



# CORPORATE PRESENTATION

December 2024

# AGENDA

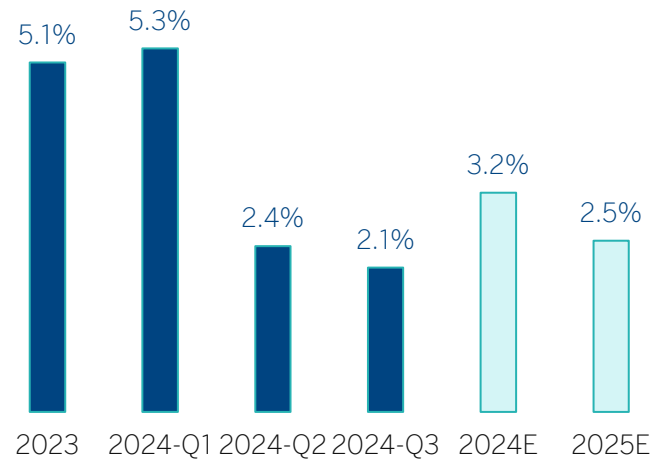
- 01 TURKISH ECONOMY OVERVIEW
- 02 TURKISH BANKING SECTOR OVERVIEW
- 03 GARANTI BBVA CORPORATE PROFILE & FINANCIAL HIGHLIGHTS
- 04 SUSTAINABILITY AT GARANTI BBVA
- 05 CORPORATE GOVERNANCE AT GARANTI BBVA

01

# TURKISH ECONOMY OVERVIEW

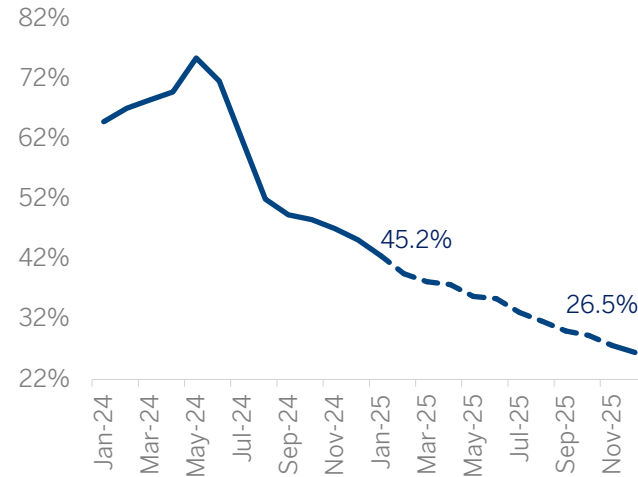
# TURKISH ECONOMY (I/II)

## GDP GROWTH (YoY)



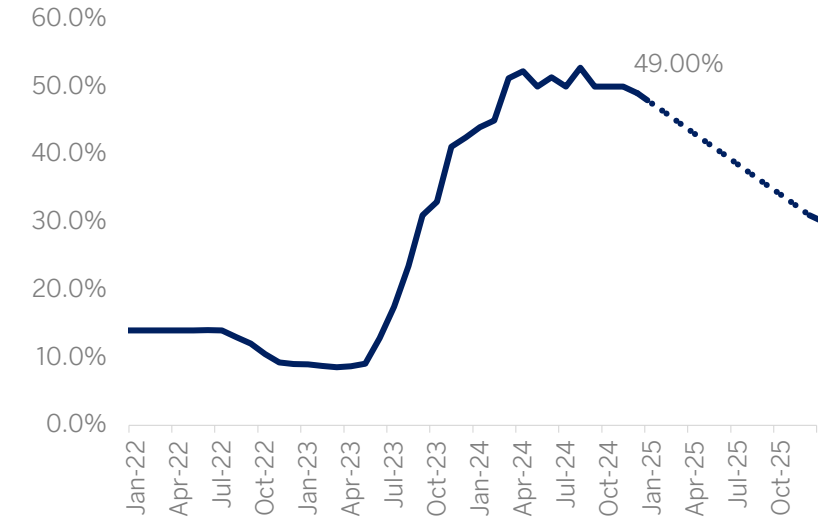
- Restrictive monetary policy, tight financial conditions and expected fiscal consolidation 2025 onwards may limit growth in the coming period. Hence, **we expect growth to be 3.2% in 2024 with a retreat further to 2.5% in 2025.**
- Rebalancing of the economy in favor of exports continues, however **the adjustment takes place slowly with a gradual moderation in domestic demand.**

## CONSUMER INFLATION (% YoY)



- While current robust dynamics and high inflation expectations put uncertainty in the inflation outlook, **we expect the monthly inflation to slow down on deeper negative output gap and elimination of lagged effects of 3Q administrative price hikes.**
- **We forecast consumer inflation to finish the year annually at 45.2% in 2024 and 26.5% in 2025 with risks tilted to the upside.**

## CBRT FUNDING RATE

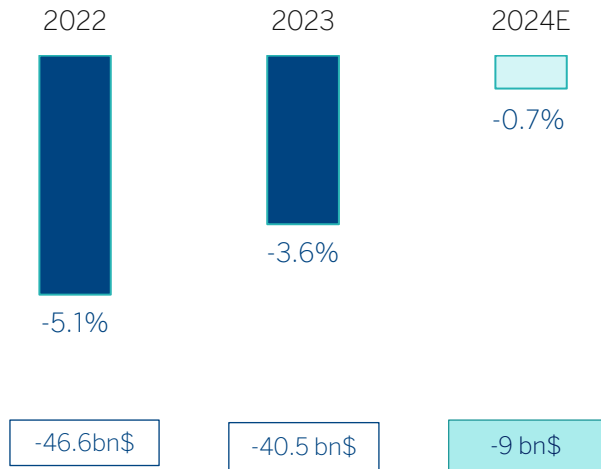


- In November MPC meeting, **the CBRT signaled an easing cycle as early as December meeting**, with a more positive assessment of the inflation outlook.
- Given looser external financial conditions and weaker domestic economic activity, **we maintain our call of a modest first rate cut in Dec24.** We highlight that the CBRT is likely to start easing with very cautious steps.

[Click here to view our latest macro forecast](#)

# TURKISH ECONOMY (II/II)

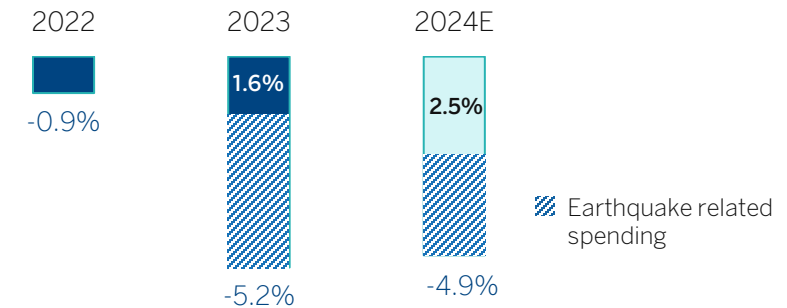
## CA DEFICIT / GDP (year end)



- Driven by weak domestic demand and lower energy prices, current account outlook further improves in the short term
- **We expect current account deficit to diminish to below 1% of GDP in 2024**, with improving net trade deficit, strong tourism revenues and lower gold imports on top of de-dollarization.

## CENTRAL GOVERNMENT BUDGET DEFICIT / GDP

(year end)



- Excluding earthquake spending, **budget deficit was 1.6% of GDP in 2023**, far below the Maastricht criteria of 3%.
- Medium Term Program (MTP) shows efforts to keep budget deficit to GDP below 5% by end 2024 and closer to 3% by end 2025. Accordingly, we expect that the budget deficit to GDP ratio **will decline to 4.9% in 2024 and 3.3% in 2025**.

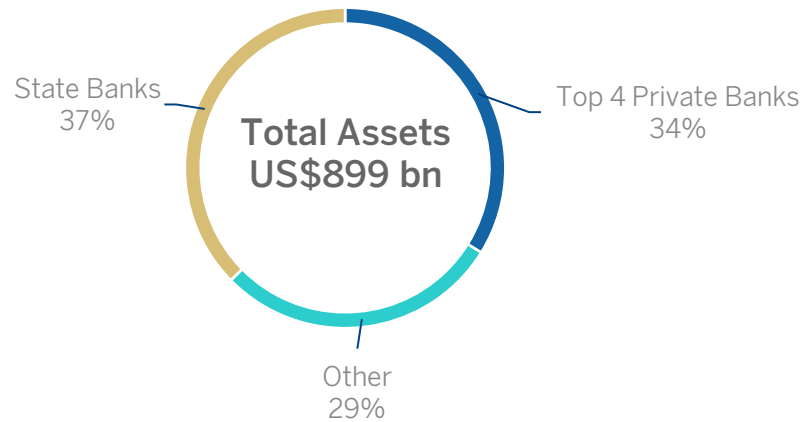
[Click here to view our latest macro forecast](#)

02

# TURKISH BANKING SECTOR OVERVIEW

# TURKISH BANKING SECTOR (I/III)

## TOTAL ASSETS BREAKDOWN



	# of Banks	Share in Assets	Share in Loans	Share in Deposits
Top 4 Private Commercial Banks	4	34%	35%	35%
State Banks	3	37%	37%	43%
Other Private Commercial Banks	26	15%	13%	13%
Development & Inv. Banks	20	6%	7%	-
Participation Banks	9	8%	7%	9%

**Total: 62**

Dominated by top 4 Private Banks & 3 State Banks

TOP 10 BANKS <sup>1</sup>	Assets Market Share	Foreign Ownership	Free Float
Ziraat Bankası	16.2%	-	-
VakıfBank	11.7%	-	6.1%
TÜRKİYE İŞ BANKASI	10.5%	-	32.7%
HALKBANK	9.4%	-	8.5%
Garanti BBVA	8.2%	BBVA (85.97%)	14.0%
YapıKredi	7.6%	-	38.8%
AKBANK	7.5%	-	52.8%
QNB FINANSBANK	4.1%	Qatar National Bank (99.88%)	-
DenizBank	4.0%	Emirates NBD Bank PJSC (100%)	0.12%
TEB	1.6%	BNP Paribas (72.5%)	-

Note: Sector figures are based on bank-only BRSA monthly data as of September 2024.

<sup>1</sup> Top 10 banks make up 80.9% of sector's total asset as of Jun-24.

