied approach itself. This individual assessment of whether the bank is aligned with the requirements of the Principles and is meeting its commitments will be undertaken by a sustainability expert within the UNEP FI Secretariat (the Review Expert). Our work has been carried out in accordance with the requirements laid out in the Guidance for Assurance Providers (version 2) to undertake limited assurance on Principles for Responsible Banking, issued by UNEP FI.

Procedures Applied
In respect of the Selected Information mentioned above the procedures performed include the following procedures:

1. Interviewed select key senior personnel of the Garanti BBVA to understand the current processes in place for capturing the Selected Information pertaining to the reporting period;
2. Reviewed the Garanti BBVA locations; as well as reviewed pertaining to the Bank’s other locations in Türkiye, against evidence, on a sample basis;
3. Undertook substantive testing, on a sample basis, of the Selected Information;
4. Used the Bank’s internal documentation to evaluate and measure the Selected Information;
5. Evaluated the design and implementation of key processes and controls over the Selected Information;
6. Re-performed, on a sample basis, calculations used to prepare the Selected Information for the reporting period;
7. Evaluated the disclosure and presentation of the Selected Information in the 2023 Integrated Annual Report.

Our Conclusion
Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that Garanti BBVA has not prepared, in all material respects with GRI Standards and Selected Information for the year ended in December 31, 2023, the relevant requirements of the criteria as defined in Reporting Guidelines.

Limitations
We permit this report to be disclosed in addition to Garanti BBVA’s 2023 Integrated Annual Report for the year ended in December 31, 2023, to enable the management of Garanti BBVA to show they have addressed their governance responsibilities by obtaining an independent assurance report in connection with the Selected Information. To the fullest extent permitted by law, we accept or assume no responsibility and deny any liability to any party other than Garanti BBVA for our work, for this independent limited assurance report, or for the conclusions we have reached.

Güney Bağışız Denetim ve SMMM A.S. Mersis No: 0-4350-3032-6000017
Tel: +90 212 315 3000 Fax: +90 212 230 8291 ey.com
Secretariat (the Review Expert). Our work has been carried out in accordance with the requirements laid out in the Guidance for Assurance Providers (version 2) to undertake limited assurance on Principles for Responsible Banking, issued by UNEP FI.
2023 Year-end BRSA Financial Reports and Appendix

Statements of Responsibility

STATEMENT OF RESPONSIBILITY
IN ACCORDANCE WITH ARTICLE 9 OF THE COMMUNIQUÉ
ON PRINCIPLES OF FINANCIAL REPORTING IN CAPITAL
MARKETS (II-14.1) ISSUED BY THE CAPITAL MARKETS BOARD

T. Garanti Bankası A.Ş.’s the year-end Annual Report for the period 01.01.2023 - 31.12.2023, prepared in accordance with the Communiqué On Principles of Financial Reporting in Capital Markets (II-14.1) issued by the Capital Markets Board, has been reviewed by us:

- Within the framework of our duties and responsibilities in the Bank and the information we have, we declare that the year-end Annual Report does not include any untrue statement on material events or any deficiency which may make them misleading as of the date of statement,
- Within the framework of our duties and responsibilities in the Bank and the information we have, we declare that the year-end Annual Report honestly reflects the progress and the performance of the business and the financial position of the Bank together with the significant risks and the uncertainties faced.

Sincerely,

Recep Baştuğ
General Manager

Aydın Güler
Executive Vice President

Jorge Saenz-Azcunaga Carranza
Audit Committee Member

Ayni Aydin Doren
Audit Committee Member

Belkis Sema Yurdum
Audit Committee Member

31 December 2023 BRSA Unconsolidated Financial Report
APPENDIX 4: Environmental & Social Impact Assessment Process Indicators

31 December 2023 BRSA Consolidated Financial Report
APPENDIX 5: TCFD Disclosure Table

APPENDIX 1: Reporting of the Non-Financial Disclosures
APPENDIX 6: UNEP FI Principles for Responsible Banking Impact Report

APPENDIX 2: Reporting Guidelines for the Non-Financial Disclosures
APPENDIX 7: UNGC and WEPs Principles Analysis According to GRI Standards Content

APPENDIX 3: ESG Performance Tables
APPENDIX 8: GRI Standards Content Index

APPENDIX 9: Support Services Providers

Garanti BBVA’s BRSA Consolidated and Unconsolidated Financial reports and the related presentation can be found in the www.garantibbvainvestorrelations.com

Supplementary reports can be also found at the Library section of www.garantibbvainvestorrelations.com.
APPENDIX 1: Reporting of the Non-Financial Disclosures

We take our business beyond “banking” activities, measure the impact we create on environmental and social issues, and take the necessary actions. In this context, when measuring our performance and evaluating our results, we focus not only on our financial performance, but also on the impact of our decisions and activities on the environment, social and human rights issues.

Reporting of the non-financial key performance indicators included (KPI) in report is prepared using the international reporting framework GRI’s (Global Reporting Initiative) comprehensive guideline as well as Communication from the European Commission of July 5, 2017 on Guidelines on nonfinancial reporting (methodology for reporting nonfinancial information, 2017/C 215/01). Related tables that are compliant with the Spanish Law 11/2018 on Non-Financial Information and Diversity and GRI requirements, with reference to each of the sections where necessary information can be found in the “Appendix 2: Reporting Guidelines for the Non-Financial Disclosures”; “Appendix 7: UNGC and WEPs Principles Analysis According to GRI Standards Content” and “Appendix 8: GRI Standards Content Index.

Non-financial information presented in the guideline is verified by Ernst & Young., in its capacity as independent provider of verification services. The verified data are also marked in the relevant tables within the report.

APPENDIX 2: Reporting Guidelines for the Non-Financial Disclosures

This section is the guidelines applied for the indicators in scope of limited assurance as explained in the table below. The data reported for each indicator is for the year ended on December 31, 2023. The reporting covers Garanti BBVA’s operations in Türkiye, including the Bank’s domestic subsidiaries, unless otherwise stated.

<table>
<thead>
<tr>
<th>Indicator</th>
<th>GUIDANCE NOTES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Materiality Analysis</td>
<td>The requirements established by EFRAG’s new European Sustainability Reporting Standards (ESRS) have been followed, and the new Global Reporting Initiative Standards (GRI Standards) that enter into force in January 2023 were followed to determine the material issues. At BBVA Group, we identified and assessed the set of links between the company and the three pillars of sustainable development, from the perspective of the company’s impacts on the environment and people through its activity – impact materiality – and the impact that the environmental and social issues have on the company’s activity – financial materiality. Compared to the materiality analysis published in 2022, number of material issues revised down to 9 from 13. You may find the detailed information in the related section of the report. The materiality analysis was conducted in the three phases: Phase 1 - Identification of material issues that are relevant to stakeholders and to Garanti BBVA. Phase 2 - Identification of the potential positive and negative impacts as well as the risks and opportunities for the identified material issues. Phase 3 - Assignment of weights, quantification, and placement of issues in the double materiality matrix. Phase 4 - Application of expert criteria.</td>
</tr>
<tr>
<td>Sustainability Governance</td>
<td>Garanti BBVA’s Sustainability Governance is mentioned in the Risk Management section on page 249. The Sustainability Governance covers the policies and mechanisms used for the decision-making process regarding economic, environmental and social impacts.</td>
</tr>
<tr>
<td>Impact report published within the scope of Responsible Banking Principles</td>
<td>These items of the impact report published within the scope of Responsible Banking Principles signature are within the scope of audit: 1. Impact Analysis (Based on the outputs of the Impact Analysis carried out within the scope of BBVA Group Materiality Analysis, customized for Garanti BBVA.) 2. Target Setting (Determined by teams that follow the relevant metrics, taking into account Garanti BBVA strategy priorities and areas of impact.) 3. Implementation and monitoring of targets (Progress towards qualitative and quantitative targets is monitored annually.) 5.1 Governance Structure for the Implementation of the Principles (The governance of issues regarding the bank’s social and environmental impact is parallel to the bank’s sustainability governance structure.</td>
</tr>
<tr>
<td>Total annual energy consumption by source</td>
<td>This indicator is defined as the energy consumption from fossil fuel and geothermal sources for heating, generators, leased vehicle fleet in commercial use, and purchased electricity by Garanti BBVA’s operations (Headquarters, service buildings, branches and ATMs) in Türkiye. Universal energy conversion factors, provided by the IPCC are used to convert source data in cubic meters, litres and tonnes to MWh. Total energy consumption is reported following the guidance in GRI 302 Energy consumption within the organization and can be found in Appendix A.3, Environmental Performance Data.</td>
</tr>
<tr>
<td>Total electricity consumption from renewable generation</td>
<td>It is the share of total electricity consumption from renewable generation, including Garanti BBVA’s IREC certificate purchases.</td>
</tr>
</tbody>
</table>
Total Annual Water Consumption by Source

- Recycled non-hazardous waste
- Recycled Hazardous Waste
- Total Annual Waste

Total Yearly GHG Emissions in CO2e reported under scope 1 and 2 of the GHG Protocol (2015)

This indicator measures the greenhouse gases (CO₂, CH₄ and N₂O) resulting from fossil fuels consumed for heating, generation, transportation, and energy consumption from purchased electricity used in Garanti BBVA's Torkeye operations (Headquarters, service branches, and ATMs). International Energy Agency (IEA) factors were used for global warming potential and emissions factors. Network Emission Factor has been calculated based on the most up-to-date data provided by TEAİAŞ for 2022. Annex A.3: Reporting in the Environmental Performance Indicators section is based on GRI 305-1 Direct greenhouse gas (GHG) emissions (Scope 1), GRI 305-2 Indirect greenhouse gas (GHG) emissions (Scope 2) and GHG Protocol: Location Based approach.

Total Scope 3 emissions

- Business Travel
- Employees’ means of transportation to reach the office
- Waste Amounts

GHG Emissions Intensity in the Reporting Period

Total Scope 1 and Scope 2 GHG emissions divided by total assets of the Bank as of calendar year end in billion TL terms. The total assets are based on the Bank’s audited financial statements. GHG Emissions Intensity reporting followed the guidance in GRI 305-3 and can be found in Appendix A.3: Environmental Performance Data.

Change in GHG Emission Intensity compared to 2022

Reprents the percentage change in the greenhouse gas emissions intensity of the bank in the reporting period since 2012, when the Environmental Management System was implemented. The total assets are based on the Bank’s audited financial statements. GHG Emissions Intensity reporting followed the guidance in GRI 305-3 and can be found in Appendix A.3: Environmental Performance Data.

Total annual emissions prevented by renewable energy projects financed by Garanti BBVA

Emissions avoided by the electricity generation based on the operational capacity of solar, wind and hydropower plants during the reporting period are calculated. The projects Garanti BBVA has participated in financing which were operational in the reporting period are taken into consideration for the calculations. Grid Emission Factor is calculated based on the most recent data available by TEAİAŞ for 2022. The projects that are active are within the scope of the audit. By financing renewable energy projects, emissions are prevented by preventing the burning of additional fossil fuels for electrical energy demand. Please find the details of the calculations in Sustainability and Community Investments section.

E&S Impact Assessment Process related to projects financed by Garanti BBVA

- # of assessed projects in 2023
- # of rejected projects in 2023
- Risk rating of the assessed projects in 2023
- # of project site visits conducted in 2023

Renewable Energy Portfolio

- Amount of investments in renewable energy projects by type as of the reporting period end
- Installed capacity of renewable energy projects by type as of the reporting period end
- Garanti BBVA’s market share of wind power plants (WPP) by installed power financed by the Bank in Türkiye as of the reporting period end
- Garanti BBVA’s market share of solar energy projects (SPP) by installed power financed by the Bank in Türkiye as of the reporting period end

The following transactions are performed without a card by using QR/NDM/NDM or entering transactional information such as identity information, mobilephone, invoice number, reference number, IBAN or the amount of money sent:

- Withdrawing/Depositing Money with QR
- Withdrawing/Depositing Money with NDM
- Withdrawing/Depositing Money with NDM/NDM
- Withdrawing/Depositing Money with NDM
- Withdrawal/Deposit with Digital ID
- Credit Card Instalment Payment
- Credit Card Debt Payment
- Cash Advance Withdrawal
- Bank Withdrawal/Money Transfer
- Consumer General Purpose Loan Application
- Mobile Phone TL Top-up
- Withdrawal/Deposit with Reference Number

Contribution to Community Investment Programs

- Total amount of projects evaluated within the framework of social investment programs in the reporting period

Cardless Transactions from Garanti BBVA ATMs

- # of assessed projects in 2023
- # of rejected projects in 2023
- Risk rating of the assessed projects in 2023
- # of project site visits conducted in 2023

Contribution to social investment programs is defined as the total amount of investment made in programs that are aligned with the strategy and stakeholder priorities of the BBVA Group and Garanti BBVA for the purpose of creating social impact. These programs are governed by Garanti BBVA’s “Corporate Social Responsibility Policy” and are based on focus areas determined within the framework of the 2021-2025 Community Investment Plan. During the reporting period, the scope of the calculation methodology was expanded to cover both project and communication costs of social investment programs.
Contribution to Sustainable Development (billion TL, Cumulative)

