



INVESTOR RELATIONS

INTERVIEW WITH MR. OSMAN TUZUN, EVP, HUMAN RESOURCES AND SUPPORT SERVICES

<Handan Saygin>: Hello everyone. Today we are with the Executive Vice President in charge of Human Resources, Osman Tuzun. Osman, thank you for being with us.

<Q - Handan Saygin>: As being in charge of HR at Garanti, first I want to start what is the importance of HR at Garanti? Human capital's role in the business model and especially our strategic priority, employee satisfaction?

<A – Osman Tuzun>: As Garanti Bank, we believe that our human resources is our most valuable asset and "investing in people" is the most differentiating power for us. Therefore, main elements of our HR applications are based on offering our employees constant development and education opportunities and creating an environment where they can show their skills, guiding them on their career paths, recognizing and rewarding success. We work for the future of our employees knowing that everyone may have different needs. That's why we are trying to be a more accessible and digital HR team, day by day. We listen to the employees through our surveys and we offer them a customized service.

<Q - Handan Saygin>: Could you tell us a little bit about the recruitment strategy? How do we attract talent? Which features of Garanti attracts candidates' decisions the most?

<A – Osman Tuzun>: Our target is to attract the most suitable candidates for related positions. Enthusiasm for self-development and learning potential are the most important, especially for the new graduates. We want to meet and work with candidates who are willing to be a part of Garanti family and eager to manage a duty as well as being capable of assuming certain responsibilities and having strong communication skills.

When we take a look at our recruitment steps, we see that the new online recruitment processes in particular have a significant contribution in this regard. Currently all recruitment steps are being carried out through an online portal which makes us more accessible. The online recruitment process makes especially university students' life easier since they reach us and take an online exam from their dormitories, classes and have the results within few days, then make an online video presentation where they can introduce themselves and then have an online video interview with our recruitment team.

We do not have specific academic department criteria for recruitment especially for new graduates. For us, it is more important that the candidate can fit into the working culture and the life at Garanti. We try to introduce into our bank the candidates who are willing to embrace their duties, assume and manage related responsibilities and set a healthy relationship between work and social life.

In some cases, vacancies requiring special technical knowledge cannot be closed within the expected time period due to lack of specialists in related fields. Therefore, we have recently started an Employee Referral Program which will be developed through our employees' recommendations. This program has been created upon our employees' requests in the Employee Satisfaction Research that we carry out on an annual basis, and will be developed through the recommendations of our employees who have embraced our bank's culture and competencies.

<Q - Handan Saygin>: That's great. But what Garanti offers to its employees? Compensation package, the training part, the empowering part? Would you dwell on a little bit on those as well?

<A – Osman Tuzun>: Our strategy aims to understand employees' needs and provide solutions in accordance with their expectations. An important feedback received from employees through our annual Employee Satisfaction Survey was about the incentive system. So, in the new incentive system that we put into practice after meticulous studies, our employees are able to foresee and manage their cash flows. Together with this change, a bonus of 1/3 salary is paid to employees every month in advance rather than a bonus of 1 salary entitled and paid on a quarterly basis.

We have an intensive training program particularly for our new employees. This also means a huge investment.

<Q - Handan Saygin>: Management Trainees, right?

<A – Osman Tuzun>: Yes, Management Trainees and other recruitments for all levels. We offer trainings for both new and existent employees and managers not only for their professional development but also for personal development as well. Digital solutions and online trainings are frequently used as well in order to increase the access to these trainings for 20,000 members of Garanti family.

Three years ago, we established Work-Life Relationship (İYİ) management team within HR Department. Main purpose of İYİ is to offer services and activities that make our employees' life more colorful, enjoyable and easier. In addition to activities organized in our working environment exclusively for the employees of Garanti, our social hobby clubs founded for employees who want to develop new hobbies or make progress in the existing ones outside the working environment continue their activities with gradually increasing members and events.

We consider family members of our employees as a part of our big family as well. In this sense; we have created an employee support line which is available 24/7 and offers reliable consultancy services on their psychological, medical, legal and financial issues. This line is available for both our employees and their families.

