

Investments in Human Capital

We make investments centered around employee development, happiness and well-being, prioritizing formation of the best and most engaged team. We adopt a contemporary working culture fully respectful of human rights, which pursues equal opportunities and diversity.

RELATED INDICATOR	2021	2022	Audited
Number of employees	18,354	18,544	
Employee engagement score*	4.22	4.30	
High performer turnover	3.5%	3.8%	
Bloomberg Gender Equality Index	88.56	89.06	
Programs for employee well-being	11	12	
Digital training/total training hours	41%	46%	
Hours training per FTE	37.8	42.17	
Number of employees that completed gender equality training	6,811	13,363	✓
Women employees/total employees***	58%	58%	✓
Gender pay gap**/***	1.11	1.07	✓
Women ratio in senior/middle level management***	40%	40%	✓
Number of maternity leaves***	489	415	✓
Number of paternity leaves***	382	331	✓
Ratio of women employees returned to work after maternity leave***	88%	96%	✓
Absentee rate	0.02	0.02	✓
Total questions/comments from employees	6,293	9,726	

* 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.

** Median value given, as average metrics is negatively affected by extreme values (i.e., very high/very low).

*** Garanti BBVA Technology, Garanti BBVA Payment Systems and Garanti BBVA Mortgage employees are not taken into account in the calculation

At Garanti BBVA, Talent and Culture runs contemporary talent programs based on success with a proactive and innovative approach, in collaboration with other units in line with its corporate strategic decisions and goals. At the basis of all the work done, is the aim to **create the best and most engaged team** and to maintain the ideal, **inclusive working culture and environment** built for this team.

The Bank takes the utmost care to provide a physically and mentally healthy working environment for its employees. The Bank takes the necessary within the framework of legal regulations on Occupational Health and Safety (OH&S) and provides training to its employees. In addition to the measures taken and specific training provided to the employees, Garanti BBVA has been executing a **work-life balance** program named Work Life Integration (IYİ) for enhancing employee satisfaction and offering a richer working experience.

TALENT ACQUISITION AND 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. In this

context, the Bank seeks to align Talent Strategies with its fair and happiness-oriented culture that is molded according to employee needs and is nurtured by the organization's values.

Garanti BBVA uses different measurement and evaluation tools and methods, which are based on competencies, are objective and developed for the specific position, in order to place the right person for the right job.

Focused on raising its talents from within, Garanti BBVA gives priority to internal career transitions for all open positions.

Garanti BBVA's performance evaluation system measures the extent to which employees reach their performance targets and to what extent they keep the values alive 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 strategic priorities of the BBVA Group and 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.

The technical competencies defined let employees view the degree of technical competencies expected of their roles. Thus, they become aware of what is anticipated of them alongside behavioral competencies, and pursue improvement opportunities accordingly.

Employees benefit from coaching and mentorship initiatives of various contents aligned with their needs (internal coaching, external coaching, women leadership mentorship program, etc.) aimed at increasing their awareness and supporting their technical and behavioral developments. Among our newly appointed leaders who participated in the women's leadership program, **91 individuals actively benefit from the mentoring program, while a total of 178 employees receive coaching.**

Target

Action Taken

Talent Acquisition	<ul style="list-style-type: none"> Identifying its management trainees and trainees at Talent Camp and Talent Day career events each year, Garanti BBVA debuted the Audit Day event as part of its assistant auditor recruitment efforts. The Bank recruited 114 new graduates (77 management trainees, 22 assistant auditors and 15 sales trainees) in 2022 while admitting 55 young talents to 6-week, 3-month and 6-month hybrid internship programs.
Announcement of open positions to all group employees throughout the Garanti BBVA Group	<ul style="list-style-type: none"> Garanti BBVA launched the Internal Career Portal that covers all emerging vacant positions across the Group companies and is open for use by all employees.
Strengthen talent development and engagement by increasing international career opportunities	<ul style="list-style-type: none"> Within the scope of international career opportunities, Garanti BBVA provides short-term assignments to its employees with an international development program where they can work on a project basis at the BBVA Group. In 2022, within the scope of its international development program, the Bank provided a global experience and development opportunity in Madrid to its talents from the Headquarters, Group Companies and field duty points.
Employee development	<ul style="list-style-type: none"> The new development plan platform was introduced, which lets employees set their development targets, determine development goals and tools for the set targets within a seamless experience over a single platform, and revise them according to their changing development needs via this platform that can be accessed all year long. The development plans also provide input for development discussions that employees hold with their managers to support continuous feedback and development culture. The new development model training was provided to employees. A global talent week was organized in line with the strategy to promote awareness and adoption of the model. <ul style="list-style-type: none"> 14 different events carried out during the Talent Week have been instrumental in sharing our implementations one-on-one with more than 500 colleagues. We got together with approximately 1,500 colleagues in visits to 161 branches. Our mobile Talent and Culture app Connect received 2,900 likes.