- Share of women employees in technology (Share of Women Employees in STEM roles) This data gives the ratio of working women in the Garanti BBVA technology team.
- Number of maternity leaves This data is for Garanti BBVA Banks and its local subsidiaries, the number of female employees taking maternity leaves is defined as the female employees who took maternity leave and went on leave during the reporting period.
- Share of employees returning to work after maternity leave (Female) This data gives the ratio of employees returning to work after maternity leave, are defined as female employees who are calculated and reported for the previous year instead of the reporting period. and who are still working at Garanti BBVA after maternity leave as of the end of the reporting period.
- Number of employees on maternity leave This data is for Garanti BBVA Banks and its local subsidiaries. The number of employees taking pregnancy leave is defined as male employees who have entered pregnancy leave and are on leave.
- Gender Pay Gap This data gives the ratio of employees leaving their jobs for all reasons to the average number of employees.
- Abortion Rate The abortion rate is the ratio of the total number of abortions to the total number of working days calculated based on the medical records of all sick leaves and injuries entered into the Bank’s system as of 31.12.2023 in the reporting period. Garanti BBVA Bank and domestic subsidiaries are included in the aforementioned abortion rate calculation.
- Number of accidents It represents the total number of non-fatal occupational injuries within the period 01.01.2023-31.12.2023.
- Number of fatal cases It represents the total number of fatal occupational injuries within the period 01.01.2023-31.12.2023.
- Accident frequency rate It refers to the number of injured employees within a year (between 01.01.2023-31.12.2023) per 1,000 employees, Garanti BBVA Bank and domestic subsidiaries are included in the aforementioned data.
- Number of employees working in revenue generating roles The data provides the ratio of women employees in revenue generating roles at the Garanti BBVA (Bank-only figures). Subsidiaries are not included in the definition. Definition of Income-generating Female Employee: Branch Manager, Regional Manager, Employees in Sales, Asset- Liability Management and Treasury units.
- Share of employees returning to work after maternity leave (Female) This data gives the ratio of employees returning to work after maternity leave, are defined as female employees who are calculated and reported for the previous year instead of the reporting period. and who are still working at Garanti BBVA after maternity leave as of the end of the reporting period.
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- Accident frequency rate It refers to the number of injured employees within a year (between 01.01.2023-31.12.2023) per 1,000 employees, Garanti BBVA Bank and domestic subsidiaries are included in the aforementioned data.
Customer complaints

It is defined as written/verbal complaints and objections made by customers regarding all kinds of problems, grievances and dissatisfaction they encounter while using banking products and services. Garanti BBVA Technology, Garanti BBVA Payment Systems and Garanti BBVA Mortgage customers are not included in the aforementioned customer complaints calculation.

Number of employees who completed Gender Equality Trainings and total training hours

This data gives the number of Garanti BBVA and all its subsidiaries’ employees who completed the Gender Equality trainings. The names of the completed trainings are as follows:
• The “Unconscious Prejudice” Module 1
• The “Unconscious Prejudice” Module 2
• Equal/Equal (Equally) Project / I am aware of equality in business life
• Equal/Equal (Equally) Project / I am aware of equality in business life
• Gender Equality Awareness

Number of employees who received Anti-Corruption trainings and total training hours

This data provides the number and duration of active employees of Garanti BBVA and its local subsidiaries who completed their anti-bribery and anti-corruption training as of December 31, 2023. The names of the completed trainings are as follows:
• Anti-Corruption Policy
• Anti-Corruption and Our Ethical Principles

Number of employees who received Ethics training and total training hours

This data gives the number and duration of active employees of Garanti BBVA and its domestic subsidiaries who completed their training within the scope of ethical principles and business ethics as of December 31, 2023. The names of the completed trainings are as follows:
• Ethics and Integrity Principles
• Ethics and Personal Regulation

Number of employees who received Information Security training and total training hours

This data provides the number and duration of active employees of Garanti BBVA and its local subsidiaries who completed their information security training as of December 31, 2023. The names of the completed trainings are as follows:
• Information and Data Security
• Social Engineering

Number of employees who received PDPL training and total training hours

This data provides the number and duration of active employees of Garanti BBVA and its local subsidiaries who completed their training within the scope of the personal data protection law as of December 31, 2023. The names of the completed trainings are as follows:
• Personal Data Protection Law
• PDPL Awareness Series

Number of employees receiving Cyber Security training and total training time

This data provides the number and duration of active employees of Garanti BBVA and its domestic subsidiaries who completed their cybersecurity training as of December 31, 2023. The names of the completed trainings are as follows:
• Fundamentals of Cyber Security

Training hours per employee

This data is calculated by dividing the total in-class and online training hours of Garanti BBVA and local subsidiary employees by the active employee number as of December 31, 2023.

Number of training per male/female employee

This data is calculated by dividing the total in-class and online training hours of Garanti BBVA and local subsidiary employees by the active employee number as of December 31, 2023.
Environmental Investments and Expenditures* (TL)

<table>
<thead>
<tr>
<th>Indicator</th>
<th>2022</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total # of customers (million)</td>
<td>23.2</td>
<td>25.4</td>
</tr>
<tr>
<td>Total # of digital customers (million)</td>
<td>11.4</td>
<td>15.0</td>
</tr>
<tr>
<td>Total # of mobile customers (million)</td>
<td>13.0</td>
<td>14.8</td>
</tr>
<tr>
<td>Number of Cardless Transactions via Garanti BBVA ATMs (million)</td>
<td>119</td>
<td>123</td>
</tr>
<tr>
<td># of Garanti BBVA ATMs accessible by visually impaired individuals</td>
<td>5,431</td>
<td>5,496</td>
</tr>
<tr>
<td>Change in customer complaints****</td>
<td>+7%</td>
<td>-1%</td>
</tr>
<tr>
<td>Retail Net Promoter Score (Ranking)*</td>
<td>#2</td>
<td>#2</td>
</tr>
<tr>
<td>SME Net Promoter Score (Ranking)*</td>
<td>#1</td>
<td>#2</td>
</tr>
<tr>
<td>Commercial Net Promoter Score (Ranking)**</td>
<td>#1</td>
<td>#1</td>
</tr>
<tr>
<td>Mobile Net Promoter Score (Ranking)*</td>
<td>#1</td>
<td>#2</td>
</tr>
<tr>
<td>Net TCR Score***</td>
<td>62%</td>
<td>62%</td>
</tr>
<tr>
<td>Number of Contacts handled by the Customer Contact Center (million)</td>
<td>46.3</td>
<td>67.2</td>
</tr>
<tr>
<td>Women who participated in woman entrepreneurship events and whom Garanti BBVA helped raise increased financial awareness (cumulative)</td>
<td>11,235</td>
<td>11,555</td>
</tr>
<tr>
<td>Women entrepreneurs encouraged to apply to Woman Entrepreneur Competition (cumulative)</td>
<td>43,100</td>
<td>45,000</td>
</tr>
<tr>
<td>Number of projects subjected to Environmental and Social Impact Assessment System (cumulative)</td>
<td>88</td>
<td>92</td>
</tr>
<tr>
<td>Site visits to customers regarding environmental and social issues</td>
<td>36</td>
<td>27</td>
</tr>
<tr>
<td>Customers and financial institutions informed about environmental and social issues</td>
<td>15</td>
<td>11</td>
</tr>
</tbody>
</table>

** Calculation includes the investment and expenditures made by the Bank’s Premises And Services Department

SOCIAL INDICATORS

Customer Experience

<table>
<thead>
<tr>
<th>Indicator</th>
<th>2022</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Site visits to customers regarding environmental and social issues</td>
<td>36</td>
<td>27</td>
</tr>
<tr>
<td>Customers and financial institutions informed about environmental and social issues</td>
<td>15</td>
<td>11</td>
</tr>
</tbody>
</table>

** Calculation includes the investment and expenditures made by the Bank’s Premises And Services Department

---

** Net TCR (Transparent, Clear and Responsible Banking) Score measures how complete and clear the customers regard the information provided by the bank. It is calculated like Net Promoter Score.

**** Represents the change in the number of complaints per 1,000 customers.

---

** GHG Emissions (Tonnes of CO₂ Equivalent)**

<table>
<thead>
<tr>
<th>YEAR</th>
<th>SCOPE 1 (TCO₂E)</th>
<th>SCOPE 2*** (TCO₂E)</th>
<th>SCOPE 3*** (TCO₂E)</th>
<th>TOTAL TCO₂E</th>
<th>GHG EMISSIONS INTENSITY % CHANGE IN GHG EMISSIONS INTENSITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>2023</td>
<td>18,073</td>
<td>0</td>
<td>11,445</td>
<td>18,073</td>
<td>8.2</td>
</tr>
<tr>
<td>2022</td>
<td>18,981</td>
<td>0</td>
<td>11,411</td>
<td>18,981</td>
<td>14.6</td>
</tr>
<tr>
<td>2021</td>
<td>18,643</td>
<td>0</td>
<td>11,611</td>
<td>18,643</td>
<td>22</td>
</tr>
<tr>
<td>2020</td>
<td>10,908</td>
<td>11,934</td>
<td>345</td>
<td>22,442</td>
<td>42</td>
</tr>
<tr>
<td>2019</td>
<td>14,923</td>
<td>65,198</td>
<td>2,196</td>
<td>70,121</td>
<td>364</td>
</tr>
<tr>
<td>2018</td>
<td>12,933</td>
<td>54,300</td>
<td>3,111</td>
<td>67,233</td>
<td>368</td>
</tr>
<tr>
<td>2017</td>
<td>11,835</td>
<td>58,628</td>
<td>2,494</td>
<td>70,463</td>
<td>198</td>
</tr>
<tr>
<td>2016</td>
<td>10,924</td>
<td>57,259</td>
<td>3,181</td>
<td>68,183</td>
<td>218</td>
</tr>
<tr>
<td>2015</td>
<td>11,763</td>
<td>63,874</td>
<td>3,571</td>
<td>70,637</td>
<td>271</td>
</tr>
</tbody>
</table>

---

** Waste Management**

<table>
<thead>
<tr>
<th>TYPE</th>
<th>CONSUMPTION 2018</th>
<th>CONSUMPTION 2019</th>
<th>CONSUMPTION 2020</th>
<th>CONSUMPTION 2021</th>
<th>CONSUMPTION 2022</th>
<th>CONSUMPTION 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hazardous (tonnes)</td>
<td>7</td>
<td>6</td>
<td>4</td>
<td>20</td>
<td>11</td>
<td>34</td>
</tr>
<tr>
<td>Recycled (tonnes)</td>
<td>560</td>
<td>368</td>
<td>385</td>
<td>226</td>
<td>204</td>
<td>373</td>
</tr>
</tbody>
</table>

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** Paper Consumption**

<table>
<thead>
<tr>
<th>TYPE</th>
<th>CONSUMPTION 2018</th>
<th>CONSUMPTION 2019</th>
<th>CONSUMPTION 2020</th>
<th>CONSUMPTION 2021</th>
<th>CONSUMPTION 2022</th>
<th>CONSUMPTION 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paper (1,000 tonnes)</td>
<td>11</td>
<td>9.8</td>
<td>9.5</td>
<td>9.6</td>
<td>9.7</td>
<td>9.74</td>
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</tbody>
</table>

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** GHG Emissions (Tonnes of CO₂ Equivalent)**

<table>
<thead>
<tr>
<th>YEAR</th>
<th>SCOPE 1 (TCO₂E)</th>
<th>SCOPE 2*** (TCO₂E)</th>
<th>SCOPE 3*** (TCO₂E)</th>
<th>TOTAL TCO₂E</th>
<th>GHG EMISSIONS INTENSITY % CHANGE IN GHG EMISSIONS INTENSITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>2023</td>
<td>18,073</td>
<td>0</td>
<td>11,445</td>
<td>18,073</td>
<td>8.2</td>
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<tr>
<td>2022</td>
<td>18,981</td>
<td>0</td>
<td>11,411</td>
<td>18,981</td>
<td>14.6</td>
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<tr>
<td>2021</td>
<td>18,643</td>
<td>0</td>
<td>11,611</td>
<td>18,643</td>
<td>22</td>
</tr>
<tr>
<td>2020</td>
<td>10,908</td>
<td>11,934</td>
<td>345</td>
<td>22,442</td>
<td>42</td>
</tr>
<tr>
<td>2019</td>
<td>14,923</td>
<td>65,198</td>
<td>2,196</td>
<td>70,121</td>
<td>364</td>
</tr>
<tr>
<td>2018</td>
<td>12,933</td>
<td>54,300</td>
<td>3,111</td>
<td>67,233</td>
<td>368</td>
</tr>
<tr>
<td>2017</td>
<td>11,835</td>
<td>58,628</td>
<td>2,494</td>
<td>70,463</td>
<td>198</td>
</tr>
<tr>
<td>2016</td>
<td>10,924</td>
<td>57,259</td>
<td>3,181</td>
<td>68,183</td>
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<tr>
<td>2015</td>
<td>11,763</td>
<td>63,874</td>
<td>3,571</td>
<td>70,637</td>
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** Water Consumption**

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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Tap Water (1,000 m²)</td>
<td>284</td>
<td>260</td>
<td>260</td>
<td>186</td>
<td>233</td>
<td>222</td>
</tr>
<tr>
<td>Rain Water (1,000 m²)</td>
<td>284</td>
<td>260</td>
<td>260</td>
<td>186</td>
<td>233</td>
<td>222</td>
</tr>
<tr>
<td>Municipality-provided Tap Water (1,000 m²)</td>
<td>284</td>
<td>260</td>
<td>260</td>
<td>186</td>
<td>233</td>
<td>222</td>
</tr>
<tr>
<td>Rain Water (1,000 m²)</td>
<td>1,000</td>
<td>1,000</td>
<td>1,000</td>
<td>1,000</td>
<td>1,000</td>
<td>1,000</td>
</tr>
<tr>
<td>Municipally-provided Tap Water (1,000 m²)</td>
<td>284</td>
<td>260</td>
<td>260</td>
<td>186</td>
<td>233</td>
<td>222</td>
</tr>
<tr>
<td>Rain Water (1,000 m²)</td>
<td>1,000</td>
<td>1,000</td>
<td>1,000</td>
<td>1,000</td>
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** Waste Management**

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<tr>
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<th>CONSUMPTION 2020</th>
<th>CONSUMPTION 2021</th>
<th>CONSUMPTION 2022</th>
<th>CONSUMPTION 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hazardous (tonnes)</td>
<td>7</td>
<td>6</td>
<td>4</td>
<td>20</td>
<td>11</td>
<td>34</td>
</tr>
<tr>
<td>Recycled (tonnes)</td>
<td>560</td>
<td>368</td>
<td>385</td>
<td>226</td>
<td>204</td>
<td>373</td>
</tr>
</tbody>
</table>

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** Paper Consumption**

<table>
<thead>
<tr>
<th>TYPE</th>
<th>CONSUMPTION 2018</th>
<th>CONSUMPTION 2019</th>
<th>CONSUMPTION 2020</th>
<th>CONSUMPTION 2021</th>
<th>CONSUMPTION 2022</th>
<th>CONSUMPTION 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paper (1,000 tonnes)</td>
<td>11</td>
<td>9.8</td>
<td>9.5</td>
<td>9.6</td>
<td>9.7</td>
<td>9.74</td>
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</tbody>
</table>
Community Investment Programs

<table>
<thead>
<tr>
<th>Year</th>
<th>Contribution to community investment programs (million TL)*</th>
</tr>
</thead>
<tbody>
<tr>
<td>2022</td>
<td>71.7</td>
</tr>
<tr>
<td>2023</td>
<td>875</td>
</tr>
</tbody>
</table>

* As of 2022, administrative expenses started to be included in the scope of Contribution to Community Investment Plan reporting for achieving alignment with the BBVA Group.