# TURKISH BANKING SECTOR (II/III)

## UNDERPENETRATED BANKING SECTOR

Unbanked Population (ages +15)<sup>1</sup>

26% in Türkiye vs. 1% in EU

## STRONG PROFITABILITY

ROAE

23.5%

ROAA

2.0%

## HEALTHY ASSET QUALITY & SOLID COVERAGE RATIOS

NPL Ratio

1.9% in Türkiye

NPL Coverage

74% in Türkiye

## CUSTOMER DEPOSIT DRIVEN LIABILITY MIX WITH SUFFICIENT LIQUIDITY BUFFERS

Customer Deposits / Assets

61.6%

Low Share of External Funding in Assets

16.0%

ST External Debt<sup>2</sup> vs. FC Liquidity Buffer<sup>3</sup>

84bn USD vs. 59bn USD

## STRICTLY REGULATED & BASEL III COMPLIANT STRONG CAPITAL

CAR

17.7%

CET-1

13.8%

Leverage

10.9<sub>x</sub>

Note: Commercial banks' figures are based on BRSA monthly data as of September 2024. Leverage defined as Debt / Equity

(1) World Bank, Global Findex Database 2021, based on having an account in a financial institution. (2) CBRT, as of Sep'24. Excludes non-residents' FC deposits

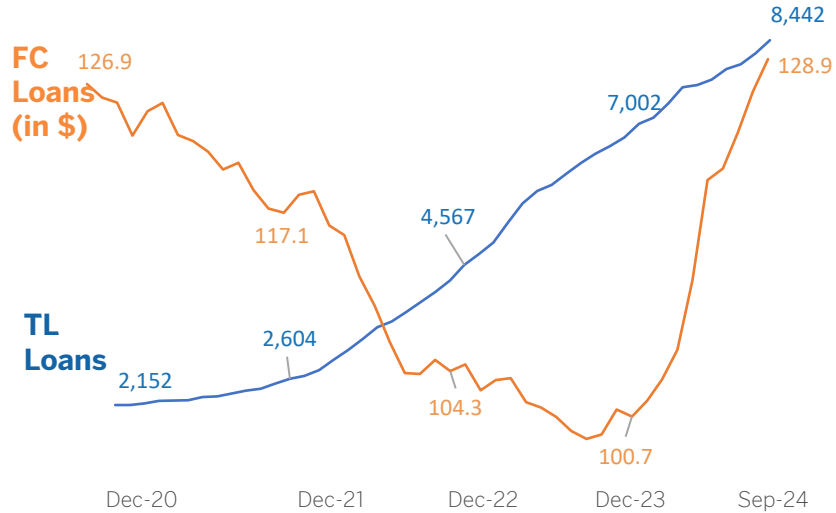
(3) Quick Liquidity Buffers: FC reserves Under ROM, swaps, money market placements, CBRT eligible unencumbered securities, cash, FC collateral deposit



# TURKISH BANKING SECTOR (III/III)

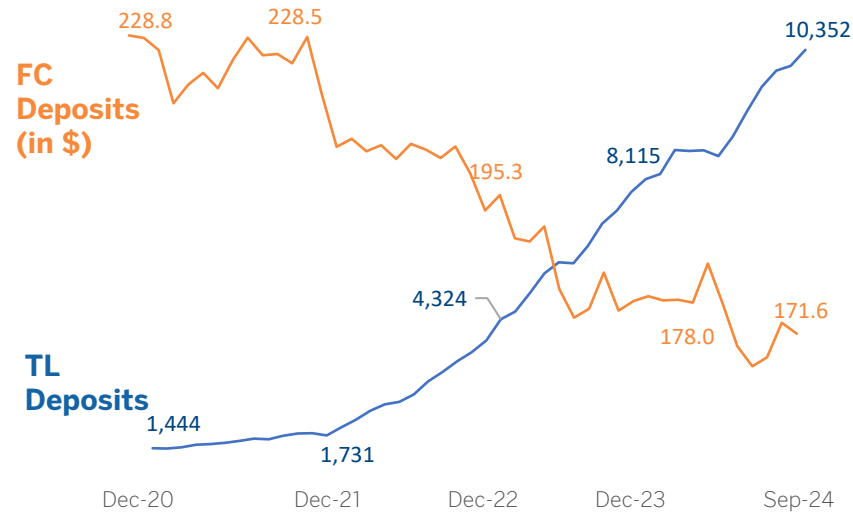
## UNINTERRUPTED GROWTH IN TL LOANS, WITH ACCELERATED PACE IN FC LOANS AFTER YEARS OF DEVELERAGING

Performing Loans<sup>1</sup>, in TL and \$bn



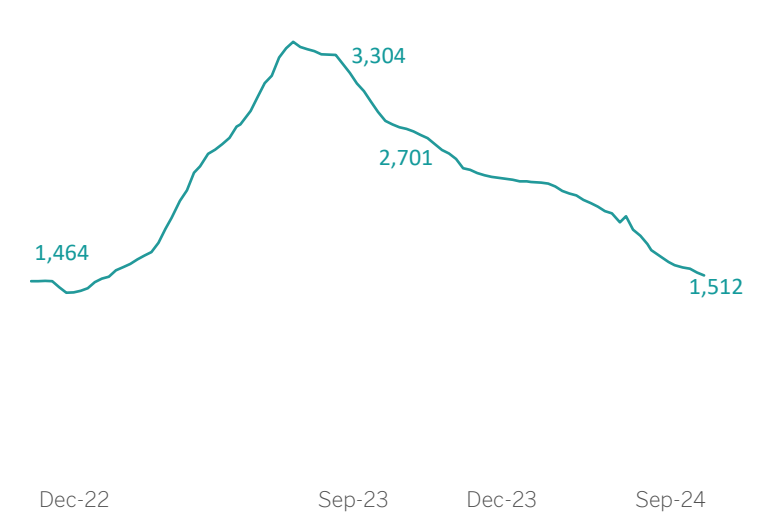
## DEDOLARIZATION OF THE ECONOMY CONTINUES...

Customer Deposits<sup>1</sup>, in TL and \$bn



## ... WHILE FOREIGN CURRENCY PROTECTED DEPOSITS STARTED TO UNWIND WITH CONVERSION TO TL DEPOSITS

Foreign Currency Protected Deposit<sup>2</sup>, in TLbn



<u>GROWTH (YOY)</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>SEP'24</u>	<u>GROWTH (YOY)</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>SEP'24</u>	<u>GROWTH (YOY)</u>	<u>2023</u>	<u>JUN'24 YTD</u>
<b>TL Loans</b>	21%	75%	53%	30%	<b>TL Deposits</b>	20%	150%	88%	44%	<b>Foreign Currency Protected Deposits</b>	85.6%	-42.4%
<b>FC Loans</b>	-7.7%	-10.9%	-3.4%	30%	<b>FC Deposits</b>	-0.1%	-14.5%	-8.8%	-2.5%			

1 Based on BRSA monthly data as of September 2024, for commercial banks only.

2 Based on BRSA weekly data as of 27 September 2024, for the sector.

03

# GARANTI BBVA CORPORATE PROFILE & FINANCIAL HIGHLIGHTS

# ABOUT GARANTI BBVA

## Garanti BBVA's Presence 3Q24

Branches*	Subsidiaries	Employees	Total Customers
806	10	19,521*	26.9 mn



21% Subsidiaries' Contribution to Net Income

**OUR PURPOSE**  
To bring the *age of opportunity* to *everyone*

## Digital Capabilities 3Q24

Customers		Digital Sales
Digital C.	Mobile C.	Share in Total Sales (retail)
16.3 mn	16.1 mn	89%

Highest Digital and Mobile Customer Base

## Financial Highlights 9M24

Leader in profitability

Net Profit	ROAE	CET1
66.9 bn TL	33%	13.4%
Total Assets	Performing Loans / Assets	
2.9 trillion TL	55.9%	
	Securities / Assets	
	14.2%	

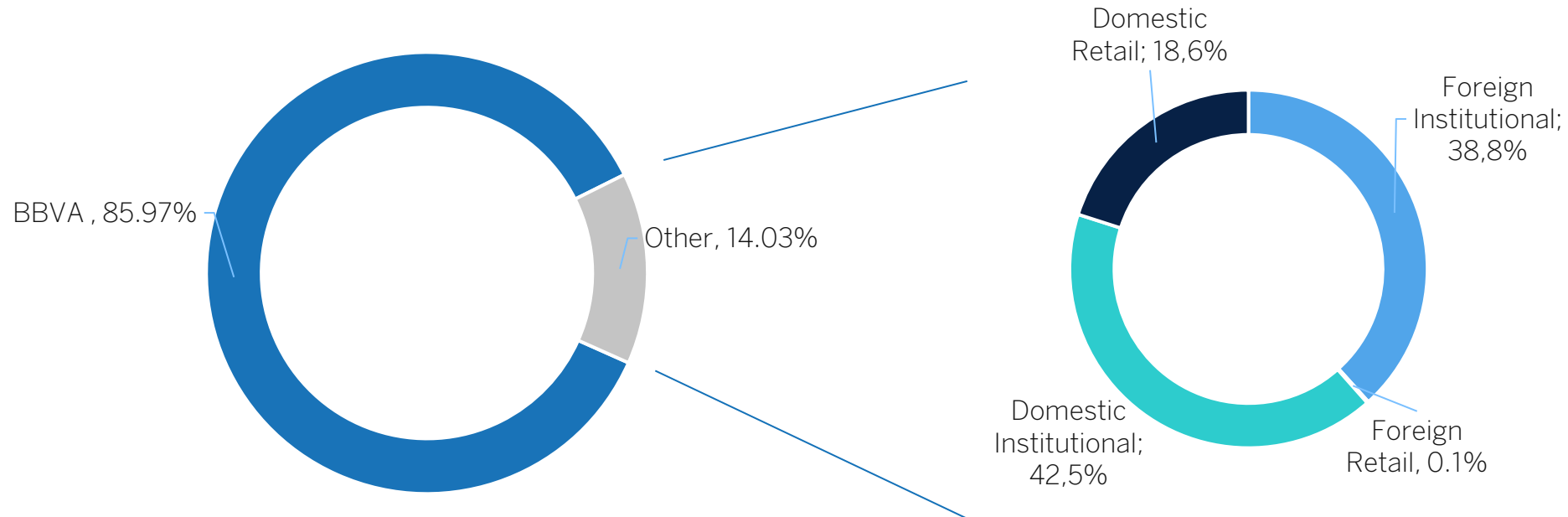
## Brand & Corporate Reputation

Sustainable Business 2025 Target	Member of Net Zero Banker's Association	
400 bn TL	1 <sup>st</sup> Turkish Bank	
Commercial Banking NPS**	SME NPS**	Retail NPS**
#1	#2	#2

\* Branch figure Includes representative office in Shanghai. In number of employees subsidiaries are not included..

