



# 2023 INTEGRATED ANNUAL REPORT

THE STORY OF  
SUCCESS THROUGH  
SOLIDARITY



# Contents

## 4 INTRODUCTION

- 6 Foreword
- 8 100<sup>th</sup> Anniversary of Republic of Türkiye
- 12 In Memory of the February 6<sup>th</sup>, 2023 Earthquake
- 14 About the Report
- 16 Letter from the Chairman
- 18 Letter from the CEO

## 22 ABOUT GARANTİ BBVA

- 24 The Environment We Operate In
- 34 Important Developments Regarding 2023 Operations
- 38 Our Business Model
- 42 Corporate Profile
- 44 Garanti BBVA Shareholding Structure and Share
- 49 Garanti BBVA's Ratings

## 50 GARANTİ BBVA'S POSITION IN THE SECTOR

- 52 Garanti BBVA in Numbers
- 54 Garanti BBVA's Competitive Advantages
- 58 Garanti BBVA's Position in Business Areas
- 60 Garanti BBVA's Financial Subsidiaries
- 64 Summary of the Board of Directors' Annual Report

## 66 OUR VALUE CREATION

- 68 Double Materiality Analysis
- 86 Value Creation Model
- 92 Contribution to Sustainable Development Goals and Targets
- 106 Stakeholder Engagement

## 110 FINANCIAL VALUE

## 124 DATA AND TECHNOLOGY

## 132 INVESTMENTS IN HUMAN CAPITAL

## 158 CUSTOMER EXPERIENCE

## 172 SUSTAINABILITY AND COMMUNITY INVESTMENTS

## 196 OUR ORGANIZATION

- 198 Organizational Structure
- 199 Organizational Changes
- 202 Board of Directors
- 212 Senior Management

## 220 OUR GOVERNANCE

- 222 Remuneration and Financial Rights Committees and Policies
- 228 Risk Committee's Assessment
- 230 Audit Committee's Assessment
- 232 Internal Systems Governance
- 240 Internal Systems Managers
- 245 Risk Management
- 253 Procurement Processes and Suppliers
- 254 Business Continuity Management
- 255 General Shareholders' Meetings
- 256 Compliance with Corporate Governance and Sustainability Principles

## 280 FINANCIAL REPORTS AND APPENDIX

- 282 Independent Auditor's Opinion and Assurance Reports
- 290 Statements of Responsibility
- 291 2023 Year-end BRSB Financial Reports and Appendix

- 292 APPENDIX 1: Reporting of the Non-Financial Disclosures
- 293 APPENDIX 2: Reporting Guidelines for the Non-Financial Disclosures
- 299 APPENDIX 3: ESG Performance Tables
- 307 APPENDIX 4: Environmental and Social Impact Assessment Process Indicators

- 308 APPENDIX 5: TCFD Disclosure Table
- 310 APPENDIX 6: UNEP FI Principles for Responsible Banking Impact Report
- 330 APPENDIX 7: UNGC and WEPs Principles Analysis According to GRI Standards Content
- 332 APPENDIX 8: GRI Standards Content Index
- 338 APPENDIX 9: Support Services Providers

## 342 CONTACT INFORMATION

# 2023



**Executives tell the story of success through solidarity...**



## INTRODUCTION

**6** Foreword

**8** 100<sup>th</sup> Anniversary of Republic of Türkiye

**12** In Memory of the February 6<sup>th</sup>, 2023 Earthquake

**14** About the Report

**16** Letter from the Chairman

**18** Letter from the CEO



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

# ANNUAL REPORT

# 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 BAŞTUĞ 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 KEZİK 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. Which financial metric do you check every day?
10. If you were to organize "Financial Olympics" what would be the most important criterion?

### İLKER 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?

# 100<sup>th</sup> Anniversary of Republic of Türkiye

## “YOUR STEPS ARE OUR STEPS”

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.

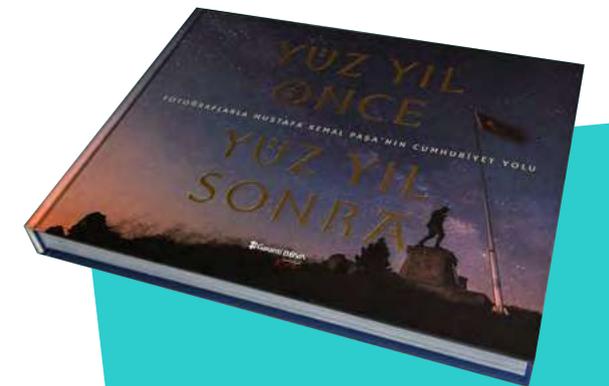
In celebration of the 100<sup>th</sup> year, we have designed various intramural and extramural initiatives rekindling the spirit of the Republic with the involvement of our colleagues.



## 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 İstanbul 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 İzmir, Kütahya to Sivas, and İstanbul 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.
- The exhibition that featured the photographs taken for the catalogue were showcased to visitors in Beyoğlu building of Salt, founded by our Bank.



## 100<sup>TH</sup> 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.

## BBVA JOINED IN THE CELEBRATIONS

- Our parent BBVA joined in the celebrations of the Centennial of the Republic by illuminating "La Vela", the headquarters building in Madrid, with the colors of the Turkish flag, carrying the pride of the occasion to Madrid.
- As part of the festivities, our Bank's head office building in İstanbul was also lit up with the colors of our flag.



## SCULPTURES DESIGNED FOR THE 100<sup>TH</sup> 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 Ghazi 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.



**ALİ BAYIR**  
ANTAKYA ŞUBE



**ARZU ESER**  
SAMANDAĞ ŞUBE



**BANU HATUNOĞLU**  
ANTAKYA ÇARŞI ŞUBE



**GÖKHAN ÖZAY**  
ABACUS - GÜVENLİK



**HÜSEYİN FURKAN KOÇAK**  
MÜŞTERİ İLETİŞİM MERKEZİ



**İBRAHİM HALİL YAĞMURLU**  
BİNEVLER  
KAHRAMANMARAŞ



**KUTAY GÜÇLÜ**  
ANTAKYA ÇARŞI ŞUBE



**MUSTAFA KILIÇARSLAN**  
TURGUT REİS ŞUBE



**Garanti BBVA**

THIS OLIVE TREE WE PLANTED IN PENDİK CAMPUS WILL KEEP THE MEMORY OF OUR BELOVED COLLEAGUES ALIVE, WHO WE LOST IN THE DEVASTATING EARTHQUAKES CENTERED IN KAHRAMANMARAŞ AND HATAY ON FEBRUARY 6, 2023.



ÖLÜMSÜZLÜĞÜ TEMSİL EYEN BU ZEYTİN AĞACI,  
9 ŞUBAT 2023 DEPREMİNDE KAYBETTİĞİMİZ ÇALIŞMA  
ARKADAŞLARIMIZIN BİNSİNA DİĞİLMİŞTİR.  
9 ŞUBAT 2024

ALİ BAYIR  
ARZU ESER  
BANU HATUNOĞLU  
GÖKHAN ÖZAY  
HÜSEYİN FURKAN KOÇAK  
İBRAHİM HALİL YAĞMURLU  
KUTAY GÜÇLÜ  
MUSTAFA KILIÇARSLAN

# About the Report

As T.Garanti Bankası A.Ş. ('Garanti BBVA'), we are pleased to present our 7<sup>th</sup> 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.

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.

# Letter from the Chairman



772



3 min



## 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 challenge, **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 100<sup>th</sup> 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

# Letter from the CEO



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## 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 may possibly initiate 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 **100<sup>th</sup> year of our Republic**. The second event was the **earthquake on February 6<sup>th</sup>**, 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.

Not: Figures are per BRSA unconsolidated financials.

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 **Türkiye'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.**

## 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 part of a prominent 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**.

Despite the challenges we faced in the sector, our team, which continues to provide our customers with a unique experience and has **carried the Garanti BBVA brand to the present day, remained the main source of our success this year, as it has been every year**. I would like to express my gratitude to all my colleagues, who made a difference with their unity by being one team, for their support and commitment.

**We will continue to work diligently for the sustainable development and growth of our country, always envisioning a better future.**

I would like to express my gratitude to all our stakeholders, especially our customers, who have always shown us their support and trust throughout this process.

Sincerely,

**RECEP BAŞTUĞ**  
CEO

2023

What was the  
year's proudest  
moment on  
behalf of  
Garanti BBVA  
for you?



RECEP BAŞTUĞ

CEO  
Board Member

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



If Garanti BBVA's  
2023 strategy were  
a recipe, which key  
ingredients would  
you mention as  
contributors to  
success?

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

## ABOUT GARANTİ BBVA

**24** The Environment We Operate In

**34** Important Developments  
Regarding 2023 Operations

**38** Our Business Model

**42** Corporate Profile

**44** Garanti BBVA Shareholding  
Structure and Share

**49** Garanti BBVA's Ratings



# The Environment We Operate In



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## 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 expansive 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 1000 bps throughout the year and took the funding rate up to 5.25-5.50%, the highest level in the past 23 years. Similarly, the European Central Bank (ECB) hiked the refinancing rate up to 4.5% from 2.5% by end 2022 and the deposit rate to 4.0% from 2.0%. Led by the implications of the tighter monetary policies, annual consumer inflation in the US economy came down to 3.4% at the end of 2023 from 6.4% in 2022. Annual inflation in Eurozone also geared down to 2.9% in 2023 from 9.2% by end 2022. In China, sluggish growth coupled with weak domestic demand led to deflation in July 2023 with -0.3% y/y for the first time since February 2021, when the impact of the lock-downs due to the COVID pandemic were in place. Consumer prices in China continued to drop by 0.3% in annual terms at the end of 2023.

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.

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.

### GDP Growth Projections\*

(Annual Change)

	2022	2023	2024	2025
USA	1.9	2.5	1.5	2.3
Eurozone	3.4	0.5	0.7	1.7
Spain	5.8	2.5	1.5	2.5
Latin America	3.9	2.3	1.3	2.7
Argentina	5.2	-3.0	-4.0	6.0
Colombia	7.3	0.6	1.5	2.3
Mexico	3.9	3.1	2.9	2.4
Peru	2.7	-0.4	2.0	3.5
Türkiye	5.5	4.5	3.5	3.5
China	3.0	5.2	4.4	4.2
World	3.1	3.0	3.0	3.3

### Inflation Projections\*

(Annual Average, YoY)

	2022	2023	2024	2025
USA	8.0	4.1	2.6	2.5
Eurozone	8.4	5.5	2.3	1.7
Spain	8.4	3.4	3.5	2.4
Latin America				
Argentina	72.4	211.4	275.4	64.7
Colombia	10.2	11.7	6.9	4.1
Mexico	7.9	5.5	4.0	3.4
Peru	7.9	6.3	2.7	2.4
Türkiye	72.3	53.9	58.5	35.8
China	2.0	0.3	1.4	2.0
World	9.3	6.9	6.9	4.5

\* BBVA Research November 2023 projections.

The latest updated data for 2023 are included.

## TÜRKİYE: REBALANCING IN THE ECONOMY

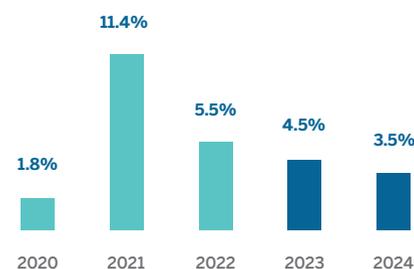
Despite the upsurge in geopolitical tensions, deceleration in global economic activity and the negative impact of the quakes, Turkish economy managed to grow above its potential and grew by 4.7% y/y in the first three quarters of 2023. Domestic demand boosted by private consumption and government expenditures on the back of reconstruction efforts in the post-quake period became the main drivers of growth, while net exports contribution remained negative led by weak export performance and high imports. Strong domestic demand accompanied by poor external conditions underpinned macroeconomic vulnerabilities with high current account deficit and elevated consumer inflation rate.

After the elections in May 2023, the economy management has been changed and there has been a return to orthodox policies in order to rebalance the economy and correct imbalances. More restrictive monetary policy and macro-prudential policies aiming the change towards a more sustainable growth composition have started to lead to a slow-down in domestic demand, resulting in almost no growth in 4Q23. Given the strong growth performance recorded until 4Q23, the GDP growth is likely to reach 4.5% in 2023 but decelerate to 3-3.5% in 2024, where fiscal stance and the size of capital inflows will be decisive for the pace of adjustment.

Inflationary pressure continued throughout the year and a year-end level of 64.8% was observed, due to expansionary policies in the pre-election period, sharp depreciation of the currency in the post-election period, strong wage adjustments, cost push factors, robust domestic demand, challenging food inflation and second round effects. Despite the tighter stance in economic policies and the gradual depreciation of the currency most recently, decelerating but still solid domestic demand keeps the challenges to reduce the pace of inflation due to unanchored inflation expectations and distortions in pricing behavior. We expect consumer inflation to slow down to 45% by end 2024, led by the expectations of a tighter stance and therefore enhanced likelihood of keeping a stable currency.

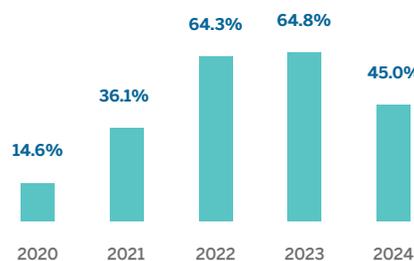
**GDP Growth**

(Annual Change)



**Consumer Inflation**

(Dec-Dec Change)



Source: TurkStat, Garanti BBVA Research

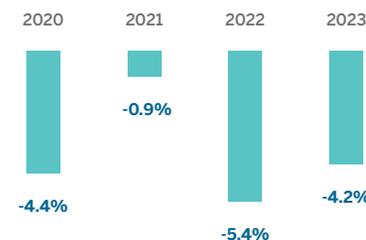
On the monetary policy side, the Central Bank (CBRT) hiked the policy rate gradually to 45% in January 2024 from 8.5% of the pre-election period. During this period, a gradual normalization in monetary policy has been targeted by additional macro-prudential policies. On top of that, some regulations in the banking sector have been eased or removed, which enabled normalization in TL government bond yields while others have incentivized an exit from the FX protected scheme with TL deposit rates much higher than the policy rate. 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.

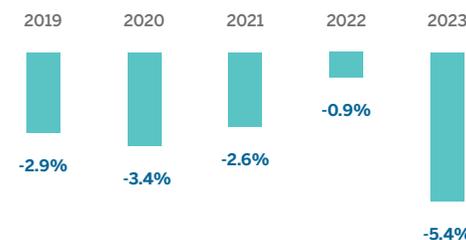
In 2023, the current account deficit stood at USD 45.2 billion (4.2% of GDP), while high domestic demand and gold imports despite the easing in energy prices led to a deterioration in the external balance throughout the year. Since gradual normalization led to a slight slow-down in domestic demand, expected improvement in core current account has been delayed due to the very slowly decelerating import demand and the downside pressure on exports on poor foreign demand. Accordingly, we expect the current account deficit to recover to \$30-35bn at the end of 2024 on the back of the expected deceleration in domestic demand.

The Central Government budget balance recorded an annualized deficit of 1.4 trillion lira (5.4% of GDP) in 2023. Increasing revenues on the back of the support from tax rate adjustments have improved the budget deficit while expenditures accelerated on the back of personnel expenditures, current transfers and interest expenditures. The upcoming earthquake expenditures and expected weaker tax revenues on top of expected deceleration in domestic demand will lead the budget deficit to remain high in 2024 (5-6% of GDP).

**Current Account Balance (% GDP)**



**Central Budget Balance (% GDP)**



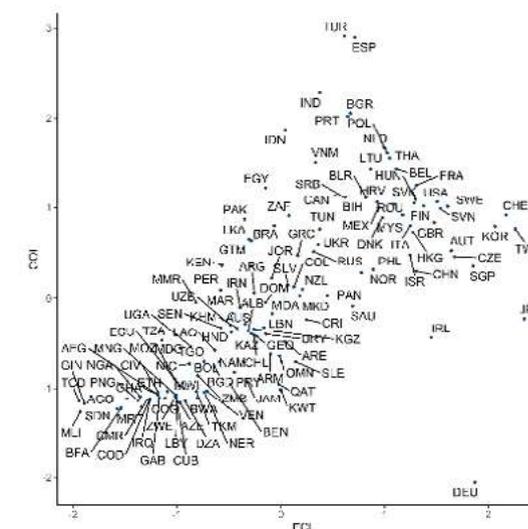
Source: CBRT, Ministry of Treasury and Finance

**OPPORTUNITIES AND CHALLENGES OF THE TURKISH ECONOMY**

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)**

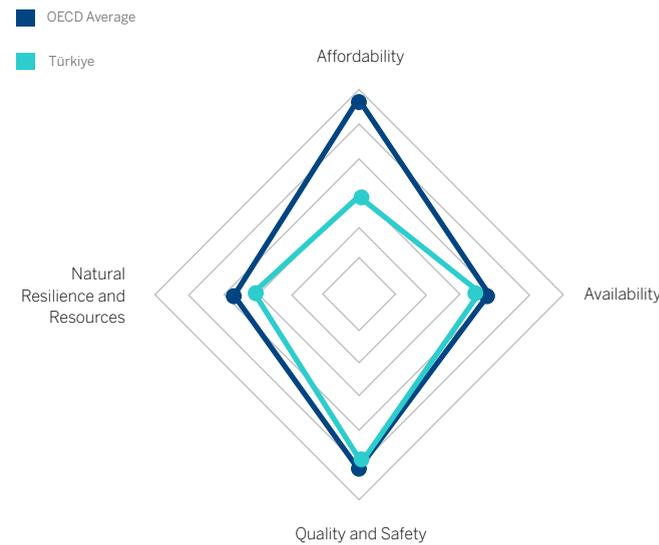


Source: The Growth Lab at Harvard University International Trade Data (2019), BBVA Research calculations

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.<sup>1</sup> 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.<sup>2</sup>

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.

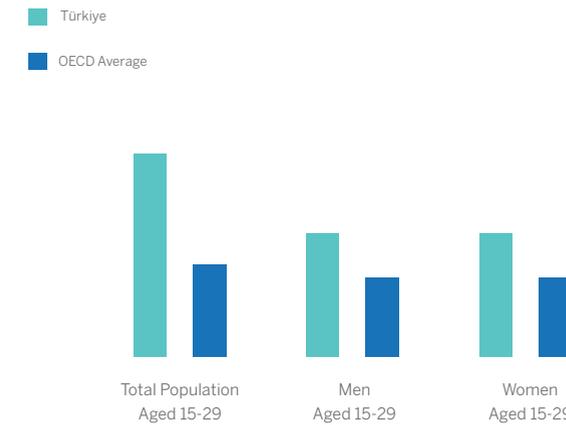
**Food Security Index, OECD vs. Türkiye by Subcategories (2021)**



Source: Economist Impact and Garanti BBVA Research

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 aged 15-29 with 24.3 percentage points. Women continue to be underrepresented in all age groups in labor force with higher unemployment rate (11.8%) and lower labor force participation (31.3%) compared to men (7.5% and 65.4% respectively), as of November 2023. Encouraging active participation of female, young and disadvantaged members of the population in the labor force will be a key challenge for the sustainable growth of the Turkish economy.

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



Source: OECD, Garanti BBVA Research

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 lackluster. 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**

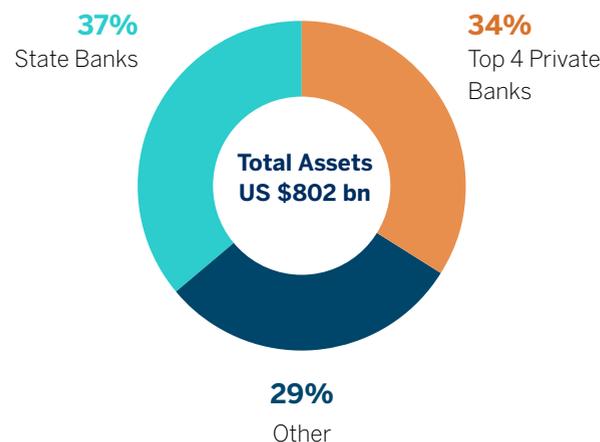
**Key Facts, Opportunities and Challenges**

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<sup>1</sup> 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%<sup>2</sup> in the Emerging Markets. This indicates an environment where penetration is low and potential for banking activities is high compared to other Emerging Markets.

<sup>1</sup> World Bank Group. 2022. Türkiye Country Climate and Development Report. CDDR Series. © Washington, DC: World Bank. <http://hdl.handle.net/10986/37521> License: CC BY 3.0 IGO  
<sup>2</sup> CMCC. 2021. G20 Climate Risk Atlas. Impacts, Policy and Economics in the G20. <https://files.cmcc.it/g20climaterisks/Turkey.pdf>

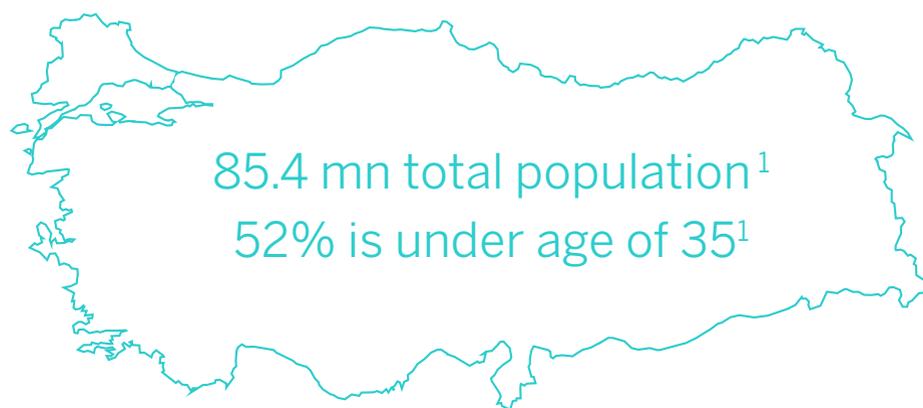
<sup>1</sup> International Telecommunication Union, March 2023 Database  
<sup>2</sup> Institute of International Finance (IIF), as of September 2023  
 \* Sector figures are based on BRSA monthly data as of December 2023.

**Total Assets Breakdown**



	# of Banks	Share in Assets	Share in Loans	Share in Deposits	Share in Net Profit
Top 4 Private Commercial Banks	4	34%	34%	34%	49%
State Banks	3	37%	39%	43%	18%
Other Private Commercial Banks	26	15%	13%	13%	17%
Development & Inv. Banks	19	6%	7%	-	7%
Participation Banks	8	9%	8%	10%	9%

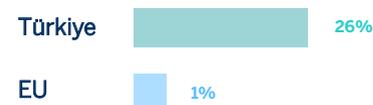
**Total: 60**



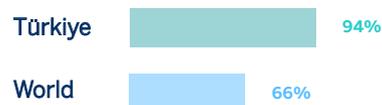
**STILL UNDERPENETRATED BANKING SECTOR COMPARED TO EU**

**Unbanked Population<sup>2</sup>**

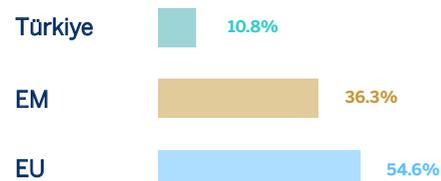
(ages +15)



**Internet Penetration<sup>3</sup>**



**Household Debt /GDP<sup>4</sup>**



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

**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 external funding resources. As Turkish banks do not fund their long-term loans such as project finance loans or mortgages with short-term deposits, they turn to long-term borrowings from international markets. While that indicates the sector's sensitivity to external developments, the Turkish banking sector's dependence on external borrowing decreased from 2017 given the slumped demand for long-term FC loans and their redemption.

Another driver behind the growth of the Turkish banking sector is the high liquidity and solid capital structure of the banks. The Turkish banking sector is in compliance with Basel III guidelines. Banks' ST External dues was \$72bn, whereas FC Liquidity stood at \$77bn\* as of December.

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

The liraization of the economy and selective credit expansion were the primary focus of the CBRT's plan in 2023, with banks serving as the primary vehicle for ensuring the policy's success.

In the first half of the year, the liraization strategy, parallel to 2022, was conducted through the foreign-currency protected deposit product, which allowed depositors to gain additional interest proportional to the depreciation of the Turkish lira. Since this deposit structure incentivizes depositors to convert their foreign currency holdings into Turkish lira, banks have been instructed to expedite its implementation. This deposit structure, by encouraging depositors to convert their foreign currency savings into Turkish lira, also urged banks to expedite the implementation. Accordingly, the regulator introduced a set of conversion thresholds and obliged banks to accomplish them.

In the second half of the year, the tightening monetary policy and the low volatility in exchange rates began to make standard TL time deposits a more attractive product. During this period, the Turkish government economic management also implemented various regulations to encourage 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

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 (BRSA) 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 263%, while TL loan income increased by 101%. 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 liraization 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.

## DIGITAL TRANSFORMATION AND OPEN BANKING

2023 began with the widespread adoption of Open Banking services throughout Türkiye. In this context, customers who aimed to consolidate their financial information under one roof gained the convenience of viewing and managing account and POS transactions from different banks together. This increased customers' control over their finances and allowed for better financial health analysis. In addition to account aggregation services, the ability to transfer money from one bank application to another bank account also entered our lives. Open Banking, which started with the aim of democratizing data, will expand its data network with new regulations and continue its journey towards open finance. When we examine examples abroad, we see that the progress has begun in data sharing related to various banking products such as mortgage loans, investment accounts, retirement, and insurance products. At this point, banks will get to know their customers better, understand their needs better, and consequently be able to offer personalized services.

Following the continuation of these practices in our country, the Payment Request service will also be introduced to Garanti BBVA customers at the beginning of 2024. Thanks to this feature, which facilitates payment/money transfer transactions, Garanti BBVA customers will be able to send payment requests from their mobile and internet channels to the accounts of their acquaintances in Garanti BBVA or other banks.

## 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, 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.

## CYBER SECURITY

As technology advances rapidly and the internet permeates every aspect of our lives, cyber-attack methods continue to evolve and change. With the emergence of attack techniques such as 'vishing', biometric spoofing, and malicious generative AI, the protection of personal and corporate data has become imperative.

Cyber-attacks not only threaten individuals' privacy but also jeopardize companies' financial health. Therefore, implementing effective cybersecurity strategies is not only about preventing damages but also about laying the foundation for operating securely in the digital environment.

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.



**Details of the regulations can be found on page 36.**

\* Source: BofA Securities, S in ESG: just transition and impact investing framework (10 November 2023)

# Important Developments Regarding 2023 Operations



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## IMPORTANT DEVELOPMENTS REGARDING 2022 OPERATIONS INFORMATION ON SHARE BUYBACKS BY THE BANK

The Bank did not buy back any of its own shares in 2023.

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

Under the applicable legislation, routine audits are conducted by supervisory authorities such as the Banking Regulation and Supervision Agency (BRSA), the Capital Markets Board of Türkiye (CMB), the Ministry of Treasury and Finance, the Undersecretariat of Treasury and the Central Bank of the Republic of Türkiye (CBRT). Detailed information about the administrative fines imposed against the Bank in 20223 by supervisory authorities as a result of auditing is provided herein below.

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

The Competition Board decision dated 08.03.2013 and no. 13-13/198-100: As the result of the investigation conducted to determine whether 12 financial institutions including Garanti BBVA and its subsidiaries Garanti Payment Systems and Garanti BBVA Mortgage (Garanti Economic Group) violated Article 4 of the Law on the Protection of Competition no. 4054 through engaging in a deal and/or concerted act for jointly setting interest rates, fees and commissions for deposit, loan

and credit card services; with its decision 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 2<sup>nd</sup> 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 or 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.

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

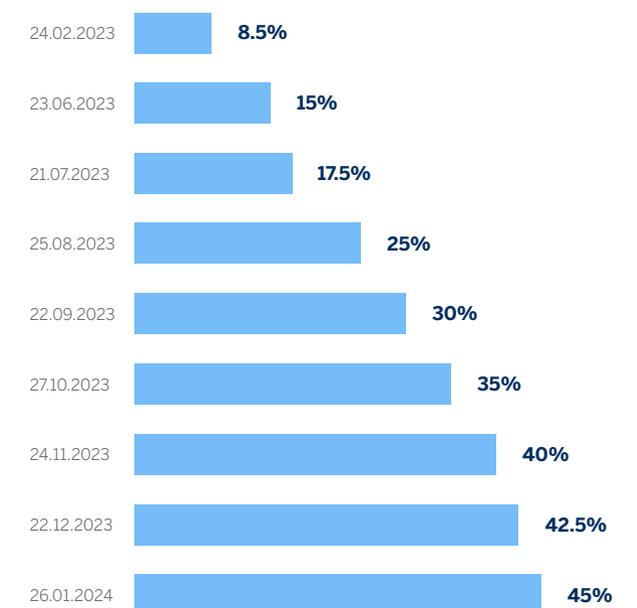
During 2023, administrative fines levied by regulatory and supervisory authorities to our Bank amounting to TL 108.217.272,83. TL 61.685.189,83 of this amount has been discounted to TL 46.035.853,70 by the advance payment discount. It has been paid and recognized as expense in 2023. TL 46.532.083 of this amount has been discounted to TL 34.899.062,25 by the advance payment discount. It has been recognized as expense in 2023 and will be paid in 2024.

## INFORMATION ON REGULATORY CHANGES IN 2023 THAT MAY HAVE A MATERIAL IMPACT ON THE OPERATIONS OF THE BANK

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 36% by the end of this year and 14% by end 2025. The Central Bank expects seasonally adjusted 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%.

## Policy Rate



## INFORMATION REGARDING IMPORTANT REGULATIONS AFFECTING THE FINANCIALS

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.

## Reserve Requirement

FCPD with maturity	Previous	New (as of 30.01.24)
Up to 6 months	30%	25%
	Previous	New (as of 02.11.23)
Up to 1 year	25%	30%
1 year & >1 year	5%	10%
Standard TL Deposit with maturity	Previous	New (as of 02.11.23)
Demand, 1 & 3 months	8%	8%
> 3 months	0%	0%
FC Deposits (non-gold) with maturity	Previous	New (as of 02.11.23)
Demand & 1 month	29%	30%
Up to 1 year	25%	26%
>1 year	19%	20%

## Withholding Tax

Standard TL Deposit with maturity	Previous	New (as of 28.06)
Up to 6 months (6 months included)	15%	5%
6 months – 1 year (1 year included)	12%	3%
> 1 year	10%	0%
FC Deposits (non-gold) with maturity	Previous	New (as of 28.06)
Up to 1 year (1 year included)	20%	25%
> 1 year	18%	25%
FCPD		0%

## Commission\*

1 Conversion to Standard TL Deposit (for CBRT FCPD)
<ul style="list-style-type: none"> <li>If conversion to Standard TL Deposit (15%), Roll-over (75%) and new foreign currency protected deposit (max. 5%) in total is below 95% <ul style="list-style-type: none"> <li>Then, 6% + (2/95 * Overall Deficit)</li> </ul> </li> <li>Above 95% but below 15% conversion to TL deposit <ul style="list-style-type: none"> <li>Then, Conversion Deficit / 3</li> </ul> </li> </ul>
2 Weight of Standard TL Deposits
<ul style="list-style-type: none"> <li>Retail Targets: If the bank's TL deposit weight is <ul style="list-style-type: none"> <li>Below 35%, then 2.2%</li> <li>35% - 45%, then 1.7%</li> <li>45%-50%, then 1.2%</li> </ul> </li> <li>Above 50%, then 0.5% monthly increase is mandated. If the target cannot be achieved 2% commission will be applied.</li> </ul> <p>Commercial Target: If the weight is decreased, then 1% commission will be applied</p>

**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.**

\* The calculation period will be every month.

3 Commercial Loan & GPL Rate
<p>If ARR*</p> <ul style="list-style-type: none"> <li>x 1.4 &gt; export &amp; investment loan rate</li> <li>x 2.0 &gt; GPL rate (amount &gt; TL70k)</li> </ul> <p>150% of the loan amount will be allocated as LT TL security.</p>
4 Monthly Growth Rate Limitations
<p>LT-TL security must be purchased (for 1 year), equal to the loan amount exceeding the monthly growth rate of:</p> <ul style="list-style-type: none"> <li>2.5% for TL commercial loans (export, investment agriculture, and tradesman loans are excluded)</li> <li>2% for auto loans</li> <li>3% for GPL</li> </ul>

	Annual Ref. Rates*	ARR x 1.4	As 1M Mat. Equivalent	ARR x 2.0	As 1M Mat. Equivalent
Nov - Dec.23	45.2%	63.2%	49.3%	90.3%	65.2%
Oct.23	38.5%	53.9%	43.2%	76.9%	57.6%
Sep.23	31.3%	43.7%	36.3%	62.6%	48.9%
Aug.23	21.0%	29.4%	25.7%	42.0%	35.1%

\* Announced on a monthly basis in the link below: <https://www.tcmb.gov.tr/wps/wcm/connect/tr/tcmb+tr/main+menu/istatistikler/bankacilik+verileri/uye+isyerlerine+uygulanacak+azami+komisyon+oranlari>

**4% of FC deposits without any condition will be allocated as LT TL security for each calculation period.**

## Credit Cards

	Reference Rate	Max. Rate for Transactions	Max. Rate for Cash Withdrawals
Nov.23 - Jan.24*	3.11%	3.66%	4.42%
Oct.23	2.71%	3.26%	4.02%
Sep.23	2.26%	2.81%	3.57%
Aug.23	1.58%	2.13%	2.89%
Jul.23	1.36%	1.91%	1.91%
Jun.23 - Dec.22	0.81%	1.36%	1.36%

- Max. Rate for Transactions = Reference Rate + 55bps
- Max. Rate for Cash Withdrawals = Reference Rate + 131bps (as of August)

For further details please refer to below link: <https://www.tcmb.gov.tr/wps/wcm/connect/EN/TCMB+EN/Main+Menu/Statistics/Banking+Data/Maximum+Interest+Rates+for+Credit+Cards>

## 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.

# Our Business Model



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## OUR GOAL AND VALUES

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.



## OUR VALUES



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

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.



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

Innovation is embedded in the corporate culture of Garanti BBVA that heeds 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.



- We are committed
- We collaborate
- This is our Bank

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 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 positively influencing decision-makers and the sector and to mainstreaming the issue. Garanti BBVA creates shared value and drives positive change through lending based on impact investment, as well as community programs focusing on material issues for the Bank, its stakeholders, and strategic partnerships.

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 automatize 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

DIFFERENTIATED VALUE PROPOSITION



FINANCIAL HEALTH

- 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



SUSTAINABILITY

- 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

DRIVERS OF SUPERIOR PERFORMANCE



REACHING MORE CLIENTS

- 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



OPERATIONAL EXCELLENCE

- 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

ACCELERATORS



DATA & TECHNOLOGY

- 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



BEST & MOST ENGAGED TEAM

- Invest in our human capital with a focus on their development, happiness and well-being in order to ensure worklife 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



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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. **5,511** ATMs, an award winning Call Center, internet, mobile and social banking platforms, all built on cutting edge technological infrastructure.

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.<sup>1</sup>

**Most valuable bank in Türkiye**

with

**8,3 billion USD**

Market Capitalization  
(as of 2023 end)

**Second largest private bank**

per asset size

More than  
**25 Million**

customers with 2,2 million  
new customer since 2022

Leader with  
**14,8 million**

mobile customers

**Highest TL deposit base**

amongst private banks

**Leader**

in TL cash and non-cash  
loans amongst private banks

Financial institution that young  
people most want to work at

**Carbon Neutral Bank**

since 2020

High ROE and low leverage of 8.0x

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.

<sup>1</sup> Please find the disclosure dated 18 May 2022  
<https://www.garantibbvainvestorrelations.com/en/news/detail/End-of-voluntary-tender/112/8946/0>

# Garanti BBVA Shareholding Structure & Share



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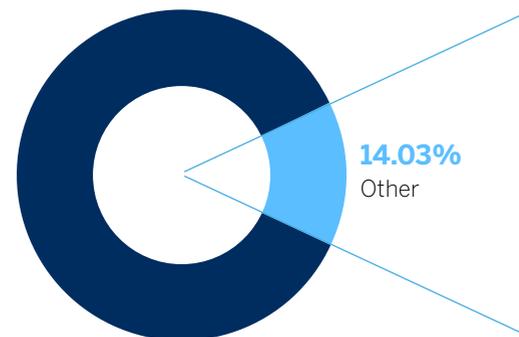
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NAME	NUMBER OF SHARES	NOMINAL (TL)	SHARE%
BBVA (BANCO BILBAO VIZCAYA ARGENTARIA, S.A.)	361,089,589,019	3,610,895,890.19	85.97
OTHERS	58,910,410,981	589,104,109.81	14.03
<b>GRAND TOTAL</b>	<b>420,000,000,000</b>	<b>4,200,000,000.00</b>	<b>100.00</b>



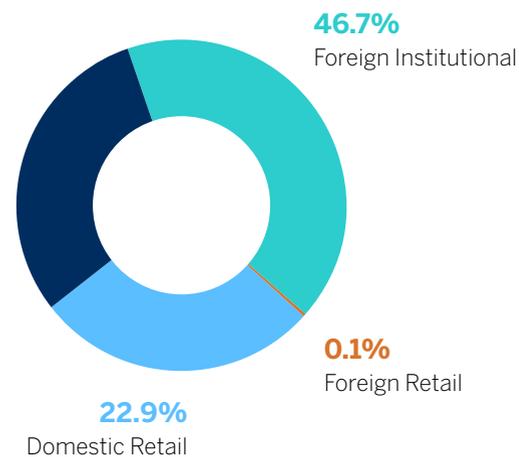
85.97%

BBVA



30.3%

Domestic Institutional



Foreign Institutional Investors: Fund + Institutions

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

Garanti BBVA carried out its IPO in 1990 on Borsa İstanbul and became the first Turkish company to offer its shares on international markets in 1993. Garanti BBVA's depository 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

\* According to MKK (CSD of Türkiye) data on 31 December 2023.

\*\* In the calculation of foreigners share in BIST-100, QNB is adjusted.

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 the annual Operating Plan Guidance disclosure attracted live on 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

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 73 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.

Index/ESG Rating	Scoring Range	Score/Inclusion	Description
S&P Corporate Sustainability Assessment	<b>0-100</b>	<b>73</b>	Highest score among the banks reporting from Türkiye
CDP Climate Change – 2023	<b>A / D-</b>	<b>B</b>	
CDP Water Security - 2023	<b>A / D-</b>	<b>A-</b>	
MSCI	<b>AAA-CCC</b>	<b>BBB</b>	
FTSE4Good - 2022	<b>0-5</b>	<b>3.8</b>	
Sustainalytics ESG Risk 2022	<b>0-40+</b>	<b>21.1</b>	
Bloomberg Gender Equality Index - 2023	<b>0-100</b>	<b>89.06</b>	The only bank from Türkiye to be included in the index for 7 consecutive years
BIST-Sustainability Index	<b>Inclusion</b>	<b>+</b>	
BIST-Sustainability 25 Index	<b>Inclusion</b>	<b>+</b>	
BIST- Corporate Governance Index	<b>Inclusion</b>	<b>+</b>	

### 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.

## ABOUT INSIDER HOLDINGS

The chairman, members of the Board of Directors, the CEO and the Executive Vice Presidents are allowed to own publicly-traded shares of Garanti BBVA in accordance with the limitations set out in Capital Markets Board regulations and the internal regulations of the Bank; their transactions in Garanti BBVA shares are publicly disclosed pursuant to Capital Markets Board regulations. Pursuant to Article 11/2 of the Communiqué on Material Events Disclosure numbered II-15.1, if and when the total amount of transactions made on behalf of persons with administrative responsibility exceeds TRY 5.000.000 (\*Revalued figure/value for 1.1.2023 – 31.12.2023, pursuant to the Announcement made pursuant to the Decision of the Capital Markets Board dated 29/12/2022 and numbered 77/1900) within a calendar year, it is publicly disclosed. There is no ultimate non-corporate controlling shareholder holding more than 5% share in the shareholding structure.

**You can access the special situation statement dated 29.08.2023 regarding the share purchase and sale transactions carried out within the scope of the Capital Markets Board's Special Circumstances Communiqué numbered II-15.1 from here.**

## RELATED PARTY TRANSACTIONS

As of 31 December 2023, the concentration of transaction volumes and balances with the parent bank and its consolidated financial affiliates ("the Group") and pricing policy can be found in the footnote numbered 5.7.2.2 of the Bank's Financial Report as of 31 December 2023.

## AFFILIATE REPORT

With reference to articles 195 - 209 of the Turkish Commercial Code; T. Garanti Bank A.Ş. (hereinafter referred to as the "Bank") is considered as dependent company, Banco Bilbao Vizcaya Argentaria S.A. (referred to as the "Parent Company") is considered to be the parent company. Pursuant to Article 199 of the Turkish Commercial Code, the Bank, under the direction of the Parent Company;

- Did not conduct any legal transaction in the operating year 2023 in favor of the Parent Company or any dependent company of the Parent Company that serves to the advantage of the Parent Company or of any dependent company of the Parent Company, furthermore, there is no measure taken or refrained from being taken to the benefit of the Parent Company or of any dependent company of the Parent Company.
- Appropriate counter actions were taken with respect to the legal transactions executed with the Parent Company and no financial loss has arisen in connection with them.

# 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)**

## CORPORATE GOVERNANCE RATINGS

### JCR Eurasia Rating (December 2023)

Garanti BBVA is listed in the Borsa Istanbul (BIST) Corporate Governance Index and highly compliant with the Capital Market Board's Corporate Governance Principle with the Corporate Governance Rating of 9.81 assigned by JCR Eurasia Ratings.

Main Sections	Weight	Score	Outlook
Shareholders	25%	9.73	Stable
Public Disclosures and Transparency	25%	9.85	Stable
Stakeholders	15%	9.87	Stable
Board of Directors	35%	9.81	Positive
<b>Corporate Governance Overall Score</b>		<b>9.81</b>	<b>Positive</b>



**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.**

2023  
ANNUAL  
REPORT



How does the role of branches evolve with the growing use of mobile banking?



CEREN ACER KEZİK

Executive Vice President  
Retail Banking



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

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



GARANTİ BBVA'S POSITION  
IN THE SECTOR

52 Garanti BBVA in Numbers

54 Garanti Bbva's Competitive Advantages

58 Garanti BBVA's Position in Business Areas

60 Garanti BBVA's Financial Subsidiaries

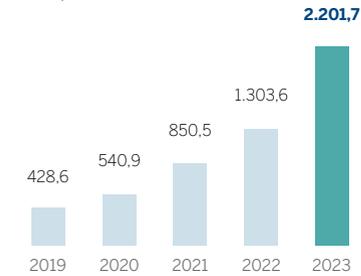
64 Summary of the Board of Directors' Annual Report

# Garanti BBVA in Numbers

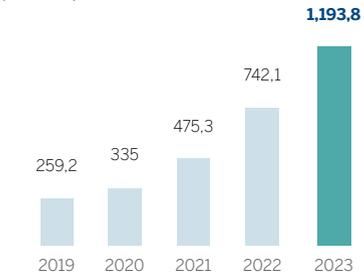
	2019	2020	2021	2022	2023
<b>BRANCHES</b>	914	894	872	838	<b>805</b>
<b>POS</b>	651,860	684,896	700,616	777,497	<b>808,478</b>
<b>ATMs</b>	5,260	5,309	5,401	5,450	<b>5,511</b>
<b>TOTAL CUSTOMERS</b>	17,749,599	18,878,621	20,376,831	23,179,429	<b>25,351,113</b>
<b>MOBILE BANKING CUSTOMERS</b>	7,731,683	9,074,914	10,608,777	13,032,549	<b>14,768,620</b>
<b>DIGITAL BANKING CUSTOMERS</b>	8,352,034	9,571,289	11,040,150	13,386,156	<b>15,046,929</b>
<b>NUMBER OF EMPLOYEES</b>	21,403	21,365	20,962	21,684	<b>22,016</b>
<b>DEBIT CARDS</b>	12,309,813	14,156,702	15,956,977	19,027,213	<b>20,973,862</b>
<b>CREDIT CARDS</b>	10,131,725	10,308,368	10,992,736	12,893,009	<b>15,183,137</b>

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

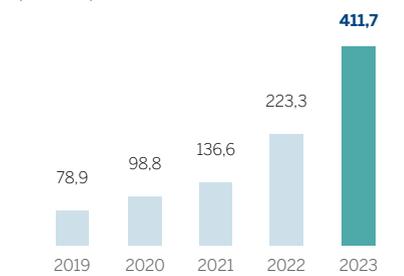
## ASSETS (TL billion)



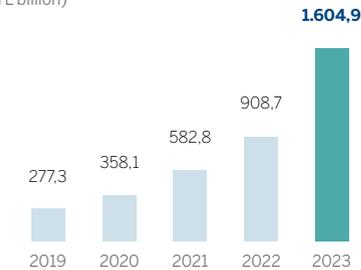
## PERFORMING CASH LOANS (TL billion)



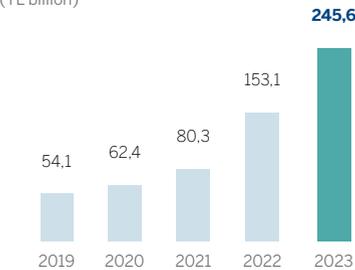
## CONSUMER LOANS (TL billion)



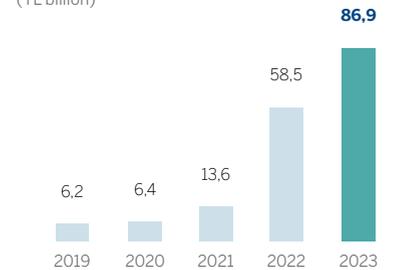
## DEPOSITS (TL billion)



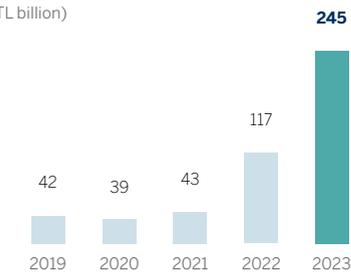
## SHAREHOLDERS EQUITY (TL billion)



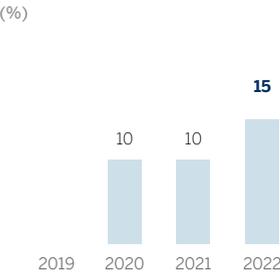
## NET INCOME (TL billion)



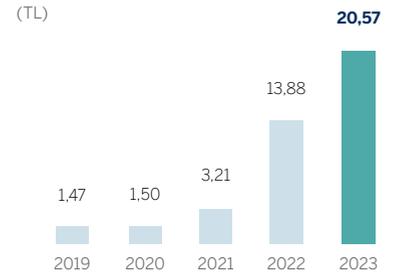
## MARKET CAPITALIZATION (TL billion)



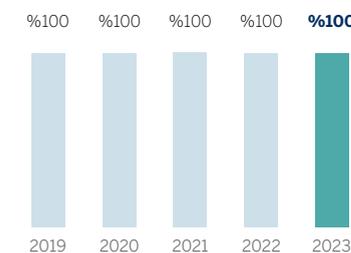
## DIVIDEND PAYOUT RATIO\* (%)



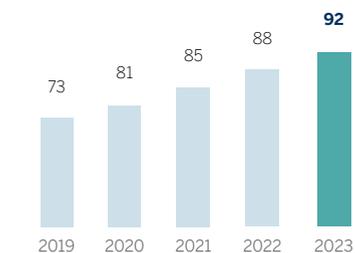
## EARNINGS PER SHARE (TL)



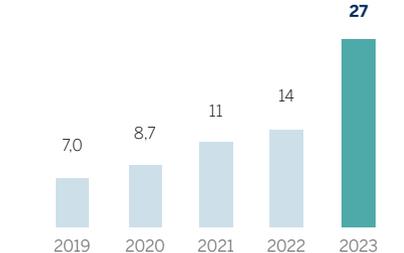
## % OF RENEWABLES IN ENERGY PRODUCTION PORTFOLIO (in new PF greenfield commitments)



## NUMBER OF PROJECTS SUBJECTED TO ENVIRONMENTAL AND SOCIAL IMPACT ASSESSMENT SYSTEM (Cumulative)



## TOTAL LOANS GRANTED TO WOMAN ENTREPRENEURS (Cumulative, TL billion)



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

2<sup>nd</sup> 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 revenues<sup>1</sup> (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%

Based on 2023 year-end BRSA unconsolidated financials for fair comparison. Private peers are defined as 3 largest private banks.

<sup>1</sup> 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%**

## STRONG BRAND AND CORPORATE REPUTATION WITH OUR UNIQUE VALUE CREATION

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

**1<sup>st</sup> Turkish Bank**

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

**#1**

Corporate  
Banking NPS

**#1**

Commercial  
NPS

**#2**

Retail  
NPS

Based on unconsolidated financials unless otherwise stated.

# Garanti BBVA's Position in Business Areas

## CORPORATE & INVESTMENT BANKING

### 2023 Key Data

**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 sustainability 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**

\* Garanti BBVA updated its target to provide funding for financing sustainable activities between the years 2018 and 2025 TL 400 billion in 2023.

## COMMERCIAL BANKING

### 2023 Key Data

**#1 in Commercial Banking NPS in 2023**

"Sustainable Future in Exports" Sustainable Growth and Financial Health events

**TL 30,5 bn**  
TL 14,4 bn Green Loans & TL 16,1 bn Social Loans under Sustainable Finance support (+204% YoY) according to 12-2023 results

**Specific service model** for multinationals

### 2024 Strategic Priorities

- To continue providing financial advisory to our customers, accurately analyzing their current needs, and offering them **the most suitable solutions**
- 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
- Continue to sustain **profitable and efficient growth** by increasing our wallet share in both existing and new customers.
- Maintaining 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

### 2023 Key Data

**>TL 27bn** Financing to women-owned businesses

**22.8%\*\*** Market share in SME loans (+228 bps YoY)

**TL 150 mn** Total investment to **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 (applications received women entrepreneurs competition)

### 2024 Strategic Priorities

- 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 **collaborations 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** bank in the lifecycles of startups and tecno-entrepreneurs
- Meet with the customers regarding the **"Green Deal"** to pave the way for sustainable investments

\*\* SME loans per BRSA definition, market share among private banks.

## RETAIL BANKING

### 2023 Key Data

**19.7%\*** Market share leader in consumer loans

**22.47%\*\*** Micro enterprises TL Cash Loan market share (+253 bps YoY)

Leader in TL Time (**9.05%\***) and TL Demand (**10.61%\***) savings deposits

**9<sup>th</sup> consecutive year** as Türkiye's (World Finance), **6<sup>th</sup> consecutive year** as Europe's Best Retail Bank (European CEO Awards)

### 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 to 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 banking with the awareness and responsibility of increasing access to financial services.