Another significant aspect for our employees regarding work-life balance is healthy eating. Our latest application called "İyilik Sağlık" (Wellness) which is also available for mobile is available since last June and designed upon request by our employees regarding healthy work and social life; it is a healthy life application that gives tips on healthy living, on diet, good mood and physical exercises. This application has become very popular and is a very good example of covering the needs of everyday working life.

<Handan Saygin>: Garanti wants us to be very fit. You did mention the pilates room in the Headquarters.

<Osman Tuzun>: Diversity is important so we don't want everybody to be slim and fit but it is very important for us.

<Q - Handan Saygin>: At this point, I would like to ask the engagement with employees like employee participation in the management? The idea platforms, would you tell us a little bit about those?

<A – Osman Tuzun>: Recently, we are working on a platform where our employees can share and develop ideas commonly. We renewed our intranet portal. Thanks to this portal we will be able to listen, compile and convert into projects our employees' opinions regarding services, processes and improvement areas provided to them. I strongly believe that this platform will be an important resource where the employees can transmit their opinions efficiently, interactively and most importantly, openly.

<Q - Handan Saygin>: Lot of great offerings for the employees actually. So this should all serve to increase the employee satisfaction and actually increase the retention. Also one more thing I want to ask at this point. Is this also embedded in the managements' performance as a strategic priority?

<A – Osman Tuzun>: Actually, we have been conducting Employee Engagement Survey since 2009 and also starting from this year, employee engagement interim survey will be conducted every year. In these surveys, we work with AON Hewitt Consultancy and we measure our employee's engagement & satisfaction score and take their opinions on working conditions such as physical environment, pay, work/life balance and managers as well.

Employee engagement is an important driver of organizational success. When employees are engaged with their work, they're more fulfilled, more productive and more motivated. Therefore, we really care about employee engagement.

After conducting survey and deep analysis of the results, action plans are being developed according to the scores of employee engagement. For example, Onboarding Process, we redesigned it according to the results of this survey, arranging physical work environment as well. Also the results of Engagement Survey are shared with all employees by our intranet GarantiNet and Engagement Reports are viewed by managers through HR Online Service and Engagement Guide which includes tips for increasing engagement are shared with all managers. Also, Engagement results are discussed with units, regions, branch managers and specific action plans are created for each units and branches. Workshops are designed for specific units to make root cause analysis and tailor-made motivational events are executed annually for those units with 100+ employees. For your performance management question, in Branch Budget Meetings, where we talk about the branch's and region's performances, engagement results are also discussed by regional mentors and regional managers.

<Q - Handan Saygin>: This is all great. This all summon up our journey to be the only company with Gold certificate in Investors in People. Could you tell us a little bit about that journey?

<A – Osman Tuzun>: IIP is the only standard in the world to certify the quality of companies' HR practices and processes. Being recognized as "Investors in People" means that the organization "commits to invest in human capital for higher performance" and also "cares about standards of excellence". Organizations are expected to meet 39 proficiency criterias and 126 additional criterias to be certified as Gold by IIP.

We decided to be included in this assessment process after we carried out a detailed analysis and understood that the assessment is based on our employees' objective opinions.

We became the first Turkish company who obtained IIP certification in 2005. In 2009 we were awarded "Silver" certification which is given to the companies whose performance in human resources practices surpasses the standards.

In 2012, we became the first and only institution in Turkey to be deemed worthy of the IIP certificate in the "Gold" category. Other than Garanti, today there are only two organizations with "Gold" certificates in Turkey. We managed to keep our IIP Gold Standard after re-assessment in 2015. We will keep investing in our people and adhere to world-class practices and processes based on our employees' values and expectations.

<Handan Saygin>: This is all great Osman, thank you for being with us. Thank you for watching us. Today we hosted Osman Tüzün, our EVP in charge of Human Resources.

Please keep following us at Garanti Investor Relations website and IR application.

Have a wonderful day.