\*\*Net Promoter Score study was conducted by independent research firm Ipsos for Garanti BBVA. The research was conducted in January-November 2024 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.

# SHAREHOLDER STRUCTURE



## Most Valuable Bank and Company in BIST-100

(as of 12 December 2024)

**528**bn TL (\$15.1bn)

Market Capitalization

## BEST PERFORMER AMONG BANKS

(as of 12 December 2024)

**+90%**  
YTD Return in \$ terms

## FOREIGN OWNERSHIP

**39%** as of 06 Dec.

Foreign Institutional Investors: Fund + Institutions

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

# GARANTI BBVA'S KEY FINANCIAL STRENGTHS

<p><b>1 CUSTOMER DRIVEN ASSET GROWTH</b></p>	<p>HIGHEST TL LENDING*</p> <p><b>21.1%</b> market share</p>	<p><b>#1</b> in Consumer Loans( inc. CCs), <b>#2</b> TL Business Banking Loans</p>	
<p><b>2 STRATEGICALLY MANAGED FUNDING STRUCTURE</b></p>	<p>ZERO-COST DEMAND DEPOSIT BASE</p> <p><b>39%</b> customer demand deposits share in total</p>	<p>HIGH LIQUIDITY</p> <p><b>\$4.6</b>bn External Debt vs. <b>\$5.1</b>bn FC Liquidity Buffer</p>	
<p><b>3 SOLID ASSET QUALITY, STRONG COVERAGE RATIOS</b></p>	<p>TOTAL COVERAGE RATIO**</p> <p><b>4.5%</b></p>	<p>9M24 NET COR</p> <p><b>90</b><sub>BPS</sub></p>	<p>HIGHEST PROVISION LEVEL**</p> <p><b>76.5</b><sub>BN TL on B/S</sub></p>
<p><b>4 CORE BANKING REVENUE DRIVEN NET INCOME GENERATION</b></p>	<p>HIGHEST CORE NIM</p> <p><b>1.9%</b> in 9M24</p>	<p>ROAE (Cumulative)</p> <p><b>33%</b> IN 9M24</p>	<p>ROAA (Cumulative)</p> <p><b>3.5%</b> IN 9M24</p>
<p><b>5 STRONG CAPITAL POSITION</b></p>	<p>CET1 (w/o BRSA's forbearance)</p> <p><b>13.4%</b></p>	<p>EXCESS CAPITAL (w/o BRSA's forbearance, per consolidated financials)</p> <p><b>81</b><sub>BN TL</sub></p>	

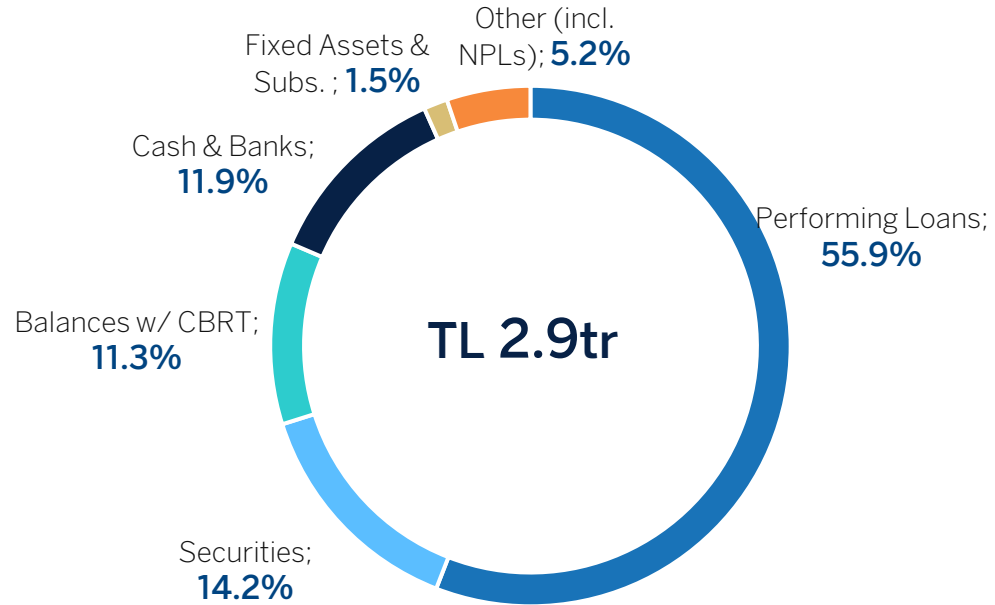
\*among private peers, as of September 2024.

\*\* Adjusted with write-downs since 2019. Excluding write-downs Total coverage ratio: 3.6% and Total provision on B/S: 61.2bn TL

Note: Figures are per BRSA Consolidated Financials, unless otherwise stated

# 1 CUSTOMER DRIVEN ASSET GROWTH

## ASSET BREAKDOWN



### HIGHEST SHARE OF LOANS IN ASSETS

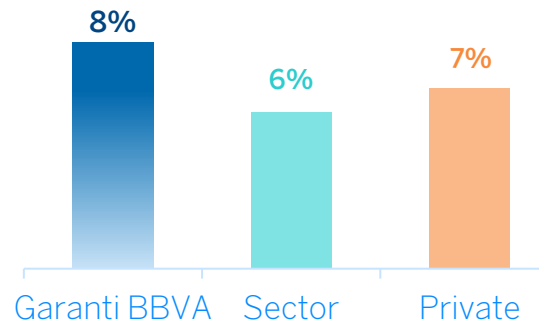
**56%**

Performing loans' share in total assets  
vs. sector: 49%<sup>1</sup>

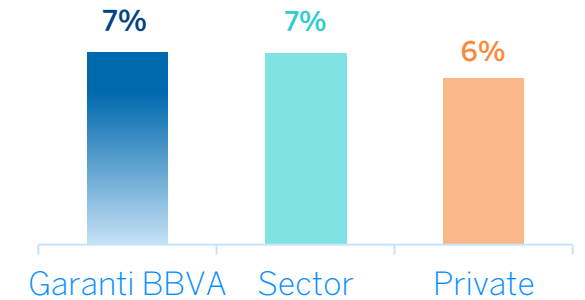
## PERFORMING LOAN GROWTH<sup>1</sup>

(as of Sep'24, QoQ)

### TL Lending



### FC Lending (in USD)

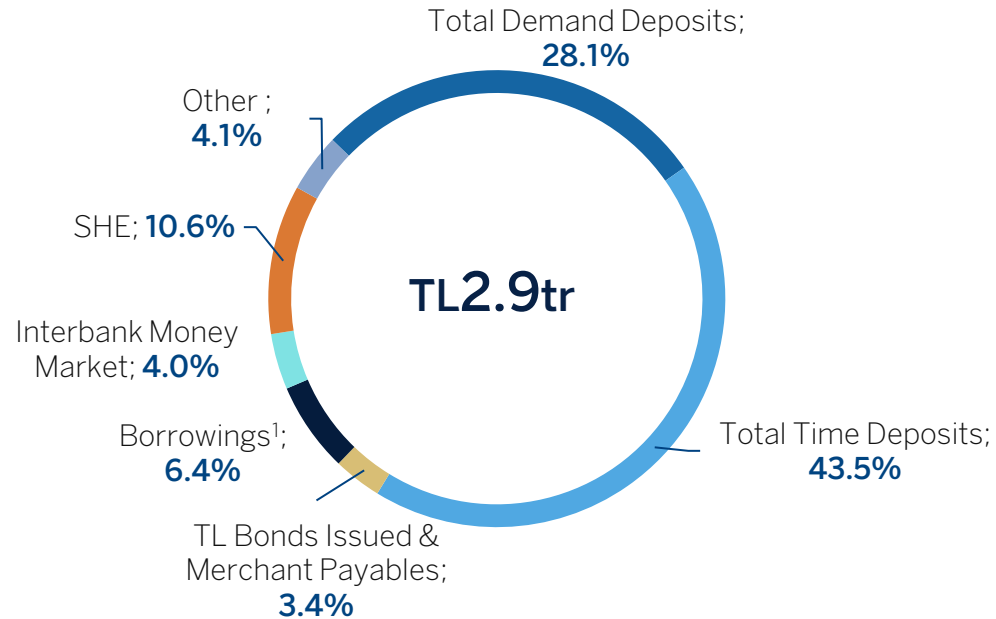


■ Garanti BBVA ■ Sector ■ Private

- Maintained leadership\* in TL lending
- Increased duration gap on TL
- #1 in both Issuing & Acquiring volumes
- Salary customers' share in outstanding GPL volume: **43%**

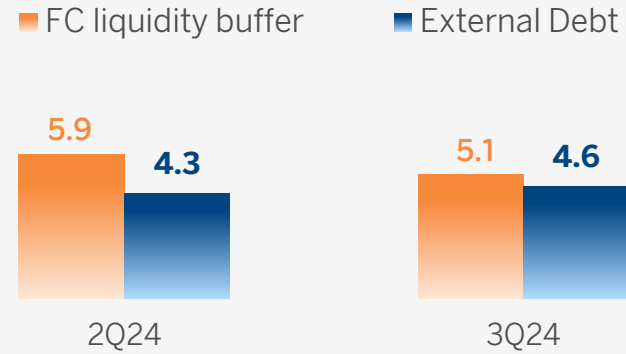
## 2 STRATEGICALLY MANAGED FUNDING STRUCTURE

### LIABILITIES & SHE BREAKDOWN

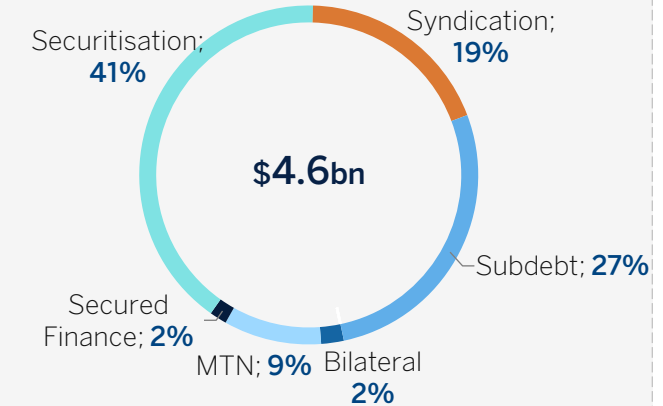


### EXTERNAL DEBT VS. FC QUICK LIQUIDITY<sup>2</sup>

(US\$ bn)