Investment in Human Capital

**Employee and Diversity Indicators**

<table>
<thead>
<tr>
<th>Indicator</th>
<th>2022</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Employees</td>
<td>21,684</td>
<td>22,016</td>
</tr>
<tr>
<td>Ratio of open positions filled with internal employees (%)</td>
<td>90.2%</td>
<td>90.8%</td>
</tr>
<tr>
<td>Ratio of women employees</td>
<td>56.3%</td>
<td>55.7%</td>
</tr>
<tr>
<td>Women in senior management (%)</td>
<td>36.4%</td>
<td>30.0%</td>
</tr>
<tr>
<td>Women in mid level management (%)</td>
<td>39.6%</td>
<td>39.3%</td>
</tr>
<tr>
<td>Women in technology (Share of women in STEM roles)</td>
<td>39.7%</td>
<td>39.9%</td>
</tr>
<tr>
<td>Women in revenue generating roles</td>
<td>65.4%</td>
<td>64.8%</td>
</tr>
<tr>
<td>Number of maternity leaves</td>
<td>489</td>
<td>437</td>
</tr>
<tr>
<td>Ratio of women employees returned to work after maternity leave</td>
<td>96.7%</td>
<td>96.4%</td>
</tr>
<tr>
<td>Number of paternity leaves</td>
<td>437</td>
<td>375</td>
</tr>
<tr>
<td>Number of employees with disabilities</td>
<td>433</td>
<td>380</td>
</tr>
<tr>
<td>Employee turnover</td>
<td>11.79%</td>
<td>11.62%</td>
</tr>
<tr>
<td>Employee engagement score*</td>
<td>4.30</td>
<td>4.31</td>
</tr>
<tr>
<td>Programs for employee well-being</td>
<td>12</td>
<td>12</td>
</tr>
</tbody>
</table>

**Number of Employees by Age Group**

<table>
<thead>
<tr>
<th>Age Group</th>
<th>2022</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;30</td>
<td>4,777</td>
<td>5,170</td>
</tr>
<tr>
<td>30-39</td>
<td>9,947</td>
<td>9,521</td>
</tr>
<tr>
<td>40-49</td>
<td>5,956</td>
<td>6,136</td>
</tr>
<tr>
<td>&gt;=50</td>
<td>1,004</td>
<td>1,189</td>
</tr>
<tr>
<td>Total</td>
<td>21,684</td>
<td>22,016</td>
</tr>
</tbody>
</table>

**New Hires by Age Group**

<table>
<thead>
<tr>
<th>Age Group</th>
<th>2022</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;30</td>
<td>1,658</td>
<td>2,079</td>
</tr>
<tr>
<td>30-39</td>
<td>618</td>
<td>421</td>
</tr>
<tr>
<td>40-49</td>
<td>50</td>
<td>34</td>
</tr>
<tr>
<td>&gt;=50</td>
<td>4</td>
<td>16</td>
</tr>
<tr>
<td>Total</td>
<td>2,330</td>
<td>2,550</td>
</tr>
</tbody>
</table>

**New Hires by Gender**

<table>
<thead>
<tr>
<th>Gender</th>
<th>2022</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Woman</td>
<td>1,212</td>
<td>1,288</td>
</tr>
<tr>
<td>Man</td>
<td>1,118</td>
<td>1,262</td>
</tr>
<tr>
<td>Total</td>
<td>2,330</td>
<td>2,550</td>
</tr>
</tbody>
</table>

**New Hires by Nation**

<table>
<thead>
<tr>
<th>Nation</th>
<th>2022</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Türkiye</td>
<td>2,330</td>
<td>2,550</td>
</tr>
<tr>
<td>Romania</td>
<td>287</td>
<td>302</td>
</tr>
<tr>
<td>Holland</td>
<td>35</td>
<td>46</td>
</tr>
<tr>
<td>Total</td>
<td>2,863</td>
<td>2,898</td>
</tr>
</tbody>
</table>

**Total Employee Turnover by Gender**

<table>
<thead>
<tr>
<th>Gender</th>
<th>2022</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Woman</td>
<td>11.69%</td>
<td>11.49%</td>
</tr>
<tr>
<td>Man</td>
<td>11.90%</td>
<td>11.77%</td>
</tr>
</tbody>
</table>
Total employee turnover by age

<table>
<thead>
<tr>
<th>Age</th>
<th>2022</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;30</td>
<td>24.37%</td>
<td>22.76%</td>
</tr>
<tr>
<td>30-39</td>
<td>9.38%</td>
<td>8.87%</td>
</tr>
<tr>
<td>40-49</td>
<td>5.23%</td>
<td>5.89%</td>
</tr>
<tr>
<td>&gt;50</td>
<td>12.50%</td>
<td>15.07%</td>
</tr>
</tbody>
</table>

Gender Pay Gap (Women/Men)

<table>
<thead>
<tr>
<th>MANAGEMENT LEVEL*</th>
<th>BRANCH MANAGER / MID-LEVEL MANAGER*</th>
<th>REST OF THE EMPLOYEES*</th>
<th>AVERAGE*</th>
</tr>
</thead>
<tbody>
<tr>
<td>2023</td>
<td>0.90</td>
<td>0.84</td>
<td>1.04</td>
</tr>
<tr>
<td>2022</td>
<td>0.87</td>
<td>0.85</td>
<td>1.07</td>
</tr>
<tr>
<td>2021</td>
<td>0.87</td>
<td>0.8</td>
<td>1.06</td>
</tr>
</tbody>
</table>

Management Level: Directors, Regional Managers, Corporate and Commercial Branch Managers, Managers
Branch Manager/Mid-level Managers: Branch Managers (except Corporate & Commercial branches), Senior Supervisors and Supervisors
Rest of Employees: Associates, Specialists and Specialist Assistants, Assistants and Support Staff
* Median value given, as average metrics is negatively affected by extreme values (i.e. very high/very low), Garanti BBVA Technology employees are not taken into account in the calculation.

Performance Indicators for Training

<table>
<thead>
<tr>
<th>SELECTED TRAININGS</th>
<th>NUMBER OF EMPLOYEES COMPLETED</th>
<th>TOTAL TRAINING HOURS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender Equality Trainings</td>
<td>4,622</td>
<td>5,936</td>
</tr>
<tr>
<td>Anti-Corruption Trainings</td>
<td>7,586</td>
<td>5,792</td>
</tr>
<tr>
<td>Ethics Trainings</td>
<td>11,020</td>
<td>5,892</td>
</tr>
<tr>
<td>Information Security Trainings</td>
<td>18,360</td>
<td>18,912</td>
</tr>
<tr>
<td>PDPL Trainings</td>
<td>17,065</td>
<td>10,124</td>
</tr>
<tr>
<td>Cyber Security Trainings</td>
<td>13,011</td>
<td>13,011</td>
</tr>
</tbody>
</table>

TRAININGS HOURS & TOTAL EXPENDITURE ON TRAINING 2023

<table>
<thead>
<tr>
<th>Training hours per employee</th>
<th>54.22</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of training per male/female employee</td>
<td>54.25 (Female)</td>
</tr>
<tr>
<td>Number of training per male/female employee</td>
<td>50.20 (Male)</td>
</tr>
<tr>
<td>Share of digital training in total training hours</td>
<td>50%</td>
</tr>
<tr>
<td>Total expenditure on training</td>
<td>94,706,408TL</td>
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</table>

Occupational Health and Safety Performance Indicators

<table>
<thead>
<tr>
<th>Indicator</th>
<th>2022</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Absentee Rate</td>
<td>1.60%</td>
<td>1.20%</td>
</tr>
<tr>
<td>Number of accidents</td>
<td>54</td>
<td>112</td>
</tr>
<tr>
<td>Number of fatal cases</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Accident frequency rate</td>
<td>0.22</td>
<td>0.52</td>
</tr>
<tr>
<td>Occupational illness</td>
<td>0</td>
<td>0</td>
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</table>

GOVERNANCE INDICATORS

Board of Directors

<table>
<thead>
<tr>
<th>YEAR</th>
<th>FEMALE</th>
<th>MALE</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>2023</td>
<td>2</td>
<td>9</td>
<td>11</td>
</tr>
<tr>
<td>2022</td>
<td>2</td>
<td>9</td>
<td>11</td>
</tr>
<tr>
<td>2021</td>
<td>2</td>
<td>9</td>
<td>11</td>
</tr>
<tr>
<td>2020</td>
<td>2</td>
<td>9</td>
<td>11</td>
</tr>
<tr>
<td>2019</td>
<td>2</td>
<td>9</td>
<td>11</td>
</tr>
<tr>
<td>2018</td>
<td>1</td>
<td>9</td>
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</table>

Share of Independent Board Member

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>% Share of Independent Board Member</td>
<td>30%</td>
<td>36%</td>
<td>36%</td>
<td>36%</td>
<td>36%</td>
<td>36%</td>
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</tbody>
</table>

Number of Committees

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>BoD committees: 5 Other (members are composed of the Board Directors members): 25</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>BoD committees: 5 Other (members are composed of the Board Directors members): 29</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BoD committees: 8 Other (members are composed of the Board Directors members): 11</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BoD committees: 8 Other (members are composed of the Board Directors members): 11</td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BoD committees: 9 Other (members are composed of the Board Directors members): 11</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BoD committees: 9 Other (members are composed of the Board Directors members): 11</td>
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<td></td>
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</tr>
<tr>
<td>BoD committees: 9 Other (members are composed of the Board Directors members): 11</td>
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</tr>
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</table>
APPENDIX 4: Environmental and Social Impact Assessment Process Indicators

RISK ASSESSMENT BREAKDOWN OF PROJECTS WHICH WERE SUBMITTED TO ESIAP IN 2023

<table>
<thead>
<tr>
<th>ASSESSMENT RESULT BREAKDOWN</th>
<th>NUMBER OF PROJECTS</th>
<th>LOAN LIMIT (USD, MILLION)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Category A</td>
<td>4</td>
<td>134.0</td>
</tr>
<tr>
<td>Category B</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Category C</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Risk Rating</td>
<td></td>
<td></td>
</tr>
<tr>
<td>R1</td>
<td>1</td>
<td>37.9</td>
</tr>
<tr>
<td>R2</td>
<td>1</td>
<td>60.0</td>
</tr>
<tr>
<td>R3</td>
<td>2</td>
<td>36.1</td>
</tr>
<tr>
<td>R4</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Final Grade</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>2</td>
<td>97.9</td>
</tr>
<tr>
<td>2</td>
<td>2</td>
<td>36.1</td>
</tr>
<tr>
<td>3</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Number of policies

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of policies</th>
</tr>
</thead>
<tbody>
<tr>
<td>2023</td>
<td>25</td>
</tr>
</tbody>
</table>

Compliance and Privacy Protection

Prevention of money laundering and financing of terrorism
As a result of continuous monitoring and control activities carried out by the Compliance Department in 2023 for the prevention of money laundering and financing of terrorism, 36,789 suspicious transactions were reported in total. The number of transactions so reported accounts for around 0.14% of the Bank’s total customers.

AML&CFT
18,769 hours of training were provided to 19,938 participants within the scope of AML&CFT training activities. These trainings covered 14,314 personnel.

Whistleblowing Channel
The Bank’s Whistleblowing Channel received 45 notifications in 2023, which were reviewed and resolved by the related parties in accordance with the Bank’s policies and procedures. Out of 45 incidents reported to the Whistleblowing Channel, various disciplinary actions were taken for 16 as a result of the reviews conducted.

Personal Data Protection
During 2023, breaches were reported for 10 incidents to the Personal Data Protection Authority, which stemmed from individual employee mistakes. No administrative sanctions were imposed against the Bank on account of data breach notifications in 2023.

Personal Data Protection
Personal data disclosure queries from 17 customers were responded to in line with the applicable legislation in the reporting period.