## PAYMENT SYSTEMS

### 2023 Key Data

**808k** POS devices (+4% YoY)

**480k** Member merchants (+5.3% YoY)

**15.2** Credit cards (+18% YoY)

**7,4 mn** Cardless e-com check out solution GarantiPay transaction volume (+81% YoY)

**202k** Digital slips

### 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 by BonusFlas
- Expand the product line to offer needbased solutions by **supporting member merchants' digital transformation**
- Carry on with investments in environmentfriendly 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

\* Market share calculations is calculated with unconsolidated balance sheet figures as 31.12.2023 and BRSA weekly data dated 29.12.2023 for private/foreign banks.

\*\* Micro enterprises are according to BRSA definition, calculated using BRSA monthly data.

\*\*\* Prepared according to Rasyonet data.

## DIGITAL BANKING

### 2023 Key Data

**15,0 mn** Digital active customers (+12% YoY)

**14,8 mn** Mobile active customers (+13% YoY)

**35%** QR transactions market share

**18%** Mobile financial transactions share

### 2024 Strategic Priorities

- 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 onboarding
- Position mobile banking as the primary channel of interaction with customers; cater to all their needs via smart assistant Ugi 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

# Garanti BBVA's Financial Subsidiaries



1,129



4 min



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 Türkiye 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.

## 2023 Key Data

<b>11.9bn TL</b> Total Assets (+%22.4 YoY)	<b>1.7bn TL</b> Total Equity (+%150.6 YoY)
<b>1.045,1 milyon TL</b> Net Kâr (yıllık %198,0 artış)	<b>0.5%</b> Asset Contribution to Garanti BBVA Group
<b>54.8bn TL</b> Transaction Volume (+73.5% YoY)	<b>0.6% NPL</b> (Sector Average 1.3%) (NPL decrease YoY -17.9%)
<b>~51k</b> Total Number of Factoring Transactions (+%14,2 YoY)	

## 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.



Garanti BBVA Romania (GBR) and its two sister companies, Motoractive (Leasing) and Ralfi (Consumer Finance), continue to offer service in all business lines to more than 460 thousand customers (consolidated) in Romania with 1126 active<sup>1</sup> employees (consolidated) and 71 branches

## 2023 Key Data

<b>2.5%</b> loan market share – 12 <sup>th</sup> largest bank in Romania	<b>83.6%</b> Coverage Ratio vs. sector avg. of 65.1%
<b>4.5%</b> Asset Contribution to Garanti BBVA Group	<b>22.6%</b> Capital Adequacy Ratio
<b>1.8%</b> NPL Ratio vs. sector avg. of 2.4%	

## 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.

<sup>1</sup> Indicates the number of active personnel, excluding the personnel on unpaid leave as of the end of the year due to maternity leave etc.



Established in 1997, Garanti BBVA Asset Management, Türkiye'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.

## 2023 Key Data

<b>256bn TL</b> Asset Under Management (+%82 YoY)	<b>482k</b> Investor Accounts in Mutual Funds (+98k YoY)
<b>143bn TL</b> Mutual Fund (+ %92 YoY)	<b>#52</b> Number of investment funds available for bank customers to invest in
<b>1bn TL</b> Financial Contribution to Garanti BBVA (GPY Net Profit + TGB Investment Fund Commission Income)	

## 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.



Garanti BBVA International (GBI) is a mid-sized European bank with a EUR 5.8 billion asset size, established in Amsterdam, the Netherlands in 1990. Offering financial solutions in the areas of trade and commodity finance, corporate banking and global markets, GBI also furnishes retail banking services in the Netherlands and Germany. Trade and Commodity Finance operations of GBI delivers traditional products such as transactional trade finance facilities, syndicated facilities, documentary credits and collections. Under the Corporate Banking coverage, GBI serves a select set of corporate clientele with international operations, which are predominantly based in Europe and Türkiye, with well-designed products, that can be categorized under transactional banking, such as working capital loans, trade loans, receivable finance.

## 2023 Key Data

<b>Baa3 (Moody's)</b> External Credit Rating (Outlook: Positive)	<b>8.4%</b> Asset Contribution to Garanti BBVA Group
<b>EUR 100.7 mn</b> Profit Contribution	<b>1.01%</b> NPL Ratio
<b>23.62%</b> Capital Adequacy Ratio	<b>939.0%</b> Liquidity Coverage Ratio
<b>26.7%</b> Cost to Income Ratio	<b>14.81%</b> Return on Average Equity

## 2024 Strategic Priorities

- Further enhancing digital offerings in Trade and Commodity Finance, Retail Banking and Global Markets Sales with new digital platforms. Focusing on growth and diversification in Corporate Banking.
- Following the ESG roadmap through continuous interaction with Garanti BBVA and increasing focus on sustainability.



Founded in 1991, Garanti BBVA Securities is among Türkiye's leading brokerage firms in investments, mergers and acquisitions, public offerings, private sector bond issuances, and privatization consultancy, as well as securities and investment banking services in domestic and international capital markets. Garanti BBVA Securities offers its investors brokerage and investment banking services in domestic and international capital markets, leveraging its extensive distribution network, superior technological infrastructure, strong brand image, experienced staff, innovation, and robust partnership structure.

#### 2023 Key Data

<b>5.0% (#5)</b> Equity Market Share	<b>6</b> companies Intermediated for public offerings
<b>3.2bn TL</b> (bank-only) (Together with bank's contribution 4.5bn TL) Net Profit	<b>2.9% (#9)</b> Derivative Market Share
<b>12.4bn TL</b> IPO brokerage	<b>&gt;1.9 million</b> Active client

#### 2024 Strategic Priorities

- To enhance the customer experience by updating the e-Trader application with rich functions 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.



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 BRSA 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.

#### 2023 Key Data

<b>30,513 million TL</b> Total Assets (+84% YoY)	<b>4,405 million TL</b> Net Profit (+101% YoY)
<b>13,000 million TL</b> 2022 Registered Contracts New Business Volume (+70%YoY)	<b>1.6%</b> Asset Contribution

#### 2024 Strategic Priorities

- Expanding the customer base through increasing the number of new customers and providing quick and high-quality funding for their investments.
- Increasing the market share in the clean energy sector.
- Continuing to provide end-to-end solutions to the customers based on our experience in diverse industries.



Garanti BBVA Pension and Life was established in 1992 as a life insurance company. In 2002, the company added life insurance to its operations. In 2007, following the partnership with Achmea, one of Europe's most powerful insurance companies, the company began to offer different insurance products already available in Europe. The company makes the most effective use of bancassurance. With 12 regional directorates and more than 800 Garanti BBVA branches, it offers the most widespread service.

#### 2023 Key Data

<b>2.2 billion TL</b> Net Profit (+113% YoY)	<b>100.8 billion TL</b> Total Private Pension System (PPS) Fund Size
<b>16.64%</b> Total Number of PPS Participants Market Share	<b>10.7 billion TL</b> Asset Size (+114% YoY)
<b>2.9 million</b> Total Number of PPS Participants	45% of all PPS sales are from digital channels
<b>200 thousand</b> PPS participants under the age of 18 (	

#### 2024 Strategic Priorities

- 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 18
- Increase individual and company penetration in life insurance.



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 2019, hybrid and electric 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.

#### 2023 Key Data

<b>TL 16,6 Billion</b> Asset Size	<b>TL 5.8 Billion</b> Revenue
<b>25,245</b> Active Fleet	<b>TL 3.4 Billion</b> Net Profit

#### 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.

# Summary of the Board of Directors' Annual Report



1,055



4 min

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 carries 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 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 interest rate 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 \$15 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.

# 2023 ANNUAL REPORT



What is the secret behind your unbroken leadership in Net Promoter Score every year?



MAHMUT AKTEN

**Executive Vice President**  
Corporate & Investment Banking  
and Global Markets



Can you elaborate 2023 in terms of sustainable finance?

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



**OUR VALUE CREATION**

**68** Double Materiality Analysis

**86** Value Creation Model

**92** Contribution to Sustainable Development Goals and Targets

**106** Stakeholder Engagement

# Double Materiality Analysis



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19 min

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. 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.

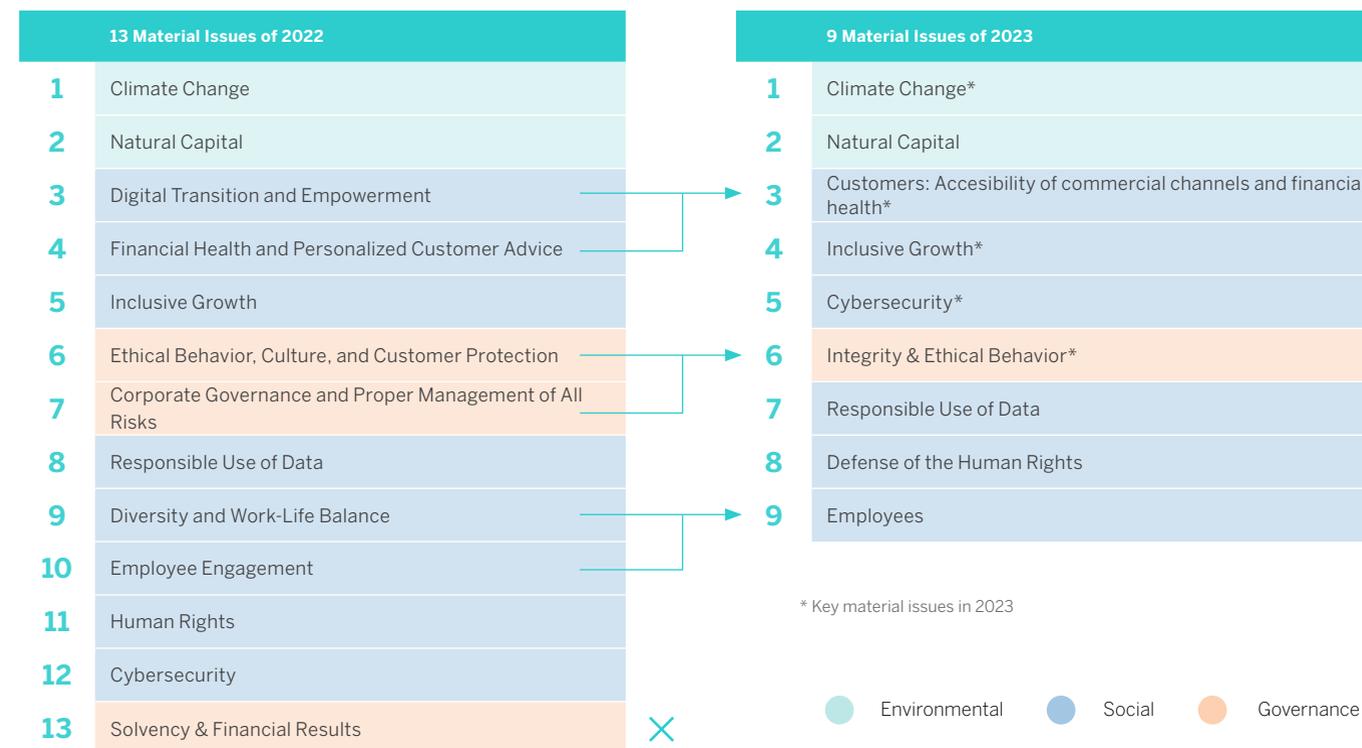
The association between potentially material issues with the analysis of impact materiality (Y axis) and financial materiality (X axis) makes it possible to sort these issues into two axes according to Garanti BBVA's impact on environmental and social issues and these issues' impact on the Bank. This 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.

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.

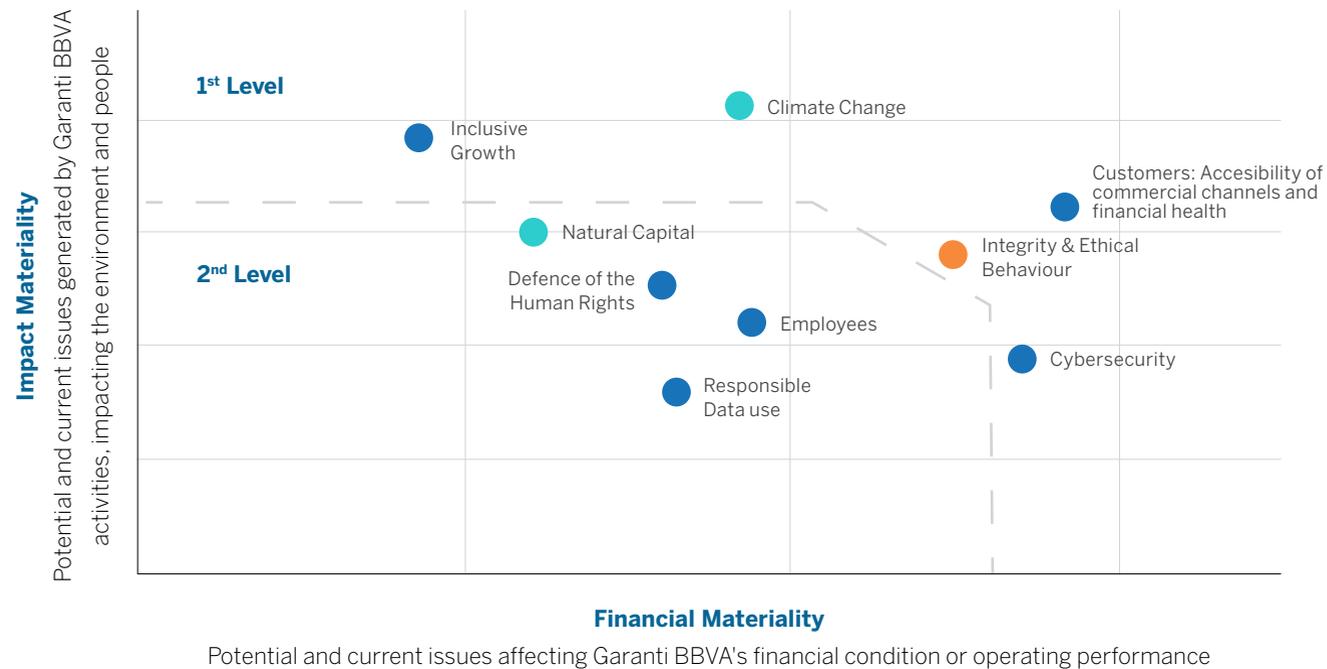
All of the material issues are covered by the Bank's 6 strategic priorities. In addition, for climate change and inclusive growth



**You may find the report here.**

**DOUBLE MATERIALITY ANALYSIS FOR GARANTI BBVA - 2023**

● Environment ● Social ● Governance



**PROCESS FOR DETERMINING MATERIAL ISSUES**

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

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

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

**Phase 4 - Application of expert criteria**

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

**Internal sources used:**

- Garanti BBVA's material issues from previous years.
- Results of the Human Rights due diligence process carried out by BBVA in 2021, as well as subsequent updates and extensions made to it.
- Portfolio Impact Analysis Tool for Banks – UNEP-FI.
- The ENCORE tool for natural capital matters.
- 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
- Garanti BBVA Reputation Risk Analysis
- BBVA Risk Assessment.

**External sources used:**

- Sustainability reporting framework, namely Global Reporting Initiative
- Major ESG analysts, MSCI, Sustainalytics, S&P
- Best market practices
- Regulation (Spanish Law 11/2018, European Taxonomy Regulation, Capital Market Board of Türkiye's Sustainability Principles Compliance Report).
- Other sources (UNEP-FI, analysts, indices and reference studies), as well as Context reports and trends in the financial sector and reports from internationally relevant NGOs.).

**PHASE 2 - IDENTIFICATION OF POTENTIAL IMPACTS (POSITIVE AND NEGATIVE), AS WELL AS RISKS AND OPPORTUNITIES FOR EACH OF THE IDENTIFIED ISSUES.**

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.



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

**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) for both Consumer Banking and Institutional Banking 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 their 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 was reflected on the results.

MATERIAL ISSUES

	Subject	Description	Materiality of Impact <sup>1</sup>		Financial Materiality	
			Positive Impacts	Negative Impacts	Risk	Opportunities
ENVIRONMENTAL	Climate Change	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..	<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>Reduction of pollution levels by directing and driving financing towards more sustainable sectors and activities.</li> </ul>	<ul style="list-style-type: none"> <li>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.</li> <li>Greenhouse gas emissions (GHG) from the portfolio in general, and from financing customers/sectors/operations with high GHG emissions that contribute negatively to climate change.</li> <li>Negative environmental impacts of the portfolio due to pollution in general, and from financing customers/sectors/operations with high pollution levels.</li> </ul>	<ul style="list-style-type: none"> <li>Litigation and sanctions related to non-compliance with climate change regulations.</li> <li>Lack of adaptation or slow adaptation of financial products to the effects of climate change.</li> <li>Lack of adaptation of the portfolio (especially high-risk sectors) to climate transition (transition risk).</li> <li>Portfolio exposure to acute and chronic physical risk events (storms, floods, heatwaves, etc.).</li> <li>Amortization and early withdrawal of existing assets (damage to properties and assets in "high-risk" locations).</li> <li>Reduction in revenue due to financing/non-financing of highly polluting products/sectors.</li> <li>Reduction in the value of fixed assets (e.g., highly polluting assets).</li> <li>Increase in costs and decrease in demand for products and services due to fines and judgments.</li> </ul>	<p>Financing of new activities linked to the energy transition (mitigation and adaptation):</p> <ul style="list-style-type: none"> <li>Reuse of oil and gas transport assets for biofuels: SP;</li> <li>Electrification of the oil and gas industry and hydrogen use: SP;</li> <li>Renewables, SP;</li> <li>Green hydrogen, SP;</li> <li>Nuclear fusion, LP;</li> <li>Distribution of solar panels in construction and infrastructure, SP;</li> <li>Building renovation, SP;</li> <li>Adaptation infrastructures, SP;</li> <li>Low-emission electric transportation, SP;</li> <li>Metals for electric vehicles, SP;</li> <li>Agricultural waste for biogas, SP;</li> <li>Energy in agricultural plants, SP;</li> <li>Drought-resistant products, SP;</li> <li>Use of sustainable fertilizers and feeds: SP</li> <li>Carbon credit markets, SP;</li> <li>Circular economy: SP;</li> <li>Other sectors towards carbon neutrality, SP.</li> </ul> <p>Financing of sustainable activities without pollution controversies.</p>
			<p>Additional information related to measures taken to manage the issue, associated impacts, and the monitoring of the effectiveness of the adopted measures is included in section: 2.2 Environmental-</p> <p>The Key Performance Indicators (KPIs) linked to this issue are "Mobilization of Sustainable Business" (see section "2.1.5 Sustainability in business development - Sustainable business channeling") and "Decarbonization of the Portfolio" (see section 2.2.2 Risk management associated with climate change and environmental factors - Identification, measurement, and integration of climate change risk in risk management"). Additionally, these KPIs are used for the calculation of the RVA (see section "2.3.2 Employees - Remuneration").</p>			

Materiality of Impact<sup>2</sup>

Financial Materiality

Subject	Description	Positive Impacts	Negative Impacts	Risk	Opportunities
SOCIAL	<p><b>Customers: accessibility of commercial channels and financial health</b></p> <p>Offer a good experience for all customers, ensuring the simplicity, agility, speed and selfservice 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.</p>	<ul style="list-style-type: none"> <li>• Positive contribution to the health of the economy through access to quality and personalized financial services.</li> <li>• Positive contribution to the financial health and well-being of clients.</li> <li>• Positive contribution to consumer protection.</li> <li>• Financial education for clients and society in general; and specific for disadvantaged and/or vulnerable groups</li> <li>• Contribution to the transformation toward a digital and connected economy.</li> <li>• Access to financing and financial services through the promotion of new channels, products and digital services.</li> <li>• Access to financing and financial services by facilitating accessibility, simplicity and agility in customer transactions.</li> </ul>	<ul style="list-style-type: none"> <li>• Indirect negative impacts on access to financing and financial services due to the possible exclusion of certain vulnerable groups that may not be able to adapt to digitization (e.g. senior citizens).</li> <li>• Exclusion of groups with less adaptability to changes geared toward new technologies (e.g. the elderly, rural areas).</li> <li>• Negative effects on the health of the economy due to the lack of quality and personalization of financial services.</li> <li>• No contribution or negative contribution to the financial health and well-being of clients.</li> <li>• No contribution or negative contribution to consumer protection</li> </ul>	<ul style="list-style-type: none"> <li>• Lack of adaptation or slow adaptation to digital transformation expectations.</li> <li>• Loss of business due to competition from digital players providing financial services.</li> <li>• Costs associated with investments resulting from the approach and facilitation of services.</li> <li>• Implementation of solutions, products or services perceived as inadequate.i</li> <li>• 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).</li> <li>• Inadequate management of customer claims/complaints."</li> </ul>	<ul style="list-style-type: none"> <li>• Development of new innovative and digital financial products and services.</li> <li>• Positioning and recognition by stakeholders, especially customers, as an innovative and digital company.</li> <li>• Positioning and recognition by stakeholders, especially customers, as a company that offers a simple, agile and fast service.</li> <li>• Positioning and recognition by stakeholders, especially customers, as a company that provides and facilitates access to people from vulnerable groups (people with disabilities, the elderly, etc.) to its facilities.</li> <li>• Positioning and recognition among customers as a trustworthy company that responds to their needs.</li> </ul>

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  
 The KPI linked to this issue is ""Net Recommendation Index (IReNe) (see section ""2.3.2 Customer - Responsible customer conduct Customer experience"". In addition, this KPI is used to calculate the AVR (see section ""2.3.3 Employees - Remuneration"").

Materiality of Impact<sup>2</sup>

Financial Materiality

Subject	Description	Positive Impacts	Negative Impacts	Risk	Opportunities	
SOCIAL	<b>Inclusive Growth</b>	<ul style="list-style-type: none"> <li>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.</li> <li>Develop new products with the help of new technologies, which allow access to new markets previously inaccessible due to the risk factor.</li> <li>Support governments and companies to promote employment and local development of the territory and communities.</li> <li>Promote the development of society through the philanthropic activities carried out by the Group.</li> </ul>	<ul style="list-style-type: none"> <li>Access to financing and financial services to people located in isolated or remote areas (e.g. rural areas).</li> <li>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.</li> <li>Increase in financial and digital education of clients and society in general, specifically that of disadvantaged and/or vulnerable groups.</li> <li>Accessible, affordable and useful financial products.</li> <li>Products aimed at SMEs and the selfemployed with less access to financing and sustainable business models.</li> <li>Strong and lasting public-private alliances.</li> </ul>	<ul style="list-style-type: none"> <li>Lack of access to finance and financial services in isolated or remote areas (e.g. rural areas).</li> <li>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.</li> <li>Reduced financial education of clients and society in general, specifically that of disadvantaged and/or vulnerable groups.</li> <li>Financial products not accessible, affordable or useful.</li> <li>Lack of products aimed at SMEs and the self-employed with less access to financing and sustainable business models.</li> <li>Lack of collaboration with the third sector or with the public sector.</li> </ul>	<ul style="list-style-type: none"> <li>Reputational loss due to lack of or insufficient financial inclusion measures.</li> <li>Loss of business opportunities due to not serving new segments (not expanding the customer base).</li> <li>Loss of opportunities in the development of financial products (less innovation)</li> <li>Loss of competitiveness/income due to excessive focus on financial inclusion.</li> <li>Reputational risk due to lack of contribution or inadequate contribution to the requirements of the social environment.</li> </ul>	<ul style="list-style-type: none"> <li>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.</li> <li>Expansion of the customer base.</li> <li>Innovation and development of new products and services aimed at disadvantaged and/or vulnerable groups or underserved areas.</li> <li>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.</li> </ul>
	<b>Cybersecurity</b>	<p>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.</p>	<ul style="list-style-type: none"> <li>Positive contribution to the health of the economy through the protection of customers' finances.</li> <li>Cybersecurity education for customers and society in general; resulting from information campaigns.</li> </ul>	<ul style="list-style-type: none"> <li>No contribution or negative contribution to the health of the economy due to lack of protection or inadequate protection of customers' finances.</li> </ul>	<ul style="list-style-type: none"> <li>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.</li> <li>Excessive dependence on service providers for cybersecurity management.</li> </ul>	<ul style="list-style-type: none"> <li>Positioning and recognition by stakeholders, especially customers, as a company safe from cyber-attacks.</li> <li>Development of solutions against cyberattacks that can provide a competitive advantage in the market.</li> </ul>
<p>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:</p> <p>– 2.1.3 Sustainability in business development</p> <p>– 2.3.1 Society</p> <p>The KPI linked to this matter is ""Sustainable Business Mobilization"" (see section ""2.1.3 Sustainability in business development - Sustainable business channeling""). In addition, this KPI is used to calculate the AVR (see section ""2.3.3 Employees - Remuneration"").</p>						
<p>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:</p> <p>– 2.3.2 Customers - Security and protection</p> <p>(2) The identified impacts, both positive and negative, are potential; since they come mainly from the UNEP-FI tool that considers the potential impacts of BBVA's portfolio.</p>						

Materiality of Impact<sup>2</sup>

Financial Materiality

Subject	Description	Positive Impacts	Negative Impacts	Risk	Opportunities
Business integrity and ethics	<p>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."</p>	<ul style="list-style-type: none"> <li>• Positive contribution to consumer protection.</li> <li>• Positive contribution to the health of economies.</li> <li>• Positive contribution to socioeconomic well-being</li> <li>• Positive contribution to the achievement of ethical institutions.</li> <li>• Positive contribution to the health of economies through the mitigation of risks that may affect them.</li> </ul>	<ul style="list-style-type: none"> <li>• No contribution or negative contribution to consumer protection.</li> <li>• No contribution or negative contribution to health of the economies.</li> <li>• No contribution or negative contribution to the socioeconomic well-being.</li> </ul>	<ul style="list-style-type: none"> <li>• 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).</li> <li>• Loss of competitiveness/revenue due to inadequate product and service catalog design, including abusive clauses or wrong target audience.</li> <li>• Litigation related to non-compliance with customer protection matters arising from regulatory requirements.</li> <li>• Reputational risk and litigation for corruption, fraud, bribery and tax noncompliance</li> <li>• Corporate governance structure or practices misaligned with good governance principles and standards.</li> </ul>	<ul style="list-style-type: none"> <li>• Positioning and recognition by stakeholders, especially customers, as an entity that protects its clients.</li> <li>• Positioning and recognition by stakeholders, especially customers, as a company that ensures good compliance and the fight against unethical activities (bribery, corruption, money laundering).</li> <li>• Creation of long-term value thanks to the development of good corporate governance that seeks to benefit shareholders and key stakeholders for the entity.</li> </ul>

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  
 (3) 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

Subject	Description	Materiality of Impact <sup>1</sup>			Financial Materiality	
		Positive Impacts	Negative Impacts	Risk	Opportunities	
ENVIRONMENTAL Natural capital	Measures aimed at:					
	<ul style="list-style-type: none"> <li>Manage dependencies, impacts, risks and opportunities related to natural capital.</li> <li>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.</li> <li>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.</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>Reduction in the generation of waste produced by the entity's own operations through management and circular economy measures.</li> <li>Reduction in the consumption of resources, mainly water, energy and paper, of the entity's own operations through management and efficiency measures.</li> <li>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.</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>Negative environmental impacts derived from the waste produced by the entity's own operations.</li> <li>Negative environmental impacts derived from the resources consumed, mainly water, energy and paper, in the entity's own operations.</li> <li>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.</li> <li>Degradation of ecosystems in areas of high ecological value through the financing of clients / operations with activity in these locations.</li> </ul>	<ul style="list-style-type: none"> <li>Portfolio exposure to sectors with high dependencies on natural capital.</li> <li>Portfolio exposure to sectors with high impacts on natural capital that are not able to adapt or adapt slowly to new demands regarding the protection of natural capital.</li> <li>Absence or poor integration of an operational efficiency strategy.</li> <li>Increased long-term costs of resources (circularity, energy, water).</li> </ul>	<p>Financing of activities linked to the protection and restoration of natural capital (with its corresponding time horizon):</p> <ul style="list-style-type: none"> <li>Sustainable forest management.</li> <li>Reforestation.</li> <li>Blue economy.</li> <li>Nature-Based Solutions.</li> <li>Ecological agriculture.</li> <li>Adaptation of sectors in general to the degradation of ecosystems</li> <li>Adaptation infrastructures.</li> <li>Anti-drought products.</li> <li>Ecosystem services credit markets.</li> <li>Cost savings through improved efficiency in resource consumption (water, energy, paper).</li> </ul> <p>Recognition for positioning as an environmentally efficient company.</p>	

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:  
 – 2.2.2 Management of risks associated with climate change and environmental factors - Identification and measurement of other environmental risks  
 (1) The identified impacts, both positive and negative, are potential; since they come mainly from the UNEP-FI tool that considers the potential impacts of BBVA's portfolio.

Materiality of Impact<sup>2</sup>

Financial Materiality

Subject	Description	Positive Impacts	Negative Impacts	Risk	Opportunities
Responsible use of data	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.	<ul style="list-style-type: none"> <li>Positive contribution to the health of the economy through the protection of customers' finances and data.</li> <li>Protection of the right to data protection.</li> <li>Education on responsible use of data for customers and society in general; resulting from information campaigns.</li> </ul>	No contribution or negative contribution to the protection of the right to data protection.	<ul style="list-style-type: none"> <li>Loss of competitiveness/revenue due to inadequate processing of customers' personal information.</li> <li>Reputational risk due to inadequate processing of employees' personal information.</li> <li>Litigation related to non-compliance regarding personal data use, arising from regulatory requirements.</li> </ul>	Positioning and recognition by stakeholders, especially customers, as a company that makes responsible use of personal data.

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

SOCIAL

Employees	<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>Organization of social dialogue, including procedures for informing, consulting and negotiating with personnel: freedom of association, relationship with unions and collective bargaining agreements.</li> <li>Measures aimed at preventing occupational hazards and promoting the health (physical and mental) and safety of employees.</li> </ul>	<ul style="list-style-type: none"> <li>Positive contribution to the objectives of ensuring equal opportunities</li> <li>Contribution to the well-being of society.</li> <li>Generation of quality employment and the payment of decent wages.</li> <li>Positive contribution to employees' labor rights.</li> <li>Positive contribution to the safety, health and integrity of employees.</li> <li>Positive contribution to health and safety education.</li> </ul>	<ul style="list-style-type: none"> <li>No contribution or negative contribution to the objectives of ensuring equal opportunities.</li> <li>Generation of employment with worsening quality.</li> <li>No contribution or negative contribution to the well-being of society.</li> <li>No contribution or negative contribution to employees' labor rights.</li> <li>No contribution or negative contribution to the safety, health and integrity of employees.</li> <li>No contribution or negative contribution to health and safety education.</li> </ul>	<ul style="list-style-type: none"> <li>Reputational risk and litigation for cases of discrimination.</li> <li>Limitation of maternity/paternity rights, harassment at work or similar among employees.</li> <li>Poor practices in equality and worklife balance, or cases of discrimination by a third party that may be linked to the company or the sector.</li> <li>Lack of adaptation or slow adaptation of the company's strategy (and implementation of measures) to promote equality, diversity and conciliation that may affect the perception of employees and other stakeholders about the company.</li> <li>Reputational risk and litigation due to lack of fair and decent salary conditions.</li> <li>Lack of adaptation or slow adaptation of the company's strategy (and implementation of measures) to promote talent attraction and retention that may affect the perception of employees and other stakeholders about the company.</li> <li>Reputational risk or litigation due to limitations on freedom of association and collective bargaining; or perception of limitations to such rights.</li> <li>Lack of or insufficient measures related to the protection of the safety, health and well-being of employees.</li> </ul>	<ul style="list-style-type: none"> <li>Positioning and recognition by stakeholders, especially employees, as a company that promotes equal opportunities and work-life balance.</li> <li>Increased productivity as a result of the implementation of actions to improve work-life balance.</li> <li>Positioning and recognition by stakeholders, especially employees, as a company that facilitates the career development of its employees.</li> <li>Positioning and recognition by stakeholders, especially employees, as a company that favors social dialogue.</li> <li>Positioning and recognition by stakeholders, especially employees, as a company that protects the health and safety of its employees.</li> </ul>
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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: – 2.3.3 Employees

The KPI linked to this issue is ""Percentage of women in management positions"" (see section ""2.3.3 Employees - Diversity and inclusion"". In addition, this KPI is used to calculate the AVR (see section ""2.3.3 Employees - Remuneration"").

(2) 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.

Materiality of Impact<sup>2</sup>

Financial Materiality

Subject	Description	Positive Impacts	Negative Impacts	Risk	Opportunities
SOCIAL	Defense of the human rights	Measures aimed at:			
		<ul style="list-style-type: none"> <li>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.</li> <li>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);</li> <li>Responsible supply chain: fair hiring, control of suppliers and working conditions of its workers; discrimination, etc.</li> <li>Customer well-being: accessibility and service as well as safety and health and respect;</li> <li>Respect for communities: environmental protection and inclusive businesses;</li> <li>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.</li> </ul>	<p>Positive contribution to the protection of the human rights of employees, customers, third parties and society in general:</p> <ul style="list-style-type: none"> <li>Financing of customers/ activities/sectors with a positive contribution to human rights (such as activities that provide access to services and commodities).</li> <li>Contracting suppliers that protect the human rights of their employees.</li> <li>Positive contribution to improving the protection of employees' rights.</li> <li>Positive contribution to the social development of the countries in which we operate, by contracting local suppliers.</li> <li>Sustainable transformation of suppliers through the introduction of contractual clauses that require progress in Human Rights issues.</li> </ul>	<p>No contribution or negative contribution to the protection of human rights of employees, customers, third parties and society in general. For example:</p> <ul style="list-style-type: none"> <li>Financing of customers/ activities/sectors that violate human rights.</li> <li>Contracting suppliers that violate the human rights of its employees.</li> <li>Violation of the rights of direct employees.                             <ul style="list-style-type: none"> <li>No contribution or negative contribution to the social development of the countries in which we operate, by contracting local suppliers.</li> <li>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.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Reputational risk and litigation for non-compliance with employees' human and labor rights.</li> <li>Portfolio exposure to sectors/customers/operations with a high risk of human rights violations.</li> <li>Poor practices or cases of violation of human rights by a third party that may be linked to the company or the sector.</li> <li>Poor practices in social and governance matters by a third party supplier or contractor that may be linked to the company or the sector.</li> <li>Unfair and abusive contractual conditions.</li> <li>Lack of social and environmental due diligence processes for hiring and retaining suppliers and contractors (including modern slavery, forced labor and child labor).</li> </ul>

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

# Value Creation Model



1,072



4 min

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 program. 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:

- Each capital has inputs or resources we use for our activities:
  - **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.
  - **Natural and Social Capital:** Use of natural sources, our social ties, our brand, our environmental and social investments

- Our business model utilizes these resources to execute the strategy
- Following the strategy execution, these inputs are transformed and yield results / values for stakeholders.
  - **Investments in Human Capital:** We adopt a management policy that ensures equal opportunity and diversity, with the priority of building the best and most engaged team.
  - **Financial Value:** We support economic growth and maximize the value we create for our stakeholders.
  - **Data and Technology:** We provide customized and to the point solutions for our customers and improve operational efficiency
  - **Customer Experience:** We provide support to improve our customers' Financial health and deepen our relationship with them, via meeting their needs at the right time and at the right channel.
  - **Sustainability and Community Investments:** We focus on managing the direct impact we have on natural resources and the impact we create through our business activities.

	Material Issues	Related Strategic Priorities	Value Creation
1	Climate Change	Sustainability	Please see section "Sustainability and Community Investments"
2	Natural Capital	Sustainability	Please see section "Sustainability and Community Investments"
3	Customers: Accesibility of commercial channels and financial health	Financial Health Reaching more Clients Data and Technology	Please see section "Customer Experience"
4	Inclusive Growth	Financial Health Reaching more Clients	Please see section "Customer Experience"
5	Cybersecurity	Data and Technology	Please see section "Data and Technology"
6	Integrity & Ethical Behavior	Financial Health Data and Technology The Best and the Most Engaged Team	Please see section "Customer Experience", "Investment in Human Capital" and "Data and Technology"
7	Responsible Use of Data	Data and Technology	Please see section "Data and Technology"
8	Defense of the Human Rights	The Best and the Most Engaged Team	Please see section "Investment in Human Capital"
9	Employees	The Best and the Most Engaged Team	Please see section "Investment in Human Capital"

## 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.

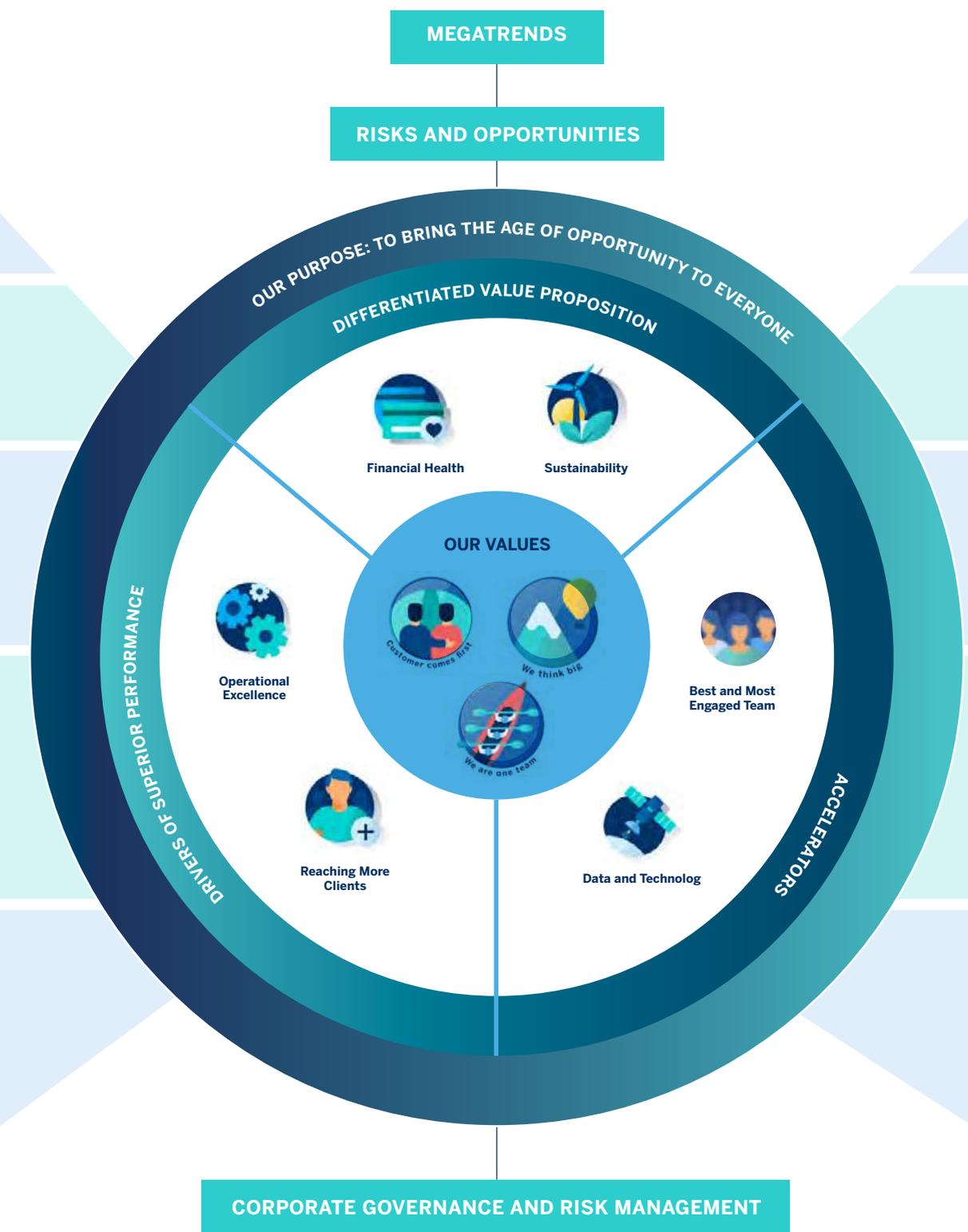
Garanti BBVA grouped its stakeholders as those impacted by the Bank through its operations, products and services and those that have an impact on the Bank's achievement of its goal. Based on this analysis, key stakeholders are determined as:

- **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.

INPUT OUTPUT MEGATRENDS RISKS AND OPPORTUNITIES

<b>HUMAN CAPITAL</b>	<ul style="list-style-type: none"> <li>Competent human resource</li> <li>Hybrid Working Model</li> <li>Trainings in various fields from personal awareness to technical training</li> <li>Investments to programs for employee happiness</li> <li>Equal pay for work of equal value</li> <li>Diversity policies</li> </ul>	<ul style="list-style-type: none"> <li>Employee turnover</li> <li>Employee engagement score</li> <li>Hours training per FTE</li> <li>Absentee rate</li> <li>Gender pay gap</li> <li>Senior and middle-level woman employee rate</li> </ul>
<b>FINANCIAL CAPITAL</b>	<ul style="list-style-type: none"> <li>Equity</li> <li>Asset size</li> <li>Business model focused on capital generation, dynamic balance sheet management</li> <li>Data-driven and agile decision-making processes</li> </ul>	<ul style="list-style-type: none"> <li>Return on equity</li> <li>Dividend rate</li> <li>Tax payment</li> <li>Contribution to the economy with cash and non-cash loans</li> </ul>
<b>DIGITAL AND INTELLECTUAL CAPITAL</b>	<ul style="list-style-type: none"> <li>Integration of artificial intelligence and machine learning systems</li> <li>Continuous investment in technology since the early 90s</li> <li>Investments in robotic process automation since 2019</li> <li>Experienced professionals in data science, teams working with agile discipline</li> </ul>	<ul style="list-style-type: none"> <li>Share of digital sales in total sales</li> <li>Number of Robots contributing to the digital workforce</li> <li>Number of Customer Behavior scenarios analyzed on Complex Event Handling Platform</li> <li>Value-added projects using Big Data and Machine Learning</li> </ul>
<b>RELATIONSHIP CAPITAL</b>	<ul style="list-style-type: none"> <li>Women Entrepreneur support program, Türkiye's Woman Entrepreneur Competition, Türkiye Women Entrepreneur Academy, Garanti BBVA Accelerator Program, "Trade of Women" platform</li> <li>Accessible Banking Services, Partnership with Blindlook and Garanti BBVA Accessible Translation</li> <li>Unbanked Women Program (Hesabını Bilen Kadınlar Programı)</li> <li>Root cause analysis to reduce customer dissatisfaction</li> </ul>	<ul style="list-style-type: none"> <li>Number of customers</li> <li>Net Promoter Score</li> <li>Products or services modified and developed according to customer feedback</li> <li>Change in customer complaints</li> <li>Net TCR Score</li> <li>The rate of interaction with the mobile banking "My Status" area, which focuses on financial health</li> </ul>
<b>NATURAL AND SOCIAL CAPITAL</b>	<ul style="list-style-type: none"> <li>400 billion TL Sustainable Finance target</li> <li>Studies focused on combating the climate crisis and inclusive growth for 17 years</li> <li>Adding the sustainable finance target to the premium criteria of employees at all levels</li> <li>Active membership in 45 working groups and 30 initiatives</li> <li>Environmental and Social Impact Assessment Process (ESIAP) and Loan Policies (ESLP)</li> <li>The first signatory of the United Nations Net Zero Banking Association from Türkiye</li> <li>Coal Phase Out Plan</li> </ul>	<ul style="list-style-type: none"> <li>Total annual scope 1 and 2 GHG emissions (tCO<sub>2</sub>e)</li> <li>Total annual waste quantity</li> <li>Emission reduction targets for carbon-intensive sectors</li> <li>Number of projects subjected to Environmental and Social Impact Assessment System</li> <li>Financing provided to Community Investment Programs</li> <li>Number of sustainability indices in which Garanti BBVA is included</li> </ul>



VALUE CREATED

CONTRIBUTION TO SUSTAINABLE DEVELOPMENT GOALS

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

- %44.5 ROE
- Türkiye'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 and Targets

5,565 20 min

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 NO POVERTY**

DESCRIPTION	GARANTI BBVA ACTION	STATUS	RELATED MATERIAL ISSUES
<p><b>1.4.</b> 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 13 property, inheritance, natural resources, appropriate new technology and financial services, including microfinance</p>	<p><b>Unbanked Women Program (Hesabim Bilen Kadınlar Programı)</b></p>	<p>Unbanked Women Program aims to support the active participation and empowerment of women who have not previously encountered banking services or have limited communication with them in economic life.</p>	<p><b>INCLUSIVE GROWTH</b></p>
	<p>The program targets women to gain knowledge about the benefits of the banking system, improve budget management, evaluate savings, and find solutions tailored to their needs. <b>(page 190)</b></p>		

**2 ZERO HUNGER**

DESCRIPTION	GARANTI BBVA ACTION	STATUS	RELATED MATERIAL ISSUES
<p><b>2.3.</b> 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</p>	<p><b>Agricultural Support Package</b></p>	<p>Supports agricultural establishments during and after production periods with the financial products developed <b>(page 189)</b></p>	<p><b>INCLUSIVE GROWTH</b></p>
<p><b>2.4.</b> By 2030, ensure sustainable food production systems and implement resilient agricultural practices that increase productivity and production, that 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</p>	<p><b>Sustainable Agricultural Loans</b></p>		<p><b>CLIMATE CHANGE</b></p>

**3 GOOD HEALTH AND WELL-BEING**

DESCRIPTION	GARANTI BBVA ACTION	STATUS	RELATED MATERIAL ISSUES
<p><b>3.9.</b> By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination</p>	<p><b>"We Will Learn and Heal" program</b></p>	<p>OHS team of 45 Occupational Physicians, OHS Experts and Occupational Nurses <b>(page 147)</b></p>	<p><b>DEFENCE OF THE HUMAN RIGHTS EMPLOYEES</b></p>
<p><b>3.c.</b> 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</p>	<p><b>Take Good Care of Yourself programs</b></p>	<p>"We Will Learn and Heal" program is designed to support employees during natural disaster situations such as earthquakes <b>(page 144)</b></p>	
<p><b>3.d.</b> Strengthen the capacity of all countries, in particular developing countries, for early warning, risk reduction and management of national and global health risks</p>	<p><b>Employee Support Hotline</b></p>	<p>Protecting and improving employee health through comprehensive health applications. <b>(page 148)</b></p>	
	<p><b>Working Environment Guide</b></p>	<p>OHS software enabling Risk Assessments of any risk that may threaten employee health and safety at the workplace <b>(page 148)</b></p>	
	<p><b>Ergonomics Training</b></p>	<p>Within the "Business Continuity" process, a wide variety of scenarios such as earthquake, flood, fire and bad weather and regional simulations were practiced <b>(page 148)</b></p>	
	<p><b>Compliance with national and international standards in Occupational Health and Safety</b></p>	<p>The Marmara Earthquake Preparedness Program <b>(page 148)</b></p>	
	<p><b>Healthcare infrastructure expenditures</b></p>	<p>Under Social Sustainable Finance Standards, funding for healthcare infrastructure expenditures amounted to approximately TL 4.2 billion on all segment <b>(page 188)</b></p>	
	<p><b>Environmental and Social Loan Policies</b></p>	<p>Within the scope of Environmental and Social Loan Policies, social impacts are evaluated and risks are reduced as much as possible <b>(page 250)</b></p>	

4 QUALITY EDUCATION

QUALITY EDUCATION: ENSURE INCLUSIVE AND EQUITABLE QUALITY EDUCATION AND PROMOTE LIFELONG LEARNING OPPORTUNITIES FOR ALL

DESCRIPTION	GARANTİ BBVA ACTION	STATUS	RELATED MATERIAL ISSUES
<p><b>4.3.</b> By 2030, ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university</p>		<p>To address the aftermath of earthquakes and contribute to youth employment, the 'Together for the Future' program in development, support, and employment has been initiated <b>(page 140)</b></p>	
<p><b>4.4.</b> 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</p>	<ul style="list-style-type: none"> <li>• Teachers Academy Foundation (ÖRAV)</li> <li>• "We Will Learn and Heal" program</li> <li>• Together for the Future Program</li> </ul>	<p>As part of the 'We Will Learn and Heal' initiative, 39,297 employees attended 25 training sessions aimed at ensuring their readiness, both physically and psychologically, in the event of natural disasters <b>(page 144)</b></p> <p>Communicating with Violence-Victim Employees training was designed specifically for Talent and Culture Advisors. <b>(page 153)</b></p>	
<p><b>4.5.</b> By 2030, eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples and children in vulnerable situations</p>	<ul style="list-style-type: none"> <li>• 5 Pebbles: Social and Financial Leadership Program</li> <li>• Teachers without Distance Webinar Series</li> <li>• EqualUs Project (EsitBiz)</li> <li>• Türkiye Women Entrepreneur Academy</li> <li>• Talent Development Activities</li> </ul>	<p>Number of teachers ÖRAV (Teachers Academy Foundation) reached in 2022: 71.826 (&gt; 359.000 since 2008) <b>(page 191)</b></p> <p>12.730 students and 913 teachers were reached in 2022 within the scope of 5 Pebbles: Social and Financial Leadership Program <b>(page 192)</b></p> <p>2.158 teachers were reached in 2023 within the scope of Teachers without Distance Webinar Series <b>(page 192)</b></p> <p>ÖRAV's "Supporting Social and Emotional Skills in Preschool Education" implemented under EqualUs Project reached 549 teachers, and indirectly 8.235 students in 2023 <b>(page 194)</b></p>	<p>DEFENCE OF THE HUMAN RIGHTS</p> <p>EMPLOYEES</p> <p>INCLUSIVE GROWTH</p>
<p><b>4.7.</b> By 2030, ensure that all learners acquire the knowledge and skills needed to promote sustainable development, including, among others, through education for sustainable development and sustainable lifestyles, human rights, gender equality, promotion of a culture of peace and non-violence, global citizenship and appreciation of cultural diversity and of culture's contribution to sustainable development</p>		<p>Türkiye Women Entrepreneur Academy, an uninterrupted 12-year program contributing to the capacity building and development of female entrepreneurs, reached nearly 350 women in 2023. <b>(page 168)</b></p>	
<p><b>4.a.</b> Build and upgrade education facilities that are child, disability and gender sensitive and provide safe, non-violent, inclusive and effective learning environments for all</p>		<p>In 2023, 5.504 GETSımf (webinars) were planned, achieving a total participation number of 73,630 across the Garanti BBVA Group companies. <b>(page 141)</b></p>	
<p><b>4.c.</b> By 2030, substantially increase the supply of qualified teachers, including through international cooperation for teacher training in developing countries, especially least developed countries and small island developing States</p>			