EMPLOYEE EXPERIENCE, CULTURE AND EMPLOYER BRAND

With the goal of being the employer of choice in the banking industry and an attractive brand for its target audience in other sectors, Garanti BBVA seeks to introduce projects that attract potential talents and to increase employee engagement through internal communication initiatives catering to its employees' needs.

Target

Action Taken

Implement hybrid working and ensure compliance with the model to deliver the best employee experience	<ul style="list-style-type: none"> The new working model designed by the Bank, which closely follows the changing dynamics and practices in the working life, takes into account the differing needs and the happiness of our colleagues, making a difference in the sector. While continuing to benefit from the flexibility and productivity increase provided by the remote working model, we also combine the advantages of collaboration, social interaction, co-creation and learning from each other that come with working side-by-side. In the Headquarters our employees can work 40% of time from the office and 60% remotely. Our colleagues can work remotely from two different addresses or cities in the country, and they can also flexibly choose one of three different hours for their daily working hours on office days. Since employees can make office/remote work plans together with their teams and managers, they can manage their workload and work intensity according to their needs and establish work-life balance by making more effective use of the offices.
Enhance employee happiness and engagement	<ul style="list-style-type: none"> With our mobile app lyi Bak Kendine (Take Good Care of Yourself) designed for employee wellness, 5,700 users actively started benefiting from free dietitian and exercise sessions, personal trainer sessions, psychological, legal and medical advisory, and contents offered by numerous experts on various well-being headings. While the app helped some employees quit smoking, involve exercise actively in their routines, it also supported employee satisfaction through the various psychological advisory services available. In addition to the contents offered, the app enables interaction between employees and organization of various competitions focused on healthy living. To take advantage of the experiences of highly engaged teams and to disseminate different practices across the organization, "Good Practices" talks were held. "Ekibimle Güçlüyüm" (Stronger with the Team) program supported by one-on-one coaching was introduced, which is designed to support team leaders in the engagement enhancement journey. "Ask/ Share" forum section that allows employees to share their ideas and opinions was actively used throughout the year. The use of this section increased by 55% compared to the previous year. The messages shared on the forum was 9,726 in 2022. We also support our employees who want to take part voluntarily in the social responsibility activities we carry out in parallel with the social issues that the Bank prioritizes. In this scope in 2022, we cooperated with TURMEPA, Turkish Marine Environment Protection Association, which we sponsor, and provided volunteer support to its activities designed to raise awareness of coastal cleaning and waste sorting in Çanakkale and İstanbul provinces and raising awareness in primary school children about the environment and oceans with the Education Buses located in various districts of İstanbul.
Increase internal leadership communication	We launched "İçimizden Biri" (One of Us) leadership talks series aimed at helping our senior managers inspire our employees with their private lives and leadership styles. In the talks, we hosted our CEO Recep Baştuğ and executive vice presidents from various business lines.
Increase employer brand recognition and attract new talents	To attract new talents to our organization, we cooperated with Turkey's leading universities and reached 4,193 students from 126 different universities in various events in 2022 with the participation of our executives and employees.



Garanti BBVA employees talk about the benefits of the hybrid working model in their business life:

- Work-life balance
- Efficiency
- Reduction of carbon footprint



Scan the QR code to watch the video of hybrid working model told by our employees.

FAIR AND TRANSPARENT WORKING ENVIRONMENT

At Garanti BBVA, we place a diverse and inclusive working environment at the center of our approach to talent management. We continue to work towards empowering women and help them be in active and decision-making positions in social and economic life.