Sustainability Indices & ESG Ratings

INDEX/ESG RATING | SCORING RANGE | SCORE/INCLUSION | DESCRIPTION |
-----------------|---------------|-----------------|-------------|
S&P Corporate Sustainability Assessment | 0-100 | 73 | Highest score among the banks reporting from Türkiye |
CDP Climate Change - 2023 | A / D | B | |
CDP Water Security - 2023 | A / D | A | |
MSCI | AAA-CCC | BBB |
FTSE4Good - 2022 | 0-5 | 3.8 |
Sustainalytics ESG Risk 2022 | 0-40+ | 21.1 |
Bloomberg Gender Equality Index - 2023 | 0-100 | 89.06 | The only bank from Türkiye to be included in the index for 7 consecutive years |
BIST-Sustainability Index | Inclusion | |
BIST-Sustainability 25 Index | Inclusion | |
BIST-Corporate Governance Index | Inclusion | |
APPENDIX 5: TCFD Disclosure Table

<table>
<thead>
<tr>
<th>PILLARS</th>
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</thead>
<tbody>
<tr>
<td>Governance</td>
<td>Describe the board’s oversight of climate-related risks and opportunities</td>
<td>Responsible Banking and Sustainability Committee 2023 CDP Climate Change page 3-4</td>
</tr>
<tr>
<td></td>
<td>Describe management’s role assessing and managing climate-related risks and opportunities</td>
<td>Responsible Banking and Sustainability Committee 2023 CDP Climate Change page 3-4 Sustainability Policy Sustainability and Community Investments, 178-179</td>
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<td>Disclose the climate-related risks and opportunities the organization has identified over the short, medium, and long term.</td>
<td>Material Issues Risk and Opportunities, page 72-85 2023 CDP Climate Change page 7-13 2023 CDP Water Security page 9-10</td>
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<td>Disclose the impact of climate-related risks and opportunities on the organization’s businesses, strategy and financial planning.</td>
<td>Material Issues Risk and Opportunities, page 72-85 2023 CDP Climate Change page 10-11 2023 CDP Water Security page 11-13</td>
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<td>Disclose the resilience of the organization’s strategy, taking into consideration different climate-related scenarios including a 2°C or lower scenario.</td>
<td>2023 CDP Climate Change page 10-11 2023 CDP Water Security page 30 Climate Change Action Plan Science Based Target Commitment</td>
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<td>Describe the organization’s processes for identifying climate-related risks.</td>
<td>Environmental and Social Loan Policies Garanti BBVA Environmental and Social Risk Management Climate Change Action Plan 2023 CDP Climate Change page 6-8 2023 CDP Water Security page 56-17 Material Issues Risk and Opportunities, page 72-85 Physical Climate Risk Assessment</td>
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<td>Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization’s overall risk management</td>
<td>Environmental and Social Loan Policies Garanti BBVA Environmental and Social Risk Management Climate Change Action Plan 2023 CDP Climate Change page 7-13 2023 CDP Water Security page 14-19</td>
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<td>Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.</td>
<td>APPENDIX 3: Environmental Performance Data Garanti BBVA Environmental and Social Risk Management Climate Change Action Plan APPENDIX 4: Environmental and Social Impact Assessment Performance Indicators 2023 CDP Climate Change page 11-13 2023 CDP Water Security page 14-19 Physical Climate Risks Adaptations &amp; Actions</td>
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<td>Metrics and Targets</td>
<td>Disclose Scope 1, Scope 2 and, if appropriate Scope 3 greenhouse gas (GHG) emissions, and related risks.</td>
<td>APPENDIX 3: Environmental Performance Data 2023 CDP Climate Change page 44-49</td>
</tr>
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<td>Describe the targets used by the organizations to manage climate-related risks and opportunities and performance against targets.</td>
<td>APPENDIX 3: Environmental Performance Data 2023 CDP Climate Change page 11-13 2023 CDP Water Security page 4-6</td>
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</tbody>
</table>
APPENDIX 6: UNEP FI Principles for Responsible Banking Impact Report

REPORTING AND SELF-ASSESSMENT REQUIREMENTS
HIGH-LEVEL SUMMARY OF THE BANK’S RESPONSE
REFERENCE(S)/LINK(S) TO FULL BANK RESPONSE/RELEVANT INFORMATION

PRINCIPLE 1: ALIGNMENT
WE WILL ALIGN OUR BUSINESS STRATEGY TO BE CONSISTENT WITH AND CONTRIBUTE TO INDIVIDUALS’ NEEDS AND SOCIETY’S GOALS, AS EXPRESSED IN THE SUSTAINABLE DEVELOPMENT GOALS, THE PARIS CLIMATE AGREEMENT AND RELEVANT NATIONAL AND REGIONAL FRAMEWORKS.

Please describe how your bank has aligned and/or is planning to align its strategy to be consistent with the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks.

Describing (high-level) your bank’s business model, including the main customer segments served, types of products and services provided, the main sectors and types of activities across the main geographies in which your bank operates or provides products and services. Please also quantify the information by disclosing e.g. the distribution of your bank’s portfolio (%) in terms of geographies, segments (i.e. by balance sheet and/or off-balance sheet) or by disclosing the number of customers and clients served.

Established in 1946, Garanti BBVA is Turkey’s second largest private bank with consolidated assets close to TL 2 trillion (USD 76 billion) as of December 31, 2022. Garanti BBVA is a listed investment financial services group operating in every segment of the banking sector including corporate, commercial, SME, payment systems, retail, private and investment banking together with its subsidiaries in insurance and life insurance, leasing, factoring, brokerage and asset management, besides international subsidiaries in the Netherlands and Romania. Garanti BBVA provides a wide range of financial services to its over 25 million customers with 18,065 employees through an extensive distribution network of 796 domestic branches, 8 foreign branches, 7 in Cyprus and one in Malta, and 1 international representative office. Implementing an advanced corporate governance model that promotes the Bank’s core values, Garanti has Banco Bilbao Vizcaya Argentaria S.A. (BBVA) as its majority shareholder with 85.97% share.

It’s shares are publicly traded in Türkiye and Garanti BBVA’s Depository Receipts are listed on the OTC (Over-The-Counter) Markets in the USA. Garanti BBVA has an annual float of 34.03% in Borsa İstanbul as of December 31, 2022.

Garanti BBVA has been working towards sustainable development by focusing on combating the climate crisis and inclusive growth for 16 years in order to support sustainability, which is one of its strategic goals.

Please describe how your bank has aligned and/or is planning to align its strategy to be consistent with the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks.

Does your bank also reference any of the following frameworks or sustainability regulatory reporting requirements in its strategic priorities or policies to implement these?

Garanti BBVA has been reporting on its sustainability since 2010, initially through its separate sustainability reports, then through its integrated annual reports. Starting from 2020, the Bank started publishing Turkish Capital Markets Board’s (CMB) Sustainability Principles Compliance Report as an appendix to its integrated annual reports. Since 2022, Garanti BBVA also participated in the Pilar III ESG reporting, which was recently the legal statements of the European Banking Authority (EBA) from all European Banks such as Garanti BBVA’s parent BBVA Group.

Garanti BBVA Integrated Annual Report 2022: Corporate Profile, pages 42-43


PRINCIPLE 2: IMPACT AND TARGET SETTING

WE WILL CONTINUOUSLY INCREASE OUR POSITIVE IMPACTS WHILE REDUCING THE NEGATIVE IMPACTS ON, AND MANAGING THE RISKS TO, PEOPLE AND ENVIRONMENT RESULTING FROM OUR ACTIVITIES, PRODUCTS AND SERVICES. TO THIS END, WE WILL SET AND PUBLISH TARGETS WHERE WE CAN HAVE THE MOST SIGNIFICANT IMPACTS.

2.1. SHOW THAT YOUR BANK HAS PERFORMED AN IMPACT ANALYSIS OF ITS PORTFOLIO/S TO IDENTIFY ITS MOST SIGNIFICANT IMPACT AREAS AND DETERMINE PRIORITY AREAS FOR TARGET-SETTING.

Garanti BBVA has carried out impact analysis at a strategic level to define the new priority focuses in the discipline of sustainability with scope for the Bank.

BBVA Group renewed its impact analysis in 2023 using the 3rd version of the UNEP-FI Portfolio Impact Analysis Tool for Banks. As part of this group analysis Garanti BBVA’s individual impact is also analyzed, which constitutes the basis of the conclusion reached by the Bank. In the group impact analysis in 2023, 2023 data was used for BBVA’s activities in Spain, Mexico, Peru, Colombia and Argentina in the field of corporate banking, while 2022 data was preserved for Türkiye and retail banking. Turkey’s investment banking business was excluded due to its small share of approximately 1% of the BBVA Group’s gross margin, with the Group’s operations in Chile, Uruguay and Venezuela.

A small part of the corporate banking portfolio of Garanti BBVA, which corresponds to its 1.31%, is left out of the analysis, due to data reliability issues regarding NACE codes. As a result, almost the entire Bank’s retail banking and corporate banking portfolio has been evaluated within the scope of BBVA group’s 2023 impact analysis with 2022 data.

Specifically, a business volume (EAD) of 39,594 million euros has been considered, of which 41.91% corresponds to retail banking and the remaining 58.09% is wholesale banking.

The situation analysis carried out by the BBVA group based on research on statistical data and trends and scenarios in accordance with the 3rd version of the UNEP-FI Portfolio Impact Analysis Tool for Banks in 2022 for some geographies, including Türkiye, has been presented in the study conducted for Türkiye for 2023. Sources such as the UN Sustainable Development Report, SDG database, World Health Organization and World Resources Institute were used in the situation analysis.

In 2022, BBVA Group evaluated the Impact Analysis results specifically for geographies, and simplified them into the following two main items specifically for Türkiye and Garanti BBVA. The results of this analysis were compared with the Bank’s strategic priorities for 2023. The situation analysis revealed the following issues and primary impact points for Garanti BBVA, the same as the previous year:

- Availability, accessibility, affordability and quality of financial resources and services, inclusive growth
- Climate change and environment, circularity

Garanti BBVA’s Sustainability Policy, aligned with the BBVA Group strategy, its Environmental Policy, Climate Change Position & Action Plan, Environmental and Social Loan Policies, and its Human Rights Declaration cover these areas, and provides a framework for their management. The Bank considers and strategizes its sustainability efforts under two main priority areas:

The Bank evaluates its sustainability efforts under two main priority areas of impact and develops strategies in this direction:

(i) combating climate change and protecting the natural environment (renewable energy, energy efficiency and electric vehicles have been determined as focus areas).
(ii) promoting inclusive growth and financial health in society (Entrepreneurship, women’s banking and unbanked segments were determined as focus areas).

Garanti BBVA has assessed that it may have a negative impact in these areas in terms of climate change: Customers without a decarbonization strategy may lead to non-compliance with the Bank’s set decarbonization targets. Indirect greenhouse gas emissions from the Bank’s portfolio and from providing financing to carbon-intensive customers that contribute negatively to climate change may increase; The portfolio has negative environmental impacts due to financing from high-polluting or low-recycling customers; waste generation, consumption of resources such as water, energy and paper.

Garanti BBVA has evaluated that it could have a positive impact in these areas in terms of climate change: Reducing greenhouse gas emissions from the Bank’s portfolio and from providing financing to carbon-intensive customers that contribute negatively to climate change may increase; The portfolio has negative environmental impacts due to financing from high-polluting or low-recycling customers; waste generation, consumption of resources such as water, energy and paper.

Based on these first 3 elements of an impact analysis, what positive and negative impact areas has your bank identified? (If at least two significant impact areas did you prioritize to pursue your target setting strategy (see 2.2)? Please discuss.

Garanti BBVA has evaluated that it could have a positive impact in terms of inclusive growth in these areas: Providing access to financial services through digital banking services; Development of financial services and products for disadvantaged groups: Programs aimed at financial literacy and reducing inequalities in society; Financing the provision of health, energy and education infrastructure for vulnerable groups.
d) For these (min. two prioritized impact areas): Performance measurement. Has your bank identified which sectors & industries as well as types of customers financed or invested in are causing the strongest actual positive or negative impacts? Please describe how you assessed the performance of these, using appropriate indicators related to significant impact areas that apply to your bank’s context.

In determining priority areas for target-setting among its areas of most significant impact, you should consider the bank’s current performance levels, i.e. qualitative and/or quantitative indicators and/or proxies of the social, economic and environmental impacts resulting from the bank’s activities and provision of products and services. If you have identified climate and/or financial health & inclusion as your most significant impact areas, please also refer to the applicable indicators in the Annex.

As explained in the previous sections, Garanti BBVA has prioritized the sectors or areas where its financing activity has a greater positive and negative impact and has set targets that it constantly monitors and monitors. The impact analysis took into account:
(i) Main areas of business: retail banking, commercial banking, corporate banking business lines
(ii) Degree of exposure to sectors and current challenges and priorities specific to that sector.
(iii) The importance of the social, economic and environmental impacts identified as resulting from Garanti BBVA’s activities, specific to each sector.

Reporting and Self-assessment Requirements High-level Summary of the Bank’s Response Reference(s)/Link(s) to Full Bank Response/Relevant Information


Self Assessment

Which of the following components of the impact analysis has your bank completed in order to identify areas where your bank has the most significant (potential) positive and negative impacts?
Scope: Yes
Portfolio Structure: Yes
Status: Yes
Performance Measurement: Yes

As a result of the impact analysis, which are the most important impact areas for your bank?
Climate Change and Inclusive Growth

How current is the data used and disclosed in the impact analysis?
2022 data
Garanti BBVA is committed to establish specific, measurable, achievable, relevant, and time-bound (SMART) goals, in line with science and the goals of the Paris Agreement, which address at least two of the “most significant impact areas” identified, resulting from the bank’s activities and the provision of products and services: Climate Action and Inclusive Growth. The target setting process is at different stages for these two points.