5 GENDER EQUALITY

GENDER EQUALITY

DESCRIPTION	GARANTİ BBVA ACTION	STATUS	RELATED MATERIAL ISSUES
<p><b>5.1.</b> End all forms of discrimination against all women and girls everywhere</p>		<p>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. <b>(page 185)</b></p>	
<p><b>5.5.</b> Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life</p>	<ul style="list-style-type: none"> <li>• Unbanked Women Program</li> <li>• Garanti BBVA Women Entrepreneurs Program</li> <li>• Bloomberg Gender Equality Index</li> <li>• Board Diversity Policy</li> <li>• Gender Loan Equal</li> <li>• Opportunity Model implementation</li> <li>• Women's Empowerment Principles (WEPs)</li> <li>• Equal Pay Policy</li> <li>• Cooperation with KAGİDER</li> <li>• Environmental and Social Loan Policies</li> </ul>	<p>The amount of TL cash loans provided under financing support to womeentrepreneur customers, categorized as a special customer group, exceeded TL 27 billion by the end of 2023 in all segments combined. <b>(page 168)</b></p> <p>Total applications to Türkiye's Woman Entrepreneur Competition that helps to encourage women entrepreneurs and unveil role models approached 45 thousand. Applications received for 2023 competition outnumbered 1.800. <b>(page 168)</b></p> <p>350 women were reached by the Türkiye Women Entrepreneur Academy in 2023. <b>(page 168)</b></p>	<p>DEFENCE OF THE HUMAN RIGHTS</p> <p>INCLUSIVE GROWTH</p> <p>EMPLOYEES</p>
<p><b>5.b.</b> Enhance the use of enabling technology, in particular information and communications technology, to promote the empowerment of women</p>		<p>As per its mission to penetrate new markets, Garanti BBVA has become the main sponsor of the "Trade of Women" platform led by KAGİDER (Women Entrepreneurs Association of Türkiye) to strengthen cooperation of women entrepreneurs with one another and with entities and to seize new opportunities. The Platform will facilitate women entrepreneurs' cooperation with relevant entities that will support their participation in procurements and tenders. <b>(page 168)</b></p>	<p>DEFENCE OF THE HUMAN RIGHTS</p> <p>INCLUSIVE GROWTH</p> <p>EMPLOYEES</p>
<p><b>5.c.</b> 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</p>		<p>A cooperation agreement was signed with the UN Women in 2016. <b>(page 153)</b></p> <p>In 2022, by taking steps towards creating an inclusive working culture and implementing innovations in flexible working environments, we continued to be the only bank in Türkiye to feature in the Bloomberg Gender Equality Index for seven consecutive years, achieving a score of 89.06 in 2023. <b>(page 153)</b></p> <p>Within the scope of Environmental and Social Loan Policies, social impacts are evaluated and risks are reduced as much as possible. <b>(page 250)</b></p>	



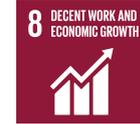
CLEAN WATER & SANITATION

DESCRIPTION	GARANTİ BBVA ACTION	STATUS	RELATED MATERIAL ISSUES
<p><b>6.1.</b> By 2030, achieve universal and equitable access to safe and affordable drinking water for all</p>	<ul style="list-style-type: none"> <li>• Blue Breath Project</li> <li>• Business for Plastic Initiative</li> <li>• Basic Level Zero Waste Certificate</li> <li>• Water efficiency projects</li> <li>• Environmental and Social Loan Policies</li> </ul>	<p>Within the scope of the Blue Breath (Mavi Nefes) project which is carried out in cooperation with Turkish Marine Environment Protection Association/ TURMEPA sea sweepers have recycled approximately 200.071 tons of waste. Within the project, 2 sea sweepers operate in the Istanbul Strait, 1 liquid waste collection boat operates in Adrasan, and 1 sea sweeper collects solid and liquid waste in Van. <b>(page 191)</b></p>	<p>CLIMATE CHANGE</p>
<p><b>6.3.</b> By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally</p>		<p>As of March 31, 2023, 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 318.6 tons of plastic over the declared two-year period. <b>(page 184)</b></p>	
<p><b>6.6.</b> By 2020, protect and restore water-related ecosystems, including mountains, forests, wetlands, rivers, aquifers and lakes</p>		<p>In 2023, the bank, in addition to the Zincirlikuyu Head Office and Pendik Campus facilities, has been awarded the Basic Level Zero Waste Certificate by the the Ministry of Environment Urbanization and Climate Change for 14 service buildings. <b>(page 183)</b></p>	
		<p>Within the scope of Environmental and Social Loan Policies, social impacts are evaluated and risks are reduced as much as possible. <b>(page 250)</b></p>	



AFFORDABLE & CLEAN ENERGY

DESCRIPTION	GARANTİ BBVA ACTION	STATUS	RELATED MATERIAL ISSUES
<p><b>7.1.</b> By 2030, ensure universal access to affordable, reliable and modern energy services</p>	<ul style="list-style-type: none"> <li>• Garanti BBVA Eco-efficiency Plan</li> <li>• Climate Change Action Plan</li> <li>• Coal Phase Out Plan</li> <li>• Sustainable products linked to renewable energy and energy efficiency</li> <li>• ISO 14001 Environmental Management System</li> <li>• Environmental and Social Loan Policies</li> </ul>	<p>Loans disbursed under Green Mortgage in 2023: TL 1.4 billion <b>(page 189)</b></p>	<p>CLIMATE CHANGE</p>
<p><b>7.2.</b> By 2030, increase substantially the share of renewable energy in the global energy mix</p>		<p>Commitment not to finance new investments in coal plants and coal mines and to zero risks associated with coal activities in the portfolio by 2040 at the latest <b>(page 175)</b></p>	
<p><b>7.3.</b> By 2030, double the global rate of improvement in energy efficiency</p>		<p>Since the introduction of the ISO 14001 Environmental Management System in 2012, the Bank's carbon intensity decreased by 98% <b>(page 183)</b></p>	
<p><b>7.a.</b> By 2030, enhance international cooperation to facilitate access to clean energy research and technology, including renewable energy, energy efficiency and advanced and cleaner fossil-fuel technology, and promote investment in energy infrastructure and clean energy technology</p>		<p>Garanti BBVA Eco-efficiency Plan: Target to fulfill at least 80% of the annual energy consumption from renewables and to reduce energy consumption per square meter and per employee each year between 2021-2025 <b>(page 183)</b></p>	
<p><b>7.b.</b> By 2030, expand infrastructure and upgrade technology for supplying modern and sustainable energy services for all in developing countries, in particular least developed countries, small island developing States, and land-locked developing countries, in accordance with their respective programmes of support</p>		<p>Remote Eye System achieved a 15% savings in electricity consumption compared to the same periods in 2019 in 157 of bank's locations. <b>(page 183)</b></p>	
		<p>In 2023, financing for energy efficiency projects exceeded 430 million TL. <b>(page 189)</b></p>	
		<p>As of the beginning of 2023, solar panels have been installed on the roofs of 81 ATMs. With these installations, approximately 50% of a ATM's monthly energy consumption (average 150 kWh) can be provided by solar energy. <b>(page 184)</b></p>	
		<p>Within the scope of Environmental and Social Loan Policies, social impacts are evaluated and risks are reduced as much as possible. <b>(page 250)</b></p>	



DECENT WORK & ECONOMIC GROWTH

DESCRIPTION	GARANTİ BBVA ACTION	STATUS	RELATED MATERIAL ISSUES
<p><b>8.3.</b> Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services</p>	<ul style="list-style-type: none"> <li>• Garanti BBVA Partners Accelerator Program</li> <li>• Employee Support Hotline</li> <li>• Working Environment Guide</li> <li>• Ergonomics Training</li> <li>• Compliance with national and international standards in Occupational Health and Safety</li> <li>• Equal Opportunity Model implementation</li> <li>• Women's Empowerment Principles (WEPs)</li> <li>• Equal Pay Policy</li> <li>• Target to increase % of women on Board to 25%</li> <li>• Environmental and Social Loan Policies</li> </ul>	<p>We continue our support to the entrepreneurial ecosystem through the Garanti BBVA Partners Entrepreneurship Accelerator Program. In the new period, we diversified our support by introducing the Garanti BBVA Partners Tech sub-program, focusing on technology-based startups in the data, cybersecurity, payment systems, and sustainability verticals <b>(page 170)</b></p>	<p>DEFENCE OF THE HUMAN RIGHTS INCLUSIVE GROWTH EMPLOYEES</p>
<p><b>8.4.</b> Improve progressively, through 2030, global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation, in accordance with the 10-year framework of programmes on sustainable consumption and production, with developed countries taking the lead</p>		<p>OHS team of 45 Occupational Physicians, OHS Experts and Occupational Nurses <b>(page 147)</b></p>	
<p><b>8.5.</b> By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value</p>		<p>OHS software enabling Risk Assessments of any risk that may threaten employee health and safety at the workplace <b>(page 148)</b></p>	
<p><b>8.7.</b> Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms</p>		<p>In 2023, Garanti BBVA carried on with the psychological support via the "Employee Support Hotline" in keeping with the emphasis it places on employees' psychological wellbeing. <b>(page 148)</b></p>	
<p><b>8.8.</b> Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment</p>		<p>Various emergency scenarios such as earthquake, flood, fire and extreme weather were experienced within the scope of Business Continuity process. Improvement areas were identified, for which necessary actions were taken. <b>(page 148)</b></p>	
<p><b>8.10.</b> Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all</p>		<p>Within the scope of Environmental and Social Loan Policies, social impacts are evaluated and risks are reduced as much as possible. <b>(page 250)</b></p>	
<p><b>8.b.</b> By 2020, develop and operationalize a global strategy for youth employment and implement the Global Jobs Pact of the International Labour Organization</p>		<p>In line with the diversity target of the Board of Directors, it is aimed that female managers will represent 25% of the Board of Directors by the end of 2025 <b>(page 108)</b></p>	
		<p>As per its mission to penetrate new markets, Garanti BBVA has become the main sponsor of the "Trade of Women" platform led by KAGİDER (Women Entrepreneurs Association of Türkiye) to strengthen cooperation of women entrepreneurs with one another and with entities and to seize new opportunities. The Platform will facilitate women entrepreneurs' cooperation with relevant entities that will support their participation in procurements and tenders. <b>(page 167)</b></p>	
		<p>A cooperation agreement was signed with the UN Women in 2016. <b>(page 153)</b></p>	

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE			
DESCRIPTION	GARANTİ BBVA ACTION	STATUS	RELATED MATERIAL ISSUES
<p><b>9.1.</b> Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all</p>		<p>☐ Leader with more than 15 million digital customers; 90% of total sales go through digital channels <b>(page 22)</b></p>	<p><b>INCLUSIVE GROWTH</b></p> <p><b>CUSTOMERS: ACCESSIBILITY OF COMMERCIAL CHANNELS AND FINANCIAL HEALTH</b></p>
<p><b>9.2.</b> 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</p>		<p>☐ Applications for the new term of the Garanti BBVA Partners Tech sub-program, focusing on technology-based entrepreneurs in the data, cybersecurity, payment systems, and sustainability verticals, have started to be accepted under the Garanti BBVA Partners Entrepreneurship Accelerator Program. <b>(page 167)</b></p>	
<p><b>9.3.</b> 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</p>	<ul style="list-style-type: none"> <li>• Garanti BBVA Partners Accelerator Program</li> </ul>	<p>☐ Salt Research comprises a library, an extensive archive, and digital contents; makes publications and archival documents located within its structure available to researchers free of charge. Salt Research offers online access to archive collections and more than 2,000,000 documents and resources. <b>(page 192)</b></p>	
<p><b>9.4.</b> By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities</p>	<ul style="list-style-type: none"> <li>• Digital Solutions for Corporate Customers</li> <li>• Salt</li> </ul>	<p>☐ The Bank's climate finance contribution, that independent auditor provided limited assurance amounted to TL 29.9 billion <b>(page 188)</b></p>	
<p><b>9.5.</b> Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries, including, 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</p>	<ul style="list-style-type: none"> <li>• Clean transportation and renewable energy investments</li> </ul>	<p>☐ In 2022, the Bank introduced its new sustainability-themed support package developed for supporting its customers, mainly the SMEs, that will be impacted by the European Green Deal and Carbon Border Adjustment Mechanism in their exports to EU in reducing their GHG emissions. Throughout these initiatives, over 180 corporate clients were engaged through organized events in the year 2023. <b>(page 182)</b></p>	
<p><b>9.b.</b> Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries, including, 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</p>			

10 REDUCED INEQUALITIES			
DESCRIPTION	GARANTİ BBVA ACTION	STATUS	RELATED MATERIAL ISSUES
<p><b>10.1.</b> By 2030, progressively achieve and sustain income growth of the bottom 40 per cent of the population at a rate higher than the national average</p>		<p>☐ To facilitate access to banking services for individuals with disabilities and address their diverse needs, we are enhancing the experience through channel improvements and collaborations with other organizations. <b>(page 167)</b></p>	<p><b>DEFENCE OF THE HUMAN RIGHTS</b></p> <p><b>EMPLOYEES</b></p> <p><b>INCLUSIVE GROWTH</b></p>
<p><b>10.2.</b> By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status</p>	<ul style="list-style-type: none"> <li>• Accessible banking services</li> <li>• Equal Opportunity</li> <li>• Model implementation</li> <li>• Women's Empowerment Principles (WEPs)</li> </ul>	<p>☐ We have been running the EqualUs Project since the beginning of 2022 in order to contribute to change by raising awareness on gender equality. In cooperation with Equality Matters, an initiative of the Mother Child Education Foundation (AÇEV), we are aiming to raise awareness of employees. So far, 16,277 Garanti BBVA employees have successfully completed the 'Equality Awareness Training.' <b>(page 194)</b></p>	
<p><b>10.3.</b> Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard</p>	<ul style="list-style-type: none"> <li>• Equal Pay Policy</li> <li>• Environmental and Social Loan Policies</li> <li>• Gender Loan</li> <li>• Garanti BBVA Code of Conduct</li> </ul>	<p>☐ Through the Unbanked Women Program, a total of 1,760 women participated in face-to-face and online financial literacy trainings in 2023, aiming to empower women to manage their finances more effectively. <b>(page 190)</b></p>	
<p><b>10.4.</b> Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality</p>	<ul style="list-style-type: none"> <li>• eording, BlindLook and KAGİDER partnerships</li> </ul>	<p>☐ As a result of the importance it attaches to gender equality and women's empowerment, Garanti BBVA was one of the first to implement the Equal Opportunities Model (in Turkish: FEM). <b>(page 153)</b></p>	
<p><b>10.6</b> Ensure enhanced representation and voice for developing countries in decision-making in global international economic and financial institutions in order to deliver more effective, credible, accountable and legitimate institutions</p>	<ul style="list-style-type: none"> <li>• Whistleblowing Channel</li> <li>• Integrity Committee</li> <li>• Audit Committee</li> <li>• EqualUs (EsitBiz) Project</li> <li>• Unbanked Women Program</li> </ul>	<p>☐ Also, Garanti BBVA is one of the first signatories of the Women's Empowerment Principles (WEPs) and is the first bank in Türkiye to sign them. <b>(page 153)</b></p>	
		<p>☐ With eording, priority is given to rural women who are negatively affected economically and sociologically by the climate crisis in the production of seed balls, thus creating a sustainable income source for them and we fight the global climate crisis altogether. <b>(page 169)</b></p>	

11 SUSTAINABLE CITIES AND COMMUNITIES			
SUSTAINABLE CITIES AND COMMUNITIES			
DESCRIPTION	GARANTİ BBVA ACTION	STATUS	RELATED MATERIAL ISSUES
<p><b>11.3.</b> By 2030, enhance inclusive and sustainable urbanization and capacity for participatory, integrated and sustainable human settlement planning and management in all countries</p>	<ul style="list-style-type: none"> <li>• LEED Certified Buildings</li> </ul>	<p>The only bank in Türkiye holding LEED Platinum Certificate <b>(page 183)</b></p>	<p>CLIMATE CHANGE</p> <p>INCLUSIVE GROWTH</p>
<p><b>11.4.</b> Strengthen efforts to protect and safeguard the world's cultural and natural heritage</p>	<ul style="list-style-type: none"> <li>• Plastic reduction and avoidance pledge</li> <li>• ISO 14001 Environmental Management System</li> </ul>	<p>Disbursements under the Green Mortgage product launched in 2017 to encourage living in green, environment-friendly buildings totaled TL 1.4 million in 2023. <b>(page 189)</b></p>	
<p><b>11.4.1.</b> 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, and local/municipal)</p>	<ul style="list-style-type: none"> <li>• Basic Level Zero Waste Certificate</li> <li>• Green Mortgage Loans</li> </ul>	<p>In 2023, the Bank has been awarded the Basic Level Zero Waste Certificate by the Ministry of Environment, Urbanization, and Climate Change for an additional 14 service buildings, in addition to the Zincirlikuyu Head Office and Pendik Campus facilities. Simultaneously, it has been actively managing its environmental impacts related to operations through the ISO 14001 Environmental Management System, which has been certified since 2012. <b>(page 183)</b></p>	
<p><b>11.6.</b> 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</p>	<ul style="list-style-type: none"> <li>• Environmental and Social Loan Policies</li> <li>• Salt</li> </ul>	<p>Within the scope of Environmental and Social Loan Policies, social impacts are evaluated and risks are reduced as much as possible. <b>(page 250)</b></p>	
<p><b>11.c.</b> Support least developed countries, including through financial and technical assistance, in building sustainable and resilient buildings utilizing local materials</p>	<ul style="list-style-type: none"> <li>• Festival sponsor of Istanbul Jazz Festival for 24 years</li> <li>• Supporter of National Men's and Women's Basketball Teams and Wheelchair Basketball Men's and Women's National Teams</li> </ul>	<p>Salt carries out various programs including exhibitions, movie screenings, performances, concerts, conferences, and workshops on a wide variety of topics. Salt has hosted more than 4 million visitors in its buildings in Galata and Beyoğlu. <b>(page 193)</b></p>	
		<p>The Bank has been extending uninterrupted support to Istanbul Jazz Festival as the festival sponsor since 1997. <b>(page 193)</b></p> <p>Garanti BBVA is the main sponsor of 12 Giant Men, Pixies of the Court, 12 Brave Hearts, and 12 Magical Wrists basketball teams. <b>(page 193)</b></p>	

12 RESPONSIBLE CONSUMPTION AND PRODUCTION			
RESPONSIBLE CONSUMPTION & PRODUCTION			
DESCRIPTION	GARANTİ BBVA ACTION	STATUS	RELATED MATERIAL ISSUES
<p><b>12.2.</b> By 2030, achieve the sustainable management and efficient use of natural resources</p>			<p>CLIMATE CHANGE</p>
<p><b>12.4.</b> By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment</p>	<ul style="list-style-type: none"> <li>• Coal Phase Out Plan</li> <li>• Environmental and Social Loan Policies</li> </ul>	<p>The bank has been actively managing its environmental impacts related to operations through the ISO 14001 Environmental Management System, which has been certified since 2012 <b>(page 183)</b></p>	
<p><b>12.5.</b> By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse</p>	<ul style="list-style-type: none"> <li>• ISO 14001 Environmental Management System</li> </ul>	<p>Commitment not to finance new investments in coal plants and coal mines and to zero risks associated with coal activities in the portfolio by 2040 at the latest. <b>(page 175)</b></p>	
<p><b>12.6.</b> Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle</p>	<ul style="list-style-type: none"> <li>• Sustainable Financial Transactions</li> </ul>	<p>Within the scope of Environmental and Social Loan Policies, social impacts are evaluated, and risks are reduced as much as possible. <b>(page 250)</b></p>	
<p><b>12.8.</b> By 2030, ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature</p>	<ul style="list-style-type: none"> <li>• Direct Environmental Impact Mitigation Efforts</li> <li>• Global EcoEfficiency Plan</li> </ul>	<p>Volume of sustainable finance products offered for investments and acquisitions in the areas of waste management, recycling, and circular economy implementations exceeded TL 2.2 billion in 2023. <b>(page 188)</b></p>	
<p><b>12.c.</b> Rationalize inefficient fossil-fuel subsidies that encourage wasteful consumption by removing market distortions, in accordance with national circumstances, including by restructuring taxation 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</p>	<ul style="list-style-type: none"> <li>• Integrated Annual Report</li> <li>• Garanti BBVA Climate Index</li> <li>• eCoding and BlindLook partnerships</li> </ul>	<p>Under our partnership with eCoding, we are shooting seed balls primarily to hard-to-reach areas for various ecological causes facilitated by Garanti BBVA mobile. <b>(page 169)</b></p> <p>Through our partnership with BlindLook, we enable financial inclusion of tens of thousands of visually impaired individuals. <b>(page 167)</b></p>	

13 CLIMATE ACTION			
CLIMATE ACTION			
DESCRIPTION	GARANTİ BBVA ACTION	STATUS	RELATED MATERIAL ISSUES
<p><b>13.1.</b> Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries</p>	<ul style="list-style-type: none"> <li>• Türkiye's Life: Fire Management Grant Program</li> <li>• Blue Breath Project</li> <li>• Garanti BBVA 2025 Pledge</li> <li>• Environmental and Social Loan Policies</li> <li>• PACTA Methodology</li> <li>• Coal Phase Out Plan</li> <li>• Climate Change Action Plan</li> <li>• EU Pillar-III reporting</li> <li>• Garanti BBVA Eco-efficiency Plan</li> <li>• ISO 14001 Environmental Management System</li> <li>• eording partnership</li> </ul>	<p>In collaboration with WWF-Türkiye, we initiated the "Türkiye'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. <b>(page 190)</b></p>	CLIMATE CHANGE
<p><b>13.2.</b> Integrate climate change measures into national policies, strategies and planning</p>		<p>Under the Blue Breath Project, since September 2021, the education program has reached over 67,000 students and more than 2,800 teachers in 250 schools across Kocaeli, Bursa, Istanbul, Çanakkale, Tekirdağ, Yalova, and Balıkesir. <b>(page 191)</b></p>	
<p><b>13.3.</b> Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning</p>		<p>Under our partnership with eording, we are shooting seed balls primarily to hard-to-reach areas for various ecological causes facilitated by Garanti BBVA mobile. <b>(page 169)</b></p>	
<p><b>13.a.</b> Implement the commitment undertaken by developed-country parties to the United Nations Framework Convention on Climate Change to a goal of mobilizing jointly \$100 billion annually by 2020 from all sources to address the needs of developing countries in the context of meaningful mitigation actions and transparency on implementation and fully operationalize the Green Climate Fund through its capitalization as soon as possible</p>		<p>Total contribution to Sustainable Development amounted to 120 billion TL <b>(page 175)</b>. Garanti BBVA has updated its goal of providing sustainable financing to a total of 400 billion TL by 2025 (2018-2025) <b>(page 186)</b></p>	
		<p>Guiding targets employing the PACTA methodology in the transition process for carbon-intensive sectors <b>(page 176)</b></p>	
		<p>Alignment with the EU Pillar-III reporting and analyses of the Bank portfolio's exposure to physical risks of climate change and natural disasters <b>(page 176)</b></p>	
		<p>In line with the bank's coal phase out plan, risks associated with customers defined as coal customers due to coal mining and coal-fired thermal power plant activities are closely monitored, with a gradual reduction goal. There has been a 19% reduction in risks related to coal customers in 2023. <b>(page 179)</b></p>	
		<p>Under ESLP, customers are assigned emissions reduction targets for combating climate change, and are encouraged to employ feasible alternative technologies. <b>(page 250)</b></p>	
		<p>Since the introduction of the ISO 14001 Environmental Management System in 2012, the Bank's carbon intensity decreased by 98%. <b>(page 183)</b></p>	
		<p>Garanti BBVA Eco-efficiency Plan: Target to fulfill at least 80% of the annual energy consumption from renewables and to reduce GHG emissions each year between 2021-2025 <b>(page 183)</b></p>	
		<p>As part of the Eco-Efficiency Plan to reduce water consumption, for the first time in 2023, the water consumption of the bank's branches and buildings in 2022 was calculated and certified according to the internationally recognized ISO 14046 Water Footprint Standard. <b>(page 184)</b></p>	

14 LIFE BELOW WATER			
LIFE BELOW WATER: CONSERVE AND SUSTAINABLY USE THE OCEANS, SEAS AND MARINE RESOURCES FOR SUSTAINABLE DEVELOPMENT			
DESCRIPTION	GARANTİ BBVA ACTION	STATUS	RELATED MATERIAL ISSUES
<p><b>14.1.</b> By 2025, prevent and significantly reduce marine pollution of all kinds, in particular from land-based activities, including marine debris and nutrient pollution</p>	<ul style="list-style-type: none"> <li>• Blue Breath Project</li> <li>• Environmental and Social Loan Policies</li> </ul>	<p>As part of the Blue Breath Project conducted in collaboration with the TURMEPA/Sea Cleaners Association, since September 2021, sea sweepers have recycled approximately 200.071 tons of waste. Within the project, 2 sea sweepers operate in the Istanbul Strait, 1 liquid waste collection boat operates in Adrasan, and 1 sea sweeper collects solid and liquid waste in Van. <b>(page 191)</b></p>	CLIMATE CHANGE
<p><b>14.2.</b> 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</p>		<p>Within the scope of Environmental and Social Loan Policies, social impacts are evaluated, and risks are reduced as much as possible. <b>(page 250)</b></p>	
15 LIFE ON LAND			
LIFE ON LAND: PROTECT, RESTORE AND PROMOTE SUSTAINABLE USE OF TERRESTRIAL ECOSYSTEMS, SUSTAINABLY MANAGE FORESTS, COMBAT DESERTIFICATION, AND HALT AND REVERSE LAND DEGRADATION AND HALT BIODIVERSITY LOSS			
DESCRIPTION	GARANTİ BBVA ACTION	STATUS	RELATED MATERIAL ISSUES
<p><b>15.1.</b> 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</p>	<ul style="list-style-type: none"> <li>• Türkiye's Life: Fire Management Grant Program</li> <li>• Environmental and Social Loan Policies</li> <li>• eording partnership</li> </ul>	<p>In collaboration with WWF-Türkiye, we initiated the "Türkiye'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. <b>(page 190)</b></p>	CLIMATE CHANGE
<p><b>15.2.</b> By 2020, promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally</p>		<p>Forestation commitments are being obtained within the scope of ESLP Deforestation Impact Management Process <b>(page 190)</b></p>	
<p><b>15.a.</b> Mobilize and significantly increase financial resources from all sources to conserve and sustainably use biodiversity and ecosystems</p>		<p>Under our partnership with eording, we are shooting seed balls primarily to hard-to-reach areas for various ecological causes facilitated by Garanti BBVA mobile. <b>(page 169)</b></p>	



PEACE, JUSTICE AND STRONG INSTITUTIONS

DESCRIPTION	GARANTİ BBVA ACTION	STATUS	RELATED MATERIAL ISSUES
<p><b>16.4.</b> By 2030, significantly reduce illicit financial and arms flows, strengthen the recovery and return of stolen assets and combat all forms of organized crime</p>	<ul style="list-style-type: none"> <li>• TCR and Reputation Training</li> <li>• Environmental and Social Loan Policies</li> </ul>		
<p><b>16.5.</b> Substantially reduce corruption and bribery in all their forms</p>	<ul style="list-style-type: none"> <li>• Defense Industry Specific Guidelines</li> <li>• EqualUs (EsitBiz) Project</li> <li>• Garanti BBVA Code of Conduct</li> </ul>	<p>Communicating with Violence-Victim Employees training was designed specifically for Talent and Culture Advisors. <b>(page 153)</b></p> <p>Under Environmental and Social Loan Policies, it is assessed whether certain activities and products associated with the defense industry violate corporate standards and principles. <b>(page 250)</b></p>	<p><b>INTEGRITY &amp; ETHICAL BEHAVIOUR</b></p> <p><b>DEFENCE OF THE HUMAN RIGHTS</b></p>
<p><b>16.6.</b> Develop effective, accountable and transparent institutions at all levels</p>	<ul style="list-style-type: none"> <li>• Whistleblowing Channel</li> <li>• HR Internal Control Mechanism</li> </ul>	<p>Ethics Reporting Hotline <b>(page 237)</b></p> <p>Ethics, Gender Equality, and Anti-Corruption Trainings <b>(page 237)</b></p>	
<p><b>16.7.</b> Ensure responsive, inclusive, participatory and representative decisionmaking at all levels</p>	<ul style="list-style-type: none"> <li>• Integrity Committee</li> <li>• Audit Committee</li> </ul>		



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

DESCRIPTION	GARANTİ BBVA ACTION	STATUS	RELATED MATERIAL ISSUES
<p><b>17.7.</b> 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</p>	<ul style="list-style-type: none"> <li>• Sustainability Themed Sectoral Working Groups</li> </ul>	<p>Presidency of TÜSİAD's (Turkish Industry and Business Association) Sustainable Finance Sub-Working Group <b>(page 181)</b></p> <p>Impact analysis of the Bank's portfolio employing UNEP FI Impact Tool <b>(page 175)</b></p>	<p><b>CLIMATE CHANGE</b></p> <p><b>INCLUSIVE GROWTH</b></p>
<p><b>17.14.</b> Enhance policy coherence for sustainable development</p>	<ul style="list-style-type: none"> <li>• TUSIAD Working Group</li> <li>• UNEP FI Impact Tool</li> <li>• Net Zero Banking Alliance</li> </ul>	<p>Involvement in the decarbonization of the banking industry with Net Zero Banking Alliance, Science-Based Targets Initiative pledges. <b>(page 181)</b></p> <p>Sustainability-themed sectoral working groups we are part of: 45 <b>(page 181)</b></p>	
<p><b>17.17.</b> Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships</p>	<ul style="list-style-type: none"> <li>• Environmental and Social Loan Policies</li> <li>• Sustainable Finance</li> </ul>	<p>Contribution is lent to customers and financial institutions to improve their environmental and social performances through briefings on environmental and social issues. <b>(page 179)</b></p> <p>The value we create through our partnerships with eCording, BlindLook, and KAGİDER can be found in the <b>"Customer Experience"</b> section.</p>	
<p><b>17.19.</b> 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</p>	<ul style="list-style-type: none"> <li>• eCording, Blindlook, ÖRAV, WWF-Türkiye, TURMEPA, KAGİDER, Equality Matters, FODER, KEDV partnerships</li> <li>• Sponsorships in sports, culture and arts</li> </ul>	<p>The value we create through our partnerships with ÖRAV, TURMEPA, WWF-Türkiye, Equality Matters, FODER, and KEDV can be found in the <b>"Community Investment Programs"</b> section.</p> <p>The information about sponsorships in sports, culture, and the created value can be found on <b>(page 193)</b></p>	

# Stakeholder Engagement



1,290



5 min

## CUSTOMERS

Issue	What does Garanti BBVA do about it?	Related Section	Relevant Material Topic
Expectation for a secure customer experience against increased and evolving cyber threats and responsible AI use.	<ul style="list-style-type: none"> <li>Garanti BBVA Cybersecurity Center</li> <li>Information Security Committee reporting to the Board of Directors</li> <li>Tools for ensuring and deploying data security were developed and infrastructure projects aimed at increasing the reliability of infrastructure were carried on.</li> </ul>	Data and Technology	CYBERSECURITY RESPONSIBLE DATA USE INCLUSIVE GROWTH CUSTOMERS: ACCESIBILITY OF COMMERCIAL CHANNELS AND FINANCIAL HEALTH INTEGRITY & ETHICAL BEHAVIOUR DEFENCE OF THE HUMAN RIGHTS
The need for the provision of services giving the underbanked population, particularly individuals with disabilities and the underprivileged population, greater access to financial services.	<ul style="list-style-type: none"> <li>Partnership with Blindlook</li> <li>Accessible Banking Services</li> <li>Women Entrepreneur support program and Garanti BBVA Accelerator Program that support the startup ecosystem within the frame of Inclusive Growth</li> <li>Working to increase the financial literacy of individuals and their participation in the banking system for inclusive growth</li> </ul>	Customer Experience	
The need for supporting customers to build on their financial planning skills to help them be prepared against contingencies and plan their future.	<ul style="list-style-type: none"> <li>"My Ecological Status" section on mobile banking launched in keeping with the focus on financial health</li> <li>Financial Advisory for our SME customers</li> <li>Smarter, customizable solutions for customers using AI, machine learning, and big data applications.</li> </ul>	Customer Experience Data and Technology	
Regularly seek customer opinions and improve services based on an approach aligned with business ethics and protecting customers against risks.	<ul style="list-style-type: none"> <li>Net TCR (Transparent, Clear and Responsible Banking) Score and Net Promoter Score (NPS) measurement (1st in Corporate Banking, 1st in Commercial Banking; 2nd place in SME banking, 2nd place in retail banking and 2nd place in Mobile Banking )</li> <li>Perform root cause analyses for customer complaints; taking corrective and improvement actions (15 actions in 2023)</li> </ul>	Customer Experience	
Develop consumer products that will support customers' transition to a low-carbon economy.	<ul style="list-style-type: none"> <li>Over 50 sustainable finance products covering all our Retail, SME, Commercial, Corporate segments</li> </ul>	Sustainability and Community Investments	
Reach customers through any channel they need	<ul style="list-style-type: none"> <li>Digital onboarding experience</li> <li>Open Banking</li> <li>&gt;500 functions set on Garanti BBVA Mobile banking</li> <li>Uninterrupted service 7 days a week via Live Support line</li> <li>The first customer satisfaction channel offering service 24/7 on social networks: "Garanti BBVA'ya Sor" (Ask Garanti BBVA)</li> <li>Türkiye's first AI-based smart assistant: UGI</li> <li>Campaigns, card information, and cardless payment solutions with BonusFlas.</li> </ul>	Customer Experience	

## EMPLOYEES

Issue	What does Garanti BBVA do about it?	Related Section	Relevant Material Topic
Build on our employees' knowledge and skills about Personal Data Protection Law through awareness activities	<ul style="list-style-type: none"> <li>Data Sharing Committee reporting to the Board of Directors</li> <li>Awareness programs for customer privacy and information security</li> <li>Training or briefings concerning external fraud</li> <li>Cybersecurity training per FTE</li> </ul>	Data and Technology	CYBERSECURITY RESPONSIBLE DATA USE DEFENCE OF THE HUMAN RIGHTS
Cybersecurity investments attuning remote access infrastructures with current needs and security principles, secure teleworking for employees	<ul style="list-style-type: none"> <li>Centralized Operations</li> <li>Business Processes Management (BPM), Process Mining, Intelligent Document Processing (IDP) and Robotic Process Automation (RPA) technologies</li> </ul>	Data and Technology	
Physical and administrative OHS measures in work areas, supporting employee development	<ul style="list-style-type: none"> <li>"Take Good Care of Yourself" Mobile App developed for employee wellness</li> <li>Enriched and improved digital learning platform to promote continuous learning culture</li> <li>"We Will Learn and Heal" program is designed to support employees during natural disaster situations such as earthquakes</li> <li>Various scenarios including earthquake, flood, fire and bad weather conditions and regional simulations within the scope of "Business Continuity" process</li> <li>ISO 22301 Business Continuity Management System Security and Resilience"" certification</li> </ul>	Investing in Human Capital	
Raise increased awareness of gender equality among employees	<ul style="list-style-type: none"> <li>A fair and transparent working environment dominated by equal opportunities and diversity</li> <li>Contributing to change by raising awareness about gender equality, the EqualUs (EsitBiz) Project has been ongoing since the beginning of 2022</li> <li>Target to increase % of women on Board seats to 25% min.</li> <li>In-house trainings to increase awareness for the Gender Equality</li> </ul>	Investing in Human Capital	

COMMUNITY (INCLUDING CIVIL SOCIETY ORGANIZATIONS, ASSOCIATIONS AND INTERNATIONAL ORGANIZATIONS)

Issue	What does Garanti BBVA do about it?	Related Section	Relevant Material Topic
Expectation for sharing the know-how and in-depth experience in ESG Management and Sustainable Finance.	<ul style="list-style-type: none"> <li>Actively participating in or heading 45 working groups and 30 initiatives</li> <li>Garanti BBVA Climate Index</li> <li>Advisory service in relation to "Green Deal"</li> </ul>	Sustainability and Community Investments	
Expectation for alignment of portfolios with low carbon pathways	<ul style="list-style-type: none"> <li>Decarbonization targets by 2030 for other carbon-intensive industries such as energy, automotive, iron and steel, and cement</li> <li>Target to provide a min. funding of TL 400 billion for the financing of sustainable activities between 2018-2025</li> <li>Principles for Responsible Banking Impact Report</li> <li>Climate Change Action Plan</li> <li>First bank from Türkiye to pledge coal phase-out in 2021</li> <li>Carbon-Neutral Bank as of 2020 , 15 years before the targeted date</li> <li>Responsible Banking and Sustainability Committee</li> <li>Environmental and Social Impact Assessment System</li> </ul>	Sustainability and Community Investments	CLIMATE CHANGE NATURAL CAPITAL EMPLOYEES
The need for the development of community investment programs supporting inclusive growth	<ul style="list-style-type: none"> <li>Investment amount in community programs: 875 million TL</li> <li>Unbanked Women Program</li> <li>5 Pebbles: Social and Financial Leadership Program</li> <li>WWF -Türkiye (World Wild Fund for Nature)</li> <li>Turkish Marine Environment Protection Association/ TURMEPA</li> <li>The Teachers Academy Foundation (ÖRAV)</li> <li>Salt</li> <li>Partnerships in the areas of sports and music</li> <li>Partnership with KAGİDER</li> <li>Partnership with Equality Matters</li> </ul>	Sustainability and Community Investments	INCLUSIVE GROWTH DEFENCE OF THE HUMAN RIGHTS
Expectation for adherence to Human Rights and having specific reports and targets for diversity and inclusion	<ul style="list-style-type: none"> <li>A fair and transparent working environment dominated by equal opportunities and diversity</li> <li>Target to increase % of women on Board seats to 25% min.</li> <li>In-house trainings to increase awareness for the Gender Equality</li> </ul>	Investing in Human Capital	

SHAREHOLDERS AND INVESTORS

Issue	What does Garanti BBVA do about it?	Related Section	Relevant Material Topic
Expecting information on the following issues:  - Macroeconomic projections - Impacts of regulatory framework - Inflation accounting - Expectation for comparable, easily accessible data in Environmental, Social and Governance (ESG) areas - Information about an evolving corporate governance structure against cybersecurity threats	<ul style="list-style-type: none"> <li>Addition of content, development and targets within the scope of sustainability and financial health strategic priorities to financial presentations</li> <li>Detailed account of ESG issues and publication of ESG Analysts Database file on the Investor Relations website</li> <li>Regular communication with analysts, investors and fund managers via investor conferences, teleconferences and webinars</li> <li>Webcasts of Financial Results</li> <li>Operating Guidance Plan presentations, comparison of actualizations versus targets</li> <li>Disclosure of risks and opportunities via the Integrated Annual Report</li> <li>"Data and Infrastructure Information Security" and "Application Solutions Information Security" teams and the Information Security Committee reporting to the Board of Directors</li> </ul>	Financial Value  Sustainability and Community Investments  The Environment We Operate in  Data and Technology	INTEGRITY & ETHICAL BEHAVIOUR  CYBERSECURITY  CLIMATE CHANGE

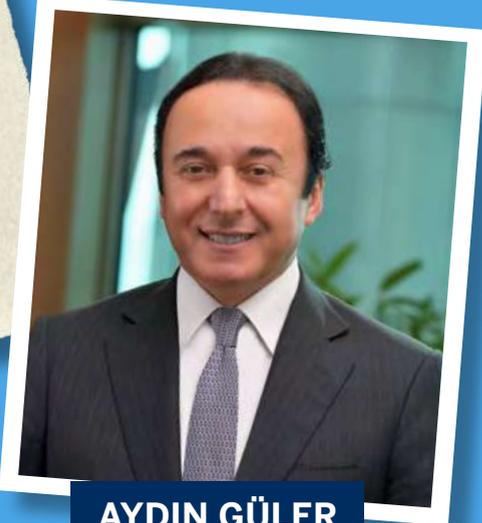
GOVERNMENT AGENCIES AND REGULATORY AUTHORITIES

Issue	What does Garanti BBVA do about it?	Related Section	Relevant Material Topic
Evaluation of Climate Changerelated opportunities and risks by and between banks and regulatory authorities	<ul style="list-style-type: none"> <li>Actively participating in or heading 45 working groups and 30 initiatives</li> <li>Garanti BBVA Climate Index</li> <li>Advisory service in relation to "Green Deal"</li> </ul>		
CBRT Open Banking services	<ul style="list-style-type: none"> <li>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</li> <li>Access account information at other banks and make money transfers from those accounts from Garanti BBVA platforms</li> <li>Capability to follow up member merchant/POS movements with other banks on the basis of member merchant/POS device on Garanti BBVA Mobile and Internet</li> </ul>	Sustainability and Community Investments  Customer Experience  Data and Technology	CLIMATE CHANGE NATURAL CAPITAL RESPONSIBLE DATA USE  CUSTOMERS: ACCESIBILITY OF COMMERCIAL CHANNELS AND FINANCIAL HEALTH
National Artificial Intelligence Strategy (NAIS) of the Presidency of the Republic of Türkiye Digital Transformation Office	<ul style="list-style-type: none"> <li>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 modelling for employees for propagating data-driven decision making culture</li> <li>Providing education of 100 students in Computational Data Science, which was started to be offered as a credit course at İstanbul Technical University from 2021 with the aim of supporting the society's competence in artificial intelligence and machine learning</li> <li>New machine learning and deep learning model integrated into Garanti BBVA systems in 75 projects in 2023</li> </ul>		

# 2022 ANNUAL REPORT



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



3.013



11 min

**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	2022	2023
Asset Growth (%)	53%	<b>69%</b>
TL Loan Growth (%)	79%	<b>59%</b>
FC Loan Growth (in USD terms) (%)	-10%	<b>5%</b>
NPL Ratio <sup>1</sup> (%)	2.5%	<b>2.0%</b>
Net Cost of Risk <sup>2</sup> (bps)	130	<b>61</b>
NIM including swap costs <sup>3</sup> (bps)	516 bps expansion	<b>397 bps contraction</b>
Net Fees and Commissions Growth (%)	97%	<b>140%</b>
OPEX Growth (%)	81%	<b>103%</b>
Cost/Income Ratio <sup>4</sup> (%)	23.9%	<b>34.8%</b>
Leverage	7.5	<b>8.0</b>
ROAE (%)	51.0%	<b>44.5%</b>
Capital Adequacy Ratio <sup>5</sup> (%)	16.8%	<b>16.5%</b>
CET-1 Ratio <sup>5</sup> (%)	14.5%	<b>14.5%</b>

1 Excluding Factoring and Leasing receivables

2 Net CoR excludes currency impact, as it is 100% hedged, no bottom line impact

3 Calculated based on bank only MIS data, using daily averages

4 Income defined as NII (incl. swap costs) + Net F&C + Net Trading Income (excl. currency hedge) + Other Income (excl. provision reversals and one-off items) + Subsidiary Income

5 Excluding BRSA's forbearance

## 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.

### 2023 Operating Plan Guidance

### Realization

#### TL loan growth: ~avg. CPI

**59%** Thanks to the growth in credit cards during the low-interest environment in the first half of the year, along with the growth in TL business loans, Turkish lira loan growth exceeded expectations.

#### FC loan growth: Flattish

**5%** In light of the demand for export loans, there was growth in foreign currency loans.

(The 2023 Operating Plan Guidance was announced on February 1, 2023 and the relevant disclosure is available on the Public Disclosure Platform (KAP))

### Market Share

(among private comm'l banks)

	2022	2023
TL loans	19.7%	20.3%
TL Business	18.4%	19.7%
<i>SME loans</i>	<i>20.5%</i>	<i>22.8%</i> <sup>1</sup>
Consumer (excl. CCs)	19.9%	19.7%
<i>Consumer GPL</i>	<i>18.7%</i>	<i>18.0%</i>
Credit Cards	22.9%	21.7%

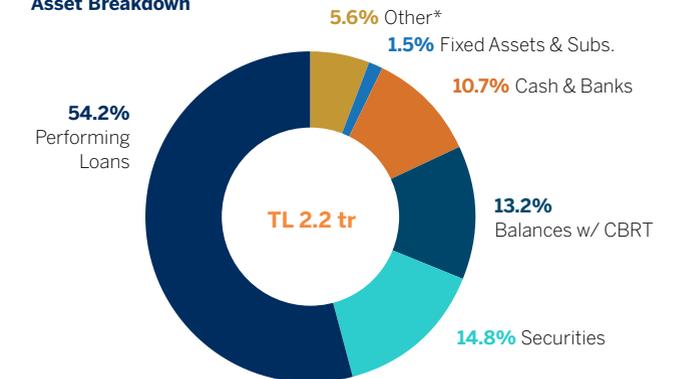
1 Per BRSA defined SME loans.

Sector figures used in market share calculations are based on bank-only BRSA weekly data as of 29.12.2023, for commercial banks.

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.

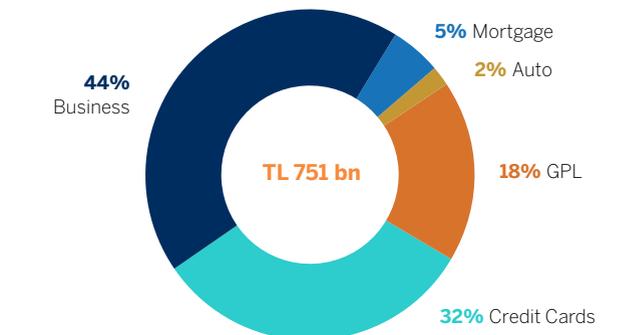
Non-cash loans grew by 81% during with growth surpassing cash loans, and Garanti BBVA reached a leading position in Turkish lira non-cash loans.

### Asset Breakdown

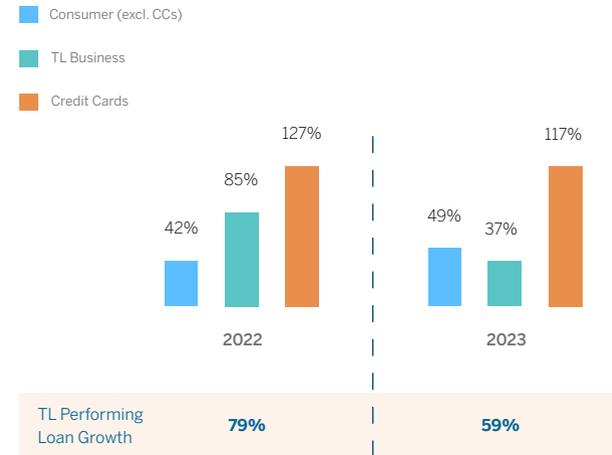


\* Mainly composed of NPLs and accruals of foreign-currency protected deposits' currency difference (TL 24bn as of Dec'2023)

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



**TL Performing Loan Growth**



**SECURITIES**

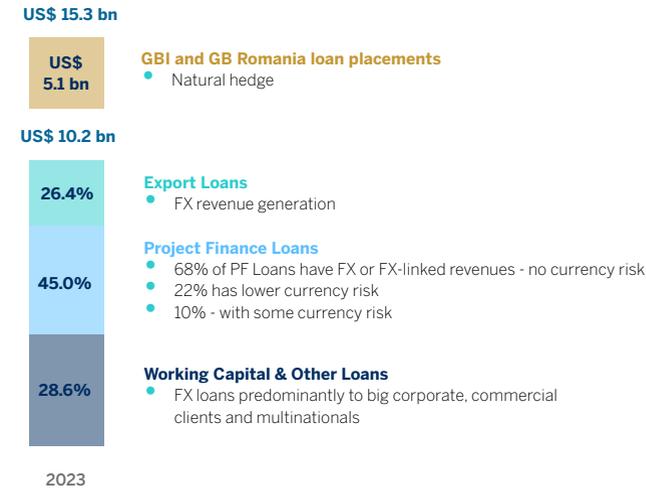
The share of securities in total assets declined to 14.8% by the end of 2023 from 15.7% 2022 year end, marking the lowest securities weight amongst peer banks. The primary reason for the decrease in the share of securities within assets is due to the higher growth in loans and the increase in reserve requirement ratios in the asset composition, despite the purchase of regulatory securities.

The securities portfolio grew by 60% year-over-year, and the increase was due to the purchase of TL-denominated fixed rate securities driven by regulations. Garanti BBVA, aimed to minimize regulatory security purchases by putting emphasis on the compliance with regulations throughout the year. TL fixed rate securities acquired due to regulations constitute 4% of the Bank's consolidated assets by the end of 2023.

62% of the securities are TL-denominated, with the highest weight within the TL portfolio being CPI linked securities. CPI linkers provide an opportunity to protect the balance sheet in the high inflation environment that Türkiye is currently experiencing.

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

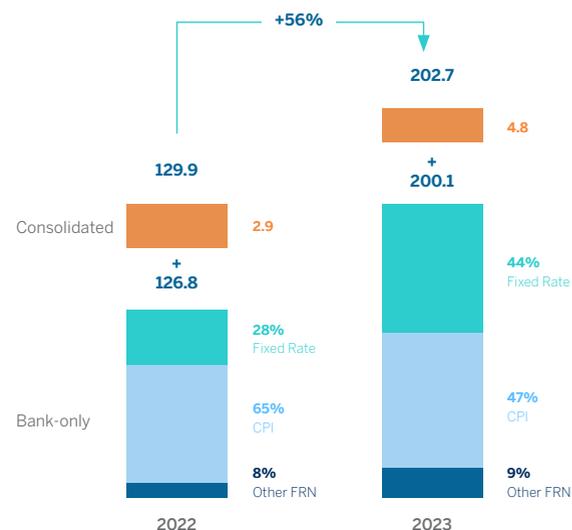
**FC Performing Loans (37% of total performing loans)**



**Securities (TL, US \$ billion)**



**TL Securities (bn TL)**



**DEPOSITS**

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 134% 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 shrinkage being driven by FC time deposits.

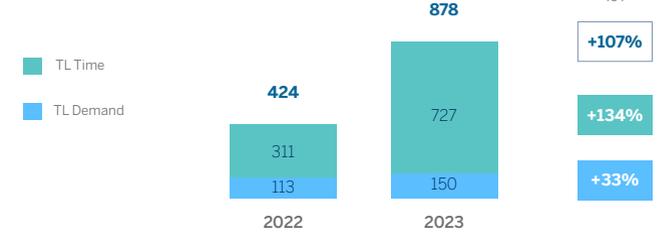
(2023 Operating Plan Guidance does not include a target regarding the development of deposits.)