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 Turkey 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. Such complaints are not used against the complainant and 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-Discrimination and Anti-Harassment Policy.

Target

Establish a fair and transparent working environment dominated by equal opportunities and diversity

Action Taken

Women employees comprise 58% of all Garanti BBVA employees and **40% of senior/middle-level management**. As a result of the importance it attaches to gender equality and women's empowerment, Garanti BBVA is one of the first companies to implement the **Equal Opportunity Model (Fırsat Eşitliği Modeli/FEM)**. In addition, Garanti BBVA, as one of the first signatories of the **United Nations Women's Empowerment Principles (WEPEs)**, is the first bank from Turkey to sign these principles.

In 2022, we remained the only bank from Türkiye to be included for **seven consecutive years in the Bloomberg Gender Equality Index**, - by increasing our score to 89.06 through the steps taken to establish an inclusive working culture and innovations in flexible working environment.

Besides our social commitments, we strengthen our employees' awareness of equality with gender equality training programs. In this context:

- Under the EşitBiz Gender Equality Project, **"I am Aware of Equality"** GETKurs training was assigned to the entire employee body and 11,000 employees participated in the program. A certain group of colleagues that were believed to make a difference in terms of equality were included in the second module, which is "I am Aware of Equality in Work Life" GETSinif training.
- **"Communication with Employees Exposed to Violence" training was completed** for specifically the Talent and Culture Counselors on the subject of psychological and physical violence.
- Let's Talk episode themed **"Violence Against Women is a Human Rights Violation"** took place in November.
- On another note, **we demonstrate our zero tolerance to the issue with the Domestic Violence Platform** designed exclusively for our employees. We raise awareness among our employees and stand by them with the support mechanisms we provide.

Women Leadership & Gender Equality Trainings Journey

2015

A Gender Equality Committee was established, with male and female representatives from the Executive Vice President level to the manager level.

2016

Signed a cooperation agreement with the **United Nations Women's Programme**.

2017

Remarkable Women Programme» awareness training with our 20 women leaders at Executive Vice President and Director level

Training design and piloting with United Nations Women's Program for women Regional & Branch Managers & Headquarter Managers

Gender Equality trainings were assigned to the entire bank.

Trainings on Women's Leadership and Gender Equality have been added to the elective training catalog.

The **"Gender Equality Awareness Survey"** questionnaire was made available to a sample group.

2018

The piloting of the **"Women Leadership Mentoring"** work with 6 male and female mentors at the level of Executive Vice President started to be carried out within the scope of the Headquarters. *The process continues in 2022 by expanding its scope.*

The **"Gender Equality Guide"** was published. Book summaries on women's leadership was added to the education portal.

2019

"Women Leadership Mentoring" work was expanded with 24 male and female mentors at the level of Executive Vice President and Regional Manager, and *the process continued in 2022 by expanding the scope.*

"Unconscious Prejudice: Module 1" training was made available to the entire bank.

2020

The **"Unconscious Prejudice: Module 2"** training is designed to be open to the entire bank. Assigning training to untrained employees continued in 2022.

2022

Within the scope of Gender Equality, **"We are Equal (EşitBiz)"** trainings started to be given to relevant target employees. *The process will continue in 2023.*

LEARNING AND EDUCATION

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 2022, Campus Garanti BBVA received 7 awards in total from TEGEP Learning and Development Platform Association and BrandonHall.

Target

Action Taken

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

In 2022, 145 new digital training packages were added to the portal; including all affiliates, 6,448 GETSınıf (webinars) were planned, achieving a total participation number of 85,402. Through gamified training solutions, employees solved a total of 999,343 questions, spent 11,889 hours on apps, and digital training programs accounted for 46% of all training sessions in terms of hours.

The digital learning platform redesigned in 2021 continued to be enriched with new features which enable employees to:

- Store their personal notes on a single portal with the **training-based notes** capability on the campus portal.
- Experience learning at their own pace thanks to **video speed controller**,
- Reach new training suggestions on the portal using the **rule-based smart suggestion system** according to the training programs they completed.
- Reach their Development Advisors at any time using the **Ask Your Development Advisor** feature.