1. In 2018, within the framework of the “Objective 2025”, BBVA Group published the following objectives, to which Garanti BBVA’s strategic priorities are aligned:
   (i) Mobilize 300,000 million euros between 2018-2025 for green financing, sustainable infrastructure and agri-business, financial inclusion and entrepreneurship and other sustainable business. In 2021, it increased to 200,000 million and in 2022 this objective has tripled to 300,000 million euros. Having stated that it would contribute increasing amounts of financing in parallel with the BBVA Group’s sustainable finance target, it has also pledged that it would allocate funds totaling TL 150 billion. Garanti BBVA updated its target to provide funding for financing sustainable activities between the years 2018 and 2025 for combating climate crisis and for sustainable development as TL 400 billion in 2023.
   (ii) Reduce its direct CO2 emissions by 66% (compared to 2015). As of 2022, Garanti BBVA’s overall scope 1&2 CO2 emissions are reduced by 79%.
   (iii) Contract 70% renewable energy from 2025 and 100% renewable energy in 2030. Since 2020, Garanti BBVA supplies REE certification for its energy consumption.

2. 2021-2025 Community Investment Plan responds to the most important social challenges in all BBVA regions. The plan consists investment of 550 million euros and 100 million people reached. Additionally, the Group launched a second initiative Global Financial Education Plan, which aims at 2 million people trained and 500 million people reached. Garanti BBVA monitors its contribution to these targets and reports it on a quarterly basis. The investment made in community programs in 2022 exceeded 875 million TL and more than 1.7 million people were reached with these programs.

In 2022, Garanti BBVA stated the following objectives:

- (i) Mobilize 100,000 million euros between 2018-2025 for green financing, sustainable infrastructure and agri-business, financial inclusion and entrepreneurship and other sustainable business.
- (ii) Reduce its direct CO2 emissions by 68% (compared to 2015). As of 2022, Garanti BBVA’s overall scope 1&2 CO2 emissions are reduced by 75%.
- (ii) Contract 75% renewable energy from 2018 and 100% renewable energy in 2030. Since 2020, Garanti BBVA supplies REE certification for its energy consumption.

In 2021, BBVA Group stated the following objectives:

- (i) Mobilize 100,000 million euros between 2018-2025 for green financing, sustainable infrastructure and agri-business, financial inclusion and entrepreneurship and other sustainable business. In 2021, it increased to 200,000 million and in 2022 this objective has tripled to 300,000 million euros. Having stated that it would contribute increasing amounts of financing in parallel with the BBVA Group’s sustainable finance target and later pledged that it would allocate funds totaling TL 150 billion. Garanti BBVA updated its target to provide funding for financing sustainable activities between the years 2018 and 2025 for combating climate crisis and for sustainable development as TL 400 billion in 2023.
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In 2021, BBVA Group stated the following objectives:

- (i) Mobilize 100,000 million euros between 2018-2025 for green financing, sustainable infrastructure and agri-business, financial inclusion and entrepreneurship and other sustainable business. In 2021, it increased to 200,000 million and in 2022 this objective has tripled to 300,000 million euros. Having stated that it would contribute increasing amounts of financing in parallel with the BBVA Group’s sustainable finance target and later pledged that it would allocate funds totaling TL 150 billion. Garanti BBVA updated its target to provide funding for financing sustainable activities between the years 2018 and 2025 for combating climate crisis and for sustainable development as TL 400 billion in 2023.
- (ii) Reduce its direct CO2 emissions by 66% (compared to 2015). As of 2022, Garanti BBVA’s overall scope 1&2 CO2 emissions are reduced by 79%.
- (iii) Contract 70% renewable energy from 2025 and 100% renewable energy in 2030. Since 2020, Garanti BBVA supplies REE certification for its energy consumption.

Garanti BBVA is also a signatory of the Net Zero Banking Alliance since 2021, and publishes its 2030 Paris Agreement alignment targets within its 2022 Integrated Annual Report. The Bank’s 2050 net zero target is aligned with the framework of the United Nations Guiding Principles on Business and Human Rights. In 2020, Garanti BBVA pledged to reduce its carbon emissions by 29% by 2025 and 79% by 2035. Having reduced its emissions arising from its operations by 75% at the end-2020, the Bank purchased carbon credit for its remaining emissions and became carbon neutral 15 years earlier than its reduction target.

The Bank has committed that its indirect activity, through its credit and investment portfolio, also be neutral in GHG emissions by 2050, which is a commitment that was delivered as part of its signatory status to the Net Zero Banking Alliance (NZBA). In its Integrated Annual Report 2022, the Bank announced its baseline and related intermediate targets towards this goal.

Garanti BBVA is committed to establish specific, measurable, achievable, relevant, and time-bound (SMART) goals, in line with science and the goals of the Paris Agreement, which address at least two of the “most significant impact areas” identified, resulting from the bank’s activities and the provision of products and services: Climate Action and Inclusive Growth. The target setting process is at different stages for these two points.

1. In 2018, within the framework of the “Objective 2025”, BBVA Group published the following objectives, to which Garanti BBVA’s strategic priorities are aligned:
   (i) Mobilize 300,000 million euros between 2018-2025 for green financing, sustainable infrastructure and agribusiness, financial inclusion and entrepreneurship and other sustainable business. In 2021, it increased to 200,000 million and in 2022 this objective has tripled to 300,000 million euros. Having stated that it would contribute increasing amounts of financing in parallel with the BBVA Group’s sustainable finance target, it has also pledged that it would allocate funds totaling TL 150 billion. Garanti BBVA updated its target to provide funding for financing sustainable activities between the years 2018 and 2025 for combating climate crisis and for sustainable development as TL 400 billion in 2023.
   (ii) Reduce its direct CO2 emissions by 66% (compared to 2015). As of 2022, Garanti BBVA’s overall scope 1&2 CO2 emissions are reduced by 79%.
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3. Target of zero net emissions in 2050, expanding its initial ambition of alignment with the Paris Agreement, with updates in 2022: BBVA has published its commitment to phase out coal in 2030 in developed countries and 2040 in emerging countries (under the terms of the Environmental and Social Framework published by BBVA); joined the Net Zero Banking Alliance initiative and BBVA Asset Management has joined the Net Zero Asset Managers Initiative; in addition to having approved its Exclusion Policy: set 2030 alignment targets in 5 of the most intensive sectors in CO2 emissions: electricity generation, oil and gas, automobiles, steel and cement.

Garanti BBVA is also a signatory of the Net Zero Banking Alliance since 2021, and publishes its 2030 Paris Agreement alignment targets within its 2022 Integrated Annual Report. The Bank’s commitment to phase-out risks associated with coal activities are reflected in its Sustainability Policy and the process is managed according to its Environmental and Social Framework and Loan Policies.

Additionally, Garanti BBVA joined the second round of BBVA Group’s Human Rights due diligence process in 2020, 2022 the three-year process was completed. Within this framework, a list of issues with potential/ negative impacts has been identified and evaluated, and action plans have been designed to mitigate or minimize them. This process has been carried out in accordance with the United Nations Guiding Principles on Business and Human Rights.
c) SMART targets (incl. key performance indicators (KPIs)): Please disclose the targets for your first and your second area of most significant impact, if already in place (as well as further impact areas, if in place). Which KPIs are you using to monitor progress towards reaching the target? Please disclose.

Impact area 1: Climate change:
- Sustainable finance mobilization – TL 400 billion between 2018-2025
  Having stated that it would contribute increasing amounts of financing in parallel with the BBVA Group's sustainable finance target initially and later pledged that it would allocate funds totaling TL 350 billion. Garanti BBVA updated its target to provide funding for financing sustainable activities between the years 2018 and 2025 for combating climate crisis and for sustainable development as TL 400 billion in 2023.
- Emission reduction mid-term targets for carbon-intensive sectors in line with IEA’s net zero emissions scenario in 2050, calculated according to the PACTA methodology:

<table>
<thead>
<tr>
<th>Sector</th>
<th>Emission Scope</th>
<th>Metric</th>
<th>Scope</th>
<th>Garanti BBVA Baseline (2022)</th>
<th>Garanti BBVA Progress (2023)</th>
<th>Difference</th>
<th>Reduction Target by 2030</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy</td>
<td>1+2</td>
<td>kgCO₂e/MT</td>
<td>IEA Nat (Zero)</td>
<td>188</td>
<td>339</td>
<td>-11%</td>
<td>723%</td>
</tr>
<tr>
<td>Automotive</td>
<td>1+2</td>
<td>kgCO₂e/km</td>
<td>IEA Nat (Zero)</td>
<td>182</td>
<td>179</td>
<td>0%</td>
<td>45%</td>
</tr>
<tr>
<td>Iron &amp; Steel</td>
<td>1+2</td>
<td>kgCO₂e/MT</td>
<td>IEA Nat (Zero)</td>
<td>1190</td>
<td>1320</td>
<td>20%</td>
<td>10%</td>
</tr>
<tr>
<td>Cement</td>
<td>1+2</td>
<td>kgCO₂e/MT</td>
<td>IEA Nat (Zero)</td>
<td>738</td>
<td>726</td>
<td>0%</td>
<td>13%</td>
</tr>
<tr>
<td>Total</td>
<td>Turn</td>
<td>Phase-out of the sector by 1040</td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The data quality of the PACTA database is expected to improve in time, which will result in more efficient emissions calculations and accordingly updated reduction targets.

Impact area 2: Inclusive growth:
Some performance indicators have been identified and targets have been set to support customers with low access to financial resources and poor financial literacy with Garanti BBVA’s banking services.

<table>
<thead>
<tr>
<th>Theme</th>
<th>Indicators</th>
<th>Target by 2023</th>
<th>2022</th>
<th>2023</th>
<th>State of the Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Inclusion</td>
<td>Maintaining 100% accessibility of Garanti BBVA ATMs to visually impaired individuals</td>
<td>5156</td>
<td>5431</td>
<td>5496</td>
<td>✓</td>
</tr>
<tr>
<td>Financial Inclusion</td>
<td>Keeping the accessibility rate of Garanti BBVA ATMs for orthopaedically disabled individuals above 2%</td>
<td>22%</td>
<td>24%</td>
<td>23%</td>
<td>✓</td>
</tr>
<tr>
<td>Financial Health</td>
<td>1 in 3 customers monitor their financial health in the “My Status” area</td>
<td>37%</td>
<td>39%</td>
<td>38%</td>
<td>✓</td>
</tr>
</tbody>
</table>

• Contributing to the BBVA 2021-2025 Community Investment Plan in line with Garanti BBVA’s share in the group

Garanti BBVA's sustainability teams along with business lines are tasked with drawing up sectoral plans to achieve these ambitious objectives and to encourage clients towards reducing carbon intensities. At the end of this process, the Bank will prepare its Transition Plan, where strategies for managing different business lines and clients are created.

In 2022, Garanti BBVA prepared its governance structure for net-zero transition in coordination with teams from sustainability, sustainable finance, risk management etc. This structure was implemented to achieve the 2030 goals by creating collective action plans in 2023. In this context, Garanti BBVA regularly monitors its performance towards the 2030 interim decarbonization targets through data collection, customer visits, sectoral plans and internal risk assessment tools. These studies form the basis for managing portfolio fit and providing input into the definition of risk appetite in different sectors.

For the realization of the Bank’s sustainable mobilization target (2018-2025), annual objectives by business lines and expected green/social loan ratios are communicated to client managers and it is set as part of the performance premium criteria of all the related bank employees from members of the Board of Directors to branches.
Which of the following target setting components has your bank completed or is currently in an evaluation process for your primary and secondary areas of greatest impact in line with PRB requirements?

2.2.. the indicators and KPIs to monitor progress you have defined under each of the set targets and the impact your progress resulted in, using 

Garanti BBVA carries out regular monitoring of its objectives and reports progress to its senior management through the Responsible Banking and Sustainability Committee.

Garanti BBVA has set objectives towards mitigating climate change and inclusive growth through its business; and it has set the necessary mechanisms for regular monitoring and reporting of these objectives.

2.3 TARGET IMPLEMENTATION AND MONITORING (KEY STEP 2)

SHOW THAT YOUR BANK HAS IMPLEMENTED THE ACTIONS IT HAD PREVIOUSLY DEFINED TO MEET THE SET TARGET.

- SMART goals: Yes
- Base Year: Yes
- Alignment: Yes

Goal 2. Inclusive Growth

Garanti BBVA has set targets in this area of influence in 2022.

Action plan: Yes

At the end of 2023, TL 875 million had been invested and over 1.7 million people had benefited from Garanti BBVA’s community investment programs.

- Garanti BBVA has established a unique agenda with stakeholders and has joined the Net Zero Banking Alliance (NZBA).
- Garanti BBVA has integrated sustainability risks into its internal processes, whether physical or transitional, and adopted the BBVA Group’s Environmental and Social Framework.
- Garanti BBVA is incorporating its sustainability strategies into the business plans of all business lines through strategy trainings and department-based working groups in charge of promoting the development of related products and services.
- Garanti BBVA has integrated sustainability risks into its internal processes, whether physical or transitional, and adopted the BBVA Group’s Environmental and Social Framework.
- Garanti BBVA has established a unique agenda with stakeholders and has joined the Net Zero Banking Alliance (NZBA).

Goal 1. Climate Change (decarbonization)

The first area of greatest impact is:

Action plan: Yes

At the end of December 2023, Garanti BBVA channeled over TL 120 billion into sustainable business, contributing towards its TL 400 billion commitment between 2018 and 2025. In addition, the bank managed to reduce overall scope 1 & 2 CO2 emissions by 75% compared to 2015 and 200% of the energy contracted by BBVA is renewable.