**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.)

**TL Cust. Deposits (TL bn)**  
(55% of total deposits)



**FC Cust. Deposits (US\$ bn)**  
(45% of total deposits)



**STRONG ZERO-COST DEMAND DEPOSIT BASE**

**41%**

Customer demand deposits share in total

**External Debt vs. FC Quick Liquidity<sup>1</sup>**

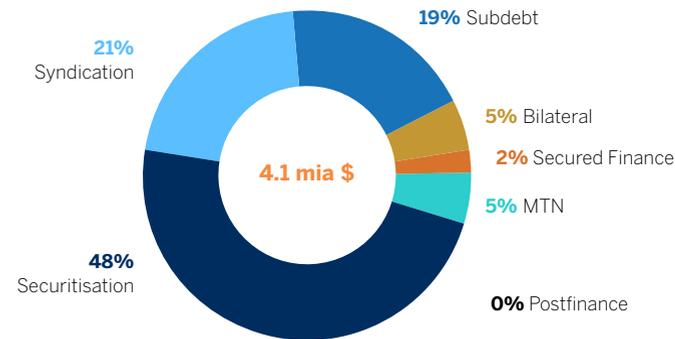


**\$1.4 bn**

ST portion of external debt

<sup>1</sup> FC Liquidity Buffer includes FC reserves under ROM, swaps, money market placements, CBRT eligible unencumbered securities

Wholesale Funding Breakdown



- 100% of the new issuances\* since 2021 are ESG-linked
- ESG-linked funding makes up ~28% of total wholesale funding

\* Excludes secured finance transactions and MTN issuance.

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 including 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.

NIM Incl. SWAP Cost\*



\* Calculated based on bank only MIS data, using daily averages  
Core NIM = NIM incl. Swap cost excluding CPI linker income

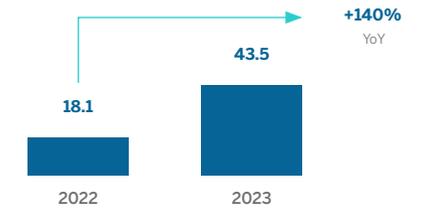
NET FEES & COMMISSIONS

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 53%, 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.

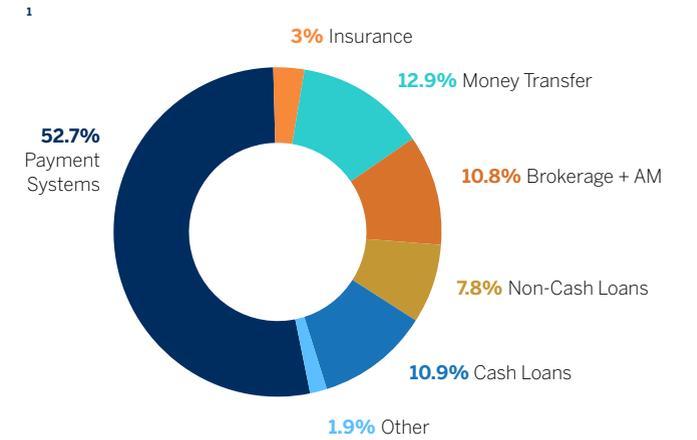
The increase in insurance and credit-related commission items is a result of robust growth in both cash and non-cash loans. The growing role of digitization, coupled with increased transaction volumes in mobile and internet banking, supports commissions from money transfers. In 2023, brokerage services 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.

Net Fees & Commissions

(TL bn)



Net F&C Breakdown<sup>1</sup>



2023 Operating Plan Guidance

Realization

**Net Fees and Commissions Growth:**  
>avg. CPI

**+140%**  
The increase in loan growth and transaction volumes supported the rise in the contribution of payment systems, bolstering the Net Fee and Commission base.

(The 2023 Operating Plan Guidance was announced on February 1, 2023 and the relevant disclosure is available on the Public Disclosure Platform (KAP))

SOLID PRESENCE INCREDIT CARD BUSINESS

**+195% YoY**  
Payment Systems Fees

**#1**  
in Acquiring & Issuing Volume & CC customers

WELL DIVERSIFIED & ABOVE INFLATION FEE PERFORMANCE

**+83% YoY**  
Lending Related Fees

**+113% YoY**  
Brokerage + AM

**+98% YoY**  
Money Transfer

EXPANDING CUSTOMER BASE & INCREASING PENETRATION

**~15.0 million**  
Mobile customers

**90%**  
Digital sales in total sales

<sup>1</sup> Net Fees&Comm. breakdown is based on Consolidated Financials. Garanti Pension premiums are shown under Other Income. As of December 2023, a number of fee sources previously booked under 'Other' have been reclassified under 'Money Transfer'. Rankings are among private banks

## 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 165% in 2023, thanks to the growing number of domestic investors in the securities markets, initial public offerings, coupled with increased trading volumes in the stock and futures markets, and the contribution of high treasury transactions.
- 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 198% 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 136%.
- 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.

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



**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

**OPEX Growth:**  
~100%

### Realization

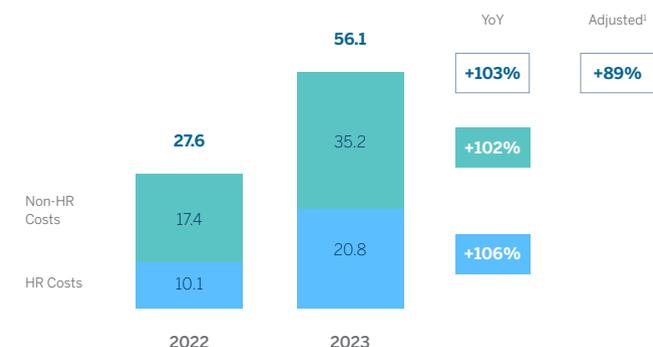
**+103%**

When the donations and aid made for the earthquake disaster along with %100 hedged currency impact are excluded, the increase in operational expenses is realized as 89%, signaling a growth that is far better than expectations.

(The 2023 Operating Plan Guidance was announced on February 1, 2023 and the relevant disclosure is available on the Public Disclosure Platform (KAP))

## Operating Expenses

(TL bn)



1 Earthquake related donations (3%) & currency depreciation impact (11%)\*

\* 100% hedged no impact on bottom line

Note: Income defined as NII inc. Swaps + Net F&C + Dividend Income + Subsidiary Income + Net Trading Income (excludes swaps & currency hedge) + Other income (net of prov. Reversals, free provision reversals and one-off income)

## 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 stable, the balance of Stage 2 loans increased only a 1.5 billion TL. A significant portion of this increase was due to our prudent approach to monitoring Stage 2 loans in the earthquake region following the earthquake disaster in our country, while some loans classified as Restructured transitioned from Stage 2 to Stage 1. When looking at the quantitative part in Stage 2 loans, i.e., Significant Increase in Credit Risk, 88% of these loans are not delinquent. Additionally, only 1.8% of loans that were in the

**35%** COST / INCOME

**78%** FEE / OPEX

**3.2%** OPEX / AVG. ASSETS

Significant Increase in Credit Risk category in 2022-end ended up in NPL as of 2023-end.

The coverage ratio of Stage 2 loans has increased from 19.5% at the end of 2022 to 21.4% at the end of 2023. When looking at the coverage ratios in terms of foreign currency and Turkish lira, the coverage ratio for FC loans is 38%, while for TL loans, it is 8%.

In 2023, NPL ratio decreased from 2.5% in 2022 to 2.0%, mainly due to the low-interest environment in the first half. Cumulative Net Cost of Risk (excluding currency impact) ended the year at 61 basis points, reflecting a very low level due to the impact of the low-interest rate environment and strong activity.

With Garanti BBVA's commitment to a prudent approach, the total provisions 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

Realization

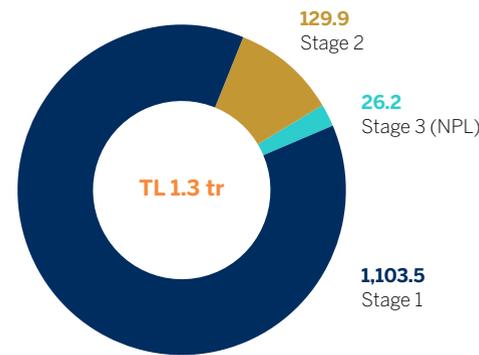
**61 basis points**

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

(The 2023 Operating Plan Guidance was announced on February 1, 2023 and the relevant disclosure is available on the Public Disclosure Platform (KAP))

Loans & Receivables Portfolio Breakdown

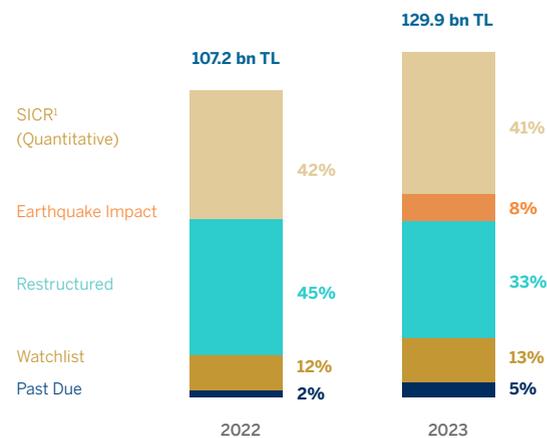
(TL billion)



Stage 2 Breakdown

(TL billion)

excl. currency impact<sup>2</sup>  
**108.7 bn TL in Dec'23**



1 SICR: Significant Increase in Credit Risk per our threshold for Probability of Default (PD) changes  
2 2022 balance sheet FX rates are taken into account when calculating Stage 2 base for December 2023

Coverage Ratios

Total Provision

(Balance sheet, TL bn)

- +Stage-1
- +Stage-2
- +Stage-3

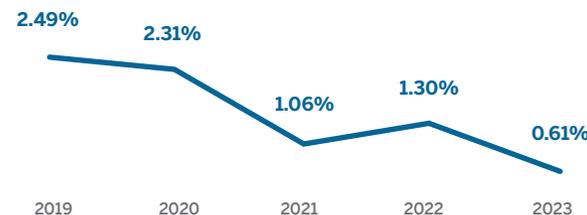
2023	2023 (adj. w/ WD*)
51.4	68.8

Total Coverage

- +Stage-1
- +Stage-2
- +Stage-3

2023	2023 (adj. w/ WD*)
4.1%	5.4%
0.5%	
21.4%	
67.8%	80.7%

Net CoR Trend Excl. Currency



Currency depreciation impact: **128bp**  
No impact on bottom line as it is 100% hedged

\* Adjusted with write-downs since 2019

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 free provisions on the balance sheet which were set aside in previous years inline with the prudent risk policy framework were reversed during the year with the improvement in the macro outlook. When adjusted for both the 500 million TL free provision 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 12.16% and excluding the BRSA forbearances, the Bank has an excess capital of 72 billion TL according to legal limits.

2023 Operating Plan Guidance

Realization

**ROAE:**  
>28%

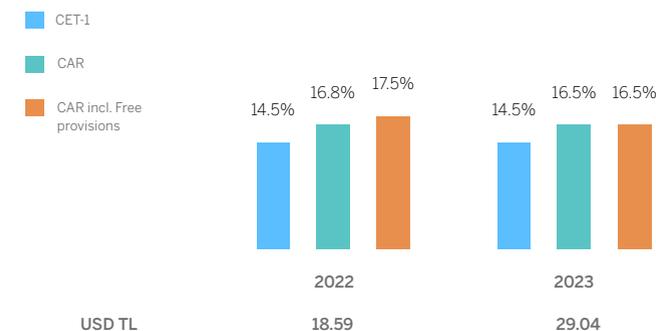
**44.5%**

Despite the pressure on margins due to regulations and the increasing interest rate environment, the performance exceeded expectations, thanks to strong commission performance, increased contribution from trading income, subsidiary income, and better-than-expected asset quality

(The 2023 Operating Plan Guidance was announced on February 1, 2023 and the relevant disclosure is available on the Public Disclosure Platform (KAP))  
(2023 Operating Plan Guidance does not include a target regarding the development of capital adequacy ratio.)

Solvency Ratios

(without BRSA's forbearance)



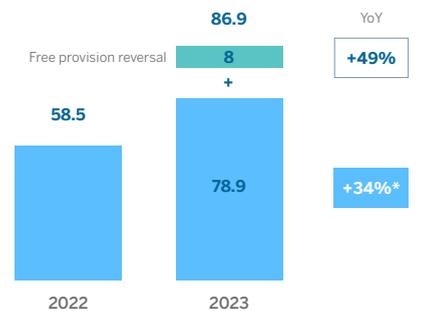
**~2.5%**  
BRSA Forbearance Impact on CAR

**~31 bp**  
CAR sensitivity to 10% TL depreciation

**TL 72 billion**  
Excess Capital (Consolidated & w/o forbearance)

1 Required Consolidated CAR level = 8.0% + SIFI Buffer for Group 2 (1.5%) + Capital Conservation Buffer (2.5%) + Counter Cyclical Buffer (0.15%);  
Required Consolidated Tier-I = 6.0% + Buffers; Required Consolidated CET-1 = 4.5% + Buffers

Net Income (TL bn)



\* Excluding free provision reversals in 2023. 2022 base was also adjusted for the 0.5bn TL free provision set aside in 3Q22.

2023 ROAA	2023 ROAE
4.9%	44.5%
Free provision reversal adjusted 2023 ROAA	Free provision reversal adjusted 2023 ROAE
4.5%	41.0%

## TAX CONTRIBUTION

In 2023, the Bank set aside total tax provisions of 20 billion 154 million TL, which corresponds to a tax rate of 19%. There are two separate reasons as to why 2023 tax rate is below the Financial Institutions tax rate of 30%:

1. Free provisions reversal of 8 billion TL was not subject to taxation,
2. The more significant reason is the increase in deferred tax assets due to inflation adjustment of non-monetary items under the tax regulation.

Having embraced transparency, prudence and honesty principles in tax matters, Garanti BBVA reports on the total tax contribution, both on its own and on behalf of third parties.

**Please read more on tax strategy and reporting on Garanti BBVA Investor Relations website, Tax Strategy and Reporting heading under the Environmental, Social and Governance tab.**

(2023 Operating Plan Guidance does not include a target regarding the development tax contribution.)

## 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 hereinbelow, on the Public Disclosure Platform (KAP) and under the Operating Plan Guidance tab on the Garanti BBVA Investor Relations website.

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

Note: The 2024 Operating Plan Guidance takes into consideration that all regulations in place as of January 29, 2024 are not changed and no new material regulations are implemented.

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.**

2022  
ANNUAL  
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



2.604



10 min

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

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 automatizing 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 the face of current threats and needs.

In terms of governance, the Information Security Committee headed by the CEO coordinates all efforts within the Bank to guarantee information security, and monitors policies,

procedures, and regulations. For alignment with the new regulation that went into force in 2020, Information Systems Security team operates within an organizational structure wherein it reports its activities directly to the CEO.

The first bank in Türkiye to centralize its operations, Garanti BBVA alleviates the operational load on its branches and head office units, and enhances employee productivity through active use of technology. The Bank ensures superior quality, timely and error-free execution of operational transactions of its millions of customers with ABACUS. Garanti BBVA channels **88%** of all operational transactions of branches to ABACUS made up of a dynamic team of **1,631** experts. ABACUS handles a total transaction turnover of **USD 451 billion**.

## APPLICATIONS THAT DIFFERENTIATE GARANTİ BBVA IN DATA AND TECHNOLOGY, GARANTİ BBVA'S POSITION IN THE SECTOR IN THIS DEPARTMENT, GARANTİ BBVA'S APPROACH AND BUSINESS MODEL

Garanti BBVA charges ahead with value creation in its customers' lives using artificial intelligence, machine learning and big data applications. As it keeps offering further smartened up and personalized solutions with the aim of enhancing customer satisfaction, the Bank focuses on upgrading its decision support systems to increase the efficiency of their business processes and maintain operational superiority. AI-powered projects addressed in this respect were put in production and integrated in Garanti BBVA systems in 2023. The Bank has over **600** models in various areas including customer satisfaction, marketing and sales, pricing, fraud, credit assessment and so on, which have been formulated using a wide variety of algorithms ranging from machine learning to deep learning. Artificial Intelligence has become the main enabler for expediting the introduction of projects, as well as increasing the speed and quality of services delivered to customers.

In addition, Enterprise Data Warehouse (Prisma) started to be established in 2019, which adopts a modern perspective and is in alignment with new technologies and the current business

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

### Action Taken

**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 İstanbul Technical University from 2021 with the aim of supporting the society's competence in artificial intelligence and machine learning.

**Increase automation with Artificial Intelligence and minimize operational risk in processes**

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.

**Promote data literacy and data-driven decision-making by enriching Prisma, the enterprise data warehouse**

- 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 competencies 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-Backed 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.

**Maintain deeper and value-adding relations with customers, expand the customer base, increase product/service sales volume and accelerate customer digitalization**

- 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 **9.9 million** customer behaviors daily, using **126** scenarios through digital channels and branches, and enables **4.7 million** direct customer contacts.

**Maintaining external fraud risk management activities focused on customer security and experience**

- 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
- Personnel information and awareness initiatives are carried out.
- Training or briefing programs on external fraud numbered 125 in 2023 (2022: 128)

**Ensure customer privacy and information security, eliminate external fraud risks**

- 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.

Automatization and higher efficiency handling of low added-value operational transactions; a better customer experience with minimum errors and faster and better customer experience

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 principle. 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 to **41**. 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 inhouse 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 **42.75%**. **75%** 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.

RISKS AND OPPORTUNITIES

Risk

Our Response

Responsible Use of AI

Responsible AI principles are adopted when developing solutions on Big Data and Artificial Intelligence. Garanti BBVA pledges to be committed to Human Rights and not to discriminate, as stipulated also in the Garanti BBVA Code of Conduct. None of the analytical solutions employed in customer acquisition, pricing, recruitment and remuneration uses data pertaining to gender, color, ethnicity, disability, religion, sexual orientation or political affiliation. Garanti BBVA plans to operate new control mechanisms in artificial intelligence projects to generate unprejudiced and unbiased results.

- In addition to all these approaches, the following principles are espoused for Generative Artificial Intelligence:
- Guarantee the accuracy of outputs, avoid producing outputs that entail partiality and are harmful to individuals,
  - Position Artificial Intelligence as an assistant to people to maintain individuals' trust and present transparent information,
  - Act in line with ethical, legal and social norms during work,
  - Pay attention to confidentiality, security, privacy and intellectual property rights specific to the data used,
  - Maintain a focus on reducing carbon footprint during the design, development and production of large language models.

Opportunity

Our Response

Generative Artificial Intelligence

The opportunities offered by Generative Artificial Intelligence will be used to create value for customers in various areas:

- In customer solutions, vesting the chatbot applications employed in all sectors in a generative structure enables personalized experience. It will thus be targeted to increase first call resolution of customer needs and shorten response times, for ultimate enhanced customer satisfaction.
- Various content generation competencies of Generative Artificial Intelligence such as text, image, audio and video will be utilized for producing personalized content for our customers.
- On the part of Software Engineering, Generative Artificial Intelligence is intended to be used as assistant in design, analysis and coding to speed up software development and enhance its quality.

2022

Why should  
new graduates  
choose Garanti  
BBVA?



**TUBA KÖSEOĞLU OKÇU**

Executive Vice President  
Talent and Culture

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



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?



## INVESTMENTS IN HUMAN CAPITAL

134 Investments in Human Capital



# Investments in Human Capital



10,329



38 min

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 prep 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.

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

\* 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.

Number of employees by age group	2022	2023	Audited data (2023)
<30	4,777	<b>5,170</b>	✓
30-39	9,947	<b>9,521</b>	✓
40-49	5,956	<b>6,136</b>	✓
>=50	1,004	<b>1,189</b>	✓
<b>Total</b>	<b>21,684</b>	<b>22,016</b>	✓

Number of employees (overall BBVA breakdown) (Branches, Head Office, Technology)	2022	2023	Audited data (2023)
Headquarters	7,126	<b>7,497</b>	✓
Branches	11,461	<b>11,229</b>	✓
Technology	2,302	<b>2,466</b>	✓
Other	795	<b>824</b>	✓
<b>Total</b>	<b>21,684</b>	<b>22,016</b>	✓

New hires by age group	2022	2023	Audited data (2023)
<30	1,658	<b>2,079</b>	✓
30-39	618	<b>421</b>	✓
40-49	50	<b>34</b>	✓
>=50	4	<b>16</b>	✓
<b>Total</b>	<b>2,330</b>	<b>2,550</b>	✓

New hires by gender	2022	2023	Audited data (2023)
Women	1,212	<b>1,288</b>	✓
Men	1,118	<b>1,262</b>	✓
<b>Total</b>	<b>2,330</b>	<b>2,550</b>	✓

New hires by nation	2022	2023	Audited data (2023)
Türkiye	2,541	<b>2,550</b>	✓
Romania	287	<b>302</b>	
Holland	35	<b>46</b>	
<b>Total</b>	<b>2,863</b>	<b>2,898</b>	

Total employee turnover by gender	2022	2023	Audited data (2023)
Women	11.69%	<b>11.49%</b>	✓
Men	11.90%	<b>11.77%</b>	✓

Total employee turnover by age group	2022	2023	Audited data (2023)
<30	24.37%	<b>22.76%</b>	✓
30-39	9.38%	<b>8.87%</b>	✓
40-49	5.21%	<b>5.89%</b>	✓
>=50	12.50%	<b>15.07%</b>	✓

Gender Pay Gap (Women/Men)	Management Level*	Branch Manager / Mid-Level Manager*	Rest of the Employees*	Average*	Audited data (2023)
2023	0.90	0.84	1.04	1.06	✓
2022	0.87	0.85	1.07	1.07	✓
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 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	Number of Employees Completed	Total training duration	Audited data (2023)
Gender Equality Trainings	4,622	<b>5,936</b>	✓
Anti-Corruption Trainings	7,586	<b>5,792</b>	✓
Ethics Trainings	11,920	<b>5,892</b>	✓
Information Security Trainings	18,360	<b>18,912</b>	✓
PDPL Trainings	17,065	<b>10,124</b>	✓
Cyber Security Trainings	13,011	<b>13,011</b>	✓

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	Audited data (2023)
Training hours per employee	54.22	✓
Number of training per male/female employee	54.25 (Female)	✓
	50.20 (Male)	✓
Share of digital training in total training hours	51%	
Total expenditure on training	94,706,408 TL	

Occupational Health and Safety Performance Indicators	2022	2023	Audited data (2023)
Loss of labor force	1.60%	<b>1.20%</b>	✓
Number of accidents	54	<b>132</b>	✓
Number of fatal cases	1	<b>2</b>	✓
Accident frequency rate	0.22	<b>0.52</b>	✓

## 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

- 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.
- 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.

#### 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 İçin 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

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

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.garantibbva.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.

### Target

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

### Action Taken

Within the context of international career opportunities, 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.

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.

Employees draw on education and development tools (talent development programs, global mobility, coaching, mentorship etc.) of various contents aligned with their needs aimed at increasing their awareness and supporting their technical and behavioral competencies. During 2023, a total of 100 employees in different positions benefited from the mentorship program, while 250 employees in total were supported in their development with coaching programs.

## 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 BrandonHall. 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.

## Digital Learning Platform

Garanti BBVA kept improving the learning experience with new features added to the digital learning platform, which allow the employees to:

- redeem the points they earn on digital training programs for training sessions accompanied by a trainer for their own professional and personal 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.

**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 GETSınif (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 719,253 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.

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

**Increase participation in face-to-face training and interactive training programs that declined due to the pandemic**

**Action Taken**

In 2023, the number of classroom trainings was increased and the first sessions of specific programs were held in classroom format. 35,683 employees attended a total of 2,490 classroom trainings.

**Target**

**Support learning from one another and information sharing among employees**

**Action Taken**

- With the aim of strengthening the culture of learning from one another within the organization, "Let's Ask Someone Who Went There!" events were planned during the reporting period.
- Part-Time Internal Trainer program designed for passing on the expertise and experiences to other employees was organized.

**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**

**Introduce modular training programs that will contribute to the development of "Senior Customer Representatives"**

**Action Taken**

The learning program designed in role-based format and commenced in June was planned for 575 participants and intended to contribute to customer satisfaction, service quality and sustainable employee performance.

**New Competencies and Skills****Target**

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

**Action Taken**

- In addition to their job-specific training, all employees participated in elective trainings offered to improve themselves in different fields.
- 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). In 2023, 50 people started the program; two of them are from BBVA.
- Garanti BBVA deems it important to accompany employees in their continuous learning and self-development journeys. With this consciousness, the Bank encourages its employees to pursue graduate studies, helping them reach their career goals while building on the Company's specialization and innovation capacity. In this context, 68 employees joined graduate programs.

**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 bind 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.
- A1 & 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 in professional work settings.
- The Bank purchased collective tickets for over 50 extramural cultural and artistic events and distributed 1,115 invitations to employees as a gift, who were determined by drawing lots.

- **Many Garanti BBVA employees volunteered for the projects Garanti BBVA conducts for generating social benefits also this year:**

- In the aftermath of the devastating earthquake that hit our country in 2023, necessary materials to respond to the fundamental needs in the region were sent to the storages of civil society organizations that were active in the field with the support of Garanti BBVA employees.
- Under the **Blue Breath Project** co-conducted with the Turkish Marine Environment Protection Association/TURMEPA, shore cleaning was carried out in Van and Ayvalık, and shore and seafloor cleaning in Kinalıada with the participation of volunteering employees.
- Robotic and coding workshops developed with zero-waste concept was carried out on the traveling education bus for children in primary and secondary schools in Bursa, Bandırma, Yalova and Balıkesir with the support of **volunteering Garanti BBVA employees.**
- Employees voluntarily worked in the 9th Education Fest organized in Gaziantep by the Teachers Academy Foundation (ÖRAV), of which Garanti BBVA is the founder and permanent supporter, with the aim of increasing psychological resilience and wellness of the teachers in the earthquake-hit provinces.
- Events organized concurrently with the BBVA Group such as the **Values Day, Diversity and Inclusion Days as well as Executives' Meeting, Seniority Award Ceremony, and annual hobby club events** aimed at enhancing employee satisfaction secured broad participation as they did in previous years. Activities 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 İstanbul with its Sailing Club to Samsun, where the

War of Independence was first ignited, inspired by Our Great Leader Mustafa Kemal Atatürk's departure from Istanbul on Bandırma Ferry. Under the project **"Path to the Republic"** carried out with the Photography Club, key historical sites that have witnessed various phases of the national liberation in 22 cities starting with Samsun were photographed and the Republic message was carried from one city to the other. Garanti BBVA created a unique work with the photographs taken, by bringing them together with shots taken one hundred years ago in the photography book titled **"One Hundred Years Ago, One Hundred Years Later: Mustafa Kemal Atatürk's Path to the Republic in Photographs"**. Print number 1 of the limited edition catalogue and the message that was circulated around Türkiye were gifted to our Great Leader in a special ceremony held in Anıtkabir. The catalogue was also transformed into a photography exhibit coordinated by Salt. Initially put on display in Salt Beyoğlu and visited by thousands of people, the exhibit was brought to Garanti BBVA employees in Zincirlikuyu and Pendik buildings. In addition, Prof. İlber Ortaylı, a leading historian who was invited to talk about the 100th year of our Republic, was hosted at the headquarters building for a special event.

**As part of the 100th year events, the Trekking Club paved the route referred to as the Liberation Path, our Underwater Sports Club unfurled the Turkish flag underwater, and the Turkish Classical Music Chorus gave a special concert with a repertoire consisting of Atatürk's favorite songs.**

- "Ask/ Share" forum section that allows employees to share their ideas and opinions was actively used throughout the year. In 2023, **6,188 posts and comments were shared** on the platform. Employee feedback about the Group's implementations, which were shared on the "Ask/Share" platform, were regularly reported to related business units for due consideration in actions to be taken.
- The "Solutions Center", to which employees direct their questions in relation to Talent & Culture, received 30,773 queries in 2023. With 98% of the queries responded to within 2 hours, our employees received close and fast support.

## 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 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.

### Target

**Train the leaders who will manage the employees and teams.**

### Action Taken

- Leadership Development Programs segmented to match the leaders' years of experience, Leadership Development Catalogue, and Leadership Beyond Distances programs continued in 2023.
- Kampüs Garanti BBVA That Carries Development to the Future initiated a new leadership development journey with the motto "We are All Leaders". LiderA learning program that covers all employees is designed to build on entrepreneurship, responsibility taking and delegating skills.

## OCCUPATIONAL HEALTH AND SAFETY, BUSINESS CONTINUITY AND HOLISTIC HEALTHCARE

Occupational Health and Safety (OHS) is responsible for creating and propagating Garanti BBVA Occupational Health and Safety culture, establishing principles, guidelines and procedures, and monitoring applicable legislation requirements and international standards.

At Garanti BBVA, OHS carries out its activities associated with the health, safety and well-being 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 manages 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, committee meetings attended by employer and employee representatives and OHS professionals, incident management, information activities and briefings for employees, subcontractor and supplier management, etc.

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, customers and environmental assets come through disasters and emergencies without being harmed. It makes sure that necessary training is given for emergency preparedness of employees, monitors drills, and ensures that the assigned teams are kept up-to-date.

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

Right after the Kahramanmaraş 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 analysis.

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 Kahramanmaraş, 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.

#### Target

**Protect and improve employee health through holistic healthcare practices.**

#### Action Taken

- Garanti BBVA considers wellness as the state of physical and psychosocial well-being, and focused on holistic healthcare practices along with well-being activities centered on inclusiveness. Accordingly, the Bank made its plans to introduce awareness and consciousness activities to increase effectiveness.
- Data-driven actions were taken for effective employee health monitoring, and particularly induction and periodic medical examinations. Through İyi Bak Kendine (Take Good Care of Yourself), the holistic wellness program introduced in a bid to contribute to employee wellness, 6,510 employees continue to actively benefit from contents offered by numerous experts on various well-being headings ranging from free personalized nutrition advice to exercise sessions, parenting to meditation, sleep hygiene to productive working. While the number of its active users increased by 24.9% annually, the program also bears a positive impact on employee satisfaction.
- Through the Employee Support Hotline, which is another channel offering service to employees under the holistic wellness program Take Good Care of Yourself, Garanti BBVA offered 12,244 psychological counselling sessions, 1,452 legal counselling service and 434 medical advisory service.

#### 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.

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 aligned with the Bank's Risk Management Principles. The Bank transparently discloses the gender pay gap and keeps taking steps to close the same. 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 are submitted for approval and determined at the General Shareholders' Meeting. 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 million 242 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 2023, 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 2023 variable payments of identified employees, Banco Bilbao Vizcaya Argentaria S.A. share was taken as basis.



**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 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 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 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 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 (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.

### GARANTİ BBVA PENSION FUND

T. Garanti BBVA Bankası A.Ş. Memur ve Müstahdemleri Emekli ve Yardım Sandığı 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 service 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 İstanbul, Ankara and İzmir 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 EYT 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 competencies 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 the 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 their subordinates.
- 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-serve reach and use to Talent and Culture applications via the Connect Mobile app.**

**Action Taken**

- Preboarding 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 Campus 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 welfare 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 Nondiscrimination 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.

**Target**

**Support employee awareness of equality through compulsory gender equality and violence training programs**

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 (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 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" GETKurs 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 the

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 (Dünya İyî 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 focuses on their development. Garanti BBVA works closely with the related student clubs and career centers of universities for employment of talents with disabilities, and hosts workshops devoted to united efforts and thoughts on accessibility. The Bank participates in career fairs for individuals with disabilities and cooperates for a better employee experience by reaching a higher number of young talents with disabilities in the events organized. The Bank plans specific trainings and seminars for employee and leadership awareness as part of the cultural transformation initiative it executes, and carries on with developments for digital and spatial accessibility.

## 2024 FOCUS AREAS AND PRIORITIES

In 2024, top priorities of the Bank will continue to be winning top talents, maintaining the wellness and well-being of all our employees, supporting their development with respect to current and future competencies, and creating an **open, diverse, empowering working environment that rises upon trust**, while striving to enhance employee engagement on the center of Garanti BBVA Group values and goals through Talent and Culture practices.

**Talent and Culture will continue to develop merit-based implementations that make employees feel part of a strong global institution, and encourages the will to succeed and be high performing individuals and teams.**

Other main priorities include providing the cultural development that will approach employees and customers with a radical focus, and consolidate 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 interns, 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, so 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 **«The Camp»** 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-recruitment 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 new holistic welfare 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 Bloomberg 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.) compel 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 upskilling programs to ready its employees' competencies according to changing dynamics. Reskilling 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.

### People-Oriented Leadership in the Digital Era

Digital transformation brought along the need for inspirational and motivational leadership. Managers are at the center of sustainable performance, but they are challenged by increasing roles and responsibilities, team fatigue and attrition, personal stress, and more. On top of these difficulties came the need to establish effective collaboration paths with employees in different locations working in different formats (flexible, part-time).

It is the top priority of Garanti BBVA to deliver a strong development experience through platforms and tools offering high level user experience, and place employees and employee competencies at the heart of the organization. Given the increasing importance of leadership for organizations, the Bank aims to create a strong development ecosystem with the vision of strengthening the notion of leadership within the organization and transforming leaders into mentors that employees can turn to when they need guidance.

# 2023 ANNUAL REPORT



Why should an SME prefer to work with Garanti BBVA?



What is the key motivation behind the uninterrupted support extended to women entrepreneurs for 17 years?



SİBEL KAYA

Executive Vice President  
SME Banking



What do women entrepreneurs need for being empowered?

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



## CUSTOMER EXPERIENCE

160 Customer Experience

# Customer Experience



5,721



21 min

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

Related Indicator	2022	2023	Audited data (2023)
Customers	23.2 million	<b>25.4 million</b>	✓
Digital Banking Customers	13.4 million	<b>15.0 million</b>	✓
Mobile Banking Customers	13 million	<b>14.8 million</b>	✓
Yearly Transactions Performed through Internet and Mobile Banking Channels	1.1 billion	<b>1.5 billion</b>	
Number of Garanti BBVA Logins	3.7 billion	<b>4.9 billion</b>	
% of Active Digital Customers	85%	<b>86%</b>	
Branches	838	<b>805</b>	
ATMs	5,450	<b>5,511</b>	
Number of Cardless Transactions via Garanti BBVA ATMs	119 million	<b>123 million</b>	✓
Share of QR transactions	32%	<b>35%</b>	
POS Terminals	777,497	<b>808,478</b>	
Member Merchants	455,119	<b>480,278</b>	
Credit Cards	12,893,009	<b>15,183,137</b>	
Digital transactions share in non-cash financial transactions (Retail)	97.6%	<b>98.1%</b>	
Digital sales (share in total sales) (Retail)	86%	<b>90%</b>	
Engagement with the mobile banking "My Status" area, which focuses on financial health*	36%	<b>36%</b>	
Accessible Garanti BBVA ATMs	5,431	<b>5,496</b>	

Related Indicator	2022	2023	Audited data (2023)
Products or services modified and developed according to customer feedback	16	<b>15</b>	
Retail Net Promoter Score** (Ranking)	#2	<b>#2</b>	
SME Net Promoter Score** (Ranking)	#1	<b>#2</b>	
Commercial Net Promoter Score*** (Ranking)	#1	<b>#1</b>	
Mobile Net Promoter Score**(Ranking)	#1	<b>#2</b>	
Net TCR Score****	61%	<b>62%</b>	
Target customers surveyed	16%	<b>15%</b>	
Feedbacks received	3.5 Million	<b>3.9 Million</b>	
Change in customer complaints*****	+7%	<b>-1%</b>	✓
Proactive actions against potential situations likely to cause customer dissatisfaction	10	<b>6</b>	
Number of Contacts handled by the Customer Contact Center (CCC) (million)	65.3	<b>67.2</b>	
CCC Service Level	82.3%	<b>82.2%</b>	
CCC Call Response Rate	98.7%	<b>98.7%</b>	
CCC Financial Product Range (units)	32	<b>33</b>	

\* 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, Yapı Kredi Bank and QNB 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, Yapı Kredi Bank and QNB 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, Yapı 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 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.

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 questionnaires with customers receiving service from various channels; brand and reputation surveys measuring brand equity and corporate reputation dynamics, and advertising research determining advertising performance.

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.**

## 2023 HIGHLIGHTS

### Customer Contact Center

Ranked first in the "Best Contact Center" category at the 16<sup>th</sup> 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

Fast and seamless service experience with the Customer Contact Center

#### Action Taken

- Garanti BBVA Customer Contact Center continued to lead the sector with **13%** share of total sector incoming calls with the number of customer contacts that increased to **67.2 million** in 2023, which were handled by its qualified team of **1,116**.
- Offering customers fast and seamless experience with a call response rate of **98.7%** 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 "Turkish 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 easily reach the point 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** DIY announcements developed on the IVR.
- Transactions performed via "Video Call" since 2018 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 which are handled by an increased number of employees in 2023.
- 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 Kripto BBVA A.S., 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 a single 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

### Action Taken

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, **15** corrective actions helped decreasing the situations that were previously giving rise to customer dissatisfaction by **4.5%**, while 6 proactive actions taken prevented potential situations likely to cause customer dissatisfaction.

## 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 3Q23, 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' all needs associated with debit and credit cards in a single app and encompassing technological solutions that will allow payments without the need for wallets, **BonusFlaş** 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 BonusFlaş, which is a first in the sector, became applicable for transactions of above **TL 750** and Not Onus transactions as per the BRSA regulation issued. The digital slip product that we launched in 2022 has been an inspiration to the sector and became a product to be matched by all banks.

### 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.
- Sole proprietorships can apply for CepPOS via Garanti BBVA Internet/Mobile, CepPOS app and [garantibbvapos.com.tr](http://garantibbvapos.com.tr) website.
- Application flow for commercial credit cards has been digitalized end-to-end for sole proprietorships. Our sole proprietorship customers can now have a commercial credit card via Garanti BBVA Mobile Banking.

Enhance customer experience by utilizing the conveniences offered by new generation technology

Garanti BBVA Mobile has become a full-scale service outlet that can cater to all customer needs. In keeping with this vision, Garanti BBVA continued to deliver first-contact resolutions enabled by technology so that customers can finalize Mobile-initiated processes on the Mobile. To this end, formats were introduced, which direct the customers to the right solution and the right point of service as and when they need it, through the smart assistant UGI, live chat or video call options. While **45%** of customers contacted the smart assistant themselves, Garanti BBVA contacted the customers through need-based proactive solutions and proposed smart, personalized offers to them.

Smart assistant UGI had more than **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.

### Target

Help customers  
make right/healthy  
financial decisions

### Action Taken

"My Status" section presenting personalized financial health tips within mobile banking has been renewed, which allows Garanti BBVA customers to view their assets, debts, income and expenses, and cash flows in a more user-friendly interface.

While the "My Status" section was visited by a monthly average of approximately **4.4 million** customers in 2023, smart guidance and tips generated have been instrumental in making the customers feel the Bank's support with respect to financial health.

Always attaching particular importance to customers' financial health, Garanti BBVA transported the Credit Checkup function to the mobile app for customers whose loan applications are declined. In case of declined loan applications, customers are transparently informed about the reason of non-approval and can reach customized advice for possibly increasing the probability of having their applications approved.

"My Digital Subscriptions" function added to the mobile app lets customers track their digital platform subscription payments on a single screen and be aware of their fee payments.

## 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 vulnerable groups and entrepreneurs with low access to finance and other services as a separate customer group for many years.

The Bank's main goal is to create cooperation opportunities with startups for the healthy growth of the entrepreneurial ecosystem and the spread of the entrepreneurship culture in our country. The Bank carries out activities on various platforms to support entrepreneurs ranging from women's entrepreneurship to impact entrepreneurship and technology startups, which are important actors of economic growth, with specifically tailored products and services.

Garanti BBVA supports the entrepreneurial ecosystem with:

- Women Entrepreneurs Program launched in 2006,
- Türkiye's Woman Entrepreneur Competition that will celebrate its 17<sup>th</sup> 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.

### Target

Support startups  
within the frame of  
inclusive growth

### Action Taken

Under the Garanti BBVA Partners Accelerator Program, applications are being accepted for the new term of Garanti BBVA Partners Tech sub-program targeted towards technology startups that focus on data, cybersecurity, payment systems and sustainability.

Supporting  
customers' financial  
health with Payment  
Systems products

Under the Key Card Program, we are instantly establishing if/when a customer's credit card application via Garanti BBVA mobile and Internet Banking will be declined due to their credit score and inform them that they can get a credit card by blocking a specific amount they will define in their accounts. Customers can view the credit card limit they will be assigned in return for the blocked amount set by them at the time of the application, and change the amount according to their own needs, if they so wish.

With this program that enables entry into the credit card world, our customers can have their preferred individual card, such as Bonus, Miles&Smiles, Shop&Fly, with all the features applicable to the chosen card. Our customers easily meet their needs with credit cards, earn bonuses or miles from their purchases, and take benefit from free installment opportunities.

Customers improve their Financial Health and achieve increased credit score if they use their credit cards and make their payments regularly for a certain period of time. Customers with increased credit score are removed from the Key Card program, and get the chance to keep using their credit cards without maintaining a blocked amount in their accounts, upon which the account is unblocked automatically.

Contribute  
to physical  
and financial  
independence of  
customers with  
disabilities through  
Accessible Banking  
Services

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.

Under the partnership established 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 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 back 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 its banking agreements on its website.

### Support active participation of unbanked or underbanked women in economic life

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 İstanbul, İzmir, Manisa, Muğla, Sanlıurfa and Gaziantep since October. We are also supporting program participant customers with our custom-tailored banking products.

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

- 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.

## Sustainability

Garanti BBVA will carry on with its efforts directed towards sustainable development, believing in the importance of doing so with a firm focus on combating climate crisis and inclusive growth in order to support sustainability. With this motivation, the Bank aims to sustain initiatives that will instigate carbon footprint concept and create sustainability awareness so as to get others to take action. As a financial institution, Garanti BBVA will take various steps to encourage its customers to be more conscious and to take sustainable steps by raising awareness of environmental issues that concern our planet and providing solutions.

### Target

### Action Taken

### Offer financial solutions with a Responsible Banking focus

Intended to raise customers' awareness of their carbon footprint, My Ecological Status feature launched on Mobile now enables customers to track every positive action they take in relation to carbon footprint. With the ecological missions presented under Ecological Steps, Garanti BBVA helps customers set themselves targets and take sustainable steps thanks to the actions they take to achieve these targets. As part of the Pedometer task added to Ecological Steps, customers are assigned a certain step target, which helps customers contribute to their own health and the nature by saving fuel. The Digital Slip feature introduced on Mobile is targeted at preventing paper consumption by enabling to follow up slips on the app, instead of taking printed slips. In return for these actions the customers take, Garanti BBVA keeps rewarding them while contributing to the nature by having seed balls dropped over hard-to-reach areas with ecoDrones in the name of its customers.

### 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** flights 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 Ecoding. 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.

## 2024 PRIORITIES

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

- Listen 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 will do so 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.

- Work continued in 2023 for automated pop-up of various information necessary for complaint management teams, without having to explore, thanks to a systemic structure called Smart intelligent solutions. It is planned to be integrated in the system in 2024.
- Targeting to create an Interactive Voice Response (IVR) journey that understands customer demands faster and more accurately by way of IVR developments in 2024, the Customer Contact Center will broaden the scope of the Artificial Intelligence Project. Thus, customers will be presented personalized, need-oriented and much faster service, which will serve to enhance customer satisfaction.
- In 2024, the Customer Contact Center is targeting to further increase the added value it creates through modifications to the strategic products portfolio, besides strengthening the customer experience.
- Work will continue to add new products and service to the application and to make Mobile the first touchpoint, in keeping with the vision of positioning Garanti BBVA Mobile as the epicenter of customer experience.
- A main area of focus in 2024 will be efforts to hyper personalize the totally digitalized customer experience by way of big data and AI initiatives, and to achieve excellence in customers' digital experience.

## Inclusive Growth

- Under the Unbanked Women Program (Hesabını Bilen Kadınlar Programı), 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, cyber security, payment systems and sustainability.
- The startups that will receive support will be provided with office space, need-based mentoring, collaboration opportunities with Garanti BBVA, Garanti BBVA Technology and subsidiaries, advertising/PR support, business and product consultancy, training and seminars, office technical infrastructure supports, along with advantageous banking products and services for a period of 6 months.

## RISKS AND OPPORTUNITIES

### Risk

#### Evolving customer needs due to fast-advancing technology

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.

## 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.

## Opportunity

### Open Banking

## Our Response

2023 started with the expansion of Open Banking services across Türkiye. 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/money 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.

### E-commerce and new payment solutions

- 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 B2B 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 distribute 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.

### FinTechs and partnerships

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.

### Technology Startups

- Lately, the future of entrepreneurial ecosystem in Türkiye 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.

# 2023 ANNUAL REPORT

What can  
a bank do to

combat the  
climate crisis?

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answers.



**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?

## SUSTAINABILITY AND COMMUNITY INVESTMENTS

**174** Sustainability and Community  
Investments



# Sustainability and Community Investments



9,936



37 min

Related Indicator	2022	2023	Audited data (2023)
Total annual scope 1 and 2 GHG emissions (tCO <sub>2</sub> e)	18,981	<b>18,073</b>	✓
GHG emissions intensity in the reporting period (tCO <sub>2</sub> e/ Total Assets)	14.6	<b>8.2</b>	✓
Total annual waste quantity	215 tonnes	<b>407 tonnes</b>	✓
% change by base year in GHG emissions intensity	97%	<b>98%</b>	✓
Total annual scope 3 GHG emissions* (tCO <sub>2</sub> e)	411	<b>11,445</b>	✓
Total annual emissions avoided through financed renewable energy projects (mtCO <sub>2</sub> e)	14.05	<b>14.65</b>	✓
Total annual energy consumption (MWh)	161,320	<b>155,334</b>	✓
Total annual water consumption (1000 m <sup>3</sup> )	233	<b>226</b>	✓
Market share of wind power plants (WPP) by installed power financed by the Bank	25.3%	<b>24.6%</b>	✓
Share of renewable energy projects in new energy production portfolio (in new project finance commitments)	100%	<b>100%</b>	✓
Number of projects subjected to Environmental and Social Impact Assessment System (cumulative)	88	<b>92</b>	✓
Site visits to customers regarding environmental and social issues	36	<b>27</b>	✓
Customers and financial institutions informed about environmental and social issues	15	<b>11</b>	✓
Number of SDGs contributed through effective management of sustainability risks	17	<b>17</b>	
Contribution to Sustainable Development* (billion TL, 2018-2023)	47	<b>120</b>	✓
Participation in sustainability related initiatives and memberships	29	<b>30</b>	
Number of contributed working groups on sustainability	52	<b>45</b>	
Number of ESG ratings tracked and sustainability indices in which Garanti BBVA is included	11	<b>13</b>	
Number of Policies/Position Papers Garanti BBVA contributed	16	<b>11</b>	

\* Emissions included in calculation are explained in the Appendix X: Environmental Performans Indicators.

Related Indicator	2022	2023	Audited data (2023)
Environmental and Social workshops and conferences	19	<b>24</b>	
Topics addressed/discussed in workshops and conferences	26	<b>28</b>	
Number of focus areas for community investment programs	4	<b>4</b>	
Contribution to community investment programs (million TL)*	71,7	<b>875</b>	✓
SME initiatives (including applications and events)	6	<b>9</b>	
Women entrepreneurs encouraged to apply to Woman Entrepreneur Competition (2007-2023)	43,1 bin	<b>45 bin</b>	
Women who participated in woman entrepreneurship events and whom Garanti BBVA helped raise increased financial awareness (2012-2023)	11,235	<b>11,555</b>	
Total Sustainability Funds utilized from IFIs (million USD)	1,370	<b>1,105.2</b>	

\* In line with the target of contributing 400 billion TL to the financing of sustainable development between 2018 and 2025, the starting year of this metric has been updated to 2018 and 2022 data has been recalculated.

\* 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. Note: Declared environmental performance indicators cover Garanti BBVA and its subsidiaries in Türkiye.

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 market with its business model that embraces the opportunities stemming from sustainable development as well as climate change-related risk management. In this context, the Bank collaborates 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 and development in Türkiye. While raising awareness by way of community investments, the Bank also contributes to the socioeconomic development of the society. Garanti BBVA focuses on responsible and sustainable development and actively contributes to **17 goals and 70 targets within the scope of Sustainable Development Goals and Targets.**

UNEP FI Principles for Responsible Banking, which were launched in 2016 by 30 founding members among which Garanti BBVA was the only bank from Türkiye, reached more than 340 signatories worldwide. The Principles for Responsible Banking, which are expected to significantly contribute to the

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 DNAs 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.**

Within the scope of its combat against the negative effects of climate change;

- Garanti BBVA has been **the first bank from Türkiye to pledge coal phase-out** in 2021; and **pledged to eliminate**

the coal exposure of its portfolio by 2040 or sooner.

- 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 transitioning 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 frame of Science-Based Targets in line with the Paris Agreement's goal to limit temperature rise to 1.5o 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

Sector	Emission Scope	Metric	Scenario	Garanti BBVA Baseline (2022)	Garanti BBVA Progress (2023)	Difference	Reduction Target by 2030
Energy	1+2	kgCO <sub>2</sub> e/Mwh	IEA Net Zero 2050	388	339	-13%	-72%
Automotive	3	gCO <sub>2</sub> e/Km	IEA Net Zero 2050	182	179	-1%	-40%
Iron & Steel	1+2	kgCO <sub>2</sub> e/Tiron&steel	IEA Net Zero 2050	1.096	1.320	20%	-10%
Cement	1+2	kgCO <sub>2</sub> e/Tcement	IEA Net Zero 2050	726	726	0%	-20%
Coal	-	TLmn		Phase-out of the sector by 2040			

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
- **Fulfill 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, customer visits, sectoral 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 risk amounts in companies using production technologies that cause high emissions. As a result of the interviews and analyzes 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 (SBTi) 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.

- 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 Türkiye 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 meeting 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 ESIAM process. All four projects were given clearance on condition that the environmental and social impact management mechanisms set out in the loan agreements will be implemented, and none was rejected. As such, ESIAM process was carried out for numerically 21% of projects for which financial closure occurred in 2023.\*

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

<sup>1</sup> NPLs are excluded from the calculation.

\*These are projects where the amount/transaction thresholds determined within the scope of ESIAP are controlled.

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.<sup>1</sup>

#### 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.

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 sustainability indices. Regarding ESG-related index structures as an assessment tool, the Bank also follows up the global anticipations by way of the indices and keeps improving its sustainability approach.