### WHOLESALE FUNDING BREAKDOWN



#### LOW LEVERAGE

**8.5X**

Debt / Equity

#### HIGHLY LIQUID BALANCE SHEET

**\$1.5bn**

Short-term portion  
of external debt

**\$5.1bn**

FC Liquidity Buffer

#### WELL-DIVERSIFIED FUNDING STRUCTURE

**24%**

ESG-linked fundings share in total  
wholesale funding. **100%** of the new  
issuances\* since 2021 are ESG-linked

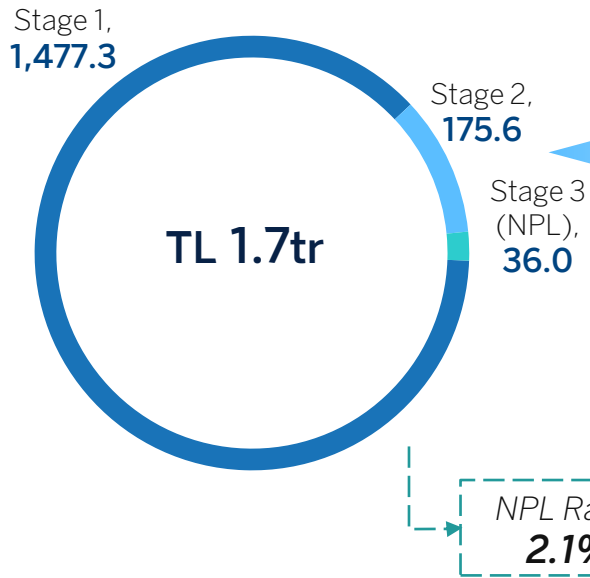
<sup>1</sup> Includes funds borrowed, sub-debt & FC securities issued

<sup>2</sup> FC Liquidity Buffer includes FC reserves under ROM, swaps, money market placements, CBRT eligible unencumbered securities

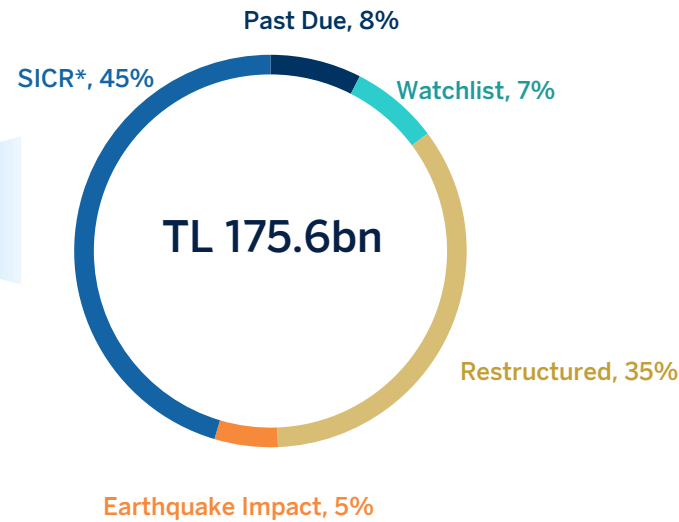
\*Excludes secured finance transactions and MTN issuance.

# 3 SOLID ASSET QUALITY, STRONG COVERAGE RATIOS

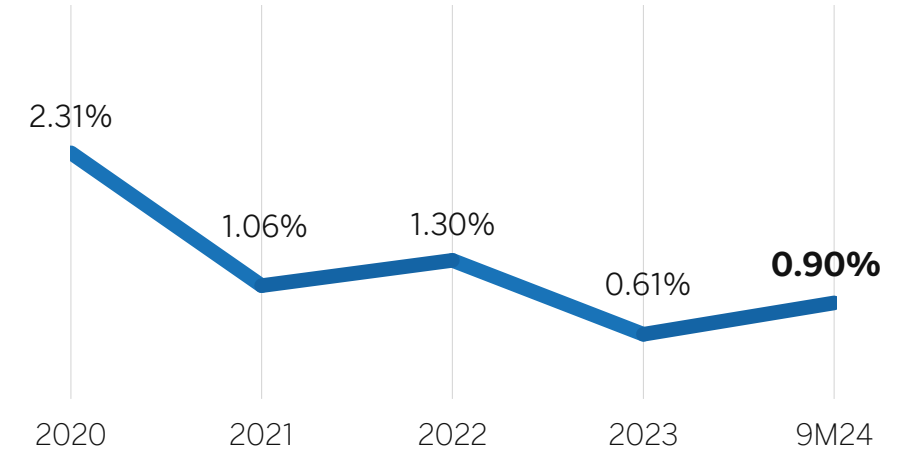
## LOANS & RECEIVABLES BREAKDOWN (Billion TL)



## STAGE-2 BREAKDOWN



## NET CoR TREND excl. CURRENCY



### TOTAL PROVISIONS ON B/S

61.2bn TL  
76.5bn TL when adj. w/ WD<sup>1</sup>

### TOTAL COVERAGE RATIO

3.6%  
4.5% when adj. w/ WD<sup>1</sup>

### NPL COVERAGE RATIO

63.3%  
74.2% when adj. w/ WD<sup>1</sup>

\*SICR: Significant Increase in Credit Risk per our threshold for Probability of Default (PD) changes

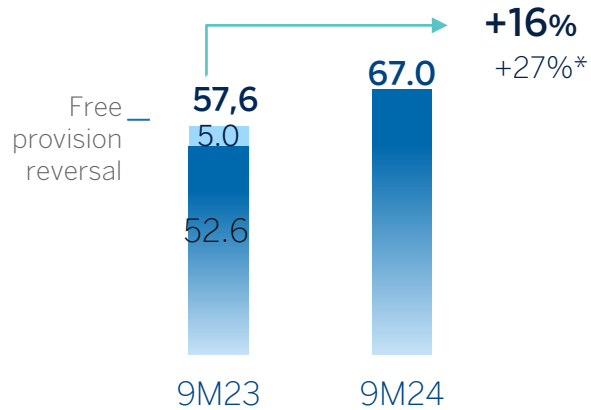
<sup>1</sup> Adjusted with write-downs since 2019



# 4 CORE BANKING REVENUE DRIVEN NET INCOME GENERATION...

## NET INCOME (TL bn)

### CUMULATIVE



### QUARTERLY



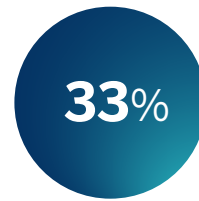
## CORE BANKING REVENUE BREAKDOWN

TL bn, cumulative	Garanti BBVA	Private Peers Avg. <sup>1</sup>
Core NII	31,9	(27,7)
Pure Trading	28,0	25,5
Net F&C	68,0	56,4
<b>CORE BANKING REVENUE</b>	<b>127,9</b>	<b>31,8</b>

## 9M24 ROAA



## 9M24 ROAE



*Garanti BBVA leads in core banking revenue generation capability, highlighting the sustainable nature of the Bank's profitability.*

Pure trading: Trading income excl. Swap cost & currency hedge & KKM related additional remuneration.

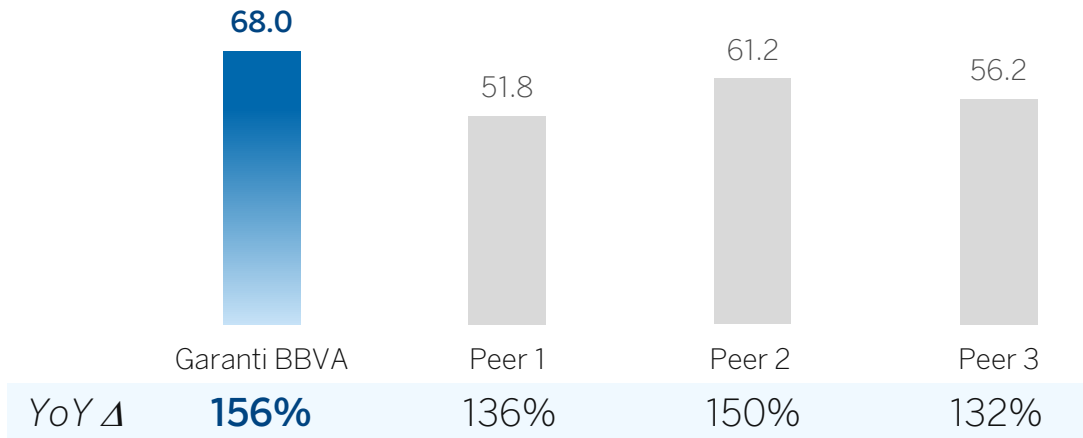
Core NII: NII – CPI linkers' income + swap costs + KKM related additional remuneration cost booked under trading line.

<sup>1</sup> Private peer average is defined as the top 3 private banks excluding Garanti BBVA.