- Indicators to be monitored in the field of financial health and inclusion have been identified and initial targets have been set.
- TRi (Transition Risk Indicator), a tool that allows customers to assess the current emissions profile and decarbonization strategies
- Dashboard of alignment with PACTA methodology
- Garanti BBVA has managed to reduce overall scope 1&2 CO2 emissions by 75% compared to 2015 and 100% of the energy contracted by BBVA is renewable.
- At the end of December 2023, Garanti BBVA channeled over TL 120 billion into sustainable business, contributing towards its TL 400 billion commitment between 2018 and 2025.
- Garanti BBVA has established a unique agenda with stakeholders and has joined the Net Zero Banking Alliance (NZBA).
- Garanti BBVA has integrated sustainability risks into its internal processes, whether physical or transitional, and adopted the BBVA Group’s Environmental and Social Framework.
- Garanti BBVA is incorporating its sustainability strategies into the business plans of all business lines through strategy trainings and department-based working groups in charge of promoting the development of related products and services.
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- Garanti BBVA has established a unique agenda with stakeholders and has joined the Net Zero Banking Alliance (NZBA).

Various actions and milestones to meet objectives:

1. Monthly monitoring of sustainable business channeling objectives (TL 400 billion) broken down by business areas.

- Various actions and milestones to meet objectives:
  - 1. Monthly monitoring of sustainable business channeling objectives (TL 400 billion) broken down by business areas.
  - 2. In the interim emission reduction targets calculated according to the PACTA method for carbon-intensive sectors, it was observed that the Bank’s emission intensity in the energy and automotive sectors decreased by 23% and 1%, respectively, in 2023. There was no change in the emission intensity due to the limitation in the database used in the calculations regarding the cement sector. A 20% increase in emission intensity was observed in the iron and steel industry due to the increase in short-term risk amounts in companies using production technologies that cause high emissions. As a result of the interviews and analysis conducted with all companies within this scope, it was evaluated that the companies’ decarbonization plans and strategies are compatible with the Bank’s 2030 targets. Even if the emission intensity of the relevant sector increases compared to the previous year, it is expected to decrease in the years following the completion of the capital investments.

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3. Impact indicators to be monitored in the field of financial health and inclusion have been identified and initial targets have been set.

Quarterly monitoring and reporting of the objective related to the BBVA Group’s Commitment to the Community by 2025 ($50 million-euros and 100 million beneficiaries) broken down by focus of action. At the end of 2023, TL 875 million had been invested and over 1.7 million people had benefited from Garanti BBVA’s community investment programs.
Sustainability has been among the six strategic priorities of Garanti BBVA for a number of years, and the bank is continuously working to integrate it into all its business with all stakeholders. At the same time the bank’s sustainability strategy and practical approach is aligned with the BBVA Group.

- In 2022, the BBVA Group’s Board approved the update of the General Sustainability Policy, based on supporting clients in their transition towards sustainable business models with a focus on climate change, natural capital and inclusive growth. Garanti BBVA’s own policy is under review for alignment and for extension of scope.

- Garanti BBVA has a sustainable products framework applicable to its CIB activity, a framework for the issuance of bonds linked to the SDGs and a commitment to human rights, which is also aligned with the Group framework.

- The BBVA Group’s Environmental and Social Framework is adjusted with stricter measures according to the emerging needs of Turkey’s social and environmental status. The framework is where lending prohibitions are established at the project level and monitoring plans at the client level.

- The Group also has an internal Sustainable Finance Standard inspired by the European taxonomy and best market practices. Garanti BBVA is compliant to all sustainable finance standards mandated by the BBVA Group and reports its monthly and annual monitoring of sustainable finance figures (specific country level thresholds apply).

- In 2023, BBVA Group and Garanti BBVA determined in-house greenwashing processes in order to monitor and control risks arising from perception regarding the concept of sustainability. These policies and frameworks are applicable to all customer segments and areas of activity.

Garanti BBVA works with its clients to increase sustainable business activities within the economy through green and social products and services it offers. The following details how the integration of ESG aspects in the relationship with clients is carried out:

**ESG support for wholesale clients (corporates, large enterprises) and companies**

At the wholesale level, Garanti BBVA offers a variety of sustainable financing solutions ranging from use-of-proceeds cases (i.e. specific financing products towards sustainable projects) to sustainability-linked loans. In addition, ESG risks of clients are assessed via sector-specific questionnaires assisted by data providers. For clients in high intensity hard-to-abate sectors where climate transition risks are significant, Garanti BBVA measures each client’s transition ambition and updates the assessment at least annually with real client-level data such as emissions intensity. Science-Based Targets Initiative (SBTI) and/or Net-Zero aligned emission reduction targets, investments in low-carbon technology etc. It is specialized assessment and advice by sector, based on data and aimed at helping clients define strategies that allow them to meet and/or align with the objectives of the Paris Agreement, advance the United Nations 2030 Sustainable Agenda, and, where appropriate, provide sustainable financing solutions (debt/equity) that allow them to execute their decarbonisation plans.

In addition, all customers can reach information and a catalog of sustainable products on the Garanti BBVA website. The Bank makes available to its customers information on the products, advice on sustainability and explains their impact on the environment through its carbon footprint calculation and sectoral impact analysis tool, which is launched recently in 2022.

**ESG support for retail clients**

Garanti BBVA offers its clients in incorporating ESG practices through one-on-one meetings and visits, public events, consulting on projects with technology and consulting firms, and other advisory services. Garanti BBVA advises its clients through digital channels and through the commercial branch network. A comprehensive service model that ranges from awareness raising, project design and sponsorships for NGOs for community and public investments.

The bank managers, mobile banking service catalogue and the commercial website offer a wide catalog of sustainable investment and financing products. Garanti BBVA offers several sustainable investment funds for retail investors.

In addition, shopping loans focused on sustainable mobility, energy-efficient housing, green mortgages, rooftop PV loans, etc. are offered to retail customers. In 2022, Bank started a new partnership with Turkish Standards Institute (TSE) to enable its retail clients to receive consultancy services towards EU’s regulations regarding the Carbon Border Adjustment Mechanism (CBAM). The Bank provides the second most important and impactful sustainable development area for the Bank is Inclusive Growth. The Bank offers specific products and mentorship programs towards vulnerable populations, especially women-owned companies and micro SMEs. Garanti BBVA’s support program for women entrepreneurs has been running since 2006.

Garanti BBVA makes information on sustainability available to customers through its corporate website and various digital media platforms. On the corporate website you can find news and articles, on the transactional banking website and the mobile banking app you can find information about the sustainable products offered by the bank and even contract them. Garanti BBVA mobile banking app offers a solution for clients to calculate their carbon emissions through their automatic payment information. The app also provides information about the daily impact of waste consumption and tips on how to reduce carbon footprint such as opting for low-carbon mobility alternatives, energy efficient electronics and reducing unnecessary packaging and increasing recycling.

**Garanti BBVA Integrated Annual Report 2023.**
Our Value Creation, pages 86-92; Sustainability and Community Investments, pages 14-35; Appendix, Environmental Performance Indicators.

Garanti BBVA Investor Relations website: ESG section Garanti BBVA website.
3.2 Business opportunities

Describe what strategic business opportunities in relation to the increase of positive and the reduction of negative impacts your bank has identified and/or how you have worked on these in the reporting period. Provide information on existing products and services, information on sustainable products developed in terms of value (USD or local currency) and/or as a % of your portfolio, and which SDGs or impact areas you are striving to make a positive impact on (e.g., green mortgages – climate, social bonds – financial inclusion, etc.).

In 2023, one of the main lines of action has been the development of sustainable solutions under these 5 growth levers:

- Developing sector strategies for clients (focus on adoption of low carbon technologies through emission-intensive sectors taking advantage of the Bank’s advisory capabilities).
- Promotion of the business (developing products with a focus on specific topics and increased ESG criteria; inclusive growth via infrastructure projects, sustainability-linked loans etc.).
- Planning of large commercial bets to rapidly expand our business leveraging our digital advantage (creating an innovative and disruptive value proposition in specific verticals).
- Financing of new sustainable technologies through revision of sustainable finance standards: hydrogen, batteries, carbon capture, use and storage technologies.
- Developing new risk management capabilities through adoption of data-based analyses in sustainability.

4.1 Stakeholder identification and consultation

Please describe which stakeholders (or groups/types of stakeholders) you have identified, consulted, engaged, collaborated or partnered with for the purpose of implementing the Principles and improving your bank’s impacts. This should include a high-level overview of how your bank has identified relevant stakeholders, what issues were addressed/ results achieved and how they fed into the action planning process.

Garanti BBVA integrates into its businesses and activities the concerns of its stakeholders (customers, employees, shareholders and investors, suppliers, regulators and supervisors, and society in general, among others, on social and environmental issues, diversity, financial responsibility, respect to human rights and prevention of corruption and other illegal conduct). The Bank acts in dialogue with all its key stakeholders, internal and external, through various channels. Considering the feedback received as a result of these dialogues and the outputs, priority issues are determined.

The Bank has actively participated in numerous initiatives, always in close collaboration with all stakeholders. These initiatives revolve around the following priority areas:

- Universal frameworks of reference: Garanti BBVA and the BBVA Group were one of the founding banks and promoters of the UNEP FI Principles of Responsible Banking. In 2023, Garanti BBVA became a member of the main group formed to determine the 2030 strategy of the UNEP FI Responsible Banking Principles.
- Alignment with the Paris Agreement: Garanti BBVA joined the Net Zero Banking Alliance promoted by UNEP FI, and the Science Based Target Initiative.
- Market Standards, with a role of promoter of the Equator Principles, ICMA’s the Green Bond Principles, the Social Bonds Principles, LMA’s Green Loan Principles and other similar standards developed by the industry itself as well as the EU Taxonomy.
- Transparency: Garanti BBVA publishes a summary index according to the TCFD recommendations and GRI standards content index for impact materiality reporting within its integrated annual reports.
- Financial regulation: Garanti BBVA participates in numerous consultation processes and in various activities with regulatory and supervisory bodies such as Turkish Banks Association to promote sustainable finance regulation.

For more than 10 years, Garanti BBVA has actively participated in various supranational initiatives. In addition to continuing its commitment to the United Nations Global Compact and its signatory status to The United Nations Environment Programme Finance Initiative (UNEP FI), since 2012, the Bank participates in 30 initiatives and takes part in 45 working groups such as United Nations Net-Zero Banking Alliance (NZBA), United Nations Responsible Banking Principles Working Group and Global Compact Turkey. SKD Turkey (Business World and Sustainable Development Association), Banks Association of Turkey (TBB), the Role of the Financial Sector in Sustainable Growth Working Group and the Environment and Climate Change Working Group of the Turkish Industrialists’ and Businessmen’s Association (TÜSIAD). The Bank is always in close collaboration with all key stakeholders (industry regulators and supervisors, investors and civil society organizations).

Specifically, throughout 2023, the following initiatives have been highlighted:

- Sustainability and Sustainable Finance teams attended the United Nations 28th Conference of the Parties to Climate Change (COP28), where international climate negotiations took place, and the panels they followed included investments in green growth in developing economies, management of physical and transition-related climate risks in the banking sector; artificial intelligence and hydrogen. They evaluated the place of new technologies such as sustainable products and services development in areas such as agriculture, supply chain and industry. Additionally, Turkey’s energy transformation plan featured in the Turkey pavilion. The need for energy transformation and innovation reform in industry; and special financing for TÜSİAD’s Border Carbon Regulation Mechanism. Garanti BBVA’s investment in sustainable finance teams attended the United Nations Climate Change Conference (COP27) in November and met many stakeholders at conferences and panels, as well as in one-to-one meetings.

- Garanti BBVA’s “Sustainable Future in Export” events, which were launched in 2022 with the aim of supporting companies exporting to the European Union in the European Green Deal harmonization process and paving the way for sustainable investments, were also held in Gaziantep and Bursa in 2023, with more than 180 participants in total. More corporate customers were reached.

- Garanti BBVA also contributed to the Banks Association of Turkey (TBB) Sustainability Working Group, which aims to guide banks on sustainability-related issues. Contribution was made to the “Draft Communique on Green Asset Ratio” published by BRSU through the activities carried out within the scope of the relevant working group. The bank’s expert sustainability teams continue to be a part of the studies that will provide return to the transition risk assessment methodology in the coming period.
5.1 Governance Structure for Implementation of the Principles

Please describe the relevant governance structures, policies and procedures your bank has in place to manage significant positive and negative (potential) impacts and support the effective implementation of the Principles. This includes information about:

- which committee has responsibility over the sustainability strategy as well as targets approval and monitoring (including information about the highest level of governance the PRB is subjected to),
- details about the chair of the committee and the process and frequency for the board having oversight of PRB implementation (including remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being detected), as well as
- remuneration practices linked to sustainability targets.

Implementation of the Principles of Responsible Banking is governed through Garanti BBVA’s Sustainability Policy, which is the primary strategy document of the Board of Directors on this matter. The Board of Directors defines, promotes and monitors the sustainability and climate change strategy and supervises the application of the Sustainability Policy.

The Board of Directors, as the highest supervisory body in the Bank, is directly or through the Responsible Business and Sustainability Committee, periodically monitor the implementation of the Policy through the Internal Audit or the control functions within the Bank, on the on the basis of periodic or ad hoc reports from the Sustainability Unit. The committee is required to meet at least twice annually, and it is chaired by a Board Member. Among the members are the General Manager and the Executive Vice Presidents of the relevant departments. The Sustainability Unit’s Manager, who is also the secretary of the Responsible Banking and Sustainability Committee, Sustainability team, Responsible Business team and managers of the Bank’s other areas that incorporate sustainability into day-to-day businesses and operations report to the Committee on all related issues. The Bank added sustainability matters in the premium eligibility criteria of all employees at any level, starting with the Board of Directors, therefore the matters discussed are of greatest importance at all employment levels of the Bank.