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 73, 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 gender equality at the workplace as well. In recognition of 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.

Index/ESG Rating	Scoring Range	Score/Inclusion	Description
S&P Corporate Sustainability Assessment	0-100	<b>73</b>	Highest score achieved by any bank in Türkiye
CDP Climate Change – 2023	A / D-	<b>B</b>	
CDP Water Security - 2023	A / D-	<b>A-</b>	
MSCI	AAA-CCC	<b>BBB</b>	
FTSE4Good - 2022	0-5	<b>3,8</b>	
Sustainalytics ESG Risk 2022	0-40+	<b>21,1</b>	
Bloomberg Gender Equality Index - 2023	0-100	<b>89.06</b>	The only bank from Türkiye to be included in the index for 7 years
BIST-Sustainability Index	Inclusion	<b>+</b>	
BIST-Sustainability 25 Index	Inclusion	<b>+</b>	
BIST - Corporate Governance Index	Inclusion	<b>+</b>	

### 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 is 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 tCO<sub>2</sub>e 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 **3677 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**

- **0.136 billion USD** for Biomass Power Plant (BPP) projects with an installed capacity of **142 MW.**

#### Target

#### Develop new sustainable practices through partnerships

#### Action Taken

- Garanti BBVA has long been participating in local and international platforms, which allowed for widespread, high-level engagement with the business community, governments, policymakers, and numerous national and international organizations. In this sense, **Garanti BBVA is part of 45 working groups** including the UN Net-Zero Banking Alliance (NZBA), UN PRB Working Group, Global Compact Network Türkiye, the Turkish Business Council for Sustainable Development (BCSD Türkiye), the Banks Association of Türkiye Sustainability Working Group and the Turkish Industry and Business Association (TUSIAD) Environment and Climate Change Working Group, and **actively participates in or chairs 30 initiatives in total that include numerous platforms.**



**The list of supported initiatives can be found here.**

- 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 **28<sup>th</sup> 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 Türkiye'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 TL 10 million in the preceding 6-month period. **The number of companies included in the index in 2023 reached 52.** Garanti BBVA Asset Management Garanti BBVA Climate Index Equity Fund introduced in 2023 based on the companies on the Index promotes increased investments in companies with a high climate performance and contributes to the natural and cultural heritage education given to students by ÇEKÜL Tree of Knowledge Education Unit to be carried out with the funds to be transferred to ÇEKÜL Foundation (the Foundation for the Protection and Promotion of the Environment and Cultural Heritage) from the fund's annual management fee.
- Initiated in 2022 with the aim of supporting companies exporting to the EU in their alignment with the European Green Deal and clearing the way for sustainable investments, the **"Sustainable Future in Exports"** event series were organized in Gaziantep and Bursa in 2023, reaching a total of more than 180 corporate clients. Through these events, the Bank aims to brief especially SMEs, as well as the sectors and institutions that will be affected by the European Green Deal and Carbon Border Adjustment Mechanism about these processes, to answer the questions on minds, and to mobilize institutions by offering advisory on the **"Green Deal"**.
- Garanti BBVA also leads the transformation of the sustainable finance sector in Türkiye. Seven other banks from Türkiye are signatories to the **Declaration on Sustainable**

**Finance** that requires assessment of environmental and social risks in loan processes and their integration into relevant policies, which Garanti BBVA signed in 2017.

- Garanti BBVA participated in the Climate Council organized in Konya in February 2022 by the Ministry of Environment, Urbanization and Climate Change, Presidency of Climate Change to address Türkiye's new climate change vision in the light of evolving circumstances and to provide an inclusive exhibition of the green transformation concept, and took place among the members of the Green Finance Commission; the Bank presented its opinions regarding the development of sustainable finance policies.
- Targeting to serve as a role model for the society and to lead the sector with its sustainability-focused efforts and initiatives, 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 **BloombergTV** in May, Executive Vice President İşıl Evlioğlu Akdemir talked about the Bank's new initiatives and future strategy in this area.
  - BBVA Global Head of Sustainability Intelligence and Advocacy Antoni Ballabriga 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 2023. 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 Türkiye, the panel session "Sustainable Finance in Türkiye" featured Executive Vice President Mahmut Akten, and other panelists, who discussed the local developments in sustainable finance and Türkiye's vision for combating climate change.
- Garanti BBVA Sustainability Unit continued to attend the 12<sup>th</sup> Development Plan Specialization Commissions Consultation Meetings held at the Republic of Türkiye 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 Türkiye 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 tCO<sub>2</sub> 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 (tCO<sub>2</sub>e/Total Assets)



- 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 Karşıyaka 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 Kampüs 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 2021 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 solar power plants:
  - 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.
  - 81 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 climatization equipment that provides savings, by switching to climatization 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 01:00 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 25<sup>th</sup> 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 Türkiye's Woman Entrepreneur Competition in 2023 Garanti BBVA co-organizes with the Ekonomist Magazine and KAGİDER (Women Entrepreneurs Association of Türkiye). 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 into 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 "Hesabını 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 PPS 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 for combating climate crisis 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 (GTPP), 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 Türkiye's sustainable development, Garanti BBVA was also granted the Best Investment Bank in Türkiye 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

#### Borrowings

### 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 fund:

- **“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,

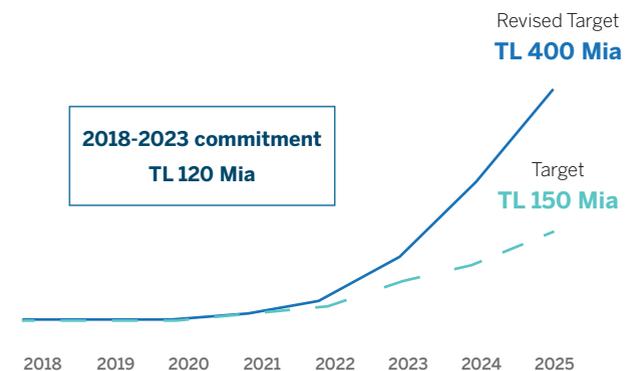
- With this fund introduced in January 2023, the Bank continuously invests at least 80% of the fund's total value in issuer's shares on the Garanti BBVA Climate Index (GBNIE) and exchange traded funds established to track the indices consisting of these shares.
- **"Garanti BBVA Asset Management Sustainability Equity (TL) Fund"** that mainly invests in equities included in the BIST Sustainability Index and in exchange traded funds established to follow the BIST Sustainability Index.

**Target**

Sustainable and sustainability-linked loans

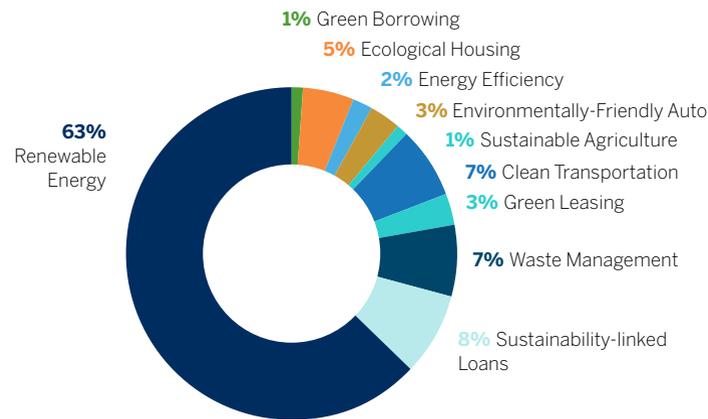
**Action Taken**

Having joined among the ranks of key products in sustainable finance, sustainability-linked loan structures continue to evolve. These loans allow creation of more concrete impacts with their customizable flexible structures, integration of sustainability within the decision mechanism and consideration of strategic priorities. In 2023, Garanti BBVA's total financing in the form of sustainability-linked loan structures amounted to TL 2.2 billion. 2023 highlights of the activities we consider to be sustainable and our performance are addressed in detail hereinbelow. Also, **the sustainable finance commitment between 2018-2025 and the Bank's performance to date can be seen in the graph below:**

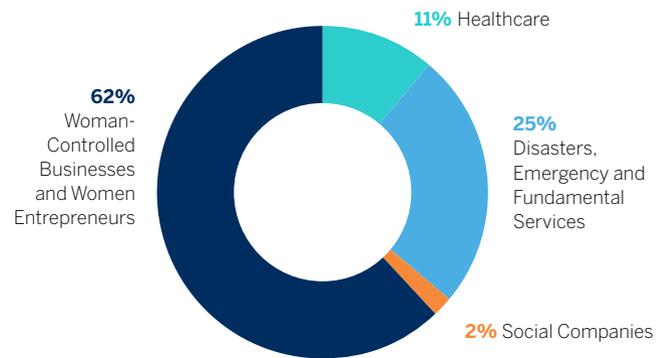


The thematic breakdown of sustainable financing provided by Garanti BBVA in 2023 as green and social loans can also be seen in the graphs below:

**Figure 1: Climate Action Financing by Themes**



**Figure 2: Inclusive Growth Financing by Themes**



- Climate finance contribution, that independent auditor provided limited assurance, amounted to TL 29.9 billion.
- Sustainable finance products provided for investments and acquisitions in the areas of **waste management, recycling and circular economy** implementations surpassed TL 2.2 billion in 2023.
- The Bank carried out major sustainability-linked loan transactions with the cement industry and various other

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 corporates**, 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.
- Türkiye'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, besides 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 İstanbul, İzmir, Muğla, Manisa, Gaziantep and Şanlıurfa.

In 2023, 1,760 women participated in financial literacy trainings.

#### Target

**Prevent deforestation**

#### Action Taken

##### Türkiye's Life: Fire Management Grant Program

Under the Türkiye's Life: Fire Management Grant Program co-launched with WWF-Türkiye 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 (TAKODER)
- "Raising Increased Awareness of Wildfires in Tourism" The Foresters' Association of Türkiye West Mediterranean Branch (TODBA)

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%.<sup>3</sup>**

#### Target

**Prevent marine pollution**

#### Action Taken

##### 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 2021 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, İstanbul, Tekirdağ, Balıkesir, Çanakkale and Tatvan 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, İstanbul, 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 2022 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 İstanbul, Çanakkale, Tatvan and Ayvalık.

<sup>3</sup> 2022 year-end data obtained from the Directorate General of Forestry.

## Target

## Quality Education

## 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.
- 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.**

## Target

## Provide a sustainable environment for cultural research and production

## 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](http://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.

## Target

## Long-lived projects in music that contribute to the society's vision

## Action Taken

- 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 uninterruptedly 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. İbrahim Ferrer, Bryan Ferry, Lenny Kravitz, George Benson, Chick Corea, Melody Gardot, Grace Jones, Buika, Lisa Ekdahl, 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 IKS, 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**".



## Target

## Support to Turkish basketball in keeping with the principle of permanent and sustainable contribution to the society

## Action Taken

Garanti BBVA has been extending support to Turkish basketball since 2001.

In close cooperation with the Turkish Basketball Federation, Garanti BBVA has made significant contributions to basketball over a broad scale extending from the 12 Giant Men Basketball Academies to youth setup national teams, National Women's and Men's Teams.

Believing that these contributions created a permanent value in the society and social life, Garanti BBVA has also become the sponsor of National Women's and Men's Wheelchair Teams. Accordingly, the Bank has been supporting:

- 12 Giant Men (National Men's Basketball Team) since 2001,
- Pixies of the Court (National Women's Basketball Team) since 2005,
- 12 Brave Hearts (National Men's Wheelchair Basketball Team) since 2013, and
- 12 Magical Wrists (National Women's Wheelchair Basketball Team) since 2013.
- With the inspiration drawn from the 12 Giant Men, the 12 Giant Men Basketball Academies project is intended to scout and train the 12 Giant Men and Pixies of the Court of the future.

## Target

Contribute to change by raising awareness on gender equality

## Action Taken

## EqualUs (EşitBiz)

- EqualUs (EşitBiz) project is being conducted since the beginning of 2022 in order to contribute to change by raising awareness of 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 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.
- "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

Risk Drivers	Opportunity Drivers	Garanti BBVA's Response
Climate maladaptation	Green growth opportunities	<ul style="list-style-type: none"> <li>• Constantly broaden sustainable finance products range.</li> <li>• Set short-, medium- and long-term goals for combating climate change and for inclusive growth targets.</li> <li>• Support customers' combat against climate change acting as an advisor.</li> <li>• Environmental and Social Loan Policies ensure effective management of the positive and negative effects of the Bank's financing transactions.</li> <li>• Support the sustainable business model via sustainability governance model integrated in the Bank's different units.</li> <li>• Collaborate with public institutions and organizations to develop sustainable economy and sectoral policies.</li> </ul>
Drought and water scarcity	Emergence of new business opportunities	
Biodiversity loss	Increased conscious and responsible consumer behaviors	
Increased air pollution in cities	More sustainability-focused national and international policies	
Depletion of natural resources	Enhanced awareness of climate crisis risks	
Energy crisis	Expansion of electrification	
Disrupted global supply chain	Development of new energy technologies	
Food and water security	Development of the carbon market	
Climate migration	Increased resources allocated to R&D	
Population density and its impacts on public health	Accessibility of sustainability data through digitalization	
Socioeconomic inequality	Development of new insurance risk management methods	
High cost of living	Increased diversity of financial products	
Natural disaster and extreme weather events	Expansion of energy-efficient structures	
Environmental accidents	Increased means for recycling	
Fast changing policies and regulations		
Liquidity demand as a result of disasters stemming from physical climate risks, refinancing risks		
Loss of labor		

# 2022 ANNUAL REPORT

  
**How would you elaborate 2023 for Commercial Banking in one word?**



**CEMAL ONARAN**

**Executive Vice President**  
Commercial Banking

  
**What is the number one thing you would hope to inspire others?**

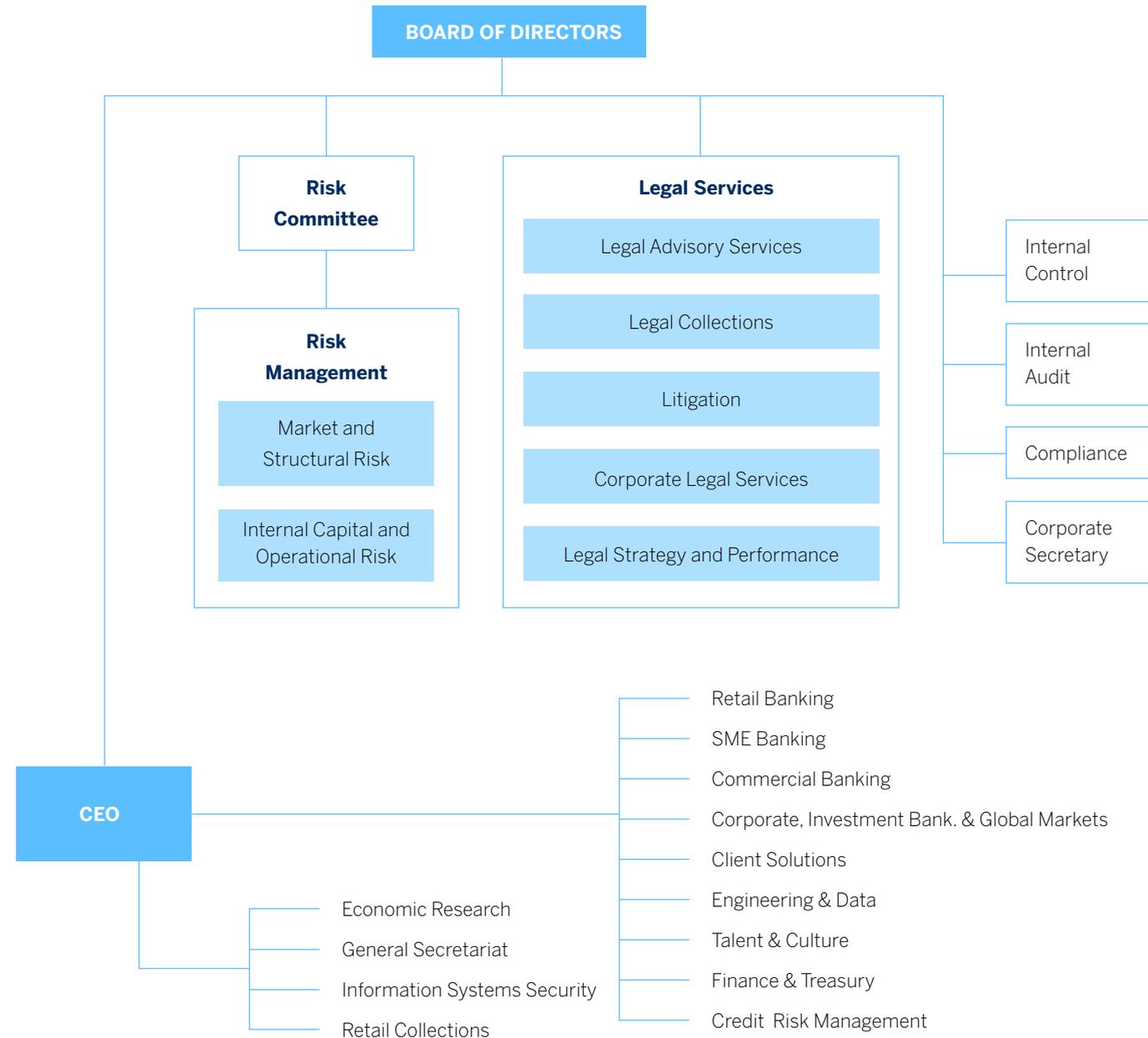
Scan the QR code or click here to watch the video for the answers.



**OUR ORGANIZATION**

- 198** Organizational Structure
- 199** Organizational Changes
- 202** Board of Directors
- 212** Senior Management

# Organizational Structure



# Organizational Changes

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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 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 İstanbul Marketing Department** was established in order to manage SME Banking marketing and sales coordination activities for customers in İstanbul 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 İstanbul 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 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.
- In order to strengthen 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 and performance management, and executing all practices 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 Strategy, Projects and Data** organization was structured to serve the entire business area with a cross functional view, to be responsible for determining the strategic priorities and initiatives of the business area, monitoring the KPI and performance metrics and their coordination with the relevant organizations, executing the project portfolio management and projects prioritized in line with the business area strategies, creating the advanced analytical strategies of the business area and executing data projects and studies in line with the needs.
- Talent and Culture Learning Discipline organization was renamed as **Talent and Culture Learning**.

- Employee and building services functions were transferred to Construction and Premises Discipline organization and the organization was renamed as **Premises and Services**.
- **Talent and Culture Projects** and **Internal Communication and Culture Discipline** organizations were closed in parallel with the new structure.
- The names of 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 organizations,
    - 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 related teams to **Retail Customer Solutions** reporting to Client Solutions Executive

- Vice President, and 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 Customer 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 have changed as below;
  - **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 management of Retail 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 Restructuring and Collection Department** reporting to CEO was transferred to **Finance and Treasury Executive Vice President**.

# Board of Directors



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## 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 internal systems units, and establishing the procedures through policies and internal guidelines. Accordingly, the Board of Directors defines and approves various target parameters such as identified risk appetite parameters, growth targets, provisioning, NPL ratios, capital adequacy ratio, customer experience scores, net promoter scores and so on. The Board is notified of any deviations from these targets and/or ratios and questions the measures to be adopted. Via the Committees it has set up, audit and control activities carried out by internal systems units, and periodic reports issued and submitted to it in accordance with the afore mentioned activities, the Board monitors the activities of the Senior Management and follows up the actions taken. The Board also provides guidance to the Senior Management and units, and determines the procedures to be implemented on the basis of written policies and sets of

guidelines that it has approved. The Board of Directors monitors compliance, internal control and risk management policies and systems and fulfills its oversight mission to ensure effective operation of risk management within the frame of the three main principles mentioned above.

Committee structures have been established to ensure the information flow that will keep the Board members informed of the Bank's day-to-day activities and to take action quickly when needed. Some of these committees were established due to regulatory requirements, while some others are set up to more closely follow up the Bank's internal operation; the primary purpose is to be aware of and informed about the current topics on the Bank's Senior Management's agenda, to share opinions 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 Garanti BBVA subsidiaries, six non-executive members 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-Azcunaga Carranza, Sema Yurdum and Avni Aydın Düren, who currently serve as Audit Committee members, are independent Board members. In addition, Mevhibe Canan Özsoy was elected as independent Board member at the Ordinary General Shareholders' Meeting convened on 31 March 2021. Quoted below is the declaration of independence by Mevhibe Canan Özsoy:

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

I hereby declare that I stand for serving as an "independent member" on the Bank's Board of Directors pursuant to the provisions of the Communiqué Serial: II-17.1 on Corporate Governance Principles issued by the Capital Markets Board of 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 in and out of the group are stated in their résumés. Pursuant to Article 396 of the Turkish Commercial Code, the General Assembly authorized the members of the Board of Directors of Garanti BBVA to execute a transaction of a commercial business

nature that falls under the Bank's field of operation on their own or other's behalf or to become a partner with unlimited liability in a company engaged in the same kind of commercial affairs, during the reporting period.



**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



222



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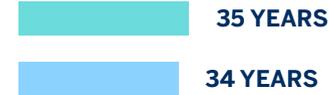
At the heart of Garanti BBVA's corporate governance structure are the Bank's effective Board of Directors and transparent communication between the Board of Directors and senior management. The Board of Directors acts as the ultimate internal monitor and contributes an outside view to corporate strategy, 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

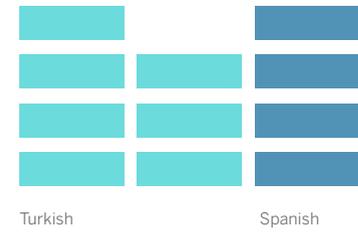
## AVERAGE TENURE



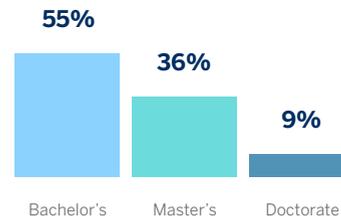
## AVERAGE EXPERIENCE



## NATIONALITY

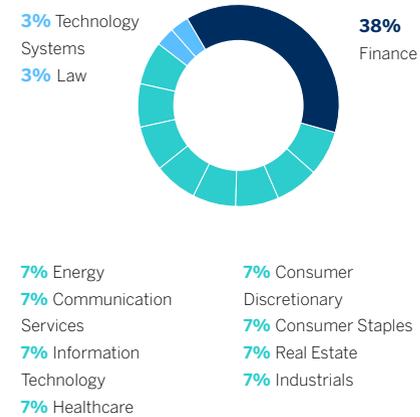


## EDUCATION



## 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
- 18 Governance Committee
- 19 Integrity Committee
- 20 Information Systems Continuity Committee
- 20 Data Sharing Committee



**SÜLEYMAN SÖZEN**  
Chairman

Experience: 42 years



**JORGE SÁENZ-AZCÚNAGA CARRANZA**  
Independent Board Member  
Deputy Chairman

Experience: 30 years



**RAFAEL SALINAS MARTINEZ DE LECEA**  
Board Member

Experience: 33 years



**BELKIS SEMA YURDUM**  
Independent Board Member

Experience: 43 years



**RECEP BAŞTUĞ**  
Board Member  
CEO

Experience: 34 years



**DR. M. CÜNEYT SEZGİN**  
Board Member

Experience: 35 years



**JAIME SAENZ DE TEJADA PULIDO**  
Board Member

Experience: 31 years



**AVNİ AYDIN DÜREN**  
Independent Board Member

Experience: 32 years



**ERGUN ÖZEN**  
Board Member

Experience: 36 years



**PABLO ALFONSO PASTOR MUÑOZ**  
Board Member

Experience: 33 years



**MEVHİBE CANAN ÖZSOY**  
Independent Board Member

Experience: 32 years

\* 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 and serves as the Board Member of Santa Farma Pharmaceuticals and as the Board of Trustees Member of Teachers Academy Foundation.

**JORGE SÁENZ AZCÚNAGA  
CARRANZA****Independent Board Member**

Deputy Chairman

Jorge Sáenz Azcúnaga 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 Türkiye. In July 2016, he was appointed Head of Country Monitoring and Member of the Global Leadership Team in BBVA. Mr. Sáenz-Azcúnaga 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 Türkiye. Mr. Sáenz-Azcúnaga 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 Türkiye'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 Kültür 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 Türkiye and as the Chairman of the Teachers Academy Foundation. Mr. Baştuğ has 34 years of experience in banking and Business administration.

**SAİT ERGUN ÖZEN****Board Member**

Ergun 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 SEZGİN****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 Beşiktaş JK, Member of the Trustees of the Teachers Academy Foundation and WWF-Türkiye; and Member of the Board and Board of Trustees of Kabatas 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.

**JAIME SAENZ DE TEJADA PULIDO****Board Member**

Jaime Sáenz de Tejada Pulido holds undergraduate degrees from Universidad Pontificia de Comillas (ICADE) in both Law & Economics and Business Sciences and completed General Manager Program (PDG) at IESE Business School in 1999. Prior to joining the BBVA in 1993, he worked as a legal and tax adviser, in an American audit firm. In 1993 he was transferred to NY to head Risk Quality for the Americas. Between 1995- 1998, worked as the Commercial Department Manager at BBVA Uruguay, between 1998-2000 as Office Director for BBVA London, and between 2000 and 2005 as Head of BBVA New York and Corporate Banking for the Americas. In 2006, he was appointed as Country Manager for BBVA Peru and in 2008 as Regional Manager for BBVA in Madrid. During 2011-2012 he worked as Business Development Head for Spain and Portugal, before taking over the role of Head of Spain and Portugal in 2012 and member of BBVA Group Management Committee. Between 2014 and 2020 he served as the Chief Financial Officer (CFO). Mr. Sáenz de Tejada was appointed to his current role as BBVA Group Chief Risk Officer (CRO) in 2021. He has been serving as the Board Member of Garanti BBVA since October 2, 2014 and has 31 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 Ecole 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 SMEs 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 (CEMFI), MSc in Econometrics and Mathematical Economics of London School of Economics and MBA from the Graduate School of Business of University of Chicago. He joined BBVA in 1991 as the Director of Derivative Products in BBVA Interactivos, S.V.B and developed all his professional career at the BBVA Group. Between 1998-2003, he worked as the Deputy Director of Assets and Liability Management of the BBVA Group. After working as the Head of Capital Base Management of BBVA, he was appointed as the 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 BBVA. Mr.Salinas has 32 years of experience in banking and business administration.

## BELKIS SEMA YURDUM

### Independent Board Member

Sema Yurdum graduated from Boğaziçi 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.

## MEVHİBE 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 on Dental Medicine at the same University in 1987, and earned her MBA from Bogazici University in 1994 and then completed her Energy Technologies Master's Degree at Sabancı University in 2015. Before joining the pharmaceutical industry in 1990, Ms. Özsoy had her career as a Medical Dentist. She has occupied Sales & Marketing and commercial leadership positions in Hoechst 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.Ş. 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

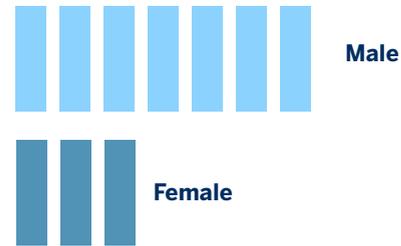
Aydın Düren graduated from the Faculty of Law at Istanbul University and earned his graduate degree on International Law from the American University, Washington College of Law. After serving as an associate, partner and managing partner for over 18 years at international private law firms in New York, London and Istanbul, Mr. Düren joined Garanti BBVA on February 1, 2009 as Executive Vice President in charge of Legal Services and Collections. 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. Since June 2015, serving as the Corporate Secretary of the Bank, Mr. Düren is also the Member of the Board of Directors, responsible for legal services. Furthermore, Mr. Düren is Board Member of Garanti BBVA Payment Systems, Garanti Mortgage, Garanti BBVA International, Garanti BBVA Pension and Assistance Fund Foundation, Garanti Kültür 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

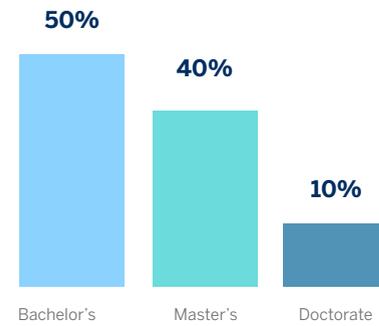
## GENDER



## AVERAGE EXPERIENCE



## EDUCATION



## 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 Integrity Committee
- 19 Information Systems Continuity Committee
- 20 Data Sharing Committee



**RECEP BAŞTUĞ**  
CEO  
Board Member

Experience: 34 years



**MAHMUT AKTEN**  
Executive Vice President  
Corporate & Investment Banking  
and Global Markets

Experience: 25 years



**CEREN ACER KEZİK**  
Executive Vice President  
Retail Banking

Experience: 19 years



**CEMAL ONARAN**  
Executive Vice President  
Commercial Banking

Experience: 33 years



**AYDIN GÜLER**  
Executive Vice President  
Finance and Treasury

Experience: 33 years



**İLKER KURUÖZ**  
Executive Vice President  
Engineering Services and Data

Experience: 32 years



**MURAT ÇAĞRI SÜZER**  
Executive Vice President  
Client Solutions and Digital Banking

Experience: 18 years



**SİBEL KAYA**  
Executive Vice President  
SME Banking

Experience: 27 years



**TUBA KÖSEOĞLU OKÇU**  
Executive Vice President  
Talent and Culture

Experience: 27 years



**MURAT ATAY**  
Executive Vice President  
Chief Credit Risk Officer

Experience: 30 years



**RECEP BAŞTUĞ****CEO**

Board Member

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 Türkiye'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. Baştuğ 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 Türkiye and as the Board of Trustees Member of Teachers Academy Foundation. Mr. Baştuğ 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.

**Memberships and additional responsibilities:**

- Board of Trustees and Board Member of Teachers Academy Foundation

**TUBA KÖSEOĞLU OKÇU****Executive Vice President**

Talent and Culture

Tuba Köseoğlu Okçu 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 Okçu worked within Doğu Group between 1997 and 2008. Then she served as Performance Consultant at Garanti Bank Training Directorate, Senior Executive Development Manager at Humanitas Doğu Manpower Management, Head of Human Resources Department at Doğu Holding and Human Resources Coordinator at Doğu Otomotiv, respectively. She worked as Eastpharma Deva Holding Human Resources Organizational Development Director between 2008-2012, and as Hürriyet 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. Okçu also a Member of Board of Directors of Garanti Kültür.

Tuba Köseoğlu Okçu graduated from Boğaziçi University, Department of Translation and Interpretation and has 27 years of work experience in the fields of education and human resources.

**Memberships and additional responsibilities:**

- Vice Chairman and Board of Trustees Member of Teachers Academy Foundation.

**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 who has an undergraduate degree from Bilkent University in Industrial Engineering and a graduate degree in Business Administration from Harvard University, has 19 years of experience in banking and business administration.

**Memberships and additional responsibilities:**

- Board and Board of Trustees Member of Teachers Academy Foundation

**AYDIN GÜLER****Executive Vice President**

Finance and Treasury

Aydın 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.

**Memberships and additional responsibilities:**

- Board of Trustees Member of Teachers Academy Foundation

**İLKER KURUÖZ****Executive Vice President**

Engineering Services and Data

İlker Kuruöz started his career in the USA in 1994. After working as 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, Kuruöz, 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, Kuruöz continued his duty as the CEO at Doğuş Teknoloji and CTO at Doğuş Group. As of March 14, 2018, Mr. Kuruöz was as appointed Executive Vice President responsible for Engineering Services & Data and additionally Kuruöz 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, and Garanti BBVA Financial Technologies. Mr. Kuruöz 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 and Board of Trustees Member of Teachers Academy Foundation

**CEMAL 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

**SİBEL 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, Branch Manager and Commercial Branch Manager in various branches between 2005-2016, Aegean Region Manager between 2016-2018 and Human Resources Director between 2018-2021. Sibel Kaya, who was appointed as the Executive Vice President responsible for at 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 Fleet, Garanti BBVA Factoring, Garanti Kültür and Garanti BBVA Pension and Assistance Fund. Mrs. Kaya graduated from Middle East Technical University, Faculty of Architecture, Department of City and Regional Planning and has 27 years of experience in banking and business administration.

**Memberships and additional responsibilities:**

- Board of Trustees and Board Member of Teachers Academy Foundation

**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 Motoractive, Ralfi 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. Atay's responsibilities 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 Okan 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 CAĞRI SÜZER****Executive Vice President**

Client Solutions and Digital Banking

Çağrı Süzer began his career in 2006 at Danone, where he initially served as a sales manager before advancing to the role of commercial marketing manager. In 2008, he transitioned to McKinsey, a global consulting firm, where he worked as a consultant. During his tenure at McKinsey from 2008 to 2013, Süzer held positions such as Senior Consultant and Project Manager. He managed major projects in the financial services sector, focusing on areas such as sales and marketing, strategy, risk management, human resources, and M&A, both domestically and internationally. In 2013, 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

2023  
ANNUAL  
REPORT



Can you elaborate 2023 in terms of credit risk?



MURAT ATAY

Executive Vice President  
Chief Credit Risk Officer



How do you use data and technology in credits?

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



OUR GOVERNANCE

222 Remuneration and Financial Rights

226 Committees and Policies

228 Risk Committee's Assessment

230 Audit Committee's Assessment

232 Internal Systems Governance

240 Internal Systems Managers

245 Risk Management

253 Procurement Processes and Suppliers

254 Business Continuity Management

255 General Shareholders' Meetings

256 Compliance with Corporate Governance and Sustainability Principles

# Remuneration and Financial Rights



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5 min

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 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 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 subject to 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 2023, 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 payment practices that rely on non-cash means within the scope of 2023 variable payments of identified employees, Banco Bilbao Vizcaya Argentaria S.A. share will be taken as basis.



**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.

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 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 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.

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.

	Management*	Branch Manager/Mid Level Management*	Other*	General
Female/ Male - 2023	0.90 ✓	0.84 ✓	1.04 ✓	1.06 ✓
Female/ Male - 2022	0.87	0.85	1.07	1.07
Female/ Male - 2021	0.87	0.90	1.05	1.11

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

### DONATIONS MADE IN 2023

The total amount of aid and donations made by the Bank during 2023 is 794,153,441TL. 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.

### Amounts of major donations and the beneficiaries in 2023

BENEFICIARIES	AMOUNT (TL)
Disaster and Emergency Management Authority (AFAD)	650,000,000.00
Teachers Academy Foundation (ÖRAV)	75,825,851.00
TÜRK POLİS TEŞKİLATINI GÜÇLENDİRME VAKFI	28,703,391.00
Turkish Marine Environment Protection Association (TURMEPA)	20,916,000.00
Istanbul Foundation For Culture & Arts (IKSV)	5,133,000.00
Foundation for the Support For Women's Work (KEDV)	3,018,600.00
AYHAN ŞAHENK VAKFI	3,008,621.13
The Foundation for Children with Leukemia (LÖSEV)	2,017,000.00
WWF-Türkiye	2,000,000.00
ÇUKUROVA ÜNİVERSİTESİ SANAYİ İŞ BİRLİĞİ VAKFI	2,000,000.00
Other Foundations, Associations and Organizations	1,530,977.70
<b>TOTAL</b>	<b>794,153,440.83</b>

# Committees and Policies



330



1 min

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

## 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



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 and the Bank, which strengthens corporate culture and plays an important role in implementing the best governance practices.



**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



1,370



5 min

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

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. Forward guidance from the CBRT implies that the monetary tightness will be maintained as long as needed to attain the CBRT's disinflation path.

While banks' and firms' balance sheets have been resilient against the rise in interest rates, access to external finance have improved in parallel to the improvement in official reserves and country risk premium. The steps taken by the CBRT to simplify its micro and macroprudential policy framework have notably eased the regulatory burden on the banking sector, paving the way for increased market functionality. Amid a significant rise in TRY deposit

and loan rates and a notable slowdown in loan growth, locals' demand for FX has eased, and domestic demand has shown signs of moderation from very strong levels, putting Türkiye on track for macroeconomic stabilization.

2023 was also a year where Türkiye was hit by a devastating earthquake happened in the south-eastern part of the country in February, which caused a huge amount of physical damage and affected economic activity in the region, as well as killing thousands of people and with many more injured. In order to eliminate the adverse effects of the earthquake firstly on the employees, Bank's Crisis Management Committee quickly gathered and started to work on the needs of the employees, prioritizing the most affected provinces in the region. In this regard, Bank has provided evacuation and accommodation solutions for the employees and their families. Continuous support was also given to the people affected from the earthquake in the region in terms of supplying life support materials, alongside with providing financial and communication solutions, where needed.

Under this economic and social circumstances, the Bank continued to preserve its prudent, transparent and forward looking approach in the risk management activities, despite of the changes in the Bank's strategies due to the changing regulatory and macro-economic environment

In 2023, the Bank continued to proactively manage its capital position, which is assessed under different stress scenarios on a regular basis, and took into account an integral and anticipatory view of all risks. Consolidated Capital Adequacy Ratio (CAR) realized as **16.5%\*** at the end of 2023, with the robust contribution of net income, which supports the Bank's strong growth in selected TL loans. Bank's risk management strategies also kept maintaining stability in income generation, promoting profitability growth and recurrent value creation. As 2023 has been a year where there occurred substantial interest rate hikes due to the policy shift to

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 polices 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



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3 min

## 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. Via the reporting made throughout the year, the Committee oversees the operation of accounting and reporting systems in line with the applicable regulations, and the integrity of the resulting information.

The Audit Committee carries out the necessary preliminary assessments for the selection of external audit companies, rating companies, appraisal companies and support services providers by the Board of Directors and regularly monitors the activities of those companies.

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 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 needed, 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 frame 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.

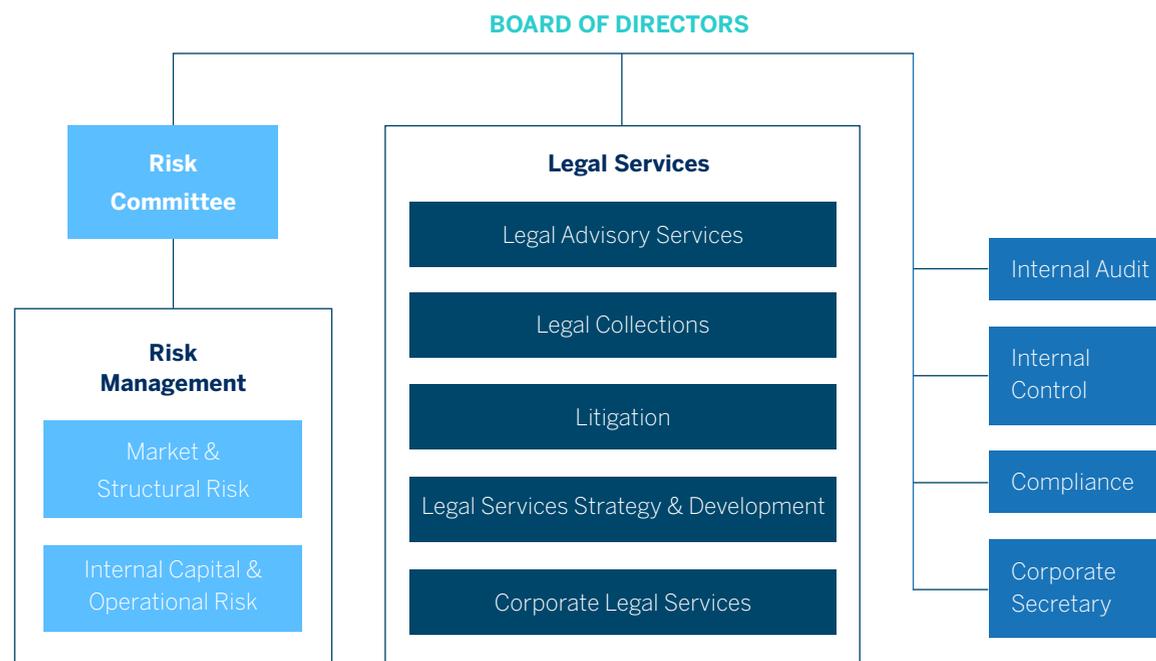
# Internal Systems Governance



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14 min



The Risk Committee is constituted by the members of the Board of Directors, and is responsible for overseeing risk management policies and practices, their alignment with strategic goals, capital adequacy and planning, and liquidity adequacy, as well as the management's ability to assess and/or manage various risks inherent in the operations. Risk Management is composed of the Internal Capital and Operational Risk Department and the Market and Structural Risk Department under the execution and management of the Head of Risk Management, and Validation, Credit Risk Control and Risk Management Control functions.

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

- Ensure that risk management culture is recognized and risk management principles are widely embraced throughout the Bank and its affiliates, and make sure that an integrated risk management system is implemented which measures all of the Bank's risks collectively, which guarantees that limits determined in connection with the risk appetite approved by the Board of Directors are not breached, which is in

compliance with applicable legislation, the Bank's strategies and policies, and which pursues risk-return relationship and 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.

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

- Propose operational risk, reputation risk and risk appetite principles which are then set down by the Board of Directors,
- Ensure that all operational risks are covered by the first and second lines of defense,
- Conduct measuring, monitoring and analysis activities for risk appetite, operational risk, regulatory liquidity and regulatory capital adequacy; report their results regularly to relevant units, committees and senior management,
- Coordinate the ICAAP (Banks' Internal Systems and Internal Capital Adequacy Assessment Process) workflow,
- Oversee affiliates' adherence to Enterprise Risk Management Framework.

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, modeling, monitoring and analysis activities; report their results regularly to relevant units, committees, and senior management,
- Perform market, counterparty credit, structural interest rate, exchange rate and liquidity risk-based activities within the scope of ICAAP, stress testing and risk appetite framework, and risk assessment for new business and products/ services; monitor and report risk-based concentrations,
- Monitor affiliates' adherence to Enterprise Risk Management Framework

## INTERNAL AUDIT DEPARTMENT

The Internal Audit Department (IAD) directly reports to the Board of Directors and carries out audits in order to provide reasonable assurance about the effectiveness of risk management and internal control systems of the Bank and its subsidiaries. The IAD carries out all its engagements in line with a written methodology which complies with legal regulations and global internal audit standards and its activities are subjected to internal quality assurance studies as well as an independent assessment made every 5 years.

The IAD conducts end-to-end risk-based audits covering all participants of the process at one or more than one Department, Subsidiary, Regional Office, Branch and other location.

The Department adopts continuous risk assessment and dynamic audit planning approach for prioritizing risks and planning audits. The risk-based process audits are planned with three-year, annual and quarterly periods. However, these plans can be revised at any time throughout the year. This ensures a flexible and agile planning process that covers highly changing risks.

The agile methodology is placed at the center of all functions of the IAD, not only in the audit planning process. The IAD has been employing **agile methodology in all its audit activities for the last 5 years**. The flexibility, autonomy and efficiency increasing every year thanks to the maturity level of the agile transformation ensure that results with higher added value are generated with the audits and the employee satisfaction is increased.

The IAD uses a risk taxonomy compliant with the Bank's control model in order to categorize the risks. These risk types in this model comprised of **21 risks and 63 sub-risks** as of the year end are business continuity risk, capital risk, conduct and compliance risk, credit risk, data management

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 in field works 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 comprehensive 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 certificates, 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.

**THE INTERNAL CONTROL UNIT**

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.

**FIGURE-X: INTERNAL AUDIT RISK TAXONOMY**



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 secretariat 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 carries out the following tasks. The Compliance Officer Team performs the following duties:

- Carry out all necessary efforts to achieve the Bank's compliance with the regulatory framework concerning prevention of money laundering and countering the financing of terrorism, and preventing proliferation of weapons of mass destruction, and handle the Bank's coordination and

communication with the Financial Crimes Investigation Board (MASAK),

- Supervise the compliance of the companies within Garanti BBVA financial group that are obliged to achieve compliance with the MASAK legislation,
- Ensure execution of the Financial Group Compliance Program and the Bank Compliance Program which is prepared in harmony with the former; prepare and conduct sub-policies and procedures accordingly,
- Prepare the annual training program on anti-money laundering, countering financing of terrorism and preventing proliferation of weapons of mass destruction, and follow up its implementation,
- Look into and evaluate information on potentially suspicious transactions that it has been notified or becomes aware of; report any transaction that it deems to be suspicious to the Financial Crimes Investigation Board (MASAK),
- Being a Turkish bank, comply with international sanctions fastidiously; provide consultancy service to branches and units for compliance with international sanctions

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**.

Within the scope of our Bank's Policy on Prevention of Laundering Proceeds of Crime and Financing of Terrorism, efforts to increase the knowledge and awareness level of all employees continued in 2023 as the Compliance Department. In this context, **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.

As part of Customer Product and Services Compliance activities, products and processes are assessed with respect to their compliance with applicable regulations. Activities are carried out in relation to compliance controls in accordance

with the Regulation on the Internal Systems and Internal Capital Adequacy Assessment Process of Banks. The control mechanisms in place are monitored with respect to compliance of the Bank's current and planned activities, new transactions and products with the laws and the Bank's policies. The processes are monitored for any necessary revisions to capture regulatory changes, and related employees are notified on such changes.

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 situations; help determine events that require special attention, and provide recommendations as appropriate in suspicious cases.

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

Securities Compliance activities encompass examination of suspicious transactions within the scope of the Capital Markets Board (CMB) Communiqué on Obligation of Notification Regarding Insider Trading and Manipulation Crimes. Procedures are established regarding own-account trading and use of privileged information by the Bank or subsidiary employees who may have inside information or material information about capital market instruments or issuers in connection with the performance of their jobs. In addition, relevant legislation and internal guidelines are also followed up.

The Compliance Department also monitors the compliance activities at the Bank's affiliates and overseas branches. In this

respect, personnel responsible for the compliance function are assigned at all affiliates and overseas branches. Compliance activities and potential risks are supervised regularly through regular meetings and periodic reports.

The activities carried out for achieving compliance with the legislation on the Protection of Personal Data are also coordinated by the Compliance Department. In this context, the Department directly supports the related departments for ensuring that personal data are processed in accordance with the legislation, possible data breaches are prevented, processes are designed in line with this goal and with the legislation, and necessary technical and administrative measures are taken. The Assurance Function set up under the Compliance Department carries out specific control activities and inspections on processes 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



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**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:

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


**BEYZA YAPICI**
**Director, Capital and Operational Risk**

Beyza Yapıcı got his degree in labor economics from Marmara University. After joining Garanti BBVA's General Accounting Department in 2001, he worked in the Risk Management Department from 2008 until 2016. Mr. Yapıcı has been serving as Capital and Operational Risk Director since April 2016. 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,
- Verify that all operational risks are covered by the first and second lines of defense,
- Conduct measuring, monitoring and analysis activities for risk appetite, operational risk, capital adequacy and liquidity adequacy; report their results regularly to relevant units, committees and senior management,
- Execute Internal Capital Adequacy Assessment Process (ICAAP) business process and Stress Testing Program,
- Oversee adherence to Enterprise Risk Management Framework in affiliates; ensure that an infrastructure for defining, measuring, monitoring and controlling risks is in place.


**SIDIKA DIZDAR**
**Director, Market and Structural Risk**

Sıdika Dızdar holds a bachelor's degree in mathematics from Boğaziçi University and an Executive MBA from the Middle East Technical University. She joined Garanti BBVA as a Management Trainee in 1996, where she worked in Research, Treasury, Financial Control, Risk Management and Ankara Commercial Regional Marketing units until 2002. In 2002, Ms. Dızdar 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. Dızdar 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

applicable legislation, internal policies and rules, and with banking practices,

- Coordinate the activities within the scope of Personal Data Protection legislation,
- Develop recommendations for defining and mitigating compliance risks that may arise from regulatory changes,
- Ensure that code of conduct and other associated internal guidelines are established and managed,
- Coordinate all organization-wide activities for achieving compliance with competition regulations and rules,
- Monitor compliance functions of all domestic/overseas



**BARİŞ ERSİN GÜLCAN**  
Head of Internal Control

Barış Ersin Gülcan got his bachelor's degree in economics and his master's degree in HR management from İstanbul University. After starting his career as an Assistant Auditor at Garanti BBVA in 1997, he served in the Internal Audit Department for 10 years. During his 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 BAHRİ TURGUT**  
Head of Internal Audit

Osman Bahri Turgut received his undergraduate degree in economics from Marmara University in 1990. He joined Garanti BBVA the same year as an Assistant Auditor, where he subsequently worked as Branch Manager, Assistant Director of the Internal Audit Department, Commercial Loans Senior Vice President, Internal Control Unit Manager and Head of Internal Audit and Control. 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 Emekli 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 Ödeme Sistemleri (Payment Systems); a member of the Board of Trustees and Audit Committee at Teachers Academy Foundation (ÖRAV);

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 predetermined 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. FERİDUN AKTAŞ**  
Corporate Security Director

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



ALİ ÖZGÜR TÜZEMEN

Head of Data and Business Analytics

Ali Özgür Tüzemen got his bachelor's degree in economics from Bilkent University. He completed his MBA at İstanbul Bilgi University. During his 24-year career, he has worked in Retail, SME Banking Marketing and Sales, and Business Analysis fields. Since February 2018, he serves as the Head of Data and Business Analytics.

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

- Develop advanced analytical models for areas such as understanding customer behavior and expectations, improving customer experience, estimating life cycles, identifying product needs and channel usage patterns, pricing, segmentation, process efficiency and fraud prevention,
- Develop data warehouse structure and determine its standards to help decision-making processes, create the necessary infrastructures for reporting activities,
- Produce the reports required by the legal authorities and external agencies on a timely and error-free basis,
- Establish the standards of the components of data governance, such as the assignment of data ownerships, definition and quality rules of data entities, and coordinate related work,
- In the process of generating value from data: contribute to the development of corporate culture, support employees by creating training content, and establish standards and policies.

# Risk Management



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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 budgeting process, the Bank determines the risks that it is prepared to take based on the predicted capability of safe handling of risks so as to achieve the goals and strategic objectives as defined by the Board of Directors. Risk appetite metrics related to capital, liquidity, and profitability and risk-based limits are monitored regularly. The Internal Capital Adequacy Assessment Process (ICAAP) flow and stress testing program are carried out with the participation of all related parties across the Bank. The results of capital planning based on macroeconomic scenario and risk-based stress test analyses are assessed by the Board of Directors and submitted to the BRSA.

Being a bank of systemic importance, the "Recovery Plan" created to set and define the potential recovery measures and

the decision-making process in case of a hypothetical and material deterioration of capital and liquidity metrics is updated annually and shared with the BRSA every year.