# 4 BACKED BY SUPERIOR FEE GENERATION CAPABILITY...

## NET FEES & COMMISSIONS

(TL bn, 3Q24)



### SOLID PRESENCE IN CREDIT CARD BUSINESS

+3.7% YoY  
Payment Systems Fees

#1 in Issuing Volume  
CC customers and  
Acquiring Volume

### WELL DIVERSIFIED & ABOVE INFLATION FEE PERFORMANCE

#1 in TL Cash &  
TL Non-Cash Loans  
(as of 30.06.2024)

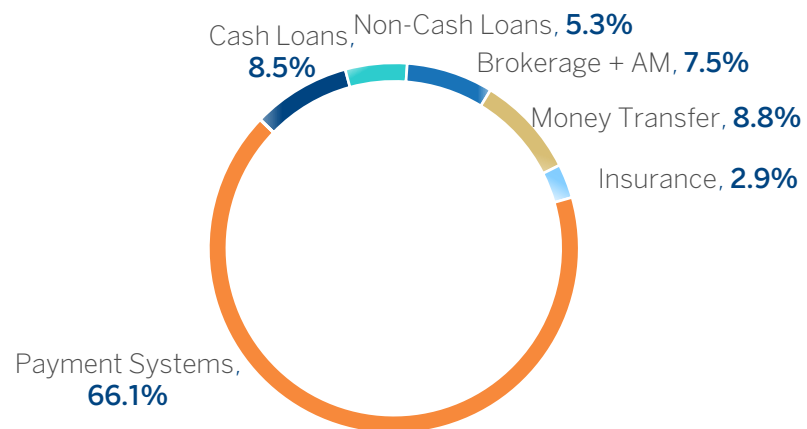
#1 in Money Transfer fees

### EXPANDING CUSTOMER BASE & INCREASING PENETRATION

~16.3mn  
Digital customers

89%  
Digital sales in total sales

## NET F&C BREAKDOWN<sup>1</sup>

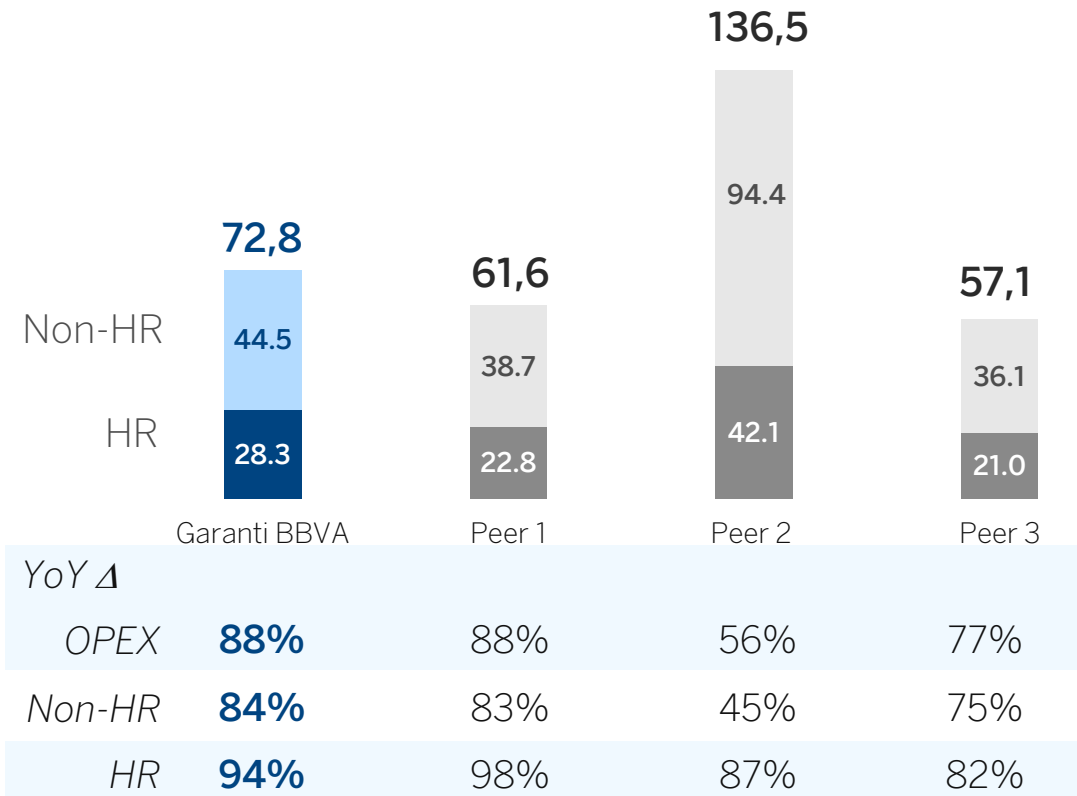


<sup>1</sup> Net Fees&Comm . breakdown is based on Consolidated Financials. Garanti Pension premiums are shown under Other Income. As of December 2023, a number of fee sources previously booked under 'Other' have been reclassified under 'Money Transfer'. Rankings are among private banks

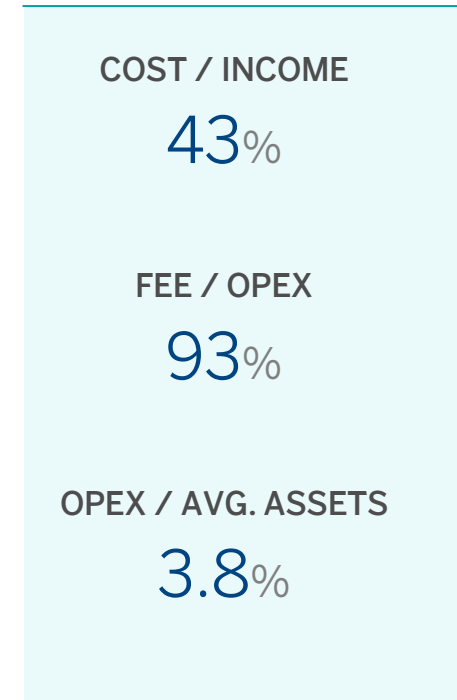
# 4 ... AND STRICTLY MANAGED COST GROWTH

## OPERATING EXPENSES

(TL bn, 3Q24)



## BEST-IN CLASS EFFICIENCY RATIOS

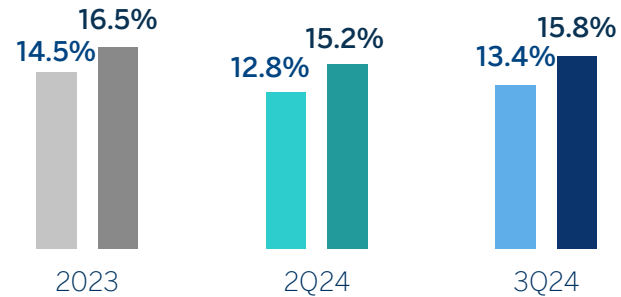


Note: Income defined as NII inc. Swaps + Net F&C + Dividend Income + Subsidiary Income + Net Trading Income (excludes swaps & currency hedge) + Other income (net of prov. Reversals, free provision reversals and one-off income)

# 5 STRONG CAPITAL POSITION

## SOLVENCY RATIOS *(without BRSA's forbearance)*

■ CET1 ■ CAR



USDTRY 29.04 31.94 33.42

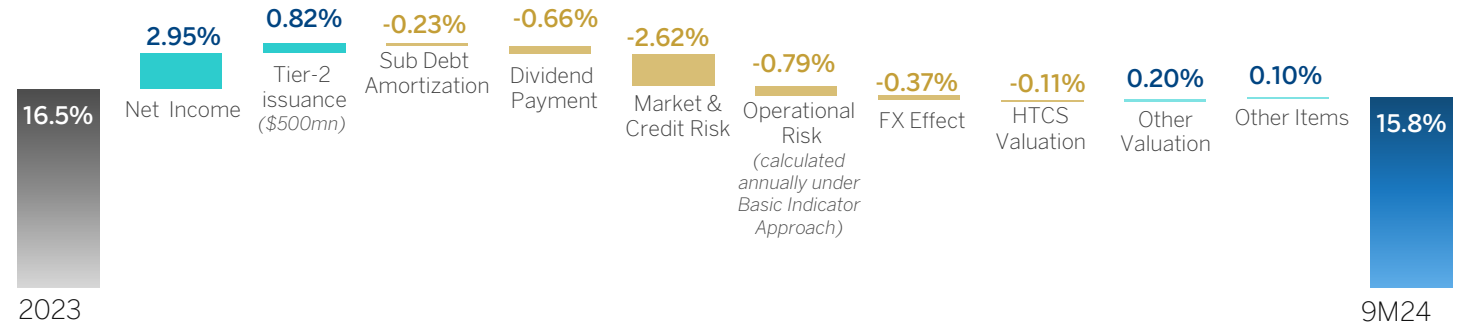
~21.6bps  
CAR sensitivity to  
10% TL  
depreciation

~1.4%  
BRSA  
Forbearance  
Impact on CAR

TL 81 bn  
Excess Capital  
(Consolidated  
& w/o forbearance)

+85bps  
QoQ impact from  
regulatory change on  
RWAs of consumer loans\*

## 2023 – 3Q24 CAR EVOLUTION *(Consolidated, without BRSA's forbearance)*



## 2Q24 – 3Q24 CAR EVOLUTION *(Consolidated, without BRSA's forbearance)*



1 Required Consolidated CAR level = 8.0% + SIFI Buffer for Group 2 (1.5%) + Capital Conservation Buffer (2.5%) + Counter Cyclical Buffer (0.14%); Required Consolidated Tier-I = 6.0% + Buffers; Required Consolidated CET-1 = 4.5% + Buffers

\*19.09.2024 dated BRSA decision

04

# SUSTAINABILITY AT GARANTI BBVA

# SUSTAINABILITY AT GARANTI BBVA



## Combating Climate Change

Contribution to Sustainable Development (2018-9M24)

240 bn TL

The target of contributing and financing of sustainable development between 2018 and 2025 is updated to the **400 billion TL**

Decarbonization Target

1<sup>st</sup> company to declare this target in Türkiye\*

Market share of wind power plants (WPP) by installed power financed by the Bank (2023YE)

24.6%



## Inclusive Growth

Financing the Women Entrepreneurs

200 bn TL - in 5 years

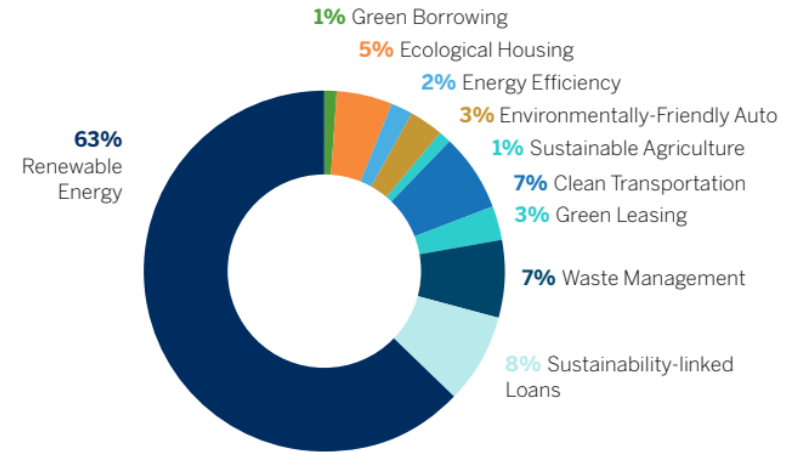
Unbanked Women Program

5,515 women participated since October 2023

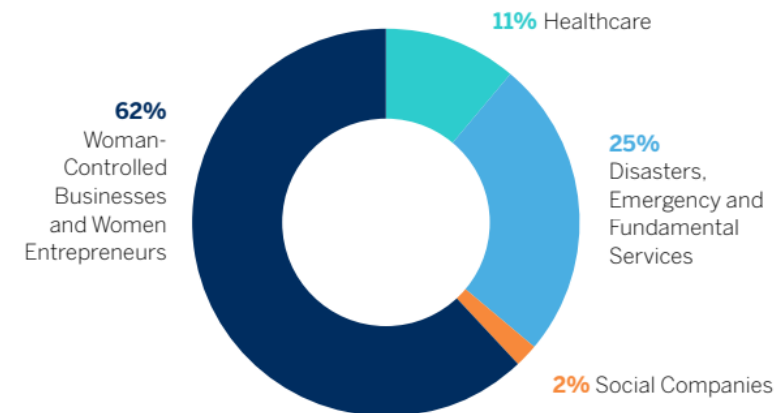
SME-Micro Loan Market Share among private peers