Garanti BBVA’s Sustainability Unit is connected to the BBVA Group’s Global Sustainability Area, and ensures strategic alignment with the Group in all related matters. This area designs the strategic sustainability agenda and promotes the lines of work around this area of the different units such as Risk Management, Finance, Talent and Culture, Data and Engineering, and Organizational Process Development, and develops new sustainable products. The Global Sustainability Area is part of the highest executive level of the BBVA Group’s organization, and reports to the Group CEO and president, given the highly strategic and transformational nature of the area.

BBVA Group has developed a complete global training program to ensure that its employees can acquire the knowledge to address strategic sustainability challenges. Through the Campus BBVA training platform, two training itineraries are available to all employees, regardless of their geography and/or role. Globally, more than 102,000 BBVA employees have already been trained with these courses and a total of 36,751 Garanti BBVA employees were assigned sustainability training, including the addition of Principles for Responsible Banking in 2020. It was completed by a total of 15,227 Garanti BBVA employees as of December 31, 2021. The basic sustainability training is designed to acquire basic knowledge about the 2030 Agenda of the SDGs, the role of the financial industry and the BBVA Group and Garanti BBVA strategy. The advanced level includes content on sustainable finance.

In order to provide the necessary skills so that the BBVA Group employees address sustainability from their different areas of activity, specialized training programs have been developed and specialized training programs are provided for all related sustainability teams in collaboration with renowned international institutions. Towards realizing the Bank’s decarbonization targets, several training programs have been developed on portfolio alignment and in relation to the use of the different internal tools developed for the management of the Group’s objectives (alignment dashboard with PACTA methodology and Transition Risk Indicator).

Adopting Responsible Banking practices is one of Garanti BBVA’s primary focuses that is owned by the Bank’s senior management. As sustainability is among the six strategic priorities of the Bank, EVPs, in addition to the CEO, are a member of the Responsible Banking and Sustainability Committee, where numerous departments present updates on their sustainability projects through their internal sustainability responsibilities. To encourage ownership of the strategy, the Bank added sustainability matters in the premium eligibility criteria of all employees at any level, starting with the Board of Directors.

To identify new opportunities, Garanti BBVA recognizes that to remain as a leader in sustainable finance in Türkiye, cooperation at the global level with peers and suppliers is required. In particular, the Bank continues its efforts to assign sustainability training to suppliers in order to clearly demonstrate the sustainability strategies of the Bank and encourage external stakeholders to comply with the Bank’s rules.

Through the Bank’s communications channels such as social media posts, it is try to raise awareness on environmental and social issues with a different theme every month. Within the scope of Sustainable Habits, the Bank shares good practices and useful ideas from its employees.

In 2022, Garanti BBVA has launched an internal entrepreneurship program, aimed at encouraging employees to develop projects to improve sustainability of the Bank and receive mentorship from senior management at the same time.
通过对外公布其最积极和最消极的影响区域，以及相关目标和行动，Garanti BBVA在实施和监督方面的表现符合要求，符合可持续银行原则。

6.1 审计
Garanti BBVA的可持续性信息会定期通过其年度报告发布，该报告根据IFRS的整合报告框架制定。报告的内容包括：GRI标准、UN全球契约、性别平等原则和气候影响分析。

6.2 报告于其他框架
你银行是否对外公布任何可持续性信息？

根据Garanti BBVA的可持续性报告，2023年，它被单独列为气候原则的B公司。

6.3 展望
在接下来的12个月内，Garanti BBVA计划在净零银行联盟的指导下，继续实施其可持续性报告。

请您提供您的银行的结论/声明，您是否满足可持续银行原则的实施要求？

Garanti BBVA计划在净零银行联盟的指导下，继续实施其可持续性报告。

## APPENDIX 7: UNGC and WEPs Principles Analysis According to GRI Standards Content

### UNGC PRINCIPLES

<table>
<thead>
<tr>
<th>Principle</th>
<th>GRI STANDARD</th>
<th>REFERENCE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>HUMAN RIGHTS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights.</td>
<td>GRI 2-23, GRI 1-30, GRI 400, GRI 401</td>
<td>Declaration of Human Rights</td>
</tr>
<tr>
<td>Principle 2: Businesses make sure that they are not complicit in human rights abuses.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining</td>
<td>GRI 2-10, GRI 2-30, GRI 407, GRI 408, GRI 409</td>
<td></td>
</tr>
<tr>
<td>Principle 4: Businesses should uphold the elimination of all forms of forced and compulsory labour.</td>
<td>GRI 2-30, GRI 407, GRI 408</td>
<td></td>
</tr>
<tr>
<td>Principle 5: Businesses should uphold the effective abolition of child labour.</td>
<td>GRI 2-30, GRI 407, GRI 408</td>
<td></td>
</tr>
<tr>
<td>Principle 6: Businesses should uphold the elimination of discrimination in respect of employment and occupation.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>LABOUR</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Principle 7: Businesses should support a precautionary approach to environmental challenges</td>
<td>GRI 303-2, GRI 306-2, GRI 308</td>
<td>175-179, APPENDIX 3: Environmental Performance Data CDP Water Security - 2023 CDP Climate Change - 2023</td>
</tr>
<tr>
<td>Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>ENVIRONMENT</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>ANTI-CORRUPTION</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.</td>
<td>GRI 205</td>
<td>Anti Corruption Policy</td>
</tr>
</tbody>
</table>

### PRINCIPLES

<table>
<thead>
<tr>
<th>PRINCIPLES</th>
<th>GRI STANDARD DISCLOSURES</th>
<th>PAGE REFERENCES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Principle 1: Establish high-level corporate leadership for gender equality.</td>
<td>GRI 405</td>
<td>46-47, 95, 99, 104, 107, 153-154, 156, 194, 270</td>
</tr>
<tr>
<td>Principle 2: Treat all women and men fairly at work - respect and support human rights and nondiscrimination.</td>
<td>GRI 401, GRI 405, GRI 406</td>
<td>82-83, 153-154, 156, 194</td>
</tr>
<tr>
<td>Principle 3: Ensure the health, safety and well-being of all women and men workers.</td>
<td>GRI 403, GRI 406</td>
<td>147-148</td>
</tr>
<tr>
<td>Principle 4: Promote education, training, and professional development for women</td>
<td>GRI 404</td>
<td>58, 94-99, 99, 137, 153, 168, 190</td>
</tr>
<tr>
<td>Principle 5: Implement enterprise development, supply chain and marketing practices that empower women.</td>
<td>GRI 204</td>
<td>10, 58, 88, 94-95, 99, 166, 168, 175, 46, 140, 145</td>
</tr>
<tr>
<td>Principle 6: Promote equality through community initiatives and advocacy.</td>
<td>GRI 413</td>
<td>99, 153, 194</td>
</tr>
<tr>
<td>Principle 7: Measure and publicly report on progress to achieve gender equality.</td>
<td>GRI 405</td>
<td>46-47, 152-153, 156, 270</td>
</tr>
</tbody>
</table>
APPENDIX 8: GRI Standards Content Index

Statement of use: Garanti BBVA has reported the information cited in this GRI content index for the period January 1 - December 31, 2022 with reference to the GRI Standards.

GRI 1 used: GRI 1: Foundation 2021

GRI STANDARD        DISCLOSURE        LOCATION
1-1 Organizational details 14-42-43
1-2 Entities included in the organization’s sustainability reporting 14
1-3 Reporting period, frequency and contact point 14, 290-291
1-4 Restatements of information There is no restatements regarding to previous reporting period.
1-5 External assurance 14-15, 230-231
1-6 Activities, value chain and other business relationships 58-22, 38, 44-45, 52-53, 58-63, 86-91, 105
1-7 Employees 88, 134-137, 148-151
1-9 Governance structure and composition 198-219, 226-227, 232-239, 240-244
1-10 Nomination and selection of the highest governance body 202-203, 207
1-11 Chair of the highest governance body 206-207, 208, 214-215
1-12 Role of the highest governance body in overseeing the management of impacts 198-219, 226-227, 232-239, 240-244, 255
1-14 Role of the highest governance body in sustainability reporting Sustainability Policy (https://www.garantibbvainvestorrelations.com/en/environment-social-governance/detail/Sustainability-Policy/185/3627/0)
1-15 Conflicts of interest 69,79, 203, Capital Market Instruments Trading Brokerage Services Framework
1-16 Communication of critical concerns 34, Code of Conduct
1-17 Collective knowledge of the highest governance body 206, 214, 256
1-18 Evaluation of the performance of the highest governance body Corporate Governance Policy

GRI 2 used: GRI 2: General Disclosures 2021

GRI STANDARD        DISCLOSURE        LOCATION
2-20 Process to determine remuneration Compensation Policy
2-21 Annual total compensation ratio Confidential information due to bank's policy.
2-22 Statement on sustainable development strategy 16-17, 18-21, 68-105
2-24 Embedding policy commitments 252-259
2-25 Processes to remediate negative impacts 128,131, 145-146, 163, 174, 189-193
2-26 Mechanisms for seeking advice and raising concerns 236-237
2-27 Compliance with laws and regulations 231, 236-239
2-30 Collective bargaining agreements Garanti BBVA respects the constitutional right to unionise and collective bargaining. All employees are free to become union members and act with their free will.

GRI 3 used: GRI 3: Material Topics 2021

GRI STANDARD        DISCLOSURE        LOCATION
3-1 Process to determine material topics 68-71
3-2 List of material topics 72-85
3-3 Management of material topics 68-105

GRI 201: ECONOMIC PERFORMANCE 2006

GRI STANDARD        DISCLOSURE        LOCATION
201-1 Direct economic value generated and distributed 112-123
201-2 Financial implications and other risks and opportunities due to climate change 72-73
201-3 Defined benefit plan obligations and other retirement plans 148-150, 222-224
GRI 302: MARKET PRESENCE 2016
202-1 Ratios of standard entry level wage by gender compared to local minimum wage
All Garanti BBVA employees are paid above the minimum wage.

GRI 201: INDIRECT ECONOMIC IMPACTS 2016
203-1 Infrastructure investment and services supported
98, 183

GRI 204: PROCUREMENT PRACTICES 2016
204-1 Proportion of spending on local suppliers
Supply Chain Management

GRI 205: ANTI-CORRUPTION 2016
205-1 Operations assessed for risks related to corruption
Anticorruption Policy

GRI 206: ANTI-CORRUPTION 2016
206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices
200-203, Compliance Policy Statement

GRI 207: TAX 2019
207-1 Approach to tax

207-2 Tax governance, control, and risk management

207-3 Stakeholder engagement and management of concern related to tax

207-4 Country-by-country reporting

GRI 303: MATERIALS 2016
301-1 Materials used by weight or volume
Since the activities of the bank do not directly related to the specified disclosure, it is not located in the report.

301-2 Recycled input materials used
Since the activities of the bank do not directly related to the specified disclosure, it is not located in the report.

GRI 302: ENERGY 2016
302-1 Energy consumption within the organization
174, APPENDIX 3: Environmental Performance Data

302-2 Energy consumption outside of the organization
APPENDIX 3: Environmental Performance Data

GRI 303: ENVIRONMENTAL ASSESSMENT 2016
303-1 Interactions with water as a shared resource
96, 183, Water Management

303-2 Management of water discharge-related impacts
CDP Water Security 2023 Report

303-3 Water withdrawal
APPENDIX 3: Environmental Performance Data

303-4 Water discharge
APPENDIX 3: Environmental Performance Data

303-5 Water consumption
APPENDIX 3: Environmental Performance Data

GRI 304: BIODIVERSITY 2016
304-1 Operational sites owned, leased, managed in or adjacent to protected areas and areas of high biodiversity value outside protected areas
96, 103

304-2 Significant impacts of activities, products and services on biodiversity
80, 81, 103, 169-195

304-3 Habitats protected or restored
96, 103, 190-191.