In 2022, the new e-books portal was added to the digital training platform. The portal offers two different e-book platform accesses giving reach to resources in Turkish and English. During the reporting period, 1,208 employees used the libraries.

Give employees place-independent access to the training programs

In September, Campus Garanti BBVA training programs were integrated in Connect, which is the mobile app for Garanti BBVA employees.

In 2022, 71% of employees, **willfully selected digital training on the portal**. Upon making the training programs available on the Connect mobile app, i.e. on mobile phones, which was launched in September 2022, **16,574 hours of training were completed on mobile phones**.

Bring employees back to interactive training in the form of face-to-face programs after the pandemic

In 2022, the **number of classroom trainings** was increased and the first sessions of specific programs were held in classroom format. 8,114 employees attended a total of 731 classroom trainings.

Contribute to employees' improving their foreign language skills

GETLingo portal contents continued to be offered to employees with the aim of supporting **English and Spanish language development** of all employees at equal terms and 4,264 employees used the platform.

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

6,305 employees followed GETKültür training programs of different contents, such as "Tips for a Sustainable Life in the City", "A New Perspective training for Chess", and "Rail Routes of the World", and these programs scored a high number of employee feedbacks.

"A perfect training on nature, recycling and life"
(for the Tips for a Sustainable Life in the City training)

"Thanks to all those who contributed to this training held for deepening in personal interests"
(A New Perspective training for Chess)

"This is truly the best training I have attended in a long time"
(for the Mysterious World of the Olive Oil training)

"Thanks to all those who made such a diverse training program possible"
(for Rail Routes in the World training)

5,912 employees took part in 15 Let's Talk live streaming episodes that hosted experts from relevant fields throughout the year.

Support learning from one another and information sharing among employees

With the aim of strengthening the culture of learning from one another within the organization, **"Let's Ask Someone Who Was There!"** event and Part-Time Internal Trainer program designed for passing on the experiences to other employees were organized.

Familiarize each new hire with Garanti BBVA, make them feel a member of Garanti BBVA family from day 1

The Orientation Program was renewed in 2022 and the development of each new hire of Garanti BBVA was supported from day 1.

Provide training programs that will bring about improved performance in employees' current jobs and prep them now for the competencies of the future

- 99% of employees participated in functional, upskilling, reskilling, and elective training for supporting cultural transformation, in addition to job-specific existing programs.
- Within the scope of applicable technologies, 110 employees were entitled to receive their certificates under the Enabler Technologies Certificate Program completed in 2022, which includes the digital content of the world's most distinguished universities (Columbia, Wharton, MIT, ELU).

Raise increased awareness of sustainability

- As part of sustainable development upskilling; all employees were supported with digital trainings and elective trainings open for participation throughout the year, whereas the Sustainability team was supported with international academic programs. In 2022, 12,703 employees took part in the trainings designed for awareness raising in the field of sustainability at individual and organizational level.
- 400 employees attended training on our 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; surprise activities featuring sustainable products marketplaces organized at the Headquarters buildings, and sea cleaning in cooperation with TURMEPA with the participation of volunteering employees.

Train employees competent in Engineering, Data and Information Security areas

- Data Training programs continued in 2022 in keeping with Garanti BBVA's Data and Technology strategic priority, under which 80 Data Specialists and 71 Data Scientists were trained.
- Technology Development Programs continued also in 2022 with new trainings and topics that are designed and implemented with specific differentiations according to roles and responsibility for employees working in engineering and data fields.
- Apart from the Technology Development Programs that offer role- and task-based professional development trainings, the 12-month GTech Development Certificate Program which includes focused thinking and project development steps and workshops, case studies, mentoring, design, etc., was put into practice. 123 employees participated in this program.
- A total of 1,222 accounts from 7 different platforms were assigned to employees for developing employees' different competencies including, data, technology, cybersecurity, digital transformation, software etc.

Increase talent acquisition and train the leaders who will manage employees and teams

- 77 of our newly graduated employees who started as Management Trainee and 15 newly graduated employees who started to work as Sales Trainee successfully completed the MT and ST Training Programs, which includes banking and business life trainings consisting of 2 modules, as well as preparing them for their new duties, sector and business life.
- In 2022, 353 employees participated in the field and head office "Talent Development Programs" that were revised in 2021.
- Leadership Development Programs launched under three different programs in 2021 segmented to match our leaders' years of experience and Leadership Beyond Distances Programs continued in 2022.