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 analyses are conducted for internal capital requirement according to regularly reviewed credit risk parameters. Systems are designed to use risk-based measurements in various areas such as pricing, portfolio management and so on.

Necessary risk rating or scoring models are developed for the Bank's credit portfolios, which models are created to ensure optimal categorization of customers with respect to credibility and to rate them according to objective criteria. Outputs of the internal risk rating and scoring models developed for each portfolio make an important component of the loan allocation process and are also used for measuring default risk of a given customer and portfolio, and for conducting expected loss, internal capital requirement, provision for expected credit loss under TFRS9, risk-based pricing and risk-adjusted return analyses. All models and methodologies are subjected to qualitative and quantitative validation. In addition, periodic model monitoring is carried out for taking action as necessary.

**While the Bank's credit growth in 2023 continued to be TL portfolio-driven, it maintained its healthy asset quality, and the NPL ratio stood at 2% at year-end 2022.**

### COUNTERPARTY CREDIT RISK

Counterparty credit risk (CCR) means the risk of a counterparty, which is a party to a transaction imposing an obligation on both parties, defaulting before the final payment included in the cash flow of the transaction in question. It is defined as the potential risk to be sustained by the Bank in the event of the counterparty's failure to perform its obligations.

The Bank constantly measures, monitors and creates limits for this risk. The Bank manages the counterparty credit risk that it measures using the fair value measurement method as required by the regulation for derivatives, repo, securities and commodity lending transactions according to the measurement results calculated using the internal model method. Accordingly, risk mitigation techniques are utilized through such practices as international framework agreements, collateral and margin call mechanisms to the extent allowed by the national and international legislation. The measurement model employed is validated at least annually.

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 that 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 the increased 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/expense 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. Results of stress tests are used as input for determining risk appetite, limit and budget related works, for generating balance sheet management strategies, and for evaluating the need for capital. 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 managed cautiously and to be monitored 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 remedy 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 all 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 undertake an impact assessment, take prescribed measures, adopt sector-specific good practices, and establish adequate control mechanisms.

As of end-2023, various units across Garanti BBVA are responsible for managing environmental and social risks. The Bank has a Sustainability Team of seven full-time members, a Sustainable Finance Team, which comprises of five full-time members within Investment Banking and Finance Department, and Environmental and Social Impact Assessment team comprised of two full-time advisors. Reporting to the

Responsible Banking and Sustainability Committee that meets under the chair of the Executive Vice President in charge of Client Solutions and Digital Banking and with the participation of the CEO representing the Board of Directors, the teams' responsibilities regarding the management of environmental and social risks include the following: evaluate policies, strategy and implementation principles for environmental and social risk management; ensure that risk management principles are widely embraced throughout Garanti BBVA and its subsidiaries through controls at different levels; provide technical and implementation support on E&S risk-related measures to customers and other departments. At Garanti BBVA, the implementation of Environmental and Social Loan Policies related to ESIAP processes is the responsibility of Corporate and Commercial Loans Risk Management, Retail and SME Loans Risk Management and all related business lines, Investment Banking and Finance Department and/or the Sustainability Unit.

**On the other hand, Risk Management at the Bank also supports a cautious management that will ensure the Bank's climate adaptation. In this context, risks associated with climate change are gradually incorporated in the Bank's new loan allocation planning and management. The Bank's risk appetite framework addresses risk indicators that support low-carbon transition in order to combat the aggravating impacts of the climate crisis. The Bank evaluates climate-related financial risks that might significantly affect its own and customers' financial conditions, and also tackles their interaction with other risks the Bank is exposed to, while also considering their impacts in different time loops. The Bank also covers its assessments regarding the impact climate-related financial risks have on the Bank in its ICAAP Report.**



**The application scope of the environmental and social risk management system can be reached at the Environmental and Social Risk Management section on the website.**

## COUNTRY RISK

Country risk is defined as the default risk other than ordinary commercial risks the Bank's overseas branches and financial subsidiaries face in their dealings with counterparties that are not residing in the same country (counterparties residing in a country different than the one taking the risk).

Country risk is evaluated and monitored on the basis of individual countries using methods compliant with international norms and local regulations. Country risk is monitored and reported on the basis of individual countries on consolidated and unconsolidated bases. Actions are taken to make sure that the Bank's country risk exposure remains within the set limits, and related reporting, control and audit systems are established as necessary.

## CONCENTRATION RISK

Concentration risk refers to any concentration among different types of risks or in any individual risk, which might result in material losses that would endanger the ability to sustain fundamental activities or the financial structure or lead to a significant change in the risk profile.

Risk concentration resulting from the interaction of different risk positions within an individual risk category with one another is defined as "risk-based concentration", and that resulting from the interaction of different risk positions between different risk categories as "inter-risk concentration". Internal capital requirement for credit concentration risk is calculated separately on sector and individual bases. Qualitative and quantitative assessments of concentrations on the basis of individual risks apart from credit risk and concentrations among risks are addressed in reports produced according to risk-oriented policies and procedures.

## LIQUIDITY RISK

Liquidity risk is defined as the risk of the Bank's failure to fulfill its payment liabilities on time and without incurring an

additional cost due to insufficient cash holdings or cash inflow of the level and quality to finance its cash outflows fully and timely due to cashflow instabilities.

Liquidity risk is managed under the supervision of ALCO and the Weekly Review Committee in order to take appropriate and timely measures in case of liquidity squeeze arising from market conditions or the Bank's financial structure. Under the Liquidity Contingency Plan approved by the Board of Directors, liquidity risk is monitored within the scope of stress indicators and thresholds anticipating potential liquidity stresses which could activate the liquidity contingency plan, activation of the communication procedure, predefined measures and action plans and roles and responsibilities in a stress situation. Liquidity risk stress test is conducted to define potential liquidity tensions and to ensure that the Bank has a sufficient liquidity buffer to face exceptional liquidity stresses. Liquidity risk is monitored by internal limits 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 test results 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 BRSA 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.**

# Procurement Processes and Suppliers



367



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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/Home>) 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>.

# Business Continuity Management



570



2 min

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 plan, identifying improvement areas and ameliorating the plan has been conducted under the leadership of the Information Systems Continuity 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, our Bank earned **"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.**

# General Shareholders' Meetings



505



2 min

General Shareholders' Meeting is held in accordance with the resolution adopted by the Board of Directors. For reaching the highest number of shareholders possible, the General Meeting announcement including the meeting date, venue, agenda and similar information is duly announced at least three weeks prior to the meeting date as per the provisions stipulated in the Communiqué via the Turkish Trade Registry Gazette, Public Disclosure Platform ([www.kap.gov.tr](http://www.kap.gov.tr)), e-Investor: Investor Information Center, e-Company Companies Information Portal ([www.mkk.com.tr](http://www.mkk.com.tr)), e-General Meeting Electronic General Meeting System ([www.mkk.com.tr](http://www.mkk.com.tr)), the Bank's websites and two national newspapers.

The Bank invites all stakeholders to the General Shareholders' Meeting, who will be voiceless during such meetings. Before the meeting, balance sheets, income statements and annual reports are made available for review by shareholders within the timeframe determined in the applicable legislation on the Garanti BBVA Investor Relations website, at the Head Office and at all branches.

In General Shareholders' Meeting, agenda items are discussed and submitted for the shareholders' approval. Shareholders are entitled to ask questions, express their opinions and submit proposals regarding the agenda items. Questions are handled and answered in accordance with the regulations of the Capital Markets Board as well as the principles and procedures specified in the Turkish Commercial Code. Proposals are submitted for approval at the General Shareholders' Meeting and become effective if approved by the specified majority.

The meeting minutes and the list of attendants of the General Shareholders' Meeting are posted on the Public Disclosure

Platform (KAP), e-Company Companies Information Portal, e-General Meeting Electronic General Meeting System, and Garanti BBVA Investor Relations website on the same day, and is published in the Trade Registry Gazette following its registration. Resolutions adopted in the General Shareholders' Meeting are carried out in accordance with the legal procedures within due time. Pursuant to the provisions of the Regulation on Electronic General Meeting at Joint Stock Companies and the Communiqué on Electronic General Meeting System Applicable at General Assemblies of Joint Stock Companies, attendance to, and voting at, the General Shareholders' Meeting via the Electronic General Meeting System is permissible. In addition, holders of depositary receipts have the right to vote and can do so at the General Shareholders' Meeting.

The minutes and the list of attendants of the General Shareholders' Meeting are available to shareholders on Garanti BBVA Investor Relations websites. These documents can also be obtained from the Subsidiaries and Shareholders Service.

Garanti BBVA held its Ordinary General Shareholders' Meeting for the period 01 January 2022 -31 December 2022 on 13 April 2023 and the meeting quorum realized at 89,94%. Media representatives did not attend the General Shareholders' Meeting. At the meeting, one shareholder lodged a statement of opposition, and expressed demands; in response, necessary information has been given within the frame of the CMB regulations and the principles and procedures set out in the Turkish Commercial Code. There were no transactions in the reporting period for which the decision was left to the General Assembly of Shareholders by reason of dissenting votes cast by independent board members.

# 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-17.1 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.17.1, decision dated 23.06.2022 and numbered 34/977, are provided under the related headings.

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 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-17.1. Along with non-mandatory principles, Corporate Governance Principles Compliance Status and Sustainability Principles Compliance Status are summarized in the tables below.

Corporate Governance Principles	Full Compliance	Partial Compliance	N/A	Exempted	No Compliance
Shareholders	15	0	1	0	1
Public Disclosure and Transparency	5	0	0	0	0
Stakeholders	20	0	0	0	1
Board of Directors	22	1	1	0	1
<b>Total</b>	<b>62</b>	<b>1</b>	<b>2</b>	<b>0</b>	<b>3</b>

Sustainability Principles Compliance	Full Compliance	Partial Compliance	N/A	No Compliance
General	12	0	0	0
Environmental	24	0	0	0
Social	18	0	0	0
Governance	2	0	0	0
<b>Total</b>	<b>56</b>	<b>0</b>	<b>0</b>	<b>0</b>

# Corporate Governance Principles Compliance Report

Corporate Governance Principles	Compliance Report					Explanation
	Yes	Partial	No	Exempted	Not App.	
<b>1.1. FACILITATING THE EXERCISE OF SHAREHOLDER RIGHTS</b>						
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.	X					
<b>1.2. RIGHT TO OBTAIN AND REVIEW INFORMATION</b>						
1.2.1 - Management did not enter into any transaction that would complicate the conduct of special audit.	X					
<b>1.3. GENERAL ASSEMBLY</b>						
1.3.2 - The company ensures the clarity of the General Assembly agenda, and that an item on the agenda does not cover multiple topics	X					
1.3.7 - Insiders with privileged information have informed the board of directors about transactions conducted on their behalf within the scope of the company's activities in order for these transactions to be presented at the General Shareholders' Meeting.					X	
1.3.8 - Members of the board of directors who are concerned with specific agenda items, auditors, and other related persons, as well as the officers who are responsible for the preparation of the financial statements were present at the General Shareholders' Meeting.	X					
1.3.10 - The agenda of the General Shareholders' Meeting included a separate item detailing the amounts and beneficiaries of all donations and contributions.	X					
1.3.11 - The General Shareholders' Meeting was held open to the public, including the stakeholders, without having the right to speak.	X					

## Compliance Report

Corporate Governance Principles	Yes	Partial	No	Exempted	Not App.	Explanation
<b>1.4. VOTING RIGHTS</b>						
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					
<b>1.5. MINORITY RIGHTS</b>						
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 both be put in writing, or if the general assembly is already scheduled to meet, then to request the addition of matters they wish to be decided to the agenda, under Article 411 of the Turkish Commercial Code No. 6102. As and when such a request is received, the Bank takes the utmost care for facilitating the exercise of minority rights. In-line with our Bank's proactive, transparent and consistent communication strategy, utmost care is given to ensure that information is delivered with equal opportunities for everyone at all times. Bilingual Investor Relations (IR) web site, mobile applications developed in Turkish and English offer constant and worldwide access to the relevant information by focusing on the needs of the whole investors. Garanti BBVA Investor Relations 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
<b>1.6. DIVIDEND RIGHT</b>						
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					
<b>1.7. TRANSFER OF SHARES</b>						
1.7.1 - There are no restrictions preventing shares from being transferred.	X					
<b>2.1. CORPORATE WEBSITE</b>						
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					
<b>2.2. ANNUAL REPORT</b>						
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					

## Compliance Report

Corporate Governance Principles	Yes	Partial	No	Exempted	Not App.	Explanation
<b>3.1. CORPORATION'S POLICY ON STAKEHOLDERS</b>						
3.1.1 - The rights of the stakeholders are protected pursuant to the relevant regulations, contracts and within the framework of bona fides principles.	X					
3.1.3 - Policies or procedures addressing stakeholders' rights are published on the company's website.	X					
3.1.4 - A whistleblowing programme is in place for reporting legal and ethical issues.	X					
3.1.5 - The company addresses conflicts of interest among stakeholders in a balanced manner.	X					
<b>3.2. SUPPORTING THE PARTICIPATION OF THE STAKEHOLDERS IN THE CORPORATION'S MANAGEMENT</b>						
3.2.1 - The Articles of Association, or the internal regulations (terms of reference/manuals), regulate the participation of employees in management.			X			Contrary to what is suggested in the principle numbered 3.2.1, there are no written internal regulations in the the participation of employees in Management. However, employees are provided with the opportunity to comment on all projects and activities carried out in line with the Bank's strategic priorities, ensuring their involvement in decisions. Senior and middle-level managers participate in decision-making mechanisms via 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.	X					
<b>3.3. HUMAN RESOURCES POLICY</b>						
3.3.1 - The company has adopted an employment policy ensuring equal opportunities, and a succession plan for all key managerial positions.	X					
3.3.2 - Recruitment criteria are documented.	X					
3.3.3 - The company has a policy on human resources development, and organises trainings for employees.	X					
3.3.4 - Meetings have been organised to inform employees on the financial status of the company, remuneration, career planning, education and health.	X					

## Compliance Report

Corporate Governance Principles	Yes	Partial	No	Exempted	Not App.	Explanation
3.3.5 - Employees, or their representatives, were notified of decisions impacting them. The opinion of the related trade unions was also taken.	X					
3.3.6 - Job descriptions and performance criteria have been prepared for all employees, announced to them and taken into account to determine employee remuneration.	X					
3.3.7 - Measures (procedures, trainings, raising awareness, goals, monitoring, complaint mechanisms) have been taken to prevent discrimination, and to protect employees against any physical, mental, and emotional mistreatment.	X					
3.3.8 - The company ensures freedom of association and supports the right for collective bargaining.	X					
3.3.9 - A safe working environment for employees is maintained.	X					
<b>3.4. RELATIONS WITH CUSTOMERS AND SUPPLIERS</b>						
3.4.1 - The company measured its customer satisfaction, and operated to ensure full customer satisfaction.	X					
3.4.2 - Customers are notified of any delays in handling their requests.	X					
3.4.3 - The company complied with the quality standards with respect to its products and services.	X					
3.4.4 - The company has in place adequate controls to protect the confidentiality of sensitive information and business secrets of its customers and suppliers.	X					
<b>3.5. ETHICAL RULES AND SOCIAL RESPONSIBILITY</b>						
3.5.1 - The board of the corporation has adopted a code of ethics, disclosed on the corporate website.	X					
3.5.2 - The company has been mindful of its social responsibility and has adopted measures to prevent corruption and bribery.	X					

## Compliance Report

Corporate Governance Principles	Yes	Partial	No	Exempted	Not App.	Explanation
<b>4.1. ROLE OF THE BOARD OF DIRECTORS</b>						
4.1.1 - The board of directors has ensured strategy and risks do not threaten the long-term interests of the company, and that effective risk management is in place.	X					
4.1.2 - The agenda and minutes of board meetings indicate that the board of directors discussed and approved strategy, ensured resources were adequately allocated, and monitored company and management performance.	X					
<b>4.2. ACTIVITIES OF THE BOARD OF DIRECTORS</b>						
4.2.1 - The board of directors documented its meetings and reported its activities to the shareholders.	X					
4.2.2 - Duties and authorities of the members of the board of directors are disclosed in the annual report.	X					
4.2.3 - The board has ensured the company has an internal control framework adequate for its activities, size and complexity.	X					
4.2.4 - Information on the functioning and effectiveness of the internal control system is provided in the annual report.	X					
4.2.5 - The roles of the Chairman and Chief Executive Officer are separated and defined.	X					
4.2.7 - The board of directors ensures that the Investor Relations department and the corporate governance committee work effectively. The board works closely with them when communicating and settling disputes with shareholders.	X					
4.2.8 - The company has subscribed to a Directors and Officers liability insurance covering more than 25% of the capital.	X					The Bank's paid-in capital is TL 4.2 billion ; and it has subscribed to a Directors and Officers Liability cover with a limit of Eur 110 million (BBVA and Garanti BBVA included) for the individual liabilities of executives and Board members arising from their improper conduct.
<b>4.3. STRUCTURE OF THE BOARD OF DIRECTORS</b>						
4.3.9 - The board of directors has approved the policy on its own composition, setting a minimal target of 25% for female directors. The board annually evaluates its composition and nominates directors so as to be compliant with the policy.	X					
4.3.10 - At least one member of the audit committee has 5 years of experience in audit/accounting and finance.	X					

## Compliance Report

Corporate Governance Principles	Yes	Partial	No	Exempted	Not App.	Explanation
<b>4.4. BOARD MEETING PROCEDURES</b>						
4.4.1 - Each board member attended the majority of the board meetings in person.	X					All meetings were conducted pursuant to the provisions of law and Bank's internal regulations especially the Turkish Commercial Code, Bank's Articles of Association, and Board of Directors' working principles and procedures documents.
4.4.2 - The board has formally approved a minimum time by which information and documents relevant to the agenda items should be supplied to all board members	X					
4.4.3 - The opinions of board members that could not attend the meeting, but did submit their opinion in written format, were presented to other members.	X					
4.4.4 - Each member of the board has one vote.	X					
4.4.5 - The board has a charter/written internal rules defining the meeting procedures of the board.	X					
4.4.6 - Board minutes document that all items on the agenda are discussed, and board resolutions include director's dissenting opinions if any.	X					
4.4.7 - There are limits to external commitments of board members. Shareholders are informed of board members' external commitments at the General Shareholders' Meeting.	X					Board members' external commitments are presented for the information of shareholders at the General Meeting. The Bank's Board members comply with the banking legislation and Garanti BBVA Board of Directors Suitability and Diversity Policy regarding the external entities they can serve.
<b>4.5. BOARD COMMITTEES</b>						
4.5.5 - Board members serve in only one of the Board's committees.			X			When the number of members of the Board of Directors and the number of members of the Board of Directors may take part in more than one committee. On the other hand, the only committee established according to the Corporate Governance Principles is the Corporate Governance Committee (with the functions of the Nominating Committee). There are three members of the Board of Directors in the Corporate Governance Committee. Other board committees (Risk, Credit, Audit and Remuneration) were established in accordance with the Banking Law No. 5411.
4.5.6 - Committees have invited persons to the meetings as deemed necessary to obtain their views.	X					

## Compliance Report

Corporate Governance Principles	Yes	Partial	No	Exempted	Not App.	Explanation
4.5.7 - If external consultancy services are used, the independence of the provider is stated in the annual report.	X					
4.5.8 - Minutes of all committee meetings are kept and reported to board members.	X					
<b>4.6. FINANCIAL RIGHTS</b>						
4.6.1 - The board of directors has conducted a board performance evaluation to review whether it has discharged all its responsibilities effectively.	X					
4.6.4 - The company did not extend any loans to its board directors or executives, nor extended their lending period or enhanced the amount of those loans, or improve conditions thereon, and did not extend loans under a personal credit title by third parties or provided guarantees such as surety in favour of them.					X	Since one of the main activities of the Bank is extending loans, Board Members and executives with administrative responsibilities may also be granted with loans or credit cards, in accordance with the limits determined under the relevant banking legislation and the Bank's internal policies.
4.6.5 - The individual remuneration of board members and executives is disclosed in the annual report.		X				The benefits provided to the Board of Directors members and senior executives are shown in the Financial Statements, and the upper limit of total remuneration to be paid during any given year to Board members undertaking a specific role at the Bank and to independent Board members are submitted for approval and determined at the General Meeting of Shareholders. As of 31 December 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 284,600). As the public disclosures regarding the remunerations and benefits provided to key managers including Board members are subject the BRSA's regulations on the banks' qualitative and quantitative disclosures with regard to the remuneration policies, such remunerations and benefits are disclosed cumulatively

## CORPORATE GOVERNANCE PRINCIPLES INFORMATION FORM

1. SHAREHOLDERS	Remarks / Related Links
<b>1.1. Facilitating the Exercise of Shareholders Rights</b>	
The number of investor meetings (conference, seminar/etc.) organized by the company during the year	In 2023, Garanti BBVA Investor Relations team participated in 13 investor conferences and roadshows and held in total 167 meetings with investment funds.
<b>1.2. Right to Obtain and Review Information</b>	
The number of special audit request(s)	None. The appointment of a special auditor has not been set forth as an individual right in the Articles of Association of the Bank. However, pursuant to Article 438 of the Turkish Commercial Code No. 6102, shareholders have the right to request a special audit from the General Assembly of Shareholders, whether included in the agenda or not, in order to clarify certain aspects within the frame of exercising shareholders' rights, provided that shareholders making such request have previously exercised the right to obtain or review information as stipulated in the Turkish Commercial Code. So far, Garanti BBVA has not received any request for the appointment of a special auditor. If such a request is received, then the Bank will take maximum care for facilitating the exercise of such special audit right.
The number of special audit requests that were accepted at the General Shareholders' Meeting	None
<b>1.3. General Assembly</b>	
Link to the PDP announcement that demonstrates the information requested by Principle 1.3.1 (ad)	<a href="https://www.kap.org.tr/en/Bildirim/1137485">https://www.kap.org.tr/en/Bildirim/1137485</a>
Whether the company provides materials for the General Shareholders' Meeting in English and Turkish at the same time	Available. The link to the related website: Turkish: <a href="https://www.garantibbvainvestorrelations.com/tr/kurumsal-yonetim/olagan-genel-kurul-toplantilari/Olagan-Genel-Kurul-Toplantilari/452/0/0">https://www.garantibbvainvestorrelations.com/tr/kurumsal-yonetim/olagan-genel-kurul-toplantilari/Olagan-Genel-Kurul-Toplantilari/452/0/0</a> English: <a href="https://www.garantibbvainvestorrelations.com/en/corporate-governance/Ordinary-General-Shareholders-Meetings/Annual-General-Meeting/102/0/0">https://www.garantibbvainvestorrelations.com/en/corporate-governance/Ordinary-General-Shareholders-Meetings/Annual-General-Meeting/102/0/0</a>
The links to the PDP announcements associated with the transactions that are not approved by the majority of independent directors or by unanimous votes of present board members in the context of Principle 1.3.9	None
The links to the PDP announcements associated with related party transactions in the context of Article 9 of the Communiqué on Corporate Governance (II-17.1)	None
The links to the PDP announcements associated with common and continuous transactions in the context of Article 10 of the Communiqué on Corporate Governance (II-17.1)	None
The name of the section on the corporate website that demonstrates the donation policy of the company	<a href="https://www.garantibbvainvestorrelations.com/en/environment-social-governance/detail/Donation-and-Contribution-Policy/99/410/0">https://www.garantibbvainvestorrelations.com/en/environment-social-governance/detail/Donation-and-Contribution-Policy/99/410/0</a>
The relevant link to the PDP with minute of the General Shareholders' Meeting where the donation policy has been approved	<a href="https://www.kap.org.tr/en/Bildirim/265119">https://www.kap.org.tr/en/Bildirim/265119</a>
The number of the provision(s) of the articles of association that discuss the participation of stakeholders to the General Shareholders' Meeting	While the Articles of Association does not contain any provisions to that effect, the Bank invites all stakeholders to the General Meetings of Shareholders, who will be voiceless during such meetings. Hence, such invitation is explicitly stated in the invitation to the General Shareholders Meeting.
Identified stakeholder groups that participated in the General Meeting of Shareholders, if any	General Meeting minutes are available to shareholders in media and locations stipulated by applicable legislation. The members of the media did not attend the General Meeting convened in 2023. The Bank invites all stakeholders to the General Meetings of Shareholders, meetings without the right to speak.

	Remarks / Related Links
<b>1.4. Voting Rights</b>	
Whether the shares of the company have differential voting rights	No
In case that there are voting privileges, indicate the owner and percentage of the voting majority of shares	There are no voting privileges
The percentage of ownership of the largest shareholder	85,97%
<b>1.5. Minority Rights</b>	
Whether the scope of minority rights enlarged (in terms of content or the ratio) in the articles of association	No
If yes, specify the relevant provision of the articles of association	None
<b>1.6. Dividend Right</b>	
The name of the section on the corporate website that describes the dividend distribution policy	<a href="https://www.garantibbvainvestorrelations.com/en/environment-social-governance/detail/Dividend-Distribution-Policy/96/407/0">https://www.garantibbvainvestorrelations.com/en/environment-social-governance/detail/Dividend-Distribution-Policy/96/407/0</a>
Minutes of the relevant agenda item in case the board of directors proposed to the general assembly not to distribute dividends, the reason for such proposal and information as to use of the dividend	The Board of Directors' proposal for the distribution of the Bank's 2022 Balance Sheet Profit was laid down for approval at the General Meeting of Shareholders held on 13 April 2023 and approved with majority of votes. It is resolved that, from the after-tax profit of the Bank for the year 2022 in the amount of TL 58,509,157,847.37 in accordance with Article 45 - of the Articles of Association of our Bank titled as the "Distribution of the Profit"; the cash gross dividend in the amount of TL 8,776,373,677.11 be distributed to our Shareholders, dividend distribution be initiated on April 14, 2023. The information provided to our Shareholders regarding the subject is stated in article 6 of the document whose link follows: <a href="https://www.garantibbvainvestorrelations.com/en/images/pdf/2022_03_31-General-Assembly-Meeting-Minutes.pdf">https://www.garantibbvainvestorrelations.com/en/images/pdf/2022_03_31-General-Assembly-Meeting-Minutes.pdf</a>
PDP link to the related general meeting minutes in case the board of directors proposed to the General Assembly not to distribute dividends	<a href="https://www.kap.org.tr/en/Bildirim/1137485">https://www.kap.org.tr/en/Bildirim/1137485</a>
<b>General Meeting Date</b>	13.04.2023
<b>The number of information requests received by the company regarding the clarification of the agenda of the General Shareholders' Meeting</b>	0
<b>Shareholder participation rate in the General Shareholders' Meeting</b>	89,95%
<b>Percentage of shares directly present at the GSM</b>	0.001%
<b>Percentage of shares represented by proxy</b>	99.999%
<b>Specify the name of the page of the corporate website that contains the General Shareholders' Meeting minutes, and also indicates for each resolution the number of votes for or against</b>	Garanti BBVA Investor Relations Website Main Page > Environment, Social And Governance > Governance > Annual General Meeting <a href="https://www.garantibbvainvestorrelations.com/en/environment-social-governance/Ordinary-General-Shareholders-Meetings/Annual-General-Meeting/102/0/0">https://www.garantibbvainvestorrelations.com/en/environment-social-governance/Ordinary-General-Shareholders-Meetings/Annual-General-Meeting/102/0/0</a>
<b>Specify the name of the page of the corporate website that contains all questions asked in the general assembly meeting and all responses to them</b>	Garanti BBVA Investor Relations Website Main Page > Environment, Social And Governance > Governance > Annual General Meeting <a href="https://www.garantibbvainvestorrelations.com/en/environment-social-governance/Ordinary-General-Shareholders-Meetings/Annual-General-Meeting/102/0/0">https://www.garantibbvainvestorrelations.com/en/environment-social-governance/Ordinary-General-Shareholders-Meetings/Annual-General-Meeting/102/0/0</a>
<b>The number of the relevant item or paragraph of the General Shareholders' Meeting minutes in relation to related party transactions</b>	<a href="https://www.garantibbvainvestorrelations.com/en/environment-social-governance/Ordinary-General-Shareholders-Meetings/Annual-General-Meeting/102/0/0">https://www.garantibbvainvestorrelations.com/en/environment-social-governance/Ordinary-General-Shareholders-Meetings/Annual-General-Meeting/102/0/0</a>
<b>The number of declarations by insiders received by the board of directors</b>	858
<b>The link to the related PDP general shareholder meeting notification</b>	<a href="https://www.kap.org.tr/tr/Bildirim/1137485">https://www.kap.org.tr/tr/Bildirim/1137485</a>

## 2. PUBLIC DISCLOSURE AND TRANSPARENCY

Remarks / Related Links

## 2.1. Corporate Website

Specify the names of the sections of the website providing the information requested by the Principle 2.1.1.	Trade registry information: 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 > Dividend Distribution Policy Disclosure 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
If applicable, specify the name of the sections of the website providing the list of shareholders (ultimate beneficiaries) who directly or indirectly own more than 5% of the shares	<a href="https://www.garantibbvainvestorrelations.com/en/about-garanti/detail/Shareholding-Structure/7/16/0">https://www.garantibbvainvestorrelations.com/en/about-garanti/detail/Shareholding-Structure/7/16/0</a>
List of languages for which the website is available	Garanti BBVA has two different websites prepared in Turkish and English languages. These can be accessed as follows: The website in Turkish <a href="http://www.garantibbva.com.tr">www.garantibbva.com.tr</a> The website in English <a href="http://www.garantibbva.com.tr/en">www.garantibbva.com.tr/en</a> 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: <a href="http://www.garantibbvayatirimciiliskileri.com">www.garantibbvayatirimciiliskileri.com</a> Investor Relations website in English: <a href="http://www.garantibbvainvestorrelations.com">www.garantibbvainvestorrelations.com</a>

## 2.2. Annual Report

## The page numbers and/or names of the sections in the Annual Report that demonstrate the information requested by Principle 2.2.2.

a) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the external of the members of the board of directors and executives conducted out of the company and declarations on independence of board members	Section: Board of Directors, page 206
b) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on committees formed within the board structure	Committees and Policies, Page 226
c) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the number of board meetings in a year and the attendance of the members to these meetings	Organizational Structure, page 198
c) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on amendments in legislation which may significantly affect the activities of the corporation	Section: Important developments regarding 2023 Operations, page 34
d) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on significant lawsuits filed against the corporation and the possible results thereof	Section: Important developments regarding 2023 Operations, Page 34

Remarks / Related Links	
e) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the conflicts of interest of the corporation among the institutions that it purchases services on matters such as investment consulting and rating and the measures taken by the corporation in order to avoid from these conflicts of interest	Section: Support Services Providers, page 326
f) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the cross ownership subsidiaries that the direct contribution to the capital exceeds 5%	BRSA Consolidated Financial Statements As of and For the Year Ended 31 December 2023, 5.1.10.2. Financial report can be reached at Garanti BBVA Investor Relations website > Library section
g) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on social rights and professional training of the employees and activities of corporate social responsibility in respect of the corporate activities that arises social and environmental results	Investments in Human Capital (page 134), Sustainability and Community Investments (page 174), Customer Experience (page 160), Our Governance (page 222)

### 3. STAKEHOLDERS

#### 3.1. Corporation's Policy on Stakeholders

The name of the section on the corporate website that demonstrates the employee remedy or severance policy	Garanti BBVA Investor Relations website Home > Environment, Social and Governance > Governance > Policies > Compensation Policy
The number of definitive convictions the company was subject to in relation to breach of employee rights	136
The position of the person responsible for the alert mechanism (i.e. whistleblowing mechanism)	Garanti BBVA Compliance Department (related committee: Ethics and Integrity Committee)
The contact detail of the company alert mechanism	"Garanti BBVA Whistleblowing Channel" etikbildirim@garantibbva.com.tr / 0 216 662 5156

#### 3.2. Supporting the Participation of the Stakeholders in the Corporation's Management

Name of the section on the corporate website that demonstrates the internal regulation addressing the participation of employees on management bodies.	While there are no written internal regulations, employees are provided with the opportunity to comment on all projects and activities carried out in line with the Bank's strategic priorities, ensuring their involvement in decisions.
Corporate bodies where employees are actually represented	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 key management positions, which is regularly followed up by the executive Board member and Executive Vice President on an annual basis.
The name of the section on the corporate website that demonstrates the human resource policy covering equal opportunities and hiring principles. Also provide a summary of relevant parts of the human resource policy	Declaration of human rights and human resources policy are posted on the Investor Relations website. Related links are as follows: <a href="https://www.garantibbvainvestorrelations.com/en/environment-social-governance/detail/Declaration-of-Human-Rights/584/1866/0">https://www.garantibbvainvestorrelations.com/en/environment-social-governance/detail/Declaration-of-Human-Rights/584/1866/0</a> <a href="https://www.garantibbvainvestorrelations.com/en/environment-social-governance/detail/Human-Resources-Policy/97/408/0">https://www.garantibbvainvestorrelations.com/en/environment-social-governance/detail/Human-Resources-Policy/97/408/0</a>
Whether the company provides an employee stock ownership program	There is an employee stock ownership program for "identified employees", which is described within the Compensation Policy. As of 2023 year-end, 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 2023 variable payments of identified employees, Banco Bilbao Vizcaya Argentaria S.A. share will be taken as basis. The Compensation Policy is can be accessed via this link <a href="https://www.garantibbvainvestorrelations.com/en/environment-social-governance/Compensation-Policy/Compensation-Policy/100/411/0">https://www.garantibbvainvestorrelations.com/en/environment-social-governance/Compensation-Policy/Compensation-Policy/100/411/0</a>

Remarks / Related Links	
The name of the section on the corporate website that demonstrates the human resources policy covering discrimination and mistreatments and the measures to prevent them. Also provide a summary of relevant parts of the human resource policy	The Human Resources Policy and Code of Conduct are posted on the Investor Relations website. Related links are as follows: <a href="https://www.garantibbvainvestorrelations.com/en/environment-social-governance/detail/Human-Resources-Policy/97/408/0">https://www.garantibbvainvestorrelations.com/en/environment-social-governance/detail/Human-Resources-Policy/97/408/0</a> <a href="https://www.garantibbvainvestorrelations.com/en/environment-social-governance/detail/Code-of-Conduct/94/405/0">https://www.garantibbvainvestorrelations.com/en/environment-social-governance/detail/Code-of-Conduct/94/405/0</a>
The number of definitive convictions the company is subject to in relation to health and safety measures	Occupational Health and Safety (OHS) is responsible for creating and disseminating Garanti BBVA Occupational Health and Safety culture, determining principles, rules and procedures, and monitoring relevant legislative requirements and international standards.  At Garanti BBVA, OHS is the health, safety and well-being of all stakeholders, including employees, contractors, visitors and customers, based on national legislation as well as international standards (ISO 45001, OSHA, IOSH etc.) and good practice examples. It continues its activities including studies related to All OHS trainings within the scope of emergency plans were reviewed and updated based on the experiences and data obtained in disasters, especially earthquakes, and areas that needed improvement. Actions were taken to carry out the mandatory drills within the scope of the Emergency Plan more effectively.  During the "Business Continuity" process, a wide variety of scenarios and regional simulations such as earthquakes, floods, fires and bad weather conditions have been developed with the participation of all relevant units after the experiences gained from the earthquakes, floods and bad weather conditions. was experienced and necessary actions were taken in the relevant plans. Protecting the health of employees and ensuring business continuity are always among the Bank's primary responsibilities. In order to achieve the ability to fully fulfill this responsibility during disaster periods, more than 50 projects on different topics are being carried out at Garanti BBVA within the scope of preparations for a possible Marmara earthquake. With employee-oriented projects; Training continues to raise the awareness of employees in order to create a corporate culture with high earthquake awareness, life support preparations for vital needs such as food, clothing and food, as well as efforts to be prepared for issues such as shelter, evacuation and psychological support.  Garanti BBVA accepts health as a state of physical and psycho-social well-being and focused on holistic health practices along with well-being studies that keep inclusiveness at the center. In this context, it made plans to implement awareness-raising and awareness activities that will increase effectiveness. Data-based actions were taken to effectively carry out employee health surveillance practices, especially recruitment and periodic health examinations. In order to contribute to the well-being of employees, in-house wellbeing studies were accelerated with the relevant teams.  In 2023, 132 work accidents and 281 incidents occurred in all locations, including subcontractors. All of these cases were investigated and necessary corrective actions were taken. For more details, please check the "Investments in Human Capital" section on the 2023 Integrated Annual Report

#### 3.5. Ethical Rules and Social Responsibility

The name of the section on the corporate website that demonstrates the code of ethics	Garanti BBVA Investors Relations website Home > Corporate Governance > Policies > Garanti BBVA Code of Conduct: <a href="https://www.garantibbvainvestorrelations.com/en/environment-social-governance/detail/Code-of-Conduct/94/405/0">https://www.garantibbvainvestorrelations.com/en/environment-social-governance/detail/Code-of-Conduct/94/405/0</a>
The name of the section on the company website that demonstrates the corporate social responsibility report. If such a report does not exist, provide information about any measures taken on environmental, social and corporate governance issues.	Garanti BBVA publishes integrated annual reports; hence, the Bank does not release a separate sustainability or corporate social responsibility report. The Bank discloses its entire value creation, both financial and non-financial, within the frame of materiality analysis, its strategic priorities, and its performance in these aspects. Addressed in a comprehensive scope extending from customer experience to employee satisfaction, from digital transformation to responsible and sustainable development, these topics, along with the information on risk management and corporate governance can be found in the integrated annual report. Garanti BBVA Investor Relations website Home > Library > Integrated Annual Reports
Any measures combating any kind of corruption including embezzlement and bribery	Garanti BBVA's Anti-Corruption Policy sets out the actions that need to be taken to prevent and determine across the Bank cases posing corruption risk, and to encourage reporting thereof. Furthermore, In order to prevent corruption, our Bank and its subsidiaries are engaged in an "anti-corruption awareness program ". In-class and e-learning trainings covering these subjects are assigned to all personnel. Detailed information can be found on page 236-237 of Garanti BBVA 2023 Integrated Annual Report.

#### 4. BOARD OF DIRECTORS - I Remarks / Related Links

##### 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	No
Whether all board members released from their duties at the GSM	Yes
Name(s) of the board member(s) with specific delegated duties and authorities, and descriptions of such duties	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. Avni Aydın Düren, one of our Board Members, to be responsible for the functions of the Compliance Unit, in place of Mr. M. 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. Aydın Düren, 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. Cüneyt Sezgin, who resigned from his position on May 31, 2021
Number of reports submitted by the internal control unit to the audit committee or other relevant committees	23 in 2025
Specify the name of the section or page number of the annual report that provides the summary of the review of the effectiveness of internal controls	Section: Internal Systems Governance, Page 232
Name of the Chairman	Süleyman Sözen
Name of the CEO	Recep Baştuğ
If the CEO and Chair functions are combined, provide the link to the relevant PDP announcement providing the rationale for such combined roles	The roles of the Chairman and CEO are undertaken by different individuals.
Link to the PDP notification stating that any damage that may be caused by the members of the Board of Directors during the discharge of their duties is insured for an amount exceeding 25% of the company's capital	PDP disclosure is not available. 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 Executives and Board directors associated with improper performance of their duties.
The name of the section on the corporate website that demonstrates current diversity policy targeting women directors	The bank has various practices and policies in place to ensure gender equality and equal representation within the institution. Women, who constitute 56% of Garanti BBVA employees, also make up 90% of middle and senior management roles. In 2023, with steps taken to foster an inclusive working culture, innovations in flexible working environments, the bank raised its score to 89.06, continuing to be the only bank from Türkiye listed on the Bloomberg Gender Equality Index for 7 consecutive years. In addition to our social commitments, we strengthen our employees' awareness of equality through mandatory gender equality training. With the Diversity and Inclusion Policy published on July 8, 2021, the aim is to have 25% of the Board of Directors composed of female members by the end of 2025.
The number and ratio of female directors within the Board of Directors	There are 2 women members representing 18% of the full number of members.

Name/Surname of Board Member	Whether Executive Director or Not	Whether Independent Director or Not	The First Election Date to Board	Link to PDP Notification that Includes the Independency Declaration	Whether the Independent Director Considered by the Nomination Committee	Whether She/He is the Director Who Ceased to Satisfy the Independency or Not	Whether the Director Has At Least 5 Years' Experience on Audit, Accounting and/or Finance or Not
Süleyman Sözen	No	No	29.05.1997				Yes
Jorge Sáenz-Azcúnaga Carranza	No	Yes	24.03.2016		No	No	Yes
Ergun Özen	No	No	14.05.2003				Yes
M. Cüneyt Sezgin, Ph.D.	No	No	30.06.2004				Yes
Sema Yurdum	No	Yes	30.04.2013		No	No	Yes
Jaime Saenz De Tejada Pulido	No	No	2.10.2014				Yes
Pablo Alfonso Pastor Muñoz	No	No	31.03.2021				Yes
Recep Bastug	Yes	No	6.09.2019				Yes
Rafael Salinas Martinez de Lecea	No	No	8.05.2017				Yes
Aydın Düren	No	Yes	17.06.2020		No	No	Yes
Mevhibe Canan Özsoy	No	Yes	4.04.2019	<a href="https://www.kap.org.tr/Bildirim/1124574">https://www.kap.org.tr/Bildirim/1124574</a>	Yes	No	Yes

#### 4. BOARD OF DIRECTORS - II Remarks / Related Links

##### 4.4. Meeting Procedures of the Board of Directors

Number of physical board meetings in the reporting period (meetings in person)	The Board held 11 physical meetings in 2023.
Director average attendance rate at board meetings	88,8%
Whether the board uses an electronic portal to support its work or not	Yes
Number of minimum days ahead of the board meeting to provide information to directors, as per the board charter	4-5 days on average.
The name of the section on the corporate website that provides information about the board charter	Garanti BBVA Investor Relations website Home > > Environment, Social And Governance > Governance > Policies > Working Principles And Procedures Of The Bod <a href="https://www.garantibbvainvestorrelations.com/en/environment-social-governance/detail/Working-Principles-and-Procedures-of-the-BoD/1590/7516/0">https://www.garantibbvainvestorrelations.com/en/environment-social-governance/detail/Working-Principles-and-Procedures-of-the-BoD/1590/7516/0</a>
Number of maximum external commitments for board members as per the policy covering the number of external duties held by directors	The limits set by the banking legislation and Garanti BBVA Board of Directors Suitability and Diversity Policy are complied with.

##### 4.5. Board Committees

Page numbers or section names of the annual report where information about the board committees are presented	Section: Committees and Policies, Page 226
Link(s) to the PDP announcement(s) with the board committee charters	While a PDP disclosure link is unavailable for the announcement pertaining to operating principles, the responsibilities of the committees can be found at Garanti BBVA Investor Relations web site > Environment, Social and Governance > Committees <a href="https://www.garantibbvainvestorrelations.com/en/environment-social-governance/detail/Corporate-Governance-Committee/84/397/0">https://www.garantibbvainvestorrelations.com/en/environment-social-governance/detail/Corporate-Governance-Committee/84/397/0</a>

Names of the Board Committees	Name of Committees Defined as "Other" in the First Column	Name-Surname of Committee Members	Whether Committee Chair or Not	Whether Board Member or Not
Corporate Governance Committee (including the functions of Nomination Committee)		Aydin Düren, Jorge Saenz Azcunaga Carranza, Sema Yurdum, Handan Saygin	Jorge Saenz Azcunaga Carranza	Except for Handan Saygin, all members are members of the Board of Directors.