304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations

GRI 306: WASTE 2020
306-1 Waste generation and significant waste-related impacts
Waste Management

306-2 Management of significant waste-related impacts
80, 81, 96, 102-101, 184, 191, Wast Management

306-3 Waste generated
Waste Management, 174, APPENDIX 3: Environmental Performance Data

306-4 Waste diverted from disposal
Waste Management, 174, APPENDIX 3: Environmental Performance Data

306-5 Waste directed to disposal
Waste Management, 174, APPENDIX 3: Environmental Performance Data

306-6 New suppliers that were screened using environmental criteria
Code of Conduct for Suppliers

306-7 Significant impacts of activities, products and services on biodiversity
80, 81, 103, 169-195

306-8 Negative environmental impacts in the supply chain and actions taken
100, Environmental and Social Loan Policies
### Garanti BBVA 2016 Integrated Annual Report

#### GRI Standard: GRI 401: Employment 2016

<table>
<thead>
<tr>
<th>GRI Standard</th>
<th>Disclosures</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>GRI 401:</td>
<td>New employee hires and employee turnover</td>
<td>134-137</td>
</tr>
<tr>
<td>401-1</td>
<td>Benefits provided to full-time employees that are not provided to temporary or part-time employees</td>
<td>134-157</td>
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<tr>
<td>401-2</td>
<td>Parental leave</td>
<td>134-135</td>
</tr>
<tr>
<td>401-3</td>
<td>Minimum notice periods regarding operational changes</td>
<td>236 Employee Compensation Policy: <a href="https://www.garantibbavainvestorrelations.com/en/environment-social-governance/detail/Employee-Compensation-Policy/355/1264/0">https://www.garantibbavainvestorrelations.com/en/environment-social-governance/detail/Employee-Compensation-Policy/355/1264/0</a> Our Bank adopts a compensation policy for its employees, which is in accordance with the provisions of the Labor Act of Türkiye No. 4857 (&quot;Turkish Labor Act&quot;). The notice periods are applied as stipulated in the Law.</td>
</tr>
<tr>
<td>GRI 402:</td>
<td>Hazard identification, risk assessment, and incident investigation</td>
<td>93, 147-148, 250, 269 Occupational Health and Safety Management System</td>
</tr>
<tr>
<td>402-1</td>
<td>Occupational health and safety management system</td>
<td>93, 97, 129, 134, 147, 155, 256, 278</td>
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<tr>
<td>402-2</td>
<td>Workers covered by an occupational health and safety management system</td>
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<tr>
<td>402-3</td>
<td>Worker training on occupational health and safety</td>
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<td>402-4</td>
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</tr>
<tr>
<td>402-5</td>
<td>Prevention and mitigation of occupational health and safety impacts directly linked by business relationships</td>
<td>93, 147-148, 250</td>
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</tr>
<tr>
<td>402-8</td>
<td>Work-related illness</td>
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</tr>
<tr>
<td>402-9</td>
<td>Average hours of training per year per employee</td>
<td>88, 137</td>
</tr>
<tr>
<td>402-10</td>
<td>Training and education 2016</td>
<td>134, 138, 144, 154-155</td>
</tr>
<tr>
<td>402-11</td>
<td>Program for upgrading employee skills and transition assistance programs</td>
<td>134, 138, 144, 154-155</td>
</tr>
<tr>
<td>402-12</td>
<td>Percentage of employees receiving regular performance and career development reviews</td>
<td>134</td>
</tr>
<tr>
<td>402-14</td>
<td>Ratio of basic salary and remuneration of women to men</td>
<td>135, 150, 224</td>
</tr>
<tr>
<td>402-15</td>
<td>Incidents of discrimination and corrective actions taken</td>
<td>There is no non-compliance during the reporting period, 122, 123</td>
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#### GRI Standard: GRI 405: Non-Discrimination 2016

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## APPENDIX 9: Support Services Providers

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<thead>
<tr>
<th>Service Provider</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SERVICE PROVIDER</strong></td>
<td>Service Detail</td>
</tr>
<tr>
<td><strong>AGRA FİNTECH YAZILIM ÇÖZÜMLERİ A.Ş.</strong></td>
<td>Software, maintenance and development for transferring, reading and analysing data</td>
</tr>
<tr>
<td><strong>AGT HIZLI KURYE HİZMETLERİ A.Ş.</strong></td>
<td>Courier service</td>
</tr>
<tr>
<td><strong>ARAS KARGO YURT İÇİ VE YURT DİSİ TAŞIMACILIK A.Ş.</strong></td>
<td>Internal mail transportation from/to branches</td>
</tr>
<tr>
<td><strong>ATOS MÖSTERİ HİZMETLERİ A.Ş.</strong></td>
<td>Outbound calls (sale of insurance, cards, loans, etc.)</td>
</tr>
<tr>
<td><strong>ATOS MÖSTERİ HİZMETLERİ A.Ş.</strong></td>
<td>Inbound calls (Consultancy, processing, complaints, recomadation and customer support, etc.)</td>
</tr>
<tr>
<td><strong>AUSTURIA CARD TÜRKİYE KART OPERASYONLARI A.Ş.</strong></td>
<td>Card printing and personalizing service</td>
</tr>
<tr>
<td><strong>BANTAS NAKİT VE KİYMETLİ MAL TAŞIMA VE GÜVENLİK HİZMETLERİ A.Ş.</strong></td>
<td>Delivery of cash, valuable papers, gold within the scope of Law No. 5188</td>
</tr>
<tr>
<td><strong>BDH BİLİŞİM VE DESTEK HİZMETLERİ A.Ş.</strong></td>
<td>Business place contract and document provision</td>
</tr>
<tr>
<td><strong>BHL TÜRKİYE TEKNOLOJİ A.Ş.</strong></td>
<td>Marketing operations regarding real estate and auto loans</td>
</tr>
<tr>
<td><strong>BRINK’S GÖVERNİKLİK HİZMETLERİ A.Ş.</strong></td>
<td>Delivery of cash, valuable papers and similar valuable goods within the scope of Law No. 5188</td>
</tr>
<tr>
<td><strong>CMC İLETİŞİM VE ÇAĞRI MERKEZİ HİZMETLERİ A.Ş.</strong></td>
<td>Outbound (sale of insurance, cards, oans, etc.)</td>
</tr>
<tr>
<td><strong>CMC İLETİŞİM VE ÇAĞRI MERKEZİ HİZMETLERİ A.Ş.</strong></td>
<td>Telephone recovery management</td>
</tr>
<tr>
<td><strong>CMC İLETİŞİM VE ÇAĞRI MERKEZİ HİZMETLERİ A.Ş.</strong></td>
<td>Helpdesk (employee support, offices, customer)</td>
</tr>
<tr>
<td><strong>COMBAY ÖDEME ÇÖZÜMLERİ A.Ş.</strong></td>
<td>Software/maintenance/development service for moving and reading data</td>
</tr>
<tr>
<td><strong>COOBİZ DANİŞMANLIK A.Ş.</strong></td>
<td>Marketing of retail products and services, including in the form of customer visits</td>
</tr>
<tr>
<td><strong>CELİK MOTOR TİCARET A.Ş. (İKİNCİYEN.COM)</strong></td>
<td>Marketing activities for auto loans</td>
</tr>
<tr>
<td><strong>DESMER GÖVERNİKLİK HİZMETLERİ TİCARET A.Ş. (BRINK’S SUBCONTRACTOR)</strong></td>
<td>Delivery of cash, valuable papers, and gold within the scope of Law No. 5188</td>
</tr>
<tr>
<td><strong>DHL WORLDWIDE EXPRESS TAŞIMACILIK VE TİC. A.Ş.</strong></td>
<td>Delivery of documents for export transactions to correspondent banks</td>
</tr>
<tr>
<td><strong>D-MARKET ELEKTRONİK HİZMETLERİ VE TİCARET A.Ş. (HEPSİBURADA)</strong></td>
<td>Marketing of loans</td>
</tr>
<tr>
<td><strong>FATURALAB ELEKTRONİK TİC. VE BİLİŞİM HİZMETLERİ A.Ş.</strong></td>
<td>Operational Services</td>
</tr>
<tr>
<td><strong>FIĞO TİCARI BİLGİ VE UYGULAMA PLATFORMU A.Ş.</strong></td>
<td>SWIFT software maintenance, update and development services</td>
</tr>
<tr>
<td><strong>FINEKSUS BİLİŞİM ÇÖZÜMLERİ TİCARET A.Ş.</strong></td>
<td>The operational transactions carried out at the title deeds registry office such as mortgage, rent annotation, purchase, sale, registration and cancellation</td>
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<tr>
<td><strong>FU GAYRİMENKUL DANİŞMANLIK A.Ş.</strong></td>
<td>- Marketing operations regarding real estate and auto loans</td>
</tr>
<tr>
<td><strong>FU GAYRİMENKUL DANİŞMANLIK A.Ş.</strong></td>
<td>- Software development and upgrading service</td>
</tr>
<tr>
<td><strong>GARANTI FILO YÖNETİM HİZMETLERİ A.Ş.</strong></td>
<td>Operational services for the sale of automobiles owned by the Bank</td>
</tr>
<tr>
<td><strong>GARANTI KONUT FINANSMANİ DANİŞMANLIK HİZMETLERİ A.Ş.</strong></td>
<td>Marketing operations regarding real estate loan</td>
</tr>
<tr>
<td><strong>GARANTI KONUT FINANSMANİ DANİŞMANLIK HİZMETLERİ A.Ş.</strong></td>
<td>Operational services for the sale of real estate owned by the Bank</td>
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<tr>
<td><strong>GARANTI ÖDEME SISTEMLERI A.Ş.</strong></td>
<td>Marketing, promotion, product development and marketing of retail products, including personal loans, with consultancy, for payment systems, especially debit and credit cards</td>
</tr>
<tr>
<td><strong>GÜZEL SANATLAR ÇEK BASIM LIMITED ŞIRKETİ</strong></td>
<td>Czech printing service</td>
</tr>
<tr>
<td><strong>HANGİŞİ İNTERNET VE BİLGİ HİZMETLERİ A.Ş.</strong></td>
<td>Marketing activities for auto loans</td>
</tr>
<tr>
<td><strong>HOBİM ARŞİYLEME VE BASIM HİZMETLERİ A.Ş.</strong></td>
<td>Storage of physical documents and archive boxes belonging to the bank</td>
</tr>
<tr>
<td><strong>HOBİM ARŞİYLEME VE BASIM HİZMETLERİ A.Ş.</strong></td>
<td>Printing and enveloping service</td>
</tr>
<tr>
<td><strong>HYUNDAI ASSAN OTOMATİV SAN. VE TİC. A.Ş.</strong></td>
<td>Marketing activities for auto loans</td>
</tr>
<tr>
<td><strong>IRON MOUNTAIN ARŞİYLEME HİZMETLERİ A.Ş.</strong></td>
<td>Storage of physical documents and archive boxes belonging to the bank</td>
</tr>
<tr>
<td><strong>KARBIŞ YAZILIM VE BİLİŞİM TEKNoloJİLERİ TİCARET A.Ş.</strong></td>
<td>Software development and upgrading service</td>
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<tr>
<td><strong>KARTEK KART VE BİLİŞİM TEKNOLOJİLERİ A.Ş.</strong></td>
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</tr>
<tr>
<td><strong>KAYGRUP PAZARLAMA DANİŞMANLIK VE DESTEK HİZMETLERİ TİC. A.Ş.</strong></td>
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</tr>
<tr>
<td><strong>KEY YAZILIM ÇÖZÜMLERİ A.Ş.</strong></td>
<td>Software, Maintenance and Development Service for Appraisal and Mortgage Applications</td>
</tr>
</tbody>
</table>
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LOOMİS GÜVENLİK HİZMETLERİ A.Ş. – Delivery of cash, valuable papers, and gold within the scope of Law No. 5188
MATTRİKS BİLGİ DAĞITIM HİZMETLERİ A.Ş. – Software/software maintenance/Update services
METİS BİLGİSAYAR SİSTEMLERİ SANAYİ VE TİCARET A.Ş. – Outbound (sale of insurance, cards, oans, etc.)
METİS BİLGİSAYAR SİSTEMLERİ SANAYİ VE TİCARET A.Ş. – Inbound (queries, processing, claims, advice and customer support, etc.)
MT BİLGİ TEKNOLOJİLERİ VE DIŞ TİCARET A.Ş. – POS software development and upgrading services
PAX TEKNOLOJİ VE PAZARLAMA A.Ş. – POS software development and upgrading services
PAYTEM TEKNOLOJİ A.Ş. – Ensuring the Transaction between the Bank and Directory Server in 3D Secure Transactions
PUSULA GİRİŞİM YATIRIM VE DANİSMANLIK HİZMETLERİ A.Ş. – The operational transactions carried out at the title deeds registry office such as mortgage, rent annotation, purchase, sale, registration and cancellation
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THOS HUKUK OTOMASYON SİSTEMLERİ YAZILIM A.Ş. – Software, maintenance and development service for legal proceedings, collection and litigation service management system
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VERİFONE ELEKTRONİK VE DANİSMANLIK LTD. ŞTİ. – POS software development and upgrading services
VERİSOFT BİLGİ İŞLEME TİC. VE SAN. A.Ş. – POS software development and upgrading services
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WEBHELP ÇAĞRI MERKEZİ VE MÜŞTERİ HİZMETLERİ A.Ş. – Data entry and filing of customer requests submitted to the bank, feedback to the customer regarding the requests
WEBHELP ÇAĞRI MERKEZİ VE MÜŞTERİ HİZMETLERİ A.Ş. – Telephone recovery management
WEBHELP ÇAĞRI MERKEZİ VE MÜŞTERİ HİZMETLERİ A.Ş. – Data entry and filing of customer customer documents
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WEBHELP ÇAĞRI MERKEZİ VE MÜŞTERİ HİZMETLERİ A.Ş. – Helpdesk (employee support, offices, customer)
WORLDLINE ÖDEME SİSTEM ÇÖZÜMLERİ A.Ş. – POS software development and upgrading services

* In addition to the companies and services listed above, support services were received from 832 dealers for “Retail Loan Marketing Service and Collecting Information and Documentation Regarding Commercial Loans Services” and “Data Entry and Information & Document Collection Service Regarding Retail Loans”.
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THE INVESTOR RELATIONS IPAD AND ANDROID TABLET APPLICATIONS

Please scan image with your “QR Code Reader” equipped smartphone to access Garanti BBVA Investor Relations website at www.garantibbainvestorrelations.com for additional information on Garanti BBVA.

GARANTI BBVA INVESTOR RELATIONS WEBSITE IN TURKISH
www.garantibbayastrimcilikleri.com

GARANTI BBVA INVESTOR RELATIONS WEBSITE IN ENGLISH
www.garantibbainvestorrelations.com

342 pages in total, Garanti BBVA Integrated Annual Report 2023 is printed in limited numbers to offer physical access to our stakeholders. Recycled paper and environmentally friendly technologies are used for printing.

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DESIGN
www.roundabout.com.tr

VIDEO AGENCY
www.mediarubic.com

PHOTOGRAPHY AGENCY
www.pakart.com