OCCUPATIONAL HEALTH AND SAFETY

With its OHS team of 45 occupational physicians, OHS experts, and occupational nurses, Garanti BBVA carries on with its activities associated with the health and safety of all its stakeholders including employees, contractors, visitors and customers on the basis of international standards (ISO 45001, OSHA, IOSH etc.) as well as the national legislation and best practices. OHS assesses occupational health and safety risks involved with the design, rental or purchasing stages of offices, office furniture, supplies and equipment, IT software/hardware and robotic processes for employees.

Garanti BBVA uses the **OHS software** that has been in use at all its locations since 2013 to record and manage all OHS processes including Risk Assessment for preventing occupational risks in any operation which might affect employee health and safety at the workplace; health monitoring of employees that covers induction and periodic medical examinations, OHS Committee meetings attended by employer and employee representatives and OHS professionals, emergency management including the pandemic, case handling, training and information activities for employees, subcontractor and supplier management, etc. Regular meetings are held and studies are conducted with other units for eliminating the risks

identified by way of risk assessment, periodic field checks, and employee notifications and for taking preventive measures.

The measures adopted against the COVID-19 pandemic that continued to inflict 2022 as well and the experiences acquired provided a critical opportunity for future "epidemic" risk preparedness. Crisis management under uncertainties, resilience test of responsible teams and particularly of those assigned with epidemic management, technological infrastructure developed for epidemic management etc. ensured preparedness against a possible epidemic. On another note, **comprehensive drills led by Business Continuity Teams** specifically

for natural disasters and **particularly earthquakes**, which is a specific risk of our country and is given emphasis in our emergency plans, provided an important opportunity for necessary actions (psychological resilience and earthquake awareness training for emergency teams and their families, earthquake risk assessment of the houses of critical

employees, earthquake emergency kit for employees, etc.) **upon inclusion of the risks identified by Occupational Health and Safety within the project scope.** Being the first in Türkiye's finance sector to receive the International Safety Award given by the British Safety Council, one of the world's most eminent authorities

in health and safety, for two consecutive years for its implementations in 2020 and 2021 and the recipient of the Best in Country award for the health and safety experience offered in 2021, Garanti BBVA received the International Safety Award once again in 2022, proud to have done so for the third time.

Target

Action Taken

Ensure business continuity and determine strategies

- Intended to help determine a strategy and implement it in our field of activity, Garanti BBVA Occupational Health and Safety Policy has been approved and issued by the Board of Directors in 2022.
- Our OHS procedures were reviewed and Garanti BBVA Emergency Management, Subcontractor and Supplier Procedure was updated for various reasons including regulatory changes, business requirements, and the like. Actions were taken to execute the compulsory drills as per the Emergency Plan.
- Within the "Business Continuity" process, a wide variety of scenarios such as earthquake, flood, fire and bad weather and regional simulations were practiced with the participation of all related units, and a good many improvement areas were recognized upon which necessary actions were triggered.

Protect employee health

- Due to the dominant Omicron variant that created a surge in COVID-19 cases early in 2022;
- Employees in the high-risk vulnerable group were kept away from the office environment and hence, protected.
 - Two critical steps in preventing the spreading of the disease were carried on, namely sustained observation of the social distancing rule in working environments in office spaces, and **regular sanitation** accompanied with continued provision of hygienic products such as masks, disinfectants, gloves, etc. to all employees working on site.
 - Employees were provided with equipment (office chairs, monitors, keyboards, etc.) support to make remote working more comfortable and replicate the work setup in offices in our employees' homes as well as **"Ergonomics"** training.

The Working Environment Guide was updated in line with the updated pandemic-related procedures of local healthcare authorities and employees were kept informed.

While the health status of employees and their families were followed up using daily inventories, means were provided for regular data analysis of the comprehensive and up-to-date database, which helped take actions proactively for employee health.