#### 4. BOARD OF DIRECTORS - II Remarks / Related Links

##### 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)	<a href="https://www.garantibbvainvestorrelations.com/en/corporate-governance/detail/Audit-Committee/778/3219/0">https://www.garantibbvainvestorrelations.com/en/corporate-governance/detail/Audit-Committee/778/3219/0</a>
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)	<a href="https://www.garantibbvainvestorrelations.com/en/corporate-governance/detail/Corporate-Governance-Committee/84/397/0">https://www.garantibbvainvestorrelations.com/en/corporate-governance/detail/Corporate-Governance-Committee/84/397/0</a>
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)	<a href="https://www.garantibbvainvestorrelations.com/en/corporate-governance/detail/Corporate-Governance-Committee/84/397/0">https://www.garantibbvainvestorrelations.com/en/corporate-governance/detail/Corporate-Governance-Committee/84/397/0</a>
Specify where the activities of the early detection of risk committee are presented in your annual report or website (Page number or section name in the annual report/website)	For information on Credit and Risk Committees within the frame of banking legislation: <a href="https://www.garantibbvainvestorrelations.com/en/environment-socialgovernance/committees-list/Committees/80/0/0">https://www.garantibbvainvestorrelations.com/en/environment-socialgovernance/committees-list/Committees/80/0/0</a>
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)	<a href="https://www.garantibbvainvestorrelations.com/en/corporate-governance/detail/Remuneration-Committee/83/396/0">https://www.garantibbvainvestorrelations.com/en/corporate-governance/detail/Remuneration-Committee/83/396/0</a>

##### 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 "Environment, Social and Governance" section on Investor Relations website. Related link: <a href="https://www.garantibbvainvestorrelations.com/en/corporate-governance/Compensation-Policy/Compensation-Policy/100/411/0">https://www.garantibbvainvestorrelations.com/en/corporate-governance/Compensation-Policy/Compensation-Policy/100/411/0</a>
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

Names of the Board Committees	Name of Committees Defined as "Other" in the First Column	The Percentage of Independent Directors in the Committee	The Number of Committee Meetings Held in Person	Number of Reports Presented to the Board of Directors on the Committee's Activities
Corporate Governance Committee (including the functions of Nomination Committee)		75%	2	2

# Sustainability Principles Compliance Report

No	Principal	Compliance				Explanation	Report Information on Publicly Disclosed Information (Page Number, Menu name on the website)
		Yes	No	Partial	Not applicable		
<b>A. General</b>							
<b>A1. Strategy, Policy and Targets</b>							
A1.1	The prioritised environmental, social and corporate governance (ESG) issues, risks and opportunities have been determined by the Company's Board of Directors.	X				Garanti BBVA identified its material issues using double materiality analysis. Based on the materiality analysis, ESG risk and opportunities were defined.	2023 Integrated Annual Report pages 68-81
	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.	X				Garanti BBVA's policies are made available to the public on the corporate website.	Corporate website - <a href="https://www.garantibbvainvestorrelations.com/en/corporate-governance/policies-list/Policies/92/6477/0">https://www.garantibbvainvestorrelations.com/en/corporate-governance/policies-list/Policies/92/6477/0</a>
A1.2	The short and long-term targets set within the scope of ESG policies have been disclosed to the public.	X				Garanti BBVA publicly discloses its short- and long-term goals in accordance with its ESG policies.	2023 Integrated Annual Report pages 68-81 and 174-195
<b>A2. Implementation/Monitoring</b>							
A2.1	The responsible committees 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.	X				Responsible Banking and Sustainability Committee members and the committee's responsibilities are publicly disclosed on the corporate website.	Corporate website - <a href="https://www.garantibbvainvestorrelations.com/en/environment-social-governance/detail/Responsible-Banking-and-Sustainability-Committee/1093/5366/0">https://www.garantibbvainvestorrelations.com/en/environment-social-governance/detail/Responsible-Banking-and-Sustainability-Committee/1093/5366/0</a>
	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.	X				Responsible Banking and Sustainability Committee is responsible for providing information to the Board of Directors on the Committees activities when needed.	Corporate website - <a href="https://www.garantibbvainvestorrelations.com/en/environment-social-governance/detail/Responsible-Banking-and-Sustainability-Committee/1093/5366/0">https://www.garantibbvainvestorrelations.com/en/environment-social-governance/detail/Responsible-Banking-and-Sustainability-Committee/1093/5366/0</a>
A2.2	In line with the ESG targets, the implementation and action plans have been formed and disclosed to the public.	X				ESG-related commitments are publicly disclosed on the corporate website.	Corporate website- <a href="https://www.garantibbvainvestorrelations.com/en/sustainability/detail/Commitments/2025/9228/0">https://www.garantibbvainvestorrelations.com/en/sustainability/detail/Commitments/2025/9228/0</a>
A2.3	The Key ESG Performance Indicators (KPI) and the level of reaching these indicators have been disclosed to the public on yearly basis.	X				ESG Key Performance Indicators and their annual oversight are publicly disclosed on the corporate website.	Corporate Website - <a href="https://www.garantibbvainvestorrelations.com/en/images/pdf/ESG_Analyst_Data_ENG_2023.pdf">https://www.garantibbvainvestorrelations.com/en/images/pdf/ESG_Analyst_Data_ENG_2023.pdf</a>
A2.4	The activities for improving the sustainability performance of the business processes or products and services have been disclosed to the public.	X				Related activities are publicly disclosed in the Bank's integrated reports.	2023 Integrated Annual Report Sustainability and Community Investments pages 174-195

No	Principal	Yes	No	Partial	Not applicable	Explanation	Report Information on Publicly Disclosed Information (Page Number, Menu name on the website)
<b>A3. Reporting</b>							
A3.1	The information about the sustainability performance, targets and actions have been given in annual reports of the Company an understandable, accurate and sufficient manner.	X				Related performance, targets and action metrics are publicly disclosed in integrated reports.	2023 Integrated Annual Report pages 174-195
A3.2	The information about activities which are related to the United Nations (UN) 2030 Sustainable Development Goals have been disclosed to the public.	X				Contribution to UN Sustainable Development Goals are publicly disclosed in integrated reports.	2023 Integrated Annual Report pages 92-105
A3.3	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.	X				Related metrics are publicly disclosed in integrated reports.	2023 Integrated Annual Report pages 34-37
<b>A4. Verification</b>							
A4.1	The Company's Key ESG Performance metrics have been verified by an independent third party and publicly disclosed.	X				ESG Key Performance Indicators that have been determined are verified by an independent third party and publicly disclosed in integrated reports.	2023 Integrated Annual Report pages 282-291
<b>B. Environmental Principles</b>							
B1	The policies and practices, action plans, environmental management systems (known by the ISO 14001 standard) and programs have been disclosed.	X				In 2012, Garanti BBVA established the Environmental Management System (EMS) endorsed with ISO 14001 certification, with the aim of systematically managing its direct and indirect environmental impacts. The actions taken in line with the policies, on the other hand, are publicly disclosed in integrated reports.	2023 Integrated Annual Report pages 174-195
B2	The environmental reports prepared to provide information on environmental management have been disclosed to the public which is including the scope, reporting period, reporting date and limitations about the reporting conditions.	X				The reporting scope and methods of monitored key performance indicators are publicly disclosed in integrated reports.	2023 Integrated Annual Report pages 294-299
B4	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).	X				Rewarding criteria under performance incentive systems are publicly disclosed in integrated reports.	2023 Integrated Annual Report pages 304-319

No	Principal	Yes	No	Partial	Not applicable	Explanation	Report Information on Publicly Disclosed Information (Page Number, Menu name on the website)
B5	How the prioritised environmental issues have been integrated into business objectives and strategies has been disclosed.	X				Garanti BBVA identified its material issues using double materiality analysis. Based on the materiality analysis, ESG risk and opportunities were defined.	2023 Integrated Annual Report pages 68-81
B7	The way of how environmental issues has been managed and integrated into business objectives and strategies throughout the Company's value chain, including the operational process, suppliers and customers has been disclosed.	X				The Bank's approach to management of environmental issues applicable to suppliers and customers is publicly disclosed in integrated reports. Code of Conduct for Suppliers can be found on the Bank's corporate website.	2023 Integrated Annual Report pages 170-191 Corporate Website - <a href="https://www.garantibbvainvestorrelations.com/en/environment-social-governance/detail/Code-of-Conduct-for-Suppliers/1548/7096/0">https://www.garantibbvainvestorrelations.com/en/environment-social-governance/detail/Code-of-Conduct-for-Suppliers/1548/7096/0</a>
B8	Whether the Company have been involved to environmental related organizations and non-governmental organizations' policy making processes and collaborations with these organizations has been disclosed.	X				Garanti BBVA publicly discloses the number of policies/position statements it contributes to in integrated reports.	2023 Integrated Annual Report pages 174-195
B9	In the light of environmental indicators (Greenhouse gas emissions (Scope-1 (Direct), Scope-2 (Energy indirect), Scope-3 (Other indirect), air quality, energy management, water and wastewater management, waste management, biodiversity impacts)), information on environmental impacts is periodically disclosed to the public in a comparable manner.	X				Garanti BBVA monitors environmental performance indicators and shares them with stakeholders on an annual basis.	Corporate Website - <a href="https://www.garantibbvainvestorrelations.com/en/images/pdf/ESG_Analyst_Data_ENG_2023.pdf">https://www.garantibbvainvestorrelations.com/en/images/pdf/ESG_Analyst_Data_ENG_2023.pdf</a>
B10	Details of the standard, protocol, methodology, and baseline year used to collect and calculate data has been disclosed.	X				Standard, protocol, methodology and baseline year details are given in the Reporting Guidelines for Non-Financial Data section in integrated reports.	2023 Integrated Annual Report pages 174-195
B11	The increase or decrease in Company's environmental indicators as of the reporting year has been comparatively disclosed with previous years.	X				Environmental performance indicators are reported annually.	Corporate Website - <a href="https://www.garantibbvainvestorrelations.com/en/images/pdf/ESG_Analyst_Data_ENG_2023.pdf">https://www.garantibbvainvestorrelations.com/en/images/pdf/ESG_Analyst_Data_ENG_2023.pdf</a>
B12	The short and long-term targets for reducing the environmental impacts have been determined and the progress compared to previous years' targets has been disclosed.	X				Short- and long-term targets and progress are publicly disclosed in integrated reports.	2023 Integrated Annual Report pages 174-195
B13	A strategy to combat the climate crisis has been created and the planned actions have been publicly disclosed.	X				Garanti BBVA prioritizes combating climate crisis and inclusive growth as per its sustainability strategy. Actions in relation to both topics are publicly disclosed in integrated reports.	2023 Integrated Annual Report pages 174-195

No	Principal	Yes	No	Partial	Not applicable	Explanation	Report Information on Publicly Disclosed Information (Page Number, Menu name on the website)
B14	The programs/procedures to prevent or minimize the potential negative impact of products and/or services on the environment have been established and disclosed.	X				Garanti BBVA has established its definitions for positively impacting the environment and the society within the frame of Sustainable Finance Standard. The number of sustainable products/loans as defined by the Bank are publicly disclosed in integrated reports.	2023 Integrated Annual Report pages 175-195
	The actions to reduce greenhouse gas emissions of third parties (suppliers, subcontractors, dealers, etc.) have been carried out and disclosed.	X				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).	Corporate Website - <a href="https://www.garantibbvainvestorrelations.com/en/environment-social-governance/detail/Code-of-Conduct-for-Suppliers/1548/7096/0">https://www.garantibbvainvestorrelations.com/en/environment-social-governance/detail/Code-of-Conduct-for-Suppliers/1548/7096/0</a> Corporate Website - <a href="https://www.garantibbvainvestorrelations.com/en/sustainability/detail/Our-Decarbonization-Targets-for-2030/2038/9243/0">https://www.garantibbvainvestorrelations.com/en/sustainability/detail/Our-Decarbonization-Targets-for-2030/2038/9243/0</a> 2023 Integrated Annual Report pages 176-200
B15	The environmental benefits/gains and cost savings of initiatives/projects that aims reducing environmental impacts have been disclosed.	X				Benefits of initiatives and projects for mitigating environmental impacts are publicly disclosed in integrated reports.	2023 Integrated Annual Report pages 182-184
B16	The data related to energy consumption (natural gas, diesel, gasoline, LPG, coal, electricity, heating, cooling, etc.) has been disclosed as Scope-1 and Scope-2.	X				Energy consumption data have been disclosed to stakeholders within the scope of Environmental Performance Indicators.	Corporate Website - <a href="https://www.garantibbvainvestorrelations.com/en/images/pdf/ESG_Analyst_Data_ENG_2023.pdf">https://www.garantibbvainvestorrelations.com/en/images/pdf/ESG_Analyst_Data_ENG_2023.pdf</a>
B17	The information related to production of electricity, heat, steam and cooling as of the reporting year has been disclosed.	X				Energy generation data have been disclosed to stakeholders within the scope of Environmental Performance Indicators.	Corporate Website - <a href="https://www.garantibbvainvestorrelations.com/en/images/pdf/ESG_Analyst_Data_ENG_2023.pdf">https://www.garantibbvainvestorrelations.com/en/images/pdf/ESG_Analyst_Data_ENG_2023.pdf</a>
B18	The studies related to increase the use of renewable energy and transition to zero/low carbon electricity have been conducted and disclosed.	X				Garanti BBVA supplies the electricity it consumes entirely from producers holding renewable energy certificate. The Bank also makes use of the solar energy potential on its own campuses and ATMs.	2023 Integrated Annual Report pages 174-195
B19	The renewable energy production and usage data has been publicly disclosed.	X				Renewable energy generation and consumption data have been disclosed to stakeholders within the scope of Environmental Performance Indicators.	Corporate Website - <a href="https://www.garantibbvainvestorrelations.com/en/images/pdf/ESG_Analyst_Data_ENG_2023.pdf">https://www.garantibbvainvestorrelations.com/en/images/pdf/ESG_Analyst_Data_ENG_2023.pdf</a>
B20	The Company conducted projects about energy efficiency and the amount of reduction on energy consumption and emission achieved through these projects have been disclosed.	X				Energy efficiency projects are developed and the reduction amounts secured are publicly disclosed.	2023 Integrated Annual Report pages 174-195
B21	The water consumption, the amount, procedures and sources of recycled and discharged water from underground or above ground (if any), have been disclosed.	X				Environmental performance indicators are reported on an annual basis.	Corporate Website - <a href="https://www.garantibbvainvestorrelations.com/en/images/pdf/ESG_Analyst_Data_ENG_2023.pdf">https://www.garantibbvainvestorrelations.com/en/images/pdf/ESG_Analyst_Data_ENG_2023.pdf</a>

No	Principal	Yes	No	Partial	Not applicable	Explanation	Report Information on Publicly Disclosed Information (Page Number, Menu name on the website)
B22	The information related to whether Company's operations or activities are included in any carbon pricing system (Emissions Trading System, Cap & Trade or Carbon Tax).	X				Garanti BBVA carbon pricing practice is described in Environmental and Social Loan Policies.	Corporate Website - <a href="https://www.garantibbvainvestorrelations.com/en/images/pdf/ESLP-short-version.pdf">https://www.garantibbvainvestorrelations.com/en/images/pdf/ESLP-short-version.pdf</a>
B23	The information related to accumulated or purchased carbon credits within the reporting period has been disclosed.	X				Carbon credit purchased during the reporting period is publicly disclosed in integrated reports.	2023 Integrated Annual Report pages 174-195
B24	If carbon pricing is applied within the Company, the details have been disclosed.	X				Garanti BBVA carbon pricing practice is described in Environmental and Social Loan Policies.	Corporate Website - <a href="https://www.garantibbvainvestorrelations.com/en/images/pdf/ESLP-short-version.pdf">https://www.garantibbvainvestorrelations.com/en/images/pdf/ESLP-short-version.pdf</a>
B25	The platforms where the Company discloses its environmental information have been disclosed.	X				Environmental performance indicators are reported on an annual basis.	Corporate Website - <a href="https://www.garantibbvainvestorrelations.com/en/images/pdf/ESG_Analyst_Data_ENG_2023.pdf">https://www.garantibbvainvestorrelations.com/en/images/pdf/ESG_Analyst_Data_ENG_2023.pdf</a>
<b>C. Social Principles</b>							
<b>C1. Human Rights and Employee Rights</b>							
C1.1	The Institutional Human Rights and Employee Rights Policy has been established in the light of the Universal Declaration of Human Rights, ILO Conventions ratified by Türkiye and other relevant legislation. The policy and the officials that 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 - <a href="https://www.garantibbvainvestorrelations.com/en/environment-social-governance/detail/Declaration-of-Human-Rights/584/1866/0">https://www.garantibbvainvestorrelations.com/en/environment-social-governance/detail/Declaration-of-Human-Rights/584/1866/0</a>
C1.2	Considering the effects of supply and value chain, fair workforce, improvement of labor standards, women's employment and inclusion issues (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 - <a href="https://www.garantibbvainvestorrelations.com/en/environment-social-governance/detail/Human-Resources-Policy/97/408/0">https://www.garantibbvainvestorrelations.com/en/environment-social-governance/detail/Human-Resources-Policy/97/408/0</a> Corporate Website - <a href="https://www.garantibbvainvestorrelations.com/en/environment-social-governance/detail/Code-of-Conduct-for-Suppliers/1548/7096/0">https://www.garantibbvainvestorrelations.com/en/environment-social-governance/detail/Code-of-Conduct-for-Suppliers/1548/7096/0</a>
C1.3	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 or socially vulnerable groups or minorities is publicly disclosed in integrated reports.	2023 Integrated Annual Report pages 174-195
C1.4	The developments regarding preventive and corrective practices against discrimination, inequality, human rights violations, forced and child labor have been disclosed.	X				Publicly disclosed in Garanti BBVA Declaration of Human Rights.	Corporate website - <a href="https://www.garantibbvainvestorrelations.com/en/environment-social-governance/detail/Declaration-of-Human-Rights/584/1866/0">https://www.garantibbvainvestorrelations.com/en/environment-social-governance/detail/Declaration-of-Human-Rights/584/1866/0</a>

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 unionize, work/life balance solutions and talent management are included in the employee rights policy.	X				Related policies are publicly disclosed on the corporate website.	Corporate website- <a href="https://www.garantibbvainvestorrelations.com/en/environment-social-governance/detail/Human-Resources-Policy/97/408/0">https://www.garantibbvainvestorrelations.com/en/environment-social-governance/detail/Human-Resources-Policy/97/408/0</a> <a href="https://www.garantibbvainvestorrelations.com/en/environment-social-governance/detail/Employee-Compensation-Policy/355/1264/0">https://www.garantibbvainvestorrelations.com/en/environment-social-governance/detail/Employee-Compensation-Policy/355/1264/0</a> <a href="https://www.garantibbvainvestorrelations.com/en/environment-social-governance/detail/Declaration-of-Human-Rights/584/1866/0">https://www.garantibbvainvestorrelations.com/en/environment-social-governance/detail/Declaration-of-Human-Rights/584/1866/0</a>
	The mechanism for employee complaints and resolution of disputes have been established and related solution processes have been determined.	X				Related mechanisms are publicly disclosed in integrated reports.	2023 Integrated Annual Report pages 41, 107 and 108
	The activities carried out within the reporting period which related to ensure employee satisfaction have been disclosed.	X				Activities for ensuring employee happiness are publicly disclosed in integrated reports.	2023 Integrated Annual Report pages 134-157
C1.6	The occupational health and safety policies have been established and disclosed.	X				Occupational Health and Safety Policy is publicly disclosed on the corporate website.	Corporate website - <a href="https://www.garantibbvainvestorrelations.com/en/environment-social-governance/detail/Occupational-Health-and-Safety-Policy/1973/9140/0">https://www.garantibbvainvestorrelations.com/en/environment-social-governance/detail/Occupational-Health-and-Safety-Policy/1973/9140/0</a>
	The measures taken for protecting health, preventing occupational accidents and related statistics have been disclosed.	X				Measures taken for preventing workplace accidents and protecting health are publicly disclosed in integrated reports.	2023 Integrated Annual Report pages 265-272
C1.7	The personal data protection and data security policies have been established and disclosed.	X				Personal data protection and data security policies are publicly disclosed on the corporate website.	Corporate website - <a href="https://www.garantibbvainvestorrelations.com/en/environment-social-governance/detail/Personal-Data-Protection-And-Processing-Policy/1822/8304/0">https://www.garantibbvainvestorrelations.com/en/environment-social-governance/detail/Personal-Data-Protection-And-Processing-Policy/1822/8304/0</a>
C1.8	The ethics policy have been established and disclosed.	X				Garanti BBVA Code of Conduct is publicly disclosed on the corporate website.	Corporate website - <a href="https://www.garantibbvainvestorrelations.com/en/environment-social-governance/detail/Code-of-Conduct/94/405/0">https://www.garantibbvainvestorrelations.com/en/environment-social-governance/detail/Code-of-Conduct/94/405/0</a>
C1.9	The studies related to social investment, social responsibility, financial inclusivity and access to finance have been explained.	X				Activities in relation to relevant topics are publicly disclosed in integrated reports.	2023 Integrated Annual Report pages 92-109 and 174-191
C1.10	The informative meetings and training programs related to ESG policies and practices have been organized for employees.	X				Training and briefing meetings on related topics are organized for Garanti BBVA employees.	2023 Integrated Annual Report pages 134-157

No	Principal	Yes	No	Partial	Not applicable	Explanation	Report Information on Publicly Disclosed Information (Page Number, Menu name on the website)
<b>C2. Stakeholders, International Standards and Initiatives</b>							
C2.1	The customer satisfaction policy regarding the management and resolution of customer complaints has been prepared and disclosed.	X				Garanti BBVA's approach to relevant topics is publicly disclosed in integrated reports.	2023 Integrated Annual Report pages 68-108 and 156-167
C2.2	The information about the communication with stakeholders (which stakeholder, subject and frequency) have been disclosed.	X				Information about the communication with stakeholders is publicly disclosed in integrated reports.	2023 Integrated Annual Report pages 68-81
C2.3	The international reporting standards that adopted in reporting have been explained.	X				International reporting standards adopted are publicly disclosed in integrated reports.	2023 Integrated Annual Report pages 14-15
C2.4	The principles adopted regarding sustainability, the signatory or member international organizations, committees and principles have been disclosed.	X				Affiliation to international & local initiatives is publicly disclosed on the corporate website.	Corporate Website - <a href="https://www.garantibbvainvestorrelations.com/en/sustainability/detail/Participation-in-International-and-Local-Initiatives/864/3771/0">https://www.garantibbvainvestorrelations.com/en/sustainability/detail/Participation-in-International-and-Local-Initiatives/864/3771/0</a>
C2.5	The improvements have been made and studies have been carried out in order to be included in the Borsa Istanbul sustainability indices and/or international index providers.	X				Details of sustainability indices in which Garanti BBVA is included are publicly disclosed in integrated reports.	2023 Integrated Annual Report pages 174-195
<b>D. Corporate Governance</b>							
D1	The opinions of stakeholders have been sought in the determination of measures and strategies related to sustainability field.	X				Garanti BBVA identified its material issues using double materiality analysis. Based on the materiality analysis, ESG risk and opportunities were defined.	2023 Integrated Annual Report pages 174-195
D2	The social responsibility projects, awareness activities and trainings have been carried out to raise awareness about sustainability and its importance.	X				Supported sustainability initiatives, memberships and sustainability working groups are publicly disclosed in integrated reports.	2023 Integrated Annual Report pages 174-195

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.



**FINANCIAL REPORTS AND APPENDIX**

**282** Independent Auditor's Opinion and Assurance Reports

**290** Statements of Responsibility

**291** 2023 Year-end BRSA Financial Reports and Appendix

**292** APPENDIX 1: Reporting of the Non-Financial Disclosures

**293** APPENDIX 2: Reporting Guidelines for the Non-Financial Disclosures

**299** APPENDIX 3: ESG Performance Tables

**307** APPENDIX 4: Environmental & Social Impact Assessment Process Indicators

**308** APPENDIX 5: TCFD Disclosure Table

**310** APPENDIX 6: UNEP FI Principles for Responsible Banking Impact Report

**330** APPENDIX 7: UNGC and WEPs Principles Analysis According to GRI Standards Content

**332** APPENDIX 8: GRI Standards Content Index

**338** APPENDIX 9: Support Services Providers



Güney Bağımsız Denetim ve SMMM A.Ş.  
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## 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 (InAs) 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:

- 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.
- 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.
- 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.



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## 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 free from material misstatement and consistent with the consolidated and unconsolidated financial statements.

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

## 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



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### 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

29. Number of training per male/female employee
30. Total contribution amount of projects evaluated within the framework of community investment programs in the reporting period (TL)

### 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<sub>2</sub>e)
34. Total Scope 3 emissions (CO<sub>2</sub>e)
  - Business travel
  - Total waste generated
35. GHG intensity per total assets (CO<sub>2</sub>e/TL)
36. Percentage change in GHG intensity compared to 2012 (%)
37. Total annual water consumption by source (m<sup>3</sup>)
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<sub>2</sub>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



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### 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.

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



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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 Selected Information with online communications covering 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's 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 Bağımsız Denetim ve Serbest Muhasebeci Mali Musavirlik Anonim Şirketi  
A member firm of Ernst & Young Global Limited

Zeynep Okuyan Özdemir, SMMM  
Partner

01 March 2024  
İstanbul, Türkiye

# 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 Bastuğ**

General Manager

**Aydın Güler**

Executive Vice President

**Jorge Saenz-Azcunaga Carranza**

Audit Committee Member

**Avni Aydın Düren**

Audit Committee Member

**Belkıs Sema Yurdum**

Audit Committee Member

# 2023 Year-end BRSA Financial Reports and Appendix



Garanti BBVA's BRSA Consolidated and Unconsolidated Financial reports and the related presentation can be found in the [www.garantibbvainvestorrelations.com](http://www.garantibbvainvestorrelations.com)



Supplementary reports can be also found at the Library section of [www.garantibbvainvestorrelations.com](http://www.garantibbvainvestorrelations.com).

**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**

# 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.

Indicator	GUIDANCE NOTES
<b>Materiality Analysis</b>	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. 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. 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
<b>Sustainability Governance</b>	Garanti BBVA's Sustainability Governance is mentioned in the Risk Management section on page 249-250. Sustainability Governance covers the policies and mechanisms used for the decision-making process regarding economic, environmental and social impacts.
<b>Impact report published within the scope of Responsible Banking Principles</b>	These items of the impact report published within the scope of Responsible Banking Principles signature are within the scope of audit: 2.1 Impact Analysis (Based on the outputs of the Impact Analysis carried out within the scope of BBVA Group Materiality Analysis, customized for Garanti BBVA.) 2.2 Target Setting (Determined by teams that follow the relevant metrics, taking into account Garanti BBVA strategy priorities and areas of impact.) 2.3 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.
<b>Total Annual Energy Consumption by Source</b>	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.
<b>Total electricity consumption from renewable generation</b>	It is the share of total electricity consumption from renewable generation, including Garanti BBVA's IREC certificate purchases.

<b>Total Annual Water Consumption by Source</b>	Municipality-provided tap water and rainwater collected in Headquarters and Pendik buildings are used in Garanti BBVA's Türkiye operations. This indicator is defined as the total amount of water used and withdrawn. Reported following the guidance in GRI 303-3 total water withdrawal by source in the Appendix A.3: Environmental Performance Data
<b>Total Annual Waste</b> • <b>Recycled Hazardous Waste</b> • <b>Recycled non-hazardous waste</b>	This indicator is defined as Garanti BBVA's recycled hazardous waste (waste oils, vegetable waste oil, cartridge, battery) and non-hazardous recycled waste (paper/cardboard, glass, metal, plastic, etc.). Recyclable hazardous waste (cartridges and batteries) are collected centrally by TAP (Portable Battery Manufacturers and Importers Association) and HP (Hewlett Packard Enterprise). Their total weight is calculated based on data from these two organizations. Since there is no measurement mechanism for non-hazardous recyclable wastes (paper/cardboard, glass, metal, plastic, etc.) collected centrally by municipalities, the calculation of the generated waste is based on the amount of waste generated in the Garanti BBVA Headquarters Building.  Total annual waste amount in the reporting period is given in tons. For details please see Appendix A.3: Environmental Performance Data
<b>Total Yearly GHG Emissions in tCO<sub>2</sub>e reported under scope 1 and 2 of the GHG Protocol (2015)</b>	This indicator measures the greenhouse gases (CO <sub>2</sub> , CH <sub>4</sub> and N <sub>2</sub> O and f-gases) resulting from fossil fuels consumed for heating, generators, rental vehicles, cooling units and energy consumption from purchased electricity used in Garanti BBVA's Türkiye operations (Headquarters, service buildings, branches and ATMs). International Energy Agency (IEA) factors were used for global warming potentials and emission factors. Network Emission Factor has been calculated based on the most up-to-date data provided by TEİAŞ 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 energy greenhouse gas (GHG) emissions (Scope 2) and GHG Protocol: Location Based approach.
<b>Total Scope 3 emissions</b> - <b>Business trips</b> - <b>Employees' means of transportation to reach the office</b> - <b>Waste Amounts</b>	The Scope 3 emissions include activities related to air and train travel conducted by Garanti BBVA employees for business purposes, as well as waste quantities (recyclable hazardous and non-hazardous waste), along with the modes of transportation preferred by employees for commuting to work (private vehicles, public transportation, shuttle services, etc.). Scope 3 emissions are reported according to GRI 305-3 and the Greenhouse Gas Protocol (2015). Breakdowns included in Scope 3 emissions are as follows: - Average Passenger DEFRA 2023 emission factors (excluding RF) were used for air travel emissions. Flights are classified as short-haul (less than 500 km), medium-haul (between 500 km and 3,700 km), and long-haul (more than 3,700 km). - For emissions related to employees' commuting, a survey was conducted for the vehicles used by employees for commuting to work, and emission calculations were made using the vehicle and distance data obtained with the Defra 2023 emission factors. - Defra 2023 emission factors (Landfill) were used for waste. In line with BBVA's compliance, it was decided to use the emission factor specified for the Landfill Disposal method for the relevant emission factors.
<b>GHG Emissions Intensity in the Reporting Period</b>	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.
<b>Change in GHG Emission Intensity compared to 2022</b>	Represents the percentage change in the greenhouse gas emission 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 305-5 and can be found in Appendix A.3: Environmental Performance Data.
<b>Total annual emissions prevented by renewable energy projects financed by Garanti BBVA</b>	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 TEİAŞ 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.

<b>E&amp;S Impact Assessment Process related to projects financed by Garanti BBVA</b> • <b># of assessed projects in 2023</b> • <b># of rejected projects in 2023</b> • <b>Risk rating of the assessed projects in 2023</b> • <b># of project site visits conducted in 2023</b>	Within the scope of the Bank's Environmental and Social Credit Policies, it has an internal methodology based on local legislation and international good practices for environmental and social risk assessment process. For details, see the Environment and Social Impact Assessment Section.
<b>Renewable Energy Portfolio</b> • <b>Amount of investments in renewable energy projects by type as of the reporting period end</b> • <b>Installed capacity of renewable energy projects by type as of the reporting period end</b> • <b>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</b> • <b>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</b>	After the completion of the annual consolidated report, the cumulative amount of financing provided for renewable energy is calculated and published annually in various public reports, especially in the Integrated Annual Report. The total installed wind and solar power data in Türkiye is collected by the energy team from official institutions (TEİAŞ, Ministry of Energy). On a project basis, the banks that provide financing according to the installed power capacity of the project and, if necessary, the financing amounts are determined. Market share is calculated over the installed power included in which the Bank was part of the financing. Details on the calculations here can be found in the Sustainability and Community Investments section.
<b>Cardless Transactions from Garanti BBVA ATMs</b> • <b>Total number of cardless transactions done from Garanti BBVA ATMs in the reporting period</b>	The following transactions are performed without a card, by using QR from the ATM channel or by entering information such as identity information, mobile phone, invoice number, reference number, IBAN or the amount of money sent:  • <b>Withdrawing/Depositing Money with QR</b> • <b>Invoice / Fee / Game of Chance/Donation Payment</b> • <b>Credit Card Installment Payment</b> • <b>Credit Card Debt Payment</b> • <b>Cash Advance Withdrawal</b> • <b>CepBank Withdrawal/Money Transfer</b> • <b>Consumer General Purpose Loan Application</b> • <b>Mobile Phone TL Top-up</b> • <b>Withdrawing Money with Reference Number</b>
<b>Contribution to Community Investment Programs</b> • <b>Total amount of projects evaluated within the framework of social investment programs in the reporting period</b>	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.

<b>Contribution to Sustainable Development (billion TL, Cumulative)</b>	<p>Contribution to Sustainable Development means the amount of sustainable finance that the bank offers to its customers in all segments, in line with its strategic sustainability priorities, and covers all kinds of financial services that integrate long-term environmental and social benefits into their business or investment decisions. In the reporting period of Garanti BBVA, within the scope of financing sustainable development; (i) loans and transactions that comply with the Green Loan Principles, Social Loan Principles and Sustainability-Related Loan Principles issued by the LMA; (ii) Loans and transactions for climate change mitigation and adaptation projects and/or activities in line with the requirements of the EU Taxonomy Technical Expert Group Report (<a href="https://ec.europa.eu/info/sites/default/files/business_economy_euro/banking_and_finance/documents/200309-available-at-sustainable-finance-teg-final-report-taxonomy_en.pdf">https://ec.europa.eu/info/sites/default/files/business_economy_euro/banking_and_finance/documents/200309-available-at-sustainable-finance-teg-final-report-taxonomy_en.pdf</a>); (iii) It includes all loans and transactions that comply with the Sustainable Finance Standards (including local criteria and standards specific to Türkiye and are updated every year), which determines the transaction criteria included in the Climate Action and Inclusive Growth headings of the BBVA group.</p> <p>Under the Climate Action heading (i) renewable energy loans (including loans for rooftop solar systems for individuals and businesses); (ii) energy efficiency loans, including financing of projects that generate more energy savings, including building insulation, efficient electric motors, efficient heating and cooling systems, and process efficiency (iii) green building loans (vi) green transportation, green vehicle , green transport and electromobility loans (vii) such as electric charging station. For audiences that meet certain geographic and demographic limit values under the Inclusive Growth heading; There are investment funds covering gender equality, transportation, telecommunication, health, education, culture and sports infrastructures and (viii) sustainability criteria.</p> <p>The sustainable financing contribution between 2018-2023 has been reported, and the commitment of 400 billion TL covers the period between 2018-2025.</p>
<b>Personal Data Privacy Policies</b>	<p>This data has been prepared as part of the evaluations conducted to assess the administrative measures and related processes taken regarding Personal Data Privacy Policies established by GarantiBBVA for the protection of personal data. This study, based on the policies, procedures, and implementation guides created for identifying risks related to potential breaches of publicly disclosed Personal Data Privacy Policies, taking preventive measures against risks, establishing control mechanisms, and conducting training activities, covers the assessment of activities carried out by GarantiBBVA in the banking organizations.</p>
<b>Code of Conduct</b>	<p>This data has been prepared as part of the evaluations conducted by GarantiBBVA to assess the governance structure and related processes established to support a working environment with business ethics and morality. This study, based on the policies, procedures, and implementation guides created for identifying risks related to potential breaches of publicly disclosed Code of Conduct, taking preventive measures against risks, establishing control mechanisms, and conducting training activities, covers the assessment of activities carried out by GarantiBBVA in the banking organizations.</p>
<b>Share of Women Employees</b> - Share in Total - Share in senior management - Share in mid-level management	<p>This data gives the ratio of total, senior, middle level working women in all domestic and international subsidiaries of Garanti BBVA Bank. Definition of Senior Manager: CEO and Deputy General Managers Middle Level Manager Definition: Directors and Regional Managers, Subsidiary's Senior Management, Corporate and Commercial Branch Managers, Unit Managers, Subsidiary Unit Managers</p>
<b>Share of women employees working in revenue generating roles</b>	<p>This data provides the ratio of women employees in revenue-generating roles at the Garanti BBVA (Bank-only figure). 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</p>
<b>Number of Employees</b> - Total - Age breakdown - Location Breakdown - With disabilities	<p>This data gives the total number of employees of Garanti BBVA Bank in all its local and international subsidiaries, the number of disabled employees and the distribution of employees by age breakdown.</p>
<b>Announcement of open positions to in-bank employees</b>	<p>This data gives the rate at which open positions for Garanti BBVA Bank and its local subsidiaries are filled with in-bank employees. When calculating the rate, open positions and the number of hires above assistants are taken into account during the year.</p>

<b>Share of women employees in technology (Share of Women employees in STEM roles)</b>	<p>This data gives the ratio of working women in the Garanti BBVA technology team. When calculating the rate, year-end values are taken into account.</p>
<b>On new hires</b> - Gender breakdown - Age breakdown - Nationality breakdown	<p>This data provides the number of newly hired employees for Garanti BBVA Bank and its local subsidiaries on the basis of gender, age and nationalit . Foreign subsidiaries are not taken into account</p>
<b>Number of maternity leaves</b>	<p>This data is for Garanti BBVA Banka and its local subsidiaries, the number of female employees taking maternity leave is defined as the female employees who took maternity leave and went on leave during the reporting period.</p>
<b>Share of employees returning to work after maternity leave (%)</b>	<p>The rate 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.</p>
<b>Number of employees on paternity leave</b>	<p>This data is for Garanti BBVA Banka and its local subsidiaries, the number of employees taking paternity leave is defined as male employees who have entered paternity leave and are on leave.</p>
<b>Employee turnover</b> - Total - Gender breakdown - Age Breakdown	<p>This data gives the ratio of employees leaving their jobs for all reasons to the average number of employees for Garanti BBVA Bank and its local subsidiaries. A breakdown of the rate by gender and age is also provided.</p>
<b>Gender Pay Gap</b>	<p>Gender pay gap is analyzed in three categories and the overall average is also presented. The median value is given because the mean metric is negatively affected by extreme values (too high/too low). - Management Level: Bank Directors, Regional Managers, Corporate and Commercial Branch Managers, Unit Managers - Branch Manager/Director - IV: Bank Branch Managers (Except Corporate &amp; Commercial), Senior Director and Managers - Other: Bank Officials, Expert and Expert assistants, Bank assistants and Support Staff Since each category includes different roles, seniority, number of female and male employees and performance differences, the wage comparison table is affected by these variables. The observed differences are due to the mentioned factors, and the category-based results do not represent the wage difference between male and female employees. Garanti BBVA Technology, Garanti BBVA Payment Systems and Garanti BBVA Mortgage customers are not included in aforementioned Gender Pay gap calculation.</p>
<b>Absentee Rate</b>	<p>The absentee rate is the ratio of the total number of absentee days to the total number of working days calculated based on the medical reports 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 absentee rate calculation.</p>
<b>Number of accidents</b>	<p>It represents the total number of non-fatal occupational injuries within the period 01.01.2023-31.12.2023. Garanti BBVA Bank and domestic subsidiaries are included in the aforementioned data.</p>
<b>Number of fatal cases</b>	<p>It represents the total number of fatal occupational injuries within the period 01.01.2023-31.12.2023. GGaranti BBVA Bank and domestic subsidiaries are included in the aforementioned data.</p>
<b>Accident frequency rate</b>	<p>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.</p>
<b>The number of customers</b> • Total number of customers • Number of Digital Banking customers • Number of Mobile Banking customers	<p>The total number of customers is defined as the number of customers calculated by including customers with at least 1 open product to the Bank's active customers as of the end of the reporting period. Number of Active Digital Customers: Shows the number of customers who have logged into online or mobile channels at least once in the last 3 months. Number of Active Mobile Customers: It shows the number of customers who have logged into the mobile channel at least once in the last 3 months.</p> <p>Garanti BBVA Technology, Garanti BBVA Payment Systems and Garanti BBVA Mortgage customers are not included in the aforementioned number of customers calculation.</p>

**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
- EsitBiz (EqualUs) Project/I am aware of equality in business life
- EsitBiz (EqualUs) Project/I am aware for the equality
- EsitBiz (EqualUs) Project/I am aware of equality
- 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 Personnel 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 cyber security 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.

# APPENDIX 3: ESG Performance Tables

## ENVIRONMENTAL PERFORMANCE DATA

### Energy Consumption Within the Organization

ENERGY SOURCE	2018	2019	2020	2021	2022	2023
Non-Renewable Electricity (MWh)	107,743	107,447	25,021	14,462	14,056	93,404
Renewable Electricity (MWh)	-	51	73,206	72,653	78,819	0
PV Electricity Consumption* (MWh)				87	3,56	225,5
Natural Gas for Heating (m <sup>3</sup> )	3,918,686	5,270,775	3,575,311	4,514,428	3,536,609	3,165,219
Natural Gas for Heating (MWh)	37,574	50,538	34,281	43,285	38,078	30,372
Diesel for Heating (MWh)	119,184	51,642	81,692	201,343	62,646	43,368,93
Diesel for Heating (MWh)	1,173	508	804	1,053	505	427
Geothermal (MWh)						192
Coal for Heating (ton)	88	21	16	42	60	3
Coal for Heating (MWh)	307	73	54	145	208	12
Diesel Consumption in Generators (liter)	137,597	129,347	74,540	94,389	67,785	76,013,83
Diesel Consumption in Generators (MWh)	1,354	1,273	733	928	547	748
Fuel Oil (liter)	0	6,120	4,455	11,884	0	0
Fuel Oil (MWh)	0	65	47	125	0	0
Diesel Consumption in Vehicle (liter)**	1,110,982	1,091,907	710,832	978,275	1,257,692	1,279,185
Diesel Consumption in Vehicle (MWh)**	10,931	10,743	6,994	9,635	12,718	12,596
Gasoline Consumption in Vehicle (liter)**	26,686	59,098	17,125	1,625,250	1,884,245	1,952,286
Gasoline Consumption in Vehicle (MWh)**	237	525	152	14,426	16,385	17,357
Total Energy Consumption (MWh)	158,758	171,172	141,293	156,800	161,320	155,334

\* Reported from 2021.

\*\* Vehicles used for commercial purposes only

**GHG Emissions (Tonnes of CO<sub>2</sub> Equivalent)**

YEAR	SCOPE 1 (TCO <sub>2</sub> E)	SCOPE 2*** (TCO <sub>2</sub> E)	SCOPE 3**** (TCO <sub>2</sub> E)	TOTAL TCO <sub>2</sub> E (SCOPE 1 & 2)	GHG EMISSIONS INTENSITY***** (TCO <sub>2</sub> E / TOTAL ASSETS)	% CHANGE IN GHG EMISSIONS INTENSITY
2023	18,073 ✓	0 ✓	11,445 ✓	18,073 ✓	8.2 ✓	98% ✓
2022	18,981	0	411	18,981	14,6	97%
2021	18,643	0	61	18,643	22	96%
2020	10,508	11,934	345	22,442	42	74%
2019	14,923	55,198	2,196	70,121	164	-3%
2018	12,933	54,300	3,111	67,233	168	-15%
2017	11,835	58,628	2,494	70,463	198	-9%
2016	10,924	57,259	3,181	68,183	218	-20%
2015	11,763	63,874	3,571	75,637	271	-0.4%

\*\*\* Scope 2 emissions are stated as 0 due to the IREC purchases

\*\*\*\* Specified Scope 3 emissions include activities arising from airplane and train travel carried out by Garanti BBVA employees for business purposes and the means of transportation preferred by employees (private vehicles, public transportation, shuttle vehicles, etc.) to reach the office.

\*\*\*\*\* Scope 3 is not included in the intensity calculations.

**Water Consumption**

	TOTAL CONSUMPTION (2018)	TOTAL CONSUMPTION (2019)	TOTAL CONSUMPTION (2020)	TOTAL CONSUMPTION (2021)	TOTAL CONSUMPTION (2022)	TOTAL CONSUMPTION (2023)
Municipality-provided Tap Water (1.000 m <sup>3</sup> )	284	260	260	186	233	222 ✓
Rain Water (1.000m <sup>3</sup> )	-	-	-	-	-	3.45 ✓

	TOTAL DECHARGED WATER (2018)	TOTAL DECHARGED WATER (2019)	TOTAL DECHARGED WATER (2020)	TOTAL DECHARGED WATER (2021)	TOTAL DECHARGED WATER (2022)	TOTAL DECHARGED WATER (2023)*
Water (1.000 m <sup>3</sup> )	-	-	-	-	182	-

\* Calculation of total decharged water consumption for 2023 has not been finalized as of the reporting date. Rain water consumption has started to be calculated as of 2023.

**Waste Management**

TYPE	CONSUMPTION 2018	CONSUMPTION 2019	CONSUMPTION 2020	CONSUMPTION 2021	CONSUMPTION 2022	CONSUMPTION 2023
Hazardous (tonnes)	7	6	4	20	11	34 ✓
Recycled (tonnes)	560	368	385	228	204	373 ✓

**Paper Consumption**

	TOTAL CONSUMPTION (2018)	TOTAL CONSUMPTION (2019)	TOTAL CONSUMPTION (2020)	TOTAL CONSUMPTION (2021)	TOTAL CONSUMPTION (2022)	TOTAL CONSUMPTION (2023)
Paper (1.000 tonnes)	1.1	0.9	0.6	0.6	0.73	0.74 ✓

**Environmental Investments and Expenditures\* (TL)**

	2023
CAPEX	29,794,176
OPEX	5,509,122

\* Calculation includes the investment and expenditures made by the Bank's Premises And Services Department

**SOCIAL INDICATORS****Customer Experience**

INDICATOR	2022	2023
Total # of customers (million)	23.2	25.4 ✓
Total # of digital customers (million)	13.4	15.0 ✓
Total # of mobile customers (million)	13.0	14.8 ✓
Number of Cardless Transactions via Garanti BBVA ATMs (million)	119	123 ✓
# of Garanti BBVA ATMs accessible by visually impaired individuals	5,431	5,496
Change in customer complaints****	+7%	-1% ✓
Retail Net Promoter Score (Ranking)*	#2	#2
SME Net Promoter Score (Ranking)*	#1	#2
Commercial Net Promoter Score (Ranking)**	#1	#1
Mobile Net Promoter Score (Ranking)*	#1	#2
Net TCR Score***	61%	62%
Number of Contacts handled by the Customer Contact Center (million)	65,3	67,2
Women who participated in woman entrepreneurship events and whom Garanti BBVA helped raise increased financial awareness (cumulative)	11.235	11.555
Women entrepreneurs encouraged to apply to Woman Entrepreneur Competition (cumulative)	43.100	45.000
Number of projects subjected to Environmental and Social Impact Assessment System (cumulative)	88	92 ✓
Site visits to customers regarding environmental and social issues	36	27 ✓
Customers and financial institutions informed about environmental and social issues	15	11 ✓

\* Net Promoter Score study was conducted by independent research firm Ipsos for Garanti BBVA. Competitors are İşbank, Akbank, Yapı Kredi Bank and QNB 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, Yapı Kredi Bank and QNB 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, Yapı 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 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.

## Community Investment Programs

	2022	2023
Contribution to community investment programs (million TL)*	71.7	875

\* 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	2022	2023
Number of Employees	21,684	22,016
Ratio of open positions filled with internal employees (%)	90.2%	90.8%
Ratio of women employees	56.1%	55.7%
Women in senior management (%)	36.4%	30.0%
Women in mid-level management (%)	39.6%	39.3%
Women in technology (Share of women in STEM roles)	39.7%	39.9%
Women in revenue-generating roles	65.4%	64.8%
Number of maternity leaves	489	437
Ratio of women employees returned to work after maternity leave	96.7%	98.4%
Number of paternity leaves	437	379
Number of employees with disabilities	433	380
Employee turnover	11.79%	11.62%
Employee engagement score*	4.30	4.31
Programs for employee well-being	12	12

## Number of employees by age group

	2022	2023
<30	4,777	5,170
30-39	9,947	9,521
40-49	5,956	6,136
>=50	1,004	1,189
Total	21,684	22,016

## Number of employees (Branches, Head Office, Technology)

	2022	2023
Headquarter	7,126	7,497
Branches	11,461	11,229
Technology	2,302	2,466
Other	795	824
Total	21,684	22,016

## New hires by age group

	2022	2023
<30	1,658	2,079
30-39	618	421
40-49	50	34
>=50	4	16
Total	2,330	2,550

## New hires by gender

	2022	2023
Women	1,212	1,288
Men	1,118	1,262
Total	2,330	2,550

## New hires by nation

	2022	2023
Türkiye	2,330	2,550
Romania	287	302
Holland	35	46
Total	2,863	2,898

## Total employee turnover by gender

	2022	2023
Women	11.69%	11.49%
Men	11.90%	11.77%

### Total employee turnover by age

	2022	2023
<30	24.37%	22.76% ✓
30-39	9.38%	8.87% ✓
40-49	5.21%	5.89% ✓
>50	12.50%	15.07% ✓

### Gender Pay Gap (Women/Men)

	MANAGEMENT LEVEL*	BRANCH MANAGER / MID-LEVEL MANAGER*	REST OF THE EMPLOYEES*	AVERAGE*
2023	0.90 ✓	0.84 ✓	1.04 ✓	1.06 ✓
2022	0.87	0.85	1.07	1.07
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 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

SELECTED TRAININGS	NUMBER OF EMPLOYEES COMPLETED	TOTAL TRAINING HOURS
Gender Equality Trainings	4,622	5,936 ✓
Anti-Corruption Trainings	7,586	5,792 ✓
Ethics Trainings	11,920	5,892 ✓
Information Security Trainings	18,360	18,912 ✓
PDPL Trainings	17,065	10,124 ✓
Cyber Security Trainings	13,011	13,011 ✓
TRAININGS HOURS & TOTAL EXPENDITURE ON TRAINING		2023
Training hours per employee		54.22 ✓
Number of training per male/female employee		54.25 (Female) ✓
		50.20 (Male) ✓
Share of digital training in total training hours		51%
Total expenditure on training		94,706,408TL

### Occupational Health and Safety Performance Indicators

	2022	2023
Absentee Rate	1.60%	1.20% ✓
Number of accidents	54	132 ✓
Number of fatal cases	1	2 ✓
Accident frequency rate	0.22	0.52 ✓
Occupational illness	0	0

### GOVERNANCE INDICATORS

#### Board of Directors

YEAR	FEMALE	MALE	TOTAL
2023	2	9	11
2022	2	9	11
2021	2	9	11
2020	2	9	11
2019	2	9	11
2018	1	9	10

#### Share of Independent Board Member

	2018	2019	2020	2021	2022	2023
% Share of Independent Board Member	30%	36%	36%	36%	36%	36%

#### Number of Committees

2018	2019	2020	2021	2022	2023
BoD committees: 5 Other (members are composed of the Board Directors members): 25	BoD committees: 5 Other (members are composed of the Board Directors members): 29	BoD committees: 8 Other (members are composed of the Board Directors members): 11	BoD committees: 8 Other (members are composed of the Board Directors members): 11	BoD committees: 9 Other (members are composed of the Board Directors members): 11	BoD committees: 9 Other (members are composed of the Board Directors members): 11

## Number of policies

	2023
Number of policies	25

## 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 4: Environmental and Social Impact Assessment Process Indicators

## RISK ASSESSMENT BREAKDOWN OF PROJECTS WHICH WERE SUBJECTED TO ESIAP IN 2023

ASSESSMENT RESULT BREAKDOWN	NUMBER OF PROJECTS	LOAN LIMIT (USD, MILLION)	✓
Category	Category A	4	134,0
	Category B	-	-
	Category C	-	-
Risk Rating	R1	1	37,9
	R2	1	60,0
	R3	2	36,1
	R4	-	-
Final Grade	1	2	97,9
	2	2	36,1
	3	-	-

# APPENDIX 5: TCFD Disclosure Table

PILLARS	RECOMMENDED DISCLOSURES	REFERENCE LINKS
Governance	Describe the board's oversight of climate-related risks and opportunities	<a href="#">Responsible Banking and Sustainability Committee 2023 CDP Climate Change</a> , page 3-4
	Describe management's role assessing and managing climate-related risks and opportunities	<a href="#">Responsible Banking and Sustainability Committee 2023 CDP Climate Change</a> , page 3-4 <a href="#">Sustainability Policy</a> Sustainability and Community Investments, 178-179
Strategy	Disclose the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	Material Issues Risk and Opportunities, page 72-85 <a href="#">2023 CDP Climate Change</a> , page 7-13 <a href="#">2023 CDP Water Security</a> , page 9-10
	Disclose the impact of climate-related risks and opportunities on the organization's businesses, strategy and financial planning.	Material Issues Risk and Opportunities, page 72-85 Our Value Creation, page 86-91 <a href="#">2023 CDP Climate Change</a> , page 10-11 <a href="#">2023 CDP Water Security</a> , page 11-13
	Disclose the resilience of the organization's strategy, taking into consideration different climate-related scenarios including a 2°C or lower scenario.	<a href="#">2023 CDP Climate Change</a> , page 10-11 <a href="#">2023 CDP Water Security</a> , page 30 <a href="#">Climate Change Action Plan</a> <a href="#">Science Based Target Commitment</a>

PILLARS	RECOMMENDED DISCLOSURES	REFERENCE LINKS
Risk Management	Describe the organization's processes for identifying climate-related risks	<a href="#">Environmental and Social Loan Policies</a> <a href="#">Garanti BBVA Environmental and Social Risk Management Climate Change Action Plan</a> <a href="#">2023 CDP Climate Change</a> , page 6-8 <a href="#">2023 CDP Water Security</a> , page 16-17 Material Issues Risk and Opportunities, page 72-85 <a href="#">Physical Climate Risk Assessment</a>
	Describe the organization's processes for managing climate-related risks.	<a href="#">Environmental and Social Loan Policies</a> <a href="#">Garanti BBVA Environmental and Social Risk Management Climate Change Action Plan</a> <a href="#">2023 CDP Climate Change</a> , page 7-13 <a href="#">2023 CDP Water Security</a> , page 14-19
Metrics and Targets	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	<a href="#">Garanti BBVA Environmental and Social Risk Management 2023 CDP Climate Change</a> , page 7-13 <a href="#">2023 CDP Water Security</a> , page 14-19
	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	APPENDIX 3: Environmental Performance Data APPENDIX 4: Environmental and Social Impact Assessment Performance Indicators <a href="#">2023 CDP Climate Change</a> , page 11-13 <a href="#">2023 CDP Water Security</a> , page 14-19 <a href="#">Physical Climate Risks Adaptations &amp; Actions</a>
	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and related risks	APPENDIX 3: Environmental Performance Data <a href="#">2023 CDP Climate Change</a> , page 44-49
	Describe the targets used by the organizations to manage climate-related risks and opportunities and performance against targets.	Material Issues Risk and Opportunities, page 72-85 <a href="#">2023 CDP Climate Change</a> , page 11-13 <a href="#">2023 CDP Water Security</a> , page 4-6

# 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
<p><b>PRINCIPLE 1: ALIGNMENT</b>  <b>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.</b></p>		
<p>Describe (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.</p>	<p>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. Garanti BBVA provides a wide range of financial services to its over 25 million customers with 18,965 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.</p> <p>It's shares are publicly traded in Türkiye and Garanti BBVA's Depositary Receipts are listed on the OTC (Over-The-Counter) Markets in the USA. Garanti BBVA has an actual free float of 14.03% in Borsa Istanbul as of December 31, 2022.</p>	<p>Garanti BBVA Integrated Annual Report 2022: Corporate Profile, pages 42-43</p>
<p>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.</p>	<p>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.</p> <p>Focusing on responsible and sustainable development, Garanti BBVA actively contributes to 17 goals within the scope of Sustainable Development Goals. At the end of 2022, the Bank's total contribution to sustainable development, with its impact-oriented investment approach, has reached 120 billion TL.</p> <p>The BBVA Group, the main shareholder of the Bank, revised its sustainable financing target of 100 billion Euros, announced in 2018, to 200 billion Euros in 2021, in line with its climate change and sustainable development strategy in line with the Paris Agreement. Evaluating that it is still ahead of its targets in 2022, BBVA Group has tripled its target for 2025 and updated it to 300 billion Euros for the second time. 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 for combating climate crisis and for sustainable development as TL 400 billion in 2023. Garanti BBVA added the financing target to be mobilized for sustainable finance to the premium criteria of all employees at all levels, starting with the board of directors. With this strategic practice, value creation in all business lines is encouraged by integrating sustainability into the daily operations of all employees.</p> <p>Garanti BBVA, which aims to integrate its sustainability vision into every structure of its organization, continues to work with its sustainability governance structure, which it has restructured with a more responsible and effective business model in 2022. In addition, sub-teams and working groups established in different units such as risk management and financial reporting develop sustainability approaches specific to different units in cooperation with sustainability and responsible banking teams.</p> <ul style="list-style-type: none"> <li>• Garanti BBVA announced its target to reduce carbon emissions by 29% by 2025 and by 71% by 2035. In 2020, within the framework of Science-Based Targets in line with the maximum temperature increase of 1.5 °C in the Paris Agreement, Garanti BBVA became the first company to publish such a target. Having reduced its emissions from its operations by 75% at the end of 2020, the Bank purchased carbon credits for its remaining emissions and became a carbon neutral bank 15 years before its reduction target. Since 2021, it continues to offset emissions from its activities by purchasing carbon credits and supports projects in voluntary carbon markets accepted by international organizations.</li> <li>• In 2021, Garanti BBVA has announced its commitment to phase out of coal by breaking new ground in Türkiye and taking its pioneering position in sustainable finance one step further. Accelerating its efforts in 2022 in line with its goal of transitioning to a low-carbon economy, the Bank emphasizes setting science-based targets to gradually reduce risks in carbon-intensive sectors. Within the scope of combating the negative effects of climate change, Garanti BBVA has committed not to finance new investments in coal power plants and coal mines in 2021 and to zero the risks associated with coal activities in its portfolio by 2040 at the latest. In 2022, it takes these commitments one step further and calculated its decarbonization targets for 2030 in other carbon-intensive sectors such as energy, automotive, iron and steel and cement. These interim targets constitute an important step towards achieving the emission targets compatible with net-zero for 2050.</li> </ul>	<p>Garanti BBVA Integrated Annual Report 2023: Contribution to Sustainable Developments Goals and Targets, pages 92-105; Sustainability and Community Investments, pages 174-195</p>
<p>Does your bank also reference any of the following frameworks or sustainability regulatory reporting requirements in its strategic priorities or policies to implement these?</p>	<p>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 Pillar-III ESG reporting, which was required by the legal statements of the European Banking Authority (EBA) from all European Banks such as Garanti BBVA's parent BBVA Group.</p>	<p>Garanti BBVA Integrated Annual Report 2023: Double Materiality Analysis, pages 68-85; Sustainability and Community Investments, pages 174-195; Sustainability Principles Compliance Report, pages 273-279</p>

REPORTING AND SELF-ASSESSMENT REQUIREMENTS	HIGH-LEVEL SUMMARY OF THE BANK'S RESPONSE	REFERENCE(S)/LINK(S) TO FULL BANK RESPONSE/ RELEVANT INFORMATION
<p><b>PRINCIPLE 2: IMPACT AND TARGET SETTING</b> 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.</p>		
<p><b>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.</b> 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.</p>		
<p>a) Scope: What is the scope of your bank's impact analysis? Please describe which parts of the bank's core business areas, products/ services across the main geographies that the bank operates in (as described under 1.1) have been considered in the impact analysis. Please also describe which areas have not yet been included, and why.</p>	<p>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. Türkiye'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.</p>	<p>Garanti BBVA Integrated Annual Report 2023: Double Materiality Analysis, pages 68-85. The specific results of the Impact Analysis may be provided by the Bank's Responsible Business team, upon request.</p>
<p>b) Portfolio composition: Has your bank considered the composition of its portfolio (in %) in the analysis? Please provide proportional composition of your portfolio globally and per geographical scope i) by sectors &amp; industries for business, corporate and investment banking portfolios (i.e. sector exposure or industry breakdown in %), and/or ii) by products &amp; services and by types of customers for consumer and retail banking portfolios.</p>	<p>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. In retail banking, the axis of analysis is the CNAE, the most relevant being: 64.81-031 Credit cards and 64.81-032 Consumer loans &amp; overdraft for personal loans and small businesses. In wholesale banking, the axis of analysis is the NACE.</p>	<p>Report 2023: Double Materiality Analysis, pages 68-85. The specific results of the Impact Analysis may be provided by the Bank's Responsible Business team, upon request.</p>
<p>c) Context: What are the main challenges and priorities related to sustainable development in the main countries/regions in which your bank and/or your clients operate? Please describe how these have been considered, including what stakeholders you have engaged to help inform this element of the impact analysis.</p>	<p>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 preserved 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:</p> <ul style="list-style-type: none"> <li>• Availability, accessibility, affordability and quality of financial resources and services, inclusive growth</li> <li>• Climate change and environment, circularity</li> </ul> <p>Garanti BBVA's Sustainability Policy, aligned with the BBVA Group strategy, its Environmental Policy, Climate Change Position &amp; 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 priorities:</p>	<p>Garanti BBVA Integrated Annual Report 2023: Double Materiality Analysis, pages 68-85. The specific results of the Impact Analysis may be provided by the Bank's Responsible Business team, upon request.</p>
<p>Based on these first 3 elements of an impact analysis, what positive and negative impact areas has your bank identified? Which (at least two) significant impact areas did you prioritize to pursue your target setting strategy (see 2.2) ? Please disclose..</p>	<p>The Bank evaluates its sustainability efforts under two main priority areas of impact and develops strategies in this direction:</p> <p>(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.)</p> <p>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.</p> <p>Garanti BBVA has evaluated that it could have a positive impact in these areas in terms of climate change: Reducing greenhouse gas emissions by implementing a sustainable finance approach in loan transactions in accordance with the Bank's Environmental and Social Loan Policies and supporting low-carbon customers with better loan conditions; Reducing waste production through management and circular economy measures; Reducing the consumption of resources such as water, energy resources and paper through management and efficiency measures; Investment in afforestation through carbon offset projects for greenhouse gas emissions that are not I-REC certified.</p> <p>Garanti BBVA has assessed that it may have a negative impact on inclusive growth in these areas: Customers' lack or difficulty in accessing financial services due to the location of the bank's branches; Lack of access to finance and financial services for disadvantaged groups due to lack of suitable financing or product offer; Low levels of financial awareness in disadvantaged groups and lack of accessible financial education for these groups; Lack of information in the Bank regarding the use of financial services and products aimed at supporting disadvantaged groups.</p> <p>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.</p>	<p>Garanti BBVA Integrated Annual Report 2023: Double Materiality Analysis, pages 68-85; Our Value Creation, pages 86-91; Sustainability and Community Investments, pages 174-195. The specific results of the Impact Analysis may be provided by the Bank's Responsible Business team, upon request.</p>

## REPORTING AND SELF-ASSESSMENT REQUIREMENTS

## HIGH-LEVEL SUMMARY OF THE BANK'S RESPONSE

REFERENCE(S)/LINK(S) TO FULL BANK RESPONSE/  
RELEVANT INFORMATION

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.