20.1%

## Climate Action Financing by Themes\*\*



## Inclusive Growth Financing by Themes\*\*



\* Within PACTA ((Paris Agreement Capital Transition Assessment) methodology

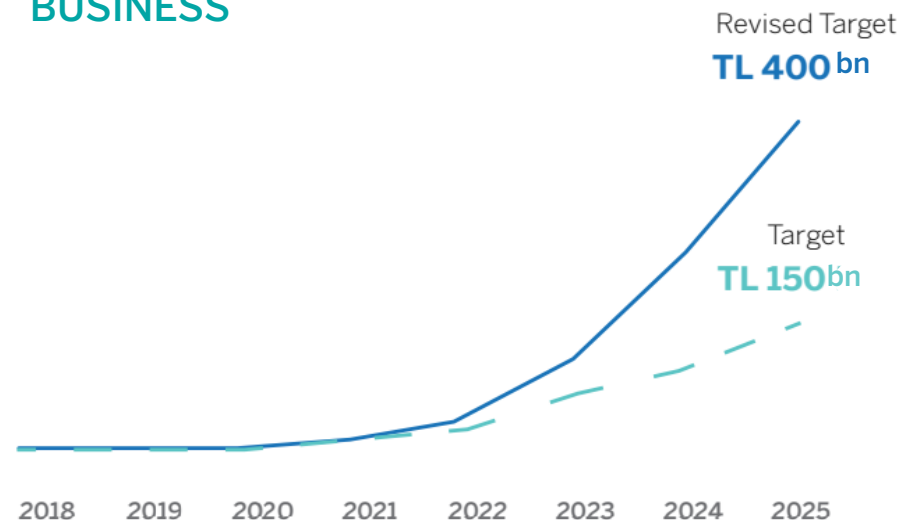
\*\*Management data as at 31.12.2023.

# COMBATING CLIMATE CHANGE

## SUSTAINABLE FINANCE

- > 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 2018-9M24 period, the total amount of resources allocated by the Bank to the financing of sustainable activities reached **240 billion TL**.

## CHANNELLING SUSTAINABLE BUSINESS (TL.Bn)



## Emissions reduction targets for carbon-intensive sectors

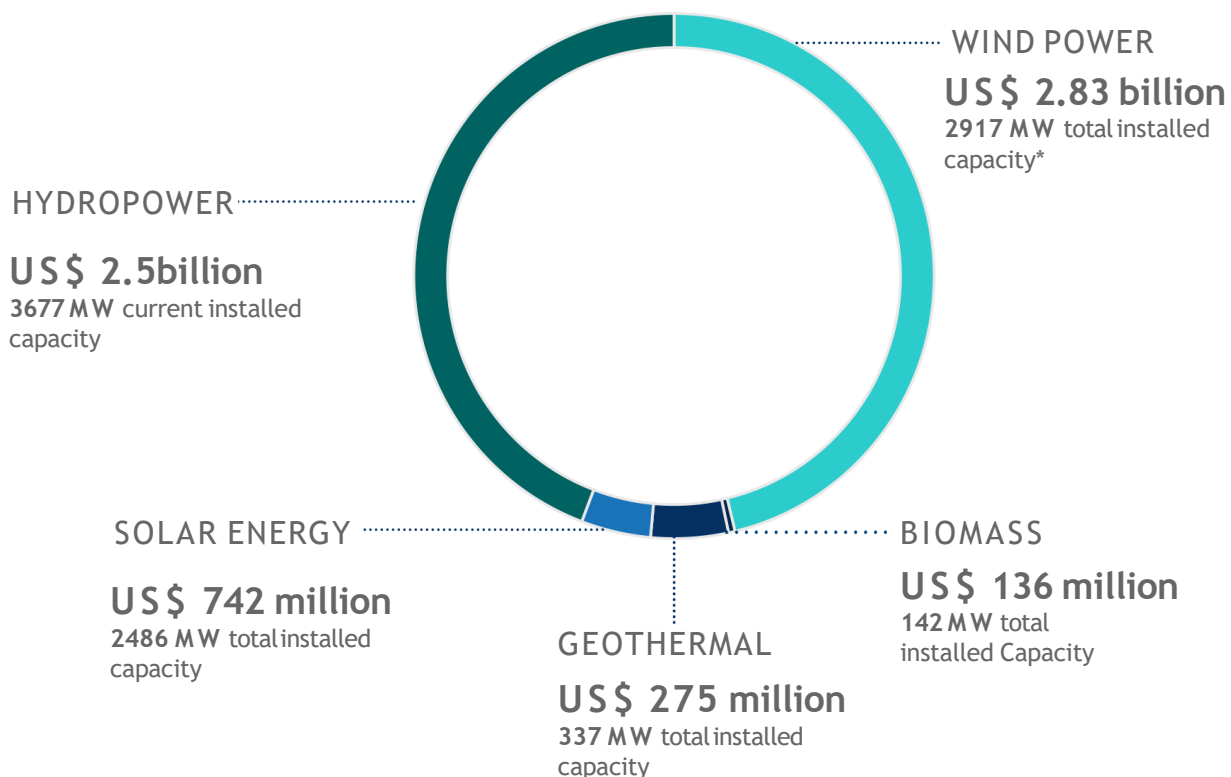
Sector	Emission Scope	Metric	Scenario	Garanti BBVA Baseline (2022)	Garanti BBVA Progress (2023)	Difference	Reduction Target by 2030
Energy	1+2	kgCO <sub>2</sub> e/Mwh	IEA Net Zero 2050	388	339	-13%	-72%
Automotive	3	gCO <sub>2</sub> e/Km	IEA Net Zero 2050	182	179	-1%	-40%
Iron & Steel	1+2	kgCO <sub>2</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



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.

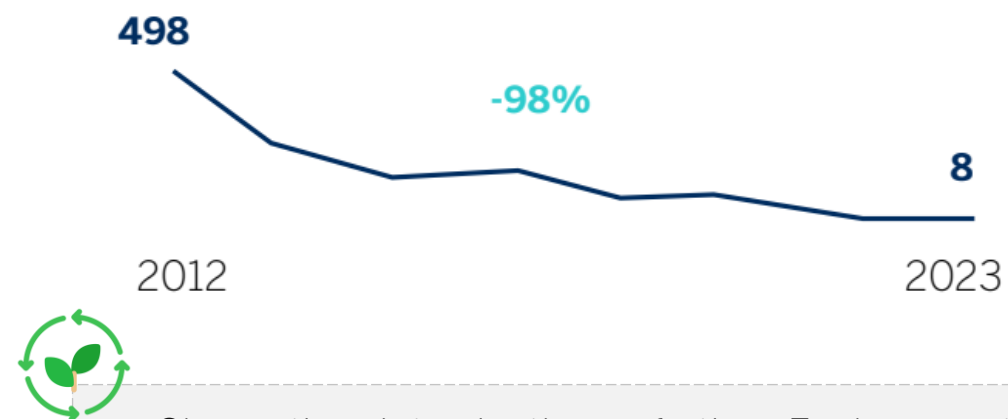
# COMBATING CLIMATE CHANGE

## RENEWABLE ENERGY FINANCING



## SUPPORTING THE TRANSITION TO A LOW CARBON ECONOMY

Carbon Intensity (tCO<sub>2</sub>e/Total Assets)\*



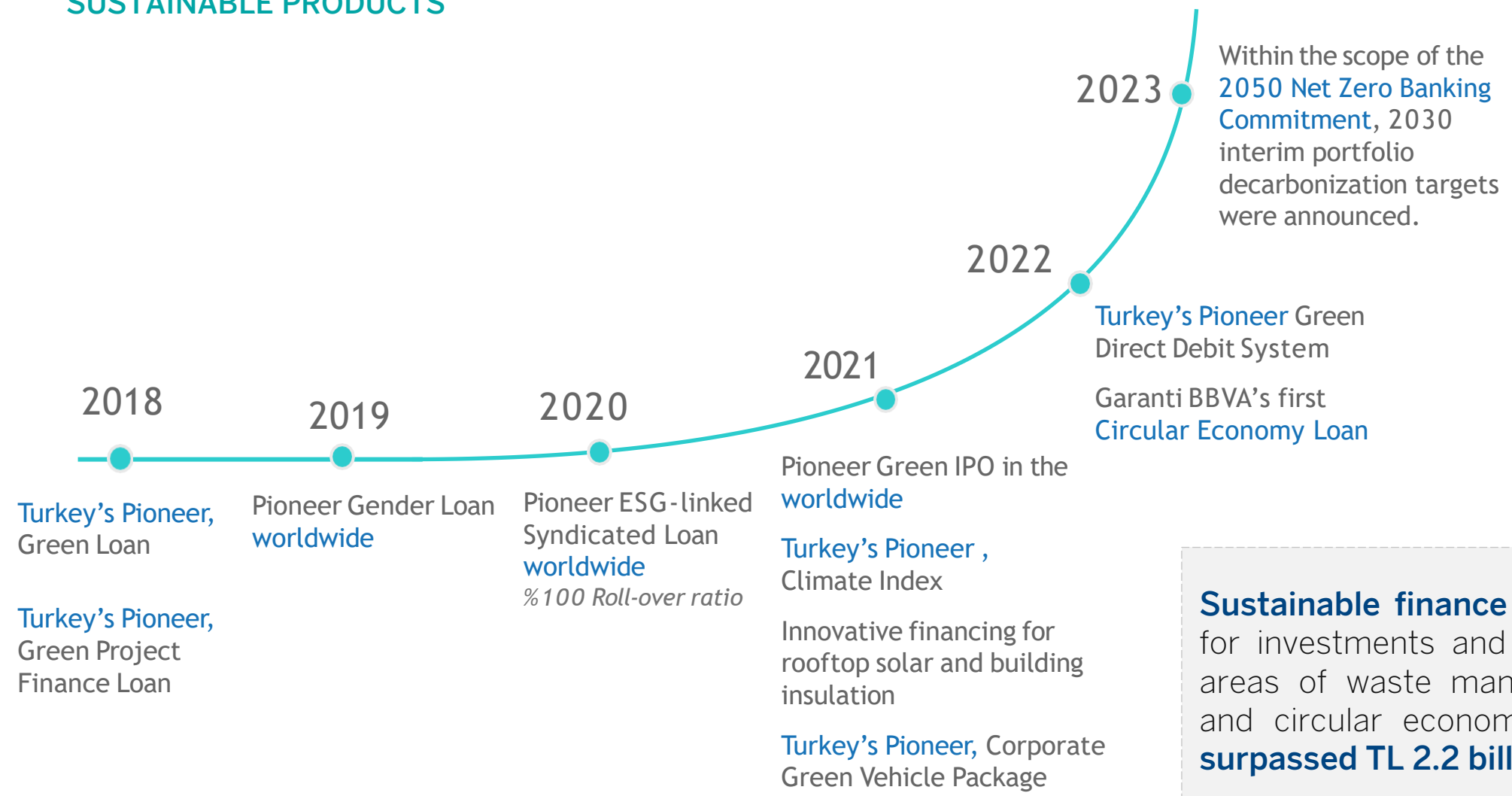
- > Since the introduction of the Environmental Management System in 2012, **the Bank's carbon intensity decreased by 98%**.
- > **Solar Power Plants (SPP)** planned to have a total installed capacity of approximately 300 kW and an annual power generation capacity of 350 MWh **were installed in Pendik Campus and Güneşli Service Buildings.**
- > **81 rooftop solar panels** were installed on ATMs from early 2023.