Momentum was given to employee health monitoring (tests, inventory applications, hygiene checks, etc.), particularly to legal medical examinations, upon commencement of hybrid working and following the positive changes in the pandemic.

Garanti BBVA, in keeping with the importance it attaches to employees' psychological well-being, sustained the psychological support service offered via the **Employee Support Hotline** in 2022 to help ease the negative effects of the pandemic.

Near miss and workplace accident processes were also improved to build on the learning experience from each incident including near misses, to complete the root cause analyses of incidents to capture improvement opportunities, and to reinforce communication flow during an incident. In 2022, the total number of work-related accidents and incidents at all locations including subcontractors was 129 and 59 respectively. All incidents without exception were examined, and necessary corrective steps were enforced.

REMUNERATION

As published on the Bank's website, Garanti BBVA established a Compensation Policy for employees, which is prepared in accordance with banking and capital market legislation and 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 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. In addition to individual performance, the Bank keeps a close eye on general macroeconomic 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 vouchers, foreign language payments and other benefits with variations depending on 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 the upper limit of total remuneration to be paid during any given year to Board members undertaking a specific role at the Bank and to independent Board members are submitted for approval and determined at the General Shareholders'

Meeting. As of 31 December 2022, 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 181 million 604 thousand. As the public disclosures regarding the remunerations and benefits provided to key managers including board members are governed by the BRSA's regulations on the banks' qualitative and quantitative disclosures with regard to the remuneration policies, such remunerations and benefits are disclosed cumulatively. There is an employee stock ownership program for "identified employees", which is described within the Compensation Policy. As at year-end 2022, there are 27 identified employees serving at the Bank. In variable payments made to identified employees, payment is made in cash and by non-cash means (linked to share certificates) in line with the principles in the "Guidelines on Good Compensation Practices in Banks". In payments that rely on non-cash means within the scope of 2022 variable payments of identified employees, Banco Bilbao Vizcaya Argentaria S.A. share will be taken as basis.

The Compensation Policy is posted on www.garantibbvayatirimciiliskileri.com, under the Environmental, Social and Governance > Policies 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 2022 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 29,000,000 net for the total compensation so determined and will be paid until the first ordinary general shareholders' meeting to be convened in 2023.

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 (BRSA). 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.

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 Bank's 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 among the basic factors affecting the performance-based remuneration. Garanti BBVA monitors the competitiveness of its salaries through annual survey of salary levels in the sector. Job descriptions, performance criteria and bonus system criteria of all positions in the Bank are announced transparently to all employees via the Intranet.

Our Bank's Compensation Policy has been implemented as approved and it is reviewed periodically. In addition to the compensation policy covering the Bank's entire personnel, the Remuneration Committee continued to implement the policies it has set in relation to remuneration and bonuses to be paid to the members of the Board of Directors who assume administrative roles and to senior executives, which do not rely solely on profit. The Committee reviewed

the same at certain intervals. The policy, which has been developed in line with the local legislation and international practices, continued to be implemented.

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.

GENDER PAY GAP

Wage comparison between different categories are given in the chart below 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.

	Management Level*	Branch Manager / Mid-level Manager*	Rest of the employees*	Average*
Women/Men 2022	0.87	0.85	1.07	1.07
Women/Men 2021	0.87	0.9	1.05	1.11

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 Specialists assistants, Assistants and Support Staff

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

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.

RETIREMENT

Retirement is one of the most important rights of employees. As of their first day of work at the Bank, employees automatically become members of "T. Garanti BBVA Bankası A.Ş. Memur ve Müstahdemleri Emekli ve Yardım Sandığı Vakfı" (Retirement and Social Assistant Fund) established as per the provisional article 20 of the Social Security Law no. 506. For every employee and his or her dependent spouse and children, a health certificate is issued.

2023 FOCUS AND PRIORITIES

In 2023, investing for enhancing employee well-being, development, happiness and engagement will remain among our top priorities within our Talent and Culture practices.

Employee Experience, Employee Engagement and Employer Brand

- We are targeting to design all work spaces with a focus on employee experience and to create settings that promote employees' creativity and collaboration to render productivity and efficiency sustainable in the medium- and long-term as it has been in the short-term with the flexible working model.