If your bank has taken another approach to assess the intensity of impact resulting from the bank's activities and provision of products and services, please describe this.

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.

Garanti BBVA Integrated Annual Report 2023: Double Materiality Analysis, pages 68-85; Sustainability and Community Investments, pages 174-195. The specific results of the Impact Analysis may be provided by the Bank's Responsible Business team, upon request.

## 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

## REPORTING AND SELF-ASSESSMENT REQUIREMENTS

## HIGH-LEVEL SUMMARY OF THE BANK'S RESPONSE

REFERENCE(S)/LINK(S) TO FULL BANK RESPONSE/  
RELEVANT INFORMATION**2.2 TARGET SETTING (KEY STEP 2)****SHOW THAT YOUR BANK HAS SET AND PUBLISHED A MINIMUM OF TWO TARGETS WHICH ADDRESS AT LEAST TWO DIFFERENT AREAS OF MOST SIGNIFICANT IMPACT THAT YOU IDENTIFIED IN YOUR IMPACT ANALYSIS.**

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.

<p>a) Alignment: which international, regional or national policy frameworks to align your bank's portfolio with have you identified as relevant? Show that the selected indicators and targets are linked to and drive alignment with and greater contribution to appropriate Sustainable Development Goals, the goals of the Paris Agreement, and other relevant international, national or regional frameworks</p>	<p>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:</p> <p>(i) Mobilize 100,000 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 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 for combating climate crisis and for sustainable development as TL 400 billion in 2023.</p> <p>(ii) Reduce its direct CO2 emissions by 68% (compared to 2015). As of 2022, Garanti BBVA's overall scope 1&amp;2 CO2 emissions are reduced by 75%.</p> <p>(iii) Contract 70% renewable energy from 2025 and 100% renewable energy in 2030. Since 2020, Garanti BBVA supplies IREC certification for its energy consumption. In 2021, BBVA Group stated the following objectives:</p> <p>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 secondary initiative Global Financial Education Plan, which aims at 2 million people trained and 50 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.</p> <p>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.</p> <p>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 of risks associated with coal activities are reflected on its Sustainability Policy and the process is managed according to its Environmental and Social Framework and Loan Policies.</p> <p>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.</p>	<p>Garanti BBVA Integrated Annual Report 2023: Sustainability and Community Investments, pages 174-195; Appendix, Environmental Performance Indicators</p> <p>Garanti BBVA Investor Relations website: ESG section</p> <p>BBVA 2023 Annual Report: Non-Financial Information Report</p>
<p>b) Baseline: Have you determined a baseline for selected indicators and assessed the current level of alignment? Please disclose the indicators used as well as the year of the baseline.</p>	<p>In 2020, Garanti BBVA pledged to reduce its carbon emissions by 29% by 2025 and 71% 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.</p> <p>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.</p>	<p>Garanti BBVA Integrated Annual Report 2023: Sustainability and Community Investments, pages 174-195</p>

## REPORTING AND SELF-ASSESSMENT REQUIREMENTS

## HIGH-LEVEL SUMMARY OF THE BANK'S RESPONSE

REFERENCE(S)/LINK(S) TO FULL BANK RESPONSE/  
RELEVANT INFORMATION

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 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.

- Emission reduction mid-term targets for carbon-intensive sectors in line with IEA's net zero emissions scenario in 2050, calculated according to PACTA methodology:

Sector	Emission Scope	Metric	Scenario	Garanti BBVA Baselin (2022)	Garanti BBVA Progress (2023)	Difference	Reduction Target by 2030
Energy	1+2	kgCO <sub>2</sub> e/MWh	IEA Net Zero 2050	388	339	-13%	-72%
Automotive	3	gCO <sub>2</sub> e/Km	IEA Net Zero 2050	182	179	-1%	-40%
Iron & Steel	1+2	kgCO <sub>2</sub> e/Tiron&steel	IEA Net Zero 2050	1.096	1.320	20%	-10%
Cement	1+2	kgCO <sub>2</sub> e/Tcement	IEA Net Zero 2050	726	726	0%	-20%
Coal	-	TLmn		Phase-out of the sector by 2040			

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.

Theme		Realised			State of the Target
		2021	2022	2023	
Financial Inclusion	Maintaining 100% accessibility of Garanti BBVA ATMs to visually impaired individuals	5156	5431	5496	✓
Financial Inclusion	Keeping the accessibility rate of Garanti BBVA ATMs for or thopedically disabled individuals above 2%	225	243	230	✓
Financial Health	1 in 3 customers monitor their financial health in the "My Status" area	37%	36%	36%	✓

- Contributing to the BBVA 2021-2025 Community Investment Plan in line with Garanti BBVA's share in the group

Garanti BBVA continued its efforts to decarbonize its portfolio throughout 2023.. In this context, in addition to its previously announced declaration of completely exiting the coal sector by 2040, it announced its targets for its commitment to reduce the emissions of its customers operating in the 5 most carbon-intensive sectors by 2030. To achieve these goals, the bank increased its efforts within the scope of sustainable finance mobilization, the bank's financial consultancy role in developing a low-carbon economy, and the development of innovative product and service solutions for decarbonization, and held meetings on the theme of decarbonization with its customers in these sectors throughout the year.

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..

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.

Garanti BBVA Integrated Annual Report 2023: Sustainability and Community Investments, pages 174-195.

d) Action plan: which actions including milestones have you defined to meet the set targets? Please describe.

Please also show that your bank has analysed and acknowledged significant (potential) indirect impacts of the set targets within the impact area or on other impact areas and that it has set out relevant actions to avoid, mitigate, or compensate potential negative impacts.

Garanti BBVA Integrated Annual Report 2023: Sustainability and Community Investments, pages 174-195.

**SELF ASSESSMENT**

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?

The first area of greatest impact is:

Goal 1. Climate Change (decarbonization)

Garanti BBVA has set targets in this area of influence in 2022.

Alignment: Yes

Base Year: Yes

SMART goals: Yes

Action plan: Yes

The second area of greatest impact is:

Goal 2. Inclusive Growth

Garanti BBVA has set targets in this area of influence in 2023.

Alignment: Yes

Base Year: Yes

SMART goals: Yes

Action plan: Yes

**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.**

Garanti BBVA carries out regular monitoring of its objectives and reports progress to its senior management through the Responsible Banking and Sustainability Committee.

Various actions and milestones to meet objectives:

1. Monthly monitoring of sustainable business channeling objectives (TL 400 billion) broken down by business areas.

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 100% of the energy contracted by BBVA is renewable.

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 analyzes 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.

In this sense, it is worth mentioning that:

- 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).

To facilitate effective management and compliance with alignment objectives, Garanti BBVA is working in cooperation with the BBVA Group in developing a series of tools that allow integration of the management of these objectives into the day-to-day business and risk processes. These tools include:

- Dashboard of alignment with PACTA methodology

- TRi (Transition Risk Indicator), a tool that allows customers to assess the current emissions profile and decarbonization strategies

3. Impact indicators to be monitored in the field of financial health and inclusion have been identified and initial targets have been set.

4. Quarterly monitoring and reporting of the objective related to the BBVA Group's Commitment to the Community by 2025 (550 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

Report on your bank's progress since the last report towards achieving each of the set targets and the impact your progress resulted in, using the indicators and KPIs to monitor progress you have defined under 2.2..

Garanti BBVA Integrated Annual Report 2023: Sustainability and Community Investments, pages 174-195; Appendix, Environmental Performance Indicators

**PLEASE PROVIDE YOUR BANK'S CONCLUSION/STATEMENT IF YOU HAVE MET THE REQUIREMENTS REGARDING PLANS FOR TARGET IMPLEMENTATION AND MONITORING**

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.

## REPORTING AND SELF-ASSESSMENT REQUIREMENTS

## HIGH-LEVEL SUMMARY OF THE BANK'S RESPONSE

REFERENCE(S)/LINK(S) TO FULL BANK RESPONSE/  
RELEVANT INFORMATION**PRINCIPLE 3: CLIENTS AND CUSTOMERS****WE WILL WORK RESPONSIBLY WITH OUR CUSTOMERS TO ENCOURAGE SUSTAINABLE PRACTICES AND ENABLE ECONOMIC ACTIVITIES THAT CREATE SHARED PROSPERITY FOR CURRENT AND FUTURE GENERATIONS.**

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 Türkiye'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 be aligned 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 supports 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 run 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 in 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 GHG emissions' impact, water 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 86-91; Sustainability and Community Investments, pages 174-195; Appendix, Environmental Performance Indicators  
Garanti BBVA Investor Relations website: ESG section  
Garanti BBVA website

## REPORTING AND SELF-ASSESSMENT REQUIREMENTS

## HIGH-LEVEL SUMMARY OF THE BANK'S RESPONSE

REFERENCE(S)/LINK(S) TO FULL BANK RESPONSE/  
RELEVANT INFORMATION

## 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 via 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

Garanti BBVA Integrated Annual Report 2023: Double Materiality Analysis, pages 68-85; Sustainability and Community Investments, pages 174-195

## PRINCIPLE 4: STAKEHOLDERS

## WE WILL PROACTIVELY AND RESPONSIBLY CONSULT, ENGAGE AND PARTNER WITH RELEVANT STAKEHOLDERS TO ACHIEVE SOCIETY'S GOALS.

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, fiscal 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.

## 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.

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 Türkiye, SKD Türkiye (Business World and Sustainable Development Association), Banks Association of Türkiye (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 should be 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 in sustainable processes and developments in areas such as agriculture, supply chain and industry. Additionally, Türkiye's energy transformation plan featured in the Türkiye pavilion; The need for energy transformation and innovation reform in industry; and special financing for TÜSIAD's Border Carbon Regulation Mechanism. Garanti BBVA's sustainability and sustainable finance teams attended the United Nations Climate Change Conference (COP27) in November and met many stakeholders at conferences and panels, as well as one-on-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 contributes to the Banks Association of Türkiye (TBB) Sustainability Working Group, which aims to guide banks on sustainability-related issues. 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.

Garanti BBVA Integrated Annual Report 2023: Double Materiality Analysis, pages 68-85; Stakeholder Engagement, pages 106-109  
Garanti BBVA Investor Relations website: ESG section, Supported Initiatives

## REPORTING AND SELF-ASSESSMENT REQUIREMENTS

## HIGH-LEVEL SUMMARY OF THE BANK'S RESPONSE

REFERENCE(S)/LINK(S) TO FULL BANK RESPONSE/  
RELEVANT INFORMATION**PRINCIPLE 5: GOVERNANCE & CULTURE****WE WILL IMPLEMENT OUR COMMITMENT TO THESE PRINCIPLES THROUGH EFFECTIVE GOVERNANCE AND A CULTURE OF RESPONSIBLE BANKING**

5.1 Governance Structure for Implementation of the Principles  
Please describe the relevant governance structures, policies and procedures your bank has in place/is planning to put 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 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 transformative nature of the area.

Garanti BBVA Integrated Annual Report 2023: Sustainability and Community Investments, pages 174-195; Senior Management, pages 214-219; Committees and Policies, pages 222-223; Risk Management, pages, 245-252

Garanti BBVA Investor Relations Website: ESG section Responsible Banking and Sustainability Committee Sustainability Policy

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 16,751 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 can 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 is a member of the Responsible Banking and Sustainability Committee, where numerous departments present updates on their sustainability projects through their internal sustainability responsables. 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.

Garanti BBVA Integrated Annual Report 2022: Investment in Human Capital, pages 134-157; Sustainability and Community Investments, pages 174-195

REPORTING AND SELF-ASSESSMENT REQUIREMENTS	HIGH-LEVEL SUMMARY OF THE BANK'S RESPONSE	REFERENCE(S)/LINK(S) TO FULL BANK RESPONSE/ RELEVANT INFORMATION
<p>5.3 Policies and due diligence processes</p> <p>Does your bank have policies in place that address environmental and social risks within your portfolio? Please describe.</p> <p>Please describe what due diligence processes your bank has installed to identify and manage environmental and social risks associated with your portfolio. This can include aspects such as identification of significant/salient risks, environmental and social risks mitigation and definition of action plans, monitoring and reporting on risks and any existing grievance mechanism, as well as the governance structures you have in place to oversee these risks.</p>	<p>With the visible effects of the climate crisis on social life becoming more widespread, all financial sector stakeholders, especially customers and investors, started to focus on environmental, social and governance (ESG) risks in banking risk management and governance mechanisms. The Pillar-III ESG reporting, which was included in the legal statements of the European Banking Authority (EBA) in 2022, allows the evaluation of banks' ESG risks and sustainable finance strategies by all financial sector stakeholders, including customers and investors. In 2022, Garanti BBVA, together with the BBVA Group, of which it is a part, began to analyze the resilience of the banking portfolio against transition risks and physical risks arising from climate change. In 2022, Garanti BBVA also evaluates the risks arising as a result of the studies below in determining the targets of combating climate change and Net-zero Banking.</p> <ul style="list-style-type: none"> <li>-Identifying risks in sectors incompatible with the Paris Agreement and measuring transition risks</li> <li>-Energy performance monitoring of real estate collaterals of the bank</li> <li>-Emission intensities of customers in carbon-intensive industries (PACTA)</li> <li>-Physical risks arising in the bank portfolio as a result of the climate crisis and Financing for activities to reduce the effects of climate</li> </ul>	<p>Garanti BBVA Integrated Annual Report 2023;; Sustainability and Community Investments, pages 174-195;</p>
<b>SELF ASSESSMENT</b>		
<p>Does the CEO or other senior managers have regular oversight of the implementation of the Principles through the bank's governance system? Yes</p> <p>Does the governance system include structures to oversee the implementation of the PRB? Yes</p> <p>Does your bank have measures to promote a culture of sustainability among employees? Yes</p>		
<p><b>PLEASE PROVIDE YOUR BANK'S CONCLUSION/STATEMENT IF YOU HAVE MET THE REQUIREMENTS REGARDING THE GOVERNANCE STRUCTURE FOR THE IMPLEMENTATION OF THE PRINCIPLES:</b></p> <p>Garanti BBVA's Sustainability Unit, comprised of Sustainability and Responsible Business teams, is responsible of establishing the Bank's strategic approach. The unit reports directly to the EVP for Customer Solutions and Digital Banking and also chairs the Responsible Banking and Sustainability Committee. The committee is required to meet at least twice annually and attended by all EVPs and the CEO of the Bank. The committee is responsible for the monitoring of the progress of the Bank's targets, that fall within the scope of sustainability strategy. The CEO is responsible for reporting to the Board of Directors on any critical issues. The Bank's Sustainability Unit also connected to the BBVA Group's Global Sustainability Area, and ensures strategic alignment with the Group in all related matters. The existing governance structure provides several levels of checks and balances for Garanti BBVA's implementation and monitoring of Responsible Banking Principles.</p>		
<p><b>PRINCIPLE 6: TRANSPARENCY AND RESPONSIBILITY</b> <b>WE WILL PERIODICALLY REVIEW OUR INDIVIDUAL AND COLLECTIVE IMPLEMENTATION OF THESE PRINCIPLES AND BE TRANSPARENT ABOUT AND ACCOUNTABLE FOR OUR POSITIVE AND NEGATIVE IMPACTS AND OUR CONTRIBUTION TO SOCIETY'S GOALS.</b></p>		
<p>6.1 Assurance</p> <p>Has this publicly disclosed information on your PRB commitments been assured by an independent assurer?</p>	<p>This publicly disclosed information about Garanti BBVA's Principles of Responsible Banking commitments has been given limited assurance from an independent assurance provider.</p>	<p>Garanti BBVA UNEP FI Principles of Responsible Banking Impact Report 2023, 2023 Entegre Faaliyet Raporu Finansal Raporlar ve Ekler</p>
<p>6.2 Reporting on other frameworks</p> <p>Does your bank disclose sustainability information in any of the listed below standards and frameworks?</p>	<p>Garanti BBVA's sustainability information is reported mostly through its integrated annual reports, which is prepared according to the VRF's Integrated Reporting Framework. Among the appendices of the report, GRI Standards Content Index, UN Global Compact Communication of Progress and Women's Empowerment Principles index summaries and the Bank's TCFD Disclosures summary table is published.</p> <p>In addition, the Bank responds to Carbon Disclosure Platform's (CDP) Climate Change and Water questionnaires annually. In 2023, it has been listed among the B companies in the Climate Change Program results, received A- for its disclosures in the Water Program.</p> <p>Garanti BBVA's Integrated Annual Report also includes Sustainability Principles Compliance and Corporate Governance Compliance Reports of the Capital Market's Board of Türkiye.</p>	<p>Garanti BBVA Integrated Annual Report 2023: About the Report; pages 14-15</p>
<p>6.3 Outlook</p> <p>What are the next steps your bank will undertake in next 12 month-reporting period (particularly on impact analysis , target setting and governance structure for implementing the PRB)? Please describe briefly.</p>	<p>The previous sections detail the progress in implementation in 2023.</p> <p>Garanti BBVA's progress in the implementation of the Principles of Responsible Banking has been published annually as part of the Bank's Integrated Annual Report, moving forward, the Principles of Responsible Banking Impact Report may be published separately.</p> <p>Over the next 12 months, Garanti BBVA is expected to continue publishing its compliance progress for new carbon-intensive sectors detailed in the Net-Zero Banking Alliance guidelines, where the Bank's impact is relatively higher, and to set targets for different sectors.</p> <p>The Bank will also monitor progress towards the targets it has set for the second highest impact area – inclusive growth – as a result of the impact analysis conducted using the UNEP-FI Impact Analysis Tool for Banks.</p>	
<p><b>PLEASE PROVIDE YOUR BANK'S CONCLUSION/STATEMENT IF YOU HAVE MET THE REQUIREMENTS REGARDING PROGRESS IN IMPLEMENTING THE PRINCIPLES FOR RESPONSIBLE BANKING:</b></p> <p>Garanti BBVA is constantly working on strengthening its transparency through non-mandatory disclosure of a number of externally assured non-financial information, annual publication of TCFD Disclosures and reporting according to GRI Standards. With the publication of the Bank's 2023 Integrated Annual Report, it is also disclosing its intermediate Paris Agreement Alignment targets for 2030 in five carbon-intensive sectors, in addition to its previously announced sustainable finance mobilization target of TL 400 billion by 2025. The Bank is in the process of setting its inclusive growth indicators and targets in cooperation with the BBVA Group. Through the externally-assured disclosure of its most positive and most negative impact areas, related targets and action plans along with the set mechanisms for implementation and monitoring, Garanti BBVA meets the requirements of the Principles for Responsible Banking.</p>		

# APPENDIX 7: UNGC and WEPs Principles Analysis According to GRI Standards Content

UNGC PRINCIPLES	GRI STANDARD	REFERENCE
<b>HUMAN RIGHTS</b>		
Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights	GRI 2-23, GRI 1-30, GRI 410, GRI 411	<a href="#">Declaration of Human Rights</a>
Principle 2: Businesses make sure that they are not complicit in human rights abuses.		
<b>LABOUR</b>		
Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining		
Principle 4: Businesses should uphold the elimination of all forms of forced and compulsory labour.	GRI 2-7, GRI 2-30, GRI 407, GRI 408, GRI 409	All employees are free to unionize and act of their own free will. <a href="#">Declaration of Human Rights</a>
Principle 5: Businesses should uphold the effective abolition of child labour.		<a href="#">Compensation Policy</a>
Principle 6: Businesses should uphold the elimination of discrimination in respect of employment and occupation.		
<b>ENVIRONMENT</b>		
Principle 7: Businesses should support a precautionary approach to environmental challenges		
Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility	GRI 303-2, GRI 306-2, GRI 308	175-179, APPENDIX 3: Environmental Performance Data <a href="#">CDP Water Security - 2023</a> <a href="#">CDP Climate Change - 2023</a>
Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies		
<b>ANTI-CORRUPTION</b>		
Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.	GRI 205	<a href="#">Anti Corruption Policy</a>

PRINCIPLES	GRI STANDARD DISCLOSURES	PAGE REFERENCES
Principle 1 - Establish high-level corporate leadership for gender equality.	GRI 405	46-47, 95, 99, 104, 107, 153-154, 156, 194, 270
Principle 2 - Treat all women and men fairly at work– respect and support human rights and nondiscrimination.	GRI 401, GRI 405, GRI 406	82-83, 153-154, 156, 194
Principle 3 - Ensure the health, safety and well-being of all women and men workers.	GRI 403, GRI 406	147-148
Principle 4 - Promote education, training and professional development for women	GRI 404	58, 94-95, 99, 137, 153, 168, 190
Principle 5 - Implement enterprise development, supply chain and marketing practices that empower women.	GRI 204	10, 58, 88, 94-95, 99, 166, 168, 175, 45, 140, 145
Principle 6 - Promote equality through community initiatives and advocacy.	GRI 413	99, 153, 194
Principle 7 - Measure and publicly report on progress to achieve gender equality.	GRI 405	46-47, 152-153, 156, 270

# 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	
GRI 2: GENERAL DISCLOSURES 2021	2-1	Organizational details	14, 42-43
	2-2	Entities included in the organization's sustainability reporting	14
	2-3	Reporting period, frequency and contact point	14, 290-291
	2-4	Restatements of information	There is no restatements regarding to previous reporting period.
	2-5	External assurance	14-15, 230-231
	2-6	Activities, value chain and other business relationships	18-22, 38, 44-45, 52-53, 58-63, 86-91, 105, <a href="https://www.garantibbvainvestorrelations.com/en/sustainability/detail/Supply-Chain-Management/896/3761/0">https://www.garantibbvainvestorrelations.com/en/sustainability/detail/Supply-Chain-Management/896/3761/0</a>
	2-7	Employees	88, 134-137, 148-151
	2-8	Workers who are not employees	Table 5.8, <a href="https://www.garantibbvainvestorrelations.com/en/images/pdf/31_December_2023_Consolidated_Financial_Report.pdf">https://www.garantibbvainvestorrelations.com/en/images/pdf/31_December_2023_Consolidated_Financial_Report.pdf</a>
	2-9	Governance structure and composition	198-219, 226-227, 232-239, 240-244
	2-10	Nomination and selection of the highest governance body	202, 203, 207
	2-11	Chair of the highest governance body	206-207, 208, 214-215
	2-12	Role of the highest governance body in overseeing the management of impacts	198-219, 226-227, 232-239, 240-244, 255
	2-13	Delegation of responsibility for managing impacts	Sustainability Policy ( <a href="https://www.garantibbvainvestorrelations.com/en/environment-social-governance/detail/Sustainability-Policy/851/3627/0">https://www.garantibbvainvestorrelations.com/en/environment-social-governance/detail/Sustainability-Policy/851/3627/0</a> )
	2-14	Role of the highest governance body in sustainability reporting	Sustainability Policy ( <a href="https://www.garantibbvainvestorrelations.com/en/environment-social-governance/detail/Sustainability-Policy/851/3627/0">https://www.garantibbvainvestorrelations.com/en/environment-social-governance/detail/Sustainability-Policy/851/3627/0</a> )
	2-15	Conflicts of interest	69, 79, 203, Capital Market Instruments Trading Brokerage Services Framework
	2-16	Communication of critical concerns	34, Code of Conduct
	2-17	Collective knowledge of the highest governance body	206, 214, 256
	2-18	Evaluation of the performance of the highest governance body	Corporate Governance Policy

GRI STANDARD	DISCLOSURE	LOCATION		
GRI 2: GENERAL DISCLOSURES 2021	2-19	Remuneration policies	148-150, 222-224, Compensation Policy ( <a href="https://www.garantibbvainvestorrelations.com/en/environment-social-governance/Compensation-Policy/Compensation-Policy/100/411/0">https://www.garantibbvainvestorrelations.com/en/environment-social-governance/Compensation-Policy/Compensation-Policy/100/411/0</a> )	
	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	
	2-23	Policy commitments	226-227, <a href="https://www.garantibbvainvestorrelations.com/en/corporate-governance/policies-list/Policies/92/6477/0">https://www.garantibbvainvestorrelations.com/en/corporate-governance/policies-list/Policies/92/6477/0</a>	
	2-24	Embedding policy commitments	232-239	
	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	
	2-28	Membership associations	14, 175, 289, Supported Initiatives ( <a href="https://www.garantibbvainvestorrelations.com/en/sustainability/detail/Supported-Initiatives/864/3771/0">https://www.garantibbvainvestorrelations.com/en/sustainability/detail/Supported-Initiatives/864/3771/0</a> )	
	2-29	Approach to stakeholder engagement	106-109, Stakeholder Engagement ( <a href="https://www.garantibbvainvestorrelations.com/en/environment-social-governance/detail/Stakeholder-Engagement/860/8082/0">https://www.garantibbvainvestorrelations.com/en/environment-social-governance/detail/Stakeholder-Engagement/860/8082/0</a> )	
	2-30	Collective bargaining agreements	Garanti BBVA respects the constitutional right to unionize and collective bargaining. All employees are free to become union members and act with their free will.  82, 153, <a href="https://www.garantibbvainvestorrelations.com/en/environment-social-governance/detail/Declaration-of-Human-Rights/584/1866/0">https://www.garantibbvainvestorrelations.com/en/environment-social-governance/detail/Declaration-of-Human-Rights/584/1866/0</a>  The Bank's relevant agreements cover all its employees.	
	GRI 3: MATERIAL TOPICS 2021	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 2016	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	
	201-4	Financial assistance received from government	BRSA Consolidated Financials footnote 3.23. <a href="https://www.garantibbvainvestorrelations.com/en/images/pdf/31_December_2023_Consolidated_Financial_Report.pdf">https://www.garantibbvainvestorrelations.com/en/images/pdf/31_December_2023_Consolidated_Financial_Report.pdf</a> During the reporting period, Garanti BBVA did not receive any financial support from the government.	

GRI STANDARD	DISCLOSURE		LOCATION
<b>GRI 202: MARKET PRESENCE 2016</b>	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.
	202-2	Proportion of senior management hired from the local community	214-219
<b>GRI 203: INDIRECT ECONOMIC IMPACTS 2016</b>	203-1	Infrastructure investments and services supported	98, 181
	203-2	Significant indirect economic impacts	186-189
<b>GRI 204: PROCUREMENT PRACTICES 2016</b>	204-1	Proportion of spending on local suppliers	Supply Chain Management
<b>GRI 205: ANTI-CORRUPTION 2016</b>	205-1	Operations assessed for risks related to corruption	Anticorruption Policy
	205-2	Communication and training about anti-corruption policies and procedures	104, 128-131, Anticorruption Policy ( <a href="https://www.garantibbvainvestorrelations.com/en/environment-social-governance/detail/Anti-Corruption-Policy-Statement/1713/7947/0">https://www.garantibbvainvestorrelations.com/en/environment-social-governance/detail/Anti-Corruption-Policy-Statement/1713/7947/0</a> )
	205-3	Confirmed incidents of corruption and actions taken	236-237
<b>GRI 206: ANTI-COMPETITIVE BEHAVIOR 2016</b>	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	200-201, Competition Policy Statement
<b>GRI 207: TAX 2019</b>	207-1	Approach to tax	121, Tax Strategy and Reporting ( <a href="https://www.garantibbvainvestorrelations.com/en/environment-social-governance/detail/Tax-Strategy-Reporting/1120/5561/0">https://www.garantibbvainvestorrelations.com/en/environment-social-governance/detail/Tax-Strategy-Reporting/1120/5561/0</a> )
	207-2	Tax governance, control, and risk management	121, 199-201, Tax Strategy and Reporting ( <a href="https://www.garantibbvainvestorrelations.com/en/environment-social-governance/detail/Tax-Strategy-Reporting/1120/5561/0">https://www.garantibbvainvestorrelations.com/en/environment-social-governance/detail/Tax-Strategy-Reporting/1120/5561/0</a> )
	207-3	Stakeholder engagement and management of concerns related to tax	Tax Strategy and Reporting ( <a href="https://www.garantibbvainvestorrelations.com/en/environment-social-governance/detail/Tax-Strategy-Reporting/1120/5561/0">https://www.garantibbvainvestorrelations.com/en/environment-social-governance/detail/Tax-Strategy-Reporting/1120/5561/0</a> )
	207-4	Country-by-country reporting	
<b>GRI 301: MATERIALS 2016</b>	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.
	301-3	Reclaimed products and their packaging materials	Since the activities of the bank do not directly related to the specified disclosure, it is not located in the report.
<b>GRI 302: ENERGY 2016</b>	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
	302-3	Energy intensity	174
	302-4	Reduction of energy consumption	183
	302-5	Reductions in energy requirements of products and services	183

GRI STANDARD	DISCLOSURE		LOCATION
<b>GRI 303: WATER AND EFFLUENTS 2018</b>	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
<b>GRI 304: BIODIVERSITY 2016</b>	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	Garanti BBVA Çevresel ve Sosyal Kredi Politikaları ( <a href="https://www.garantibbvainvestorrelations.com/tr/images/pdf/CSKP-kisa-versiyon.pdf">https://www.garantibbvainvestorrelations.com/tr/images/pdf/CSKP-kisa-versiyon.pdf</a> )
<b>GRI 305: EMISSIONS 2016</b>	305-1	Direct (Scope 1) GHG emissions	174, 176,177 APPENDIX 3: Environmental Performance Data
	305-2	Energy indirect (Scope 2) GHG emissions	174, 176,177 APPENDIX 3: Environmental Performance Data
	305-3	Other indirect (Scope 3) GHG emissions	174, 176,177 APPENDIX 3: Environmental Performance Data
	305-4	GHG emissions intensity	174, APPENDIX 3: Environmental Performance Data
	305-5	Reduction of GHG emissions	174, 176, 183-184
	305-6	Emissions of ozone-depleting substances (ODS)	APPENDIX 3: Environmental Performance Data
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	APPENDIX 3: Environmental Performance Data
<b>GRI 306: WASTE 2020</b>	306-1	Waste generation and significant waste-related impacts	Waste Management
	306-2	Management of significant waste-related impacts	80-81, 96, 100-101, 184, 191, Waste 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
<b>GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT 2016</b>	308-1	New suppliers that were screened using environmental criteria	Code of Conduct for Suppliers
	308-2	Negative environmental impacts in the supply chain and actions taken	100, Environmental and Social Loan Policies

GRI STANDARD	DISCLOSURE		LOCATION
<b>GRI 401: EMPLOYMENT 2016</b>	401-1	New employee hires and employee turnover	134-137
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	134-157
	401-3	Parental leave	134,135
<b>GRI 402: ÇALIŞAN/ YÖNETİM İLİŞKİLERİ 2016</b>	402-1	Minimum notice periods regarding operational changes	226 Employee Compensation Policy: <a href="https://www.garantibbvainvestorrelations.com/en/environment-social-governance/detail/Employee-Compensation-Policy/355/1264/0">https://www.garantibbvainvestorrelations.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 ("Turkish Labor Act"). The notice periods are applied as stipulated in the Law.
<b>GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018</b>	403-1	Occupational health and safety management system	93, 97, 119, 134, 147, 155, 226, 269, 278 Occupational Health and Safety Management
	403-2	Hazard identification, risk assessment, and incident investigation	97, 147-148, 250, 269
	403-3	Occupational health services	93, 134, 147 -148, 155, 250
	403-4	Worker participation, consultation, and communication on occupational health and safety	93, 97, 134, 147-148, 155, 250
	403-5	Worker training on occupational health and safety	269
	403-6	Promotion of worker health	93, 97, 134, 147-148, 155
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	93, 147-148, 250
	403-8	Workers covered by an occupational health and safety management system	Occupational Health and Safety Management (all locations are covered)
	403-9	Work-related injuries	137, 269
	403-10	Work-related ill health	307
<b>GRI 404: TRAINING AND EDUCATION 2016</b>	404-1	Average hours of training per year per employee	88, 137
	404-2	Programs for upgrading employee skills and transition assistance programs	134, 138-144, 154-155
	404-3	Percentage of employees receiving regular performance and career development reviews	134
<b>GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016</b>	405-1	Diversity of governance bodies and employees	82, 95, 97, 145, 152, 154, 156, 206-219 Suitability and Diversity Policy ( <a href="https://www.garantibbvainvestorrelations.com/en/environment-social-governance/detail/Suitability-and-Diversity-Policy/1874/8575/0">https://www.garantibbvainvestorrelations.com/en/environment-social-governance/detail/Suitability-and-Diversity-Policy/1874/8575/0</a> )
	405-2	Ratio of basic salary and remuneration of women to men	135, 150, 224
<b>GRI 406: NON-DISCRIMINATION 2016</b>	406-1	Incidents of discrimination and corrective actions taken	There is no non-compliance during the reporting period, 122, 123

GRI STANDARD	DISCLOSURE		LOCATION
<b>GRI 407: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING 2016</b>	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	82, 84
<b>GRI 408: CHILD LABOR 2016</b>	408-1	Operations and suppliers at significant risk for incidents of child labor	There is no non-compliance during the reporting period.
<b>GRI 409: FORCED OR COMPULSORY LABOR 2016</b>	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	There is no non-compliance during the reporting period.
<b>GRI 410: SECURITY PRACTICES 2016</b>	410-1	Security personnel trained in human rights policies or procedures	According to the Private Security Law No. 5188, Human Rights-related trainings are included in the basic security trainings received by our security personnel.
<b>GRI 411: RIGHTS OF INDIGENOUS PEOPLES 2016</b>	411-1	Incidents of violations involving rights of indigenous peoples	There is no non-compliance during the reporting period.
<b>GRI 413: LOCAL COMMUNITIES 2016</b>	413-1	Operations with local community engagement, impact assessments, and development programs	76-77, 84, 97,100, 190-194
	413-2	Operations with significant actual and potential negative impacts on local communities	97,100, 190-194
<b>GRI 414: SUPPLIER SOCIAL ASSESSMENT 2016</b>	414-1	New suppliers that were screened using social criteria	84, 85, 253
	414-2	Negative social impacts in the supply chain and actions taken	74, 75
<b>GRI 415: PUBLIC POLICY 2016</b>	415-1	Political contributions	226 Code of Conduct - Article numbered 5.9.2: <a href="https://www.garantibbvainvestorrelations.com/en/images/pdf/Garanti_Bank_Ethical_Principles_.pdf">https://www.garantibbvainvestorrelations.com/en/images/pdf/Garanti_Bank_Ethical_Principles_.pdf</a> The Garanti BBVA does not make contributions to electoral campaigns or donations to political parties.
<b>GRI 416: CUSTOMER HEALTH AND SAFETY 2016</b>	416-1	Assessment of the health and safety impacts of product and service categories	Since the activities of the bank do not directly related to the specified disclosure, it is not located in the report.
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	There is no non-compliance during the reporting period.
<b>GRI 417: MARKETING AND LABELING 2016</b>	417-1	Requirements for product and service information and labeling	152
	417-2	Incidents of non-compliance concerning product and service information and labeling	There is no non-compliance during the reporting period.
	417-3	Incidents of non-compliance concerning marketing communications	There is no non-compliance during the reporting period.
<b>GRI 418: CUSTOMER PRIVACY 2016</b>	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	106, 107, 129, 164

# APPENDIX 9: Support Services Providers

## SERVICE PROVIDER – Service Detail

**AGRA FİNTECH YAZILIM ÇÖZÜMLERİ A.Ş.** – Software, maintenance and development for transferring, reading and analysing data

**AGT HIZLI KURYE HİZMETLERİ A.Ş.** – Courier service

**ARAS KARGO YURT İÇİ VE YURT DIŞI TAŞIMACILIK A.Ş.** – Internal mail transportation from/to branches

**ATOS MÜŞTERİ HİZMETLERİ A.Ş.** – Outbound calls (sale of insurance, cards, loans, etc.)

**ATOS MÜŞTERİ HİZMETLERİ A.Ş.** – Inbound calls (Consultancy, processing, complaints, recommendation and customer support, etc.)

**AUSTURIA CARD TÜRKİYE KART OPERASYONLARI A.Ş.** – Card printing and personalizing service

**BANTAŞ NAKİT VE KIYMETLİ MAL TAŞIMA VE GÜVENLİK HİZMETLERİ A.Ş.** – Delivery of cash, valuable papers, gold within the scope of Law No. 5188

**BANTAŞ NAKİT VE KIYMETLİ MAL TAŞIMA VE GÜVENLİK HİZMETLERİ A.Ş. (BRİNK'S SUBCONTRACTOR)** – Delivery of cash, valuable papers, gold within the scope of Law No. 5188

**BBS DANIŞMANLIK GAYRİMENKUL VE EĞİTİM A.Ş.** – Operational transactions carried out before the title deed such as a mortgage, lease annotation, purchase and sale, registration, cancellation

**BDH BİLİŞİM VE DESTEK HİZMETLERİ A.Ş.** – Business place contract and document provision

**BHL TÜRKİYE TEKNOLOJİ A.Ş.** – Marketing operations regarding real estate and auto loans

**BRİNK'S GÜVENLİK HİZMETLERİ A.Ş.** – Delivery of cash, valuable papers and similar valuable goods within the scope of Law No. 5188

**CMC İLETİŞİM VE ÇAĞRI MERKEZİ HİZMETLERİ A.Ş.** – Outbound (sale of insurance, cards, loans, etc.)

**CMC İLETİŞİM VE ÇAĞRI MERKEZİ HİZMETLERİ A.Ş.** – Telephone recovery management

**CMC İLETİŞİM VE ÇAĞRI MERKEZİ HİZMETLERİ A.Ş.** – Helpdesk (employee support, offices, customer)

**CMC İLETİŞİM VE ÇAĞRI MERKEZİ HİZMETLERİ A.Ş.** – Inbound (queries, processing, claims, advice and customer support, etc.)

**COMPAY ÖDEME ÇÖZÜMLERİ A.Ş.** – Software/maintenance/development service for moving and reading data

**COORBİZ DANIŞMANLIK A.Ş.** – Marketing of retail products and services, including in the form of customer visits

**ÇELİK MOTOR TİCARET A.Ş. (İKİNCİYENİ.COM)** – Marketing activities for auto loans

**DESMER GÜVENLİK HİZMETLERİ TİCARET A.Ş. (BRİNK'S SUBCONTRACTOR)** – Delivery of cash, valuable papers, and gold within the scope of Law No. 5188

**DHL WORLDWIDE EXPRESS TAŞIMACILIK VE TİC. A.Ş.** – Delivery of documents for export transactions to correspondent banks

**D-MARKET ELEKTRONİK HİZMETLER VE TİCARET A.Ş. (HEPSİBURADA)** – Marketing of loans

**FATURALAB ELEKTRONİK TİC. VE BİLİŞİM HİZMETLERİ A.Ş.** – Operational Services

**FİGO TİCARİ BİLGİ VE UYGULAMA PLATFORMU A.Ş.** – Operational Services

**FİNEKSUS BİLİŞİM ÇÖZÜMLERİ TİCARET A.Ş.** – SWIFT software maintenance, update and development services

**FU GAYRİMENKUL DANIŞMANLIK A.Ş.** – The operational transactions carried out at the title deeds registry office such as mortgage, rent annotation, purchase, sale, registration and cancellation

**GARANTİ FİLO YÖNETİM HİZMETLERİ A.Ş.** – Operational services for the sale of automobiles owned by the Bank

**GARANTİ KONUT FİNANSMANI DANIŞMANLIK HİZMETLERİ A.Ş.** – Marketing operations regarding real estate loan

**GARANTİ KONUT FİNANSMANI DANIŞMANLIK HİZMETLERİ A.Ş.** – Operational services for the sale of real estate owned by the Bank

**GARANTİ ÖDEME SİSTEMLERİ A.Ş.** – Marketing, promotion, product development and marketing of retail products, including personal loans, with consultancy, for payment systems, especially debit and credit cards

**GLOBAL BİLGİ PAZARLAMA DANIŞMA VE ÇAĞRI SERVİSİ HİZMETLERİ A.Ş.** – Outbound (sale of insurance, cards, loans, etc.)

**GLOBAL BİLGİ PAZARLAMA DANIŞMA VE ÇAĞRI SERVİSİ HİZMETLERİ A.Ş.** – Telephone recovery management

**GLOBAL BİLGİ PAZARLAMA DANIŞMA VE ÇAĞRI SERVİSİ HİZMETLERİ A.Ş.** – Inbound (queries, processing, claims, advice and customer support, etc.)

**GÜZEL SANATLAR ÇEK BASIM LİMİTED ŞİRKETİ** – Czech printing service

**HANGİSİ İNTERNET VE BİLGİ HİZMETLERİ A.Ş.** – Marketing operations regarding real estate and auto loans

**HOBİM ARŞİVLEME VE BASIM HİZMETLERİ A.Ş.** – Storage of physical documents and archive boxes belonging to the bank

**HOBİM ARŞİVLEME VE BASIM HİZMETLERİ A.Ş.** – Printing and enveloping service

**HYUNDAİ ASSAN OTOMATİV SAN. VE TİC. A.Ş.** – Marketing activities for auto loans

**IRON MOUNTAIN ARŞİVLEME HİZMETLERİ A.Ş.** – Storage of physical documents and archive boxes belonging to the bank

**KARBİL YAZILIM VE BİLİŞİM TEKNOLOJİLERİ TİCARET A.Ş.** – Software development and upgrading service

**KARTEK KART VE BİLİŞİM TEKNOLOJİLERİ A.Ş.** – POS software development and upgrading services

**KAYRAGRUP PAZARLAMA DANIŞMANLIK VE DESTEK HİZMETLERİ TİC. A.Ş.** – Marketing of retail products and services and of products and services classified as retail receivables

**KEY YAZILIM ÇÖZÜMLERİ A.Ş.** – Software, Maintenance and Development Service for Appraisal and Mortgage Applications

**KOÇ SİSTEM BİLGİ VE İLETİŞİM HİZMETLERİ A.Ş.** –

Software development maintenance services

**KREDİ KAYIT BÜROSU A.Ş.** – Disaster recovery center back-up service

**LOOMİS GÜVENLİK HİZMETLERİ A.Ş.** – Delivery of cash, valuable papers, and gold within the scope of Law No. 5188

**MATRİKS 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

**PAYTEN TEKNOLOJİ A.Ş.** – Ensuring the Transaction between the Bank and Directory Server in 3D Secure Transactions

**PUSULA GİRİŞİM YATIRIM VE DANIŞMANLIK HİZMETLERİ A.Ş.** – The operational transactions carried out at the title deeds registry office such as mortgage, rent annotation, purchase, sale, registration and cancellation

**SOFTPOS TEKNOLOJİ A.Ş.** – POS software development and upgrading services

**TEPE SAVUNMA VE GÜVENLİK SİSTEMLERİ SAN. A.Ş.** – Private Security Services within the scope of Law No. 5188

**THOS HUKUK OTOMASYON SİSTEMLERİ YAZILIM A.Ş.**

– Software, maintenance and development service for legal proceedings, collection and litigation service management system

**TÜRKİYENİN OTOMOBİLİ GİRİŞİM GRUBU SAN. VE TİC. A.Ş. (TOGG)** – Marketing activities for auto loans

**VERİFONE ELEKTRONİK VE DANIŞMANLIK LTD. ŞTİ.** – POS software development and upgrading services

**VERİSOFT BİLGİ İŞLEM TİC. VE SAN. A.Ş.** – POS software development and upgrading services

**WEBHELP ÇAĞRI MERKEZİ VE MÜŞTERİ HİZMETLERİ A.Ş.** – Outbound (sale of insurance, cards, oans, etc.)

**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

**WEBHELP ÇAĞRI MERKEZİ VE MÜŞTERİ HİZMETLERİ A.Ş.** – Inbound (queries, processing, claims, advice and customer support, etc.)

**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".

# Contact Information

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## WEBSITE

[www.garantibbva.com.tr](http://www.garantibbva.com.tr)

## TRADE NAME

T. Garanti Bankası A.Ş.

## TRADE REGISTRY NO

159422

## DOMESTIC BRANCHES

Garanti BBVA has 863 domestic branches in 81 cities as of 2021 year end. Information on domestic branches is available on the Bank's website.

## INFORMATION ON SOCIAL MEDIA

You may follow Garanti BBVA on Facebook, Twitter, Instagram, YouTube and LinkedIn.

[www.facebook.com/GarantiBBVA](http://www.facebook.com/GarantiBBVA)

[www.twitter.com/garantibbva](http://www.twitter.com/garantibbva)

[www.instagram.com/garantibbva](http://www.instagram.com/garantibbva)

[www.linkedin.com/company/garanti-bbva](http://www.linkedin.com/company/garanti-bbva)

[www.youtube.com/garantibbva](http://www.youtube.com/garantibbva)

[www.twitter.com/garantiyesor](http://www.twitter.com/garantiyesor)

## OVERSEAS BRANCHES

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Please scan image with your "QR Code Reader" equipped smartphone to access Garanti BBVA Investor Relations website at [www.garantibbvainvestorrelations.com](http://www.garantibbvainvestorrelations.com) for additional information on Garanti BBVA.

## GARANTI BBVA INVESTOR RELATIONS WEBSITE IN TURKISH

[www.garantibbvayatirimciiliskileri.com](http://www.garantibbvayatirimciiliskileri.com)

## GARANTI BBVA INVESTOR RELATIONS WEBSITE IN ENGLISH

[www.garantibbvainvestorrelations.com](http://www.garantibbvainvestorrelations.com)

## THE INVESTOR RELATIONS IPAD AND ANDROID TABLET APPLICATIONS



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.

## CONTENT MANAGEMENT

[www.fmiletisim.com](http://www.fmiletisim.com)



## VIDEO AGENCY

[www.mediarubic.com](http://www.mediarubic.com)



## DESIGN

[www.roundabout.com.tr](http://www.roundabout.com.tr)



## PHOTOGRAPHY AGENCY

[www.pakart.com](http://www.pakart.com)