\* Scope 3 is not included in the intensity calculations  
Source: Management data as at 31.12.2023.



# COMBATING CLIMATE CHANGE

## SUSTAINABLE PRODUCTS



**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.**

# INCLUSIVE GROWTH

## Unbanked Women program

It provides free, online and face-to-face financial literacy and entrepreneurship trainings for women to better manage their finances.

Since October 2023, **5,515 women** participated in financial literacy and entrepreneurship trainings.

## Women Entrepreneur Program

As of October 2024, the amount of **TL loans provided** under financial support to women entrepreneur customers, who are classified as a special customer group, **exceeded TL 39 billion in all segments.**

## Garanti BBVA Partners Accelerator Program

It contributes to the sustainability of **early startups, the SMEs** and **scaleups.**

## Consistently increasing market share in SME and SME-Micro loans

In 9M24,

- TL SME Loans share in TL Loans **30%**
- TL SME Loan Market Share among private Banks **22.5%\***
- % Share of micro loans in SME **27%**
- SME-Micro Loan Market Share among private Banks **20.1%\***

# COMMUNITY INVESTMENTS



Contribution to community investment programs

875 mn TL

3 focuses of action

- Reducing inequalities and promote inclusive growth
- Education for all
- Frontier knowledge and accessible culture



**Türkiye's Life: Fire Management Grant Program** Under the Türkiye's Life: Fire Management Grant Program co-launched with WWF-Türkiye in June 2022. As of the end of 2023 **a total 6 projects have been implemented**



**Salt** founded by Garanti BBVA in 2011 to support the production of **knowledge, culture and arts**. Salt Research archival collections give online access to **more than 2 million documents and resources**.



**Blue Breath:** Co-launched with **Turkish Marine Environment Protection Association/ TURMEPA** to **combat marine pollution**.

Since September 2021 to date, all sea sweepers in all regions collected **approximately 200.071 tonnes** of solid waste, which were recycled.



**ÖRAV** 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.

**eşit biz**









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



**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.

In 2023, **12,730 students** and **913 teachers** were reached.

# SUSTAINABILITY INDICES

						
INDICES / ESG RATINGS	S&P CORPORATE SUSTAINABILITY ASSESSMENT	CDP CLIMATE CHANGE	CDP WATER SECURITY	FTSE4GOOD	SUSTAINALYTICS ESG RISK	BLOOMBERG GENDER EQUALITY INDEX
SCORING RANGE	0-100	A / D-	A / D-	0-5	0-40+	0-100
SCORE	<b>85</b>	<b>B</b>	<b>A-</b>	<b>3,8</b>	<b>23,7</b>	<b>89,06</b>
	<p>Our score is the <b>15th highest</b> in the banking sector globally and <b>#1</b> in <b>Türkiye</b></p> 	<p><b>Local indices in which Garanti BBVA is included</b></p> <ul style="list-style-type: none"> <li>&gt; BIST SUSTAINABILITY INDEX</li> <li>&gt; BIST-25 SUSTAINABILITY INDEX <i>(as of January 1, 2025)</i></li> <li>&gt; BIST CORPORATE GOVERNANCE INDEX</li> </ul>				<p>The only bank from Türkiye to be included in the index for <b>7 consecutive years</b></p> 

05

# CORPORATE GOVERNANCE AT GARANTI BBVA

# GARANTI BBVA

## OUR PURPOSE

“To bring **the age of opportunity** to **everyone**”

## OUR VALUES

 **Customer** comes first

 We think **big**

 We are **one team**


## OUR STRATEGIC PRIORITIES


### WHAT WE STAND FOR?

 Financial Health

 Sustainability

### DRIVERS OF SUPERIOR PERFORMANCE

 Reaching More Customers

 Operational Excellence

### ACCELERATORS TO DELIVER OUR STRATEGY

 Best & Most Engaged Team

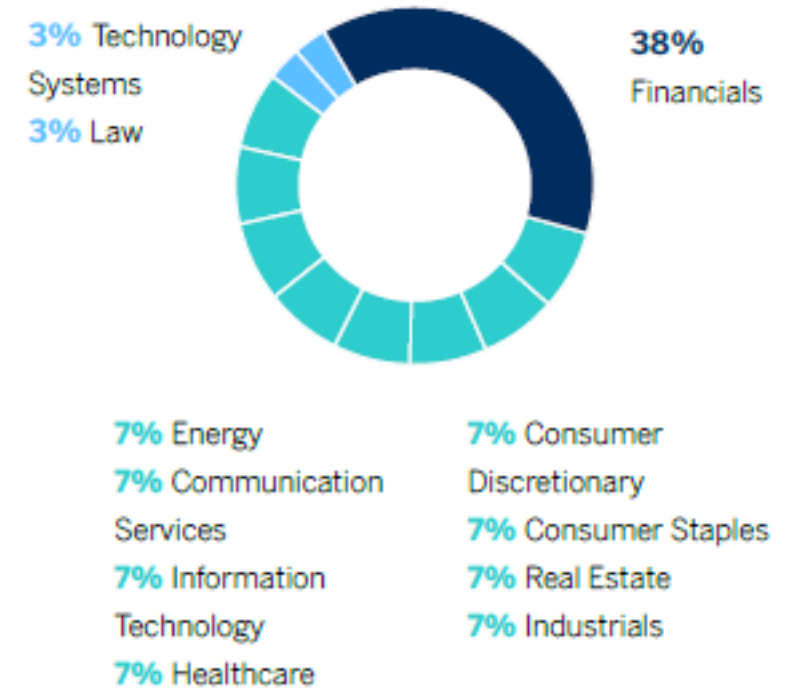
 Data & Technology

# BOARD OF DIRECTORS

Name and Surname		Appointment Date	Education	Experience in Banking and Business Administration
Süleyman Sözen	Non-executive	29.05.1997	Undergraduate	43 years
Jorge Saenz Azcunaga Carranza	Non-executive / Independent	24.03.2016	Undergraduate	30 years
Mahmut Akten	Executive	23.08.2024	Master	25 years
Sait Ergun Özen	Non-executive	14.05.2003	Undergraduate	37 years
Ebru Oğan Knottnerus	Non-executive / Independent	27.03.2024	Master	33 years
Jaime Saenz de Tajeda Pulido	Non-executive	02.10.2014	Undergraduate	32 years
Pablo Alfonso Pastor Muñoz	Non-executive	31.03.2021	Master	34 years
Rafael Salinas Martinez de Lecca	Non-executive	08.05.2017	Master	33 years
Belkis Sema Yudum	Non-executive /Independent	30.04.2013	Undergraduate	44 years
Avni Aydın Düren	Non-executive	17.06.2020	Master	33 years
M. Canan Özsoy	Non-executive /Independent	04.04.2019	Master	33 years

## EXPERIENCE COMPOSITION

Chart is prepared in accordance with Global Industry Classification Standard (GICS). The Global Industry Classification Standard (GICS) is an industry taxonomy developed by MSCI and Standar & Poor's (S&P) for use by the global financial community



# SENIOR MANAGEMENT

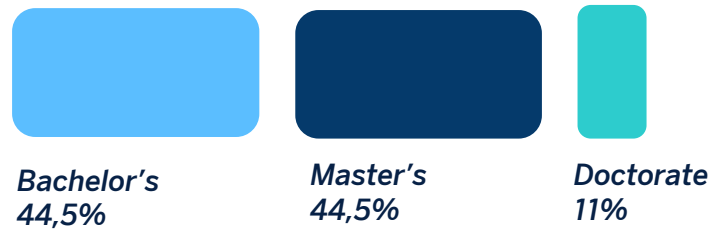
## GENDER



## AVERAGE EXPERIENCE



## EDUCATION



**CHIEF EXECUTIVE OFFICE**  
Mahmut Akten

Economic Research  
General Secretariat  
Information Systems Security  
Retail Collections



**Finance and Treasury**  
Aydın Güler



**Credit Risk Management**  
Murat Atay



**Engineering and Data**  
İlker Kuruöz



**Talent and Culture\***  
Tuba Köseoğlu



**Retail Banking**  
Ceren Acer Kezik



**Corporate, Investment Banking and Global Markets**  
Sinem Edige



**Commercial Banking**  
Cemal Onaran



**SME Banking**  
Sibel Kaya

\*On 04.12.2024 it was announced that Ms. Tuba Köseoğlu Okçu, Executive Vice President in charge of Talent and Culture, has stepped down from her position, and Ms. Ebru Taşçı Firuzbay has been appointed as her replacement.