- We are creating the ecosystems conducive to development of new cooperations and let employees with different skills and knowledge to learn from one another by creating special office days, strategy meetings, creativity and brainstorming sessions so that teams can make the best of all the times they get together.
- In 2023, an innovative and inclusive new recognition and rewarding system will be launched, which will involve the employees in processes. The system that will reward various achievements, competencies and behavior styles will offer a special experience to employees.
- Within the scope of the Orientation program, employees will be lent support from the right point in any area they may need, resulting in an easier and more productive experience in all orientation processes.
- Physical and emotional well-being of employees will continue to be the top priority. Accordingly, practices will be developed aimed at maintaining work-life balance.
- Our employer brand management activities will be deepened in line with our target of being an employer of choice in other sectors as well as in the banking industry and to attract the top talents.
- With our focused employee groups, we will bring to life our equality and sustainability projects together with our employees.
- In line with our diversity strategy, which is at the center of our talent

management processes, we maintain our goal of providing an inclusive work culture for our employees.

Talent Management and Acquisition

Increased global demand for talent, diversified global employment opportunities, and evolved employee expectations made it inevitable for organizations to review their talent acquisition and management strategies and to revise them to cater to the needs of the new era. At Garanti BBVA Group, it is our top priority in this respect to offer a solid development experience through platforms and tools that put employees and employee competencies at the heart of the organization and that enhance user experience. To this end:

In the short-term:

- Garanti BBVA will carry on working towards end-to-end digitalization of its talent acquisition processes and enriching candidate experience in 2023. In this context, the new Garanti BBVA External Career Portal will be made available for use by candidates.
- Work will be ongoing with a focus on reaching the right candidate in the shortest time possible and on strengthening candidate experience through renewal of candidate selection tools in the talent acquisition processes.
- New talent acquisition programs differentiated according to talent profiles will continue to be introduced.
- International development programs and career opportunities will continue

to be offered to more employees, and professional development of employees will be supported.

- At this point in time when leadership is becoming more and more important for organizations, we are targeting to create a strong development ecosystem with the vision of strengthening leadership notion within the organization and turning leaders into mentors that employees seek advisory from at any point they may need.

In the medium-term:

- It is intended to deliver a holistic employee experience through increased integration of technical and behavioral competencies that employees developed with development processes.
- It is targeted to introduce developments that will allow employees to proactively manage their careers with respect to their

career goals and interests using technology-driven tools.

In the long-term:

- The future human capital management concept is intended to be designed such that employees will manage all the products and processes they need in line with the self-devised development plans and they will be offered the opportunity to tailor their own career and development journey.

Learning and Development

With the aim of gradually establishing a self-regulated development culture for employees, 2023 targets include the following:

- Develop sustainable training systems to enrich the learning and development ecosystem,
- Offer a setting that will support employees to undertake more responsibility and initiatives for self-development,

- Increase gamification of the digital training platform,
- Increase learning from one another and personalized learning experiences,
- Improve learning experience by making greater use of employees' training data on technologies such as Artificial Intelligence.

Occupational Health and Safety

- In view of the events that negatively affected the society in every respect such as the war and economic crisis in 2022, we are targeting to go beyond protecting employees' physical health and treating them in 2023 and to prioritize maximum protection psychologically and socially We are also aiming to adopt a holistic approach with wellbeing applications.
- It is also a priority to closely and more efficiently monitor OHS indicators using Data Analytics and new reporting tools on real-time basis.

RISKS & OPPORTUNITIES

Risk

- Evolving employee expectations globally
- Blurred work-life boundaries resulting from new work models

Increased demand for talent

Our response

Garanti BBVA turns an ear to employees with regular questionnaires and idea workshops organized to understand employee expectations and increase engagement. The Bank follows up global trends to deliver a better employee experience and targets to constantly enhance employee satisfaction and welfare through various practices.

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. At Garanti BBVA Group, it is our top priority in this respect to offer a solid development experience through platforms and tools that put employees and employee competencies at the heart of the organization and that offer enhanced user experience. At this point in time when leadership is becoming more and more important for organizations, we are targeting to create a strong development ecosystem with the vision of strengthening leadership notion within the organization and turning leaders into mentors that employees seek advisory from at any point they may need.