# CORPORATE GOVERNANCE RATING

## OUR JCR CORPORATE GOVERNANCE RATING EVOLUTION

Main Section	10.12.2016	11.12.2017	11.12.2018	11.12.2019	11.12.2020	10.12.2021	9.12.2022	8.12.2023	6.12.2024
Shareholders	9.22	9.22	9.22	9.67	9.67	9.67	9.73	9.73	9.73
Public Disclosure & Transparency	9.25	9.40	9.67	9.67	9.76	9.85	9.85	9.85	9.85
Stakeholders	9.23	9.57	9.72	9.86	9.86	9.86	9.87	9.87	9.87
Board of Directors	9.34	9.66	9.76	9.76	9.81	9.81	9.81	9.81	9.85
Overall Score	<b>9.27</b>	<b>9.51</b>	<b>9.60</b>	<b>9.73</b>	<b>9.77</b>	<b>9.79</b>	<b>9.81</b>	<b>9.81</b>	<b>9.82</b>
Outlook	Positive	Positive	Positive	Positive	Stable	Positive	Positive	Positive	Stable

### STRENGTHS

- **25% female representation target** in the BoD is achieved.
- **Integrated Annual Report** including a detailed review of financial and nonfinancial performance, future strategies, targets on key material issues
- Effective & transparent **IR website**
- Pioneering practices in the **digital banking**
- Announcement of **decarbonization targets**
- **Qualified, educated and experienced BoD**
- Effective and comprehensive **internal control, internal audit and risk management** systems.

### CONSTRAINTS

- Absence of any clauses to broaden the exercise of **minority rights** (holding less than 5% of the share)
- Lack of disclosure of the **per-person remuneration** of the top managers and the board members

[Click here to view Corporate Governance Principles Compliance Report](#)

# ESG KEY PERFORMANCE INDICATORS

## GENDER PAY GAP

	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.

## GHG EMISSIONS (TONNES OF CO2 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%

\*\*\* 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.

## 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

## EMPLOYEE & DIVERSITY INDICATORS

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

## 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

For more, [Click here to view our ESG Performance Indicators](#)



## APPENDIX: SUMMARY BALANCE SHEET

(TL billion)

ASSETS	30.09.2023	31.12.2023	31.03.2024	30.06.2024	30.09.2024
Cash & Cash Equivalents	188,5	234,6	215,6	272,2	341,8
Balances at CBRT	284,2	291,7	334,8	313,1	325,0
Securities	296,3	326,5	380,3	396,6	409,9
Gross Loans & Receivables	1129,3	1259,6	1430,3	1530,2	1689,0
<b>+TL Loans</b>	<b>690,6</b>	<b>769,1</b>	<b>895,4</b>	<b>975,5</b>	<b>1062,6</b>
TL NPL	16,5	18,6	21,7	23,7	30,2
info: TL Performing Loans	674,2	750,5	873,6	951,8	1032,5
<b>+FC Loans (in US\$ terms)</b>	<b>14,9</b>	<b>15,5</b>	<b>15,5</b>	<b>16,0</b>	<b>17,3</b>
FC NPL (in US\$ terms)	0,1	0,2	0,1	0,1	0,1
info: FC Performing Loans (in US\$ terms)	14,7	15,3	15,3	15,9	17,2
info: Performing Loans (TL+FC)	1069,9	1193,8	1361,1	1459,9	1608,7
Fixed Assets & Subsidiaries	25,0	32,5	34,2	41,6	42,7
Other	53,0	56,9	67,1	63,8	69,5
<b>TOTAL ASSETS</b>	<b>1976,3</b>	<b>2.201,7</b>	<b>2.462,5</b>	<b>2.617,4</b>	<b>2.877,8</b>
LIABILITIES & SHE	30.09.2023	31.12.2023	31.03.2024	30.06.2024	30.09.2024
Total Deposits	1437,2	1604,9	1753,9	1854,1	2058,6
<b>+Demand Deposits</b>	<b>615,9</b>	<b>662,7</b>	<b>760,8</b>	<b>726,6</b>	<b>807,7</b>
TL Demand	149,7	150,4	164,2	181,9	196,6
FC Demand (in US\$ terms)	17,4	17,6	18,8	17,1	18,3
<b>+Time Deposits</b>	<b>821,3</b>	<b>942,2</b>	<b>993,1</b>	<b>1127,5</b>	<b>1250,9</b>
TL Time	623,0	727,6	752,7	906,2	970,0
FC Time (in US\$ terms)	7,4	7,4	7,6	6,9	8,4
Interbank Money Market	53,0	56,0	86,6	124,9	113,7
Bonds Issued	10,4	11,1	13,0	10,0	18,4
Funds Borrowed	122,2	133,1	158,6	159,8	165,8
Other liabilities	138,2	150,9	194,3	188,3	217,3
Shareholders' Equity	215,4	245,6	256,1	280,3	304,0
<b>TOTAL LIABILITIES &amp; SHE</b>	<b>1976,3</b>	<b>2.201,7</b>	<b>2.462,5</b>	<b>2.617,4</b>	<b>2.877,8</b>

## APPENDIX: SUMMARY P&L

TL Million	QUARTERLY P&L			CUMULATIVE P&L		
	2Q24	3Q24	QoQ	9M23	9M24	YoY
(+) Net Interest Income including Swap costs	19.950	25.168	26%	59.258	62.552	6%
(+) <i>NII excluding CPI linkers' income</i>	23.462	18.867	-20%	38.020	58.857	55%
(+) <i>Income on CPI linkers</i>	9.328	12.959	39%	22.078	30.698	39%
(-) <i>Swap Cost</i>	-12.839	-6.658	-48%	-840	-27.003	3114%
(+) Net Fees & Comm.	22.207	26.147	18%	26.595	67.980	156%
(+) Net Trading & FX gains/losses (excl. Swap costs and currency hedge)	9.027	8.514	-6%	17.273	28.031	62%
<i>info: Gain on Currency Hedge<sup>1</sup></i>	112	1.891	1587%	9.791	4.474	-54%
(+) Income from investments under equity	595	455	-24%	1.267	1.802	42%
(+) Other income (excl. Prov. reversals & one-offs)	3.217	3.257	1%	11.195	10.401	-7%
(+) Non-recurring other income	746	-1	<i>n.m</i>	399	745	87%
(+) <i>Gain on asset sale &amp; Revaluation of real estate</i>	746	-1	<i>n.m</i>	526	745	42%
(+) <i>Administrative Fine / Reversal</i>	0	0	<i>n.m</i>	-127	0	<i>n.m</i>
(+) <i>Free Provision Reversal</i>	0	0	<i>n.m</i>	5.000	0	<i>n.m</i>
(-) OPEX	-23.412	-27.616	18%	-38.790	-72.807	88%
(-) <i>HR</i>	-8.922	-10.714	20%	-14.544	-28.276	94%
(-) <i>Non-HR</i>	-14.490	-16.902	17%	-24.247	-44.531	84%
(-) Net Expected Loss (excl. Currency impact)	-2.487	-5.347	115%	-3.911	-9.978	155%
(-) <i>Expected Loss</i>	-12.844	-11.185	-13%	-29.737	-40.001	35%
<i>info: Currency Impact<sup>1</sup></i>	-112	-1.891	1587%	-9.791	-4.474	-54%
(+) <i>Provision Reversal under other Income</i>	10.245	3.947	-61%	16.035	25.548	59%
(-) Taxation and other provisions	-7.733	-8.216	6%	-15.701	-21.775	39%
(-) <i>Free Provision</i>	0	0	<i>n.m</i>	0	0	<i>n.m</i>
(-) <i>Taxation</i>	-7.705	-8.095	5%	-15.456	-21.587	40%
(-) <i>Other provisions (excl. free prov.)</i>	-28	-121	337%	-245	-188	-23%
<b>= NET INCOME</b>	<b>22.110</b>	<b>22.361</b>	<b>1%</b>	<b>57.584</b>	<b>66.950</b>	<b>16%</b>

<sup>1</sup> Neutral impact at bottom line, as provision increase due to currency depreciation are 100% hedged  
(FX gain included in Net trading income line)

## APPENDIX: KEY FINANCIAL RATIOS

	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24
<b>Profitability ratios</b>					
ROAE (Cumulative) <sup>1</sup>	41,1%	44,5%	36,0%	34,2%	32,9%
ROAA (Cumulative) <sup>1</sup>	4,5%	4,9%	3,9%	3,7%	3,5%
Cost/Income	35,1%	34,8%	41,7%	42,1%	42,6%
<b>Liquidity ratios</b>					
Loans / Deposits	74,4%	74,4%	77,6%	78,7%	78,1%
TL Loans / TL Deposits	87,3%	85,5%	95,3%	87,5%	88,5%
Adj. Loans/Deposits (Loans adj. with on-balance sheet alternative funding sources)	64%	64%	67%	68%	68%
TL Loans / (TL Deposits + TL Bonds + Merchant Payables)	81,8%	79,5%	87,6%	81,3%	81,7%
FC Loans / FC Deposits	59,6%	61,0%	58,2%	66,3%	64,6%
<b>Asset quality ratios</b>					
NPL Ratio	1,9%	2,1%	1,9%	1,9%	2,1%
Coverage Ratio	4,3%	4,1%	3,7%	3,6%	3,6%
+ Stage1	0,5%	0,5%	0,5%	0,5%	0,5%
+ Stage2	20,4%	21,4%	21,1%	18,8%	17,4%
+ Stage3	69,6%	67,8%	65,3%	64,2%	63,3%
Cumulative Net Cost of Risk (excluding currency impact, bps) <sup>2</sup>	55	61	64	66	90
<b>Solvency ratios</b>					
CAR (excl. BRSA Forbearance)	16,5%	16,5%	15,4%	15,2%	15,8%
Common Equity Tier I Ratio (excl. BRSA Forbearance)	14,4%	14,5%	12,7%	12,8%	13,4%
Leverage	8,2x	8,0x	8,6x	8,3x	8,5x

<sup>1</sup> Note: Excludes non-recurring items when annualizing Net Income for the remaining quarters of the year in calculating Return On Average Equity (ROAE) and Return On Average Assets (ROAA) Please refer to the Appendix: Summary P&L for non-recurring items

<sup>2</sup> Neutral impact at bottom line, as provision increase due to currency depreciation are 100% hedged (FX gain included in Net trading income line)

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