

52
million

Number of trees required to achieve the CO₂ reduction realized at the operational renewable energy power plants financed by Garanti Bank is 52 million.

-10.8%

Reduction in the ratio of CO₂-equivalent emissions over total assets by the end of 2011 is 10.8%.

475
TL million

Volume of loans provided since 2006 within the scope of Support for Women Entrepreneurs Package is TL 475 million.

67
thousand

Number of teachers reached in 61 cities through the "Öğretmenin Sınırı Yok" (No Limits in Teaching) project is 67,065.

51
hours

Average training period per employee during 2011 is 51 hours.

01/2011-06/2012 SUSTAINABILITY REPORT

About This Report

This report presents Garanti Bank's performance on the issue of sustainability as determined in parallel with the feedback of its stakeholders. It has been prepared in accordance with Global Reporting Initiatives (GRI) reporting guidelines. The report fulfills level A, and this has also been confirmed by GRI. There is a comprehensive index according to GRI principles on pages 97 – 112.

This report also constitutes Garanti Bank's Communication on Progress for the UN Global Compact. For further details please see page 95.



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Vision, Mission, Strategy

Our Vision is to be the best bank in Europe.

Our Mission

is to continuously and noticeably increase the value we create for our customers, shareholders, employees, the society and the environment by utilizing our influence, agility and organizational efficiency.

Our Strategy

is to maintain long-term sustainable growth by continuously creating value.

Main Pillars of our Strategy

Focus on customers

- Innovative products and high quality service
- Unrivalled competence, experience and implementation capability
- Exceptional business processes throughout the Bank
- Customer Satisfaction Constitution

Focus on the continuity of technological innovation

- The best and the fastest technological equipment that is constantly upgraded and integrated with business segments
- The most up-to-date IT infrastructure

Focus on competent human resources

- Continuous improvement in competency and efficiency of human resources
- Performance-based incentive system

Focus on operational efficiency

- Focus on improving productivity
- Focus on cost/income synergies

Focus on disciplined growth

- Sustainable and profitable balance-sheet growth focused on real banking
- Strong asset quality
- Outstanding service and distribution competencies in reaching target markets and a broad customer base

Focus on strong delivery channels

- Extensive and efficient branch network
- Effective and broad-based usage of alternative delivery channels

Focus on sustainable banking

- Commitment to corporate governance, ethics and corporate values
- Minimizing environmental and social impacts of the Bank's activities, products and services
- Playing an active role in establishing high standards for social development and environmental protection with an approach toward creating value for the society and the environment

Focus on sustainable income sources and profitability

- Focus on high-return products and profitable business segments
- Increase non-interest income
- Emphasis on generating customer-driven income
- Continuous improvement in free capital and cost of borrowing
- Promote cross-selling opportunities by prioritizing products and packages that enhance customer loyalty

Focus on risk management and audit

- Measurement of risk using globally accepted standards
- Portfolio-wide risk management that associates risk with return and leads to optimal allocation of economic capital
- Proactive audit systems

Our Core Values

"Our customers..."

are the cause of all our operations and efforts.

- We always strive to satisfy our customers above and beyond their expectations.
- We are honest, courteous, helpful, solution-oriented and always pleasant.

"Garanti Bank and its employees have high moral values"

- We conscientiously follow rules and regulations without exception.
- Having a good conscience is of paramount importance for both the organization and the individuals which form it.

"The most important element for us is the human factor"

- We value individuals, attach strong importance to the human mind and invest continuously in human resources.
- Our quality is driven and ensured by our employees.
- Every team member is driven primarily by a quest for quality.
- We understand the importance of delegating responsibilities.
- We encourage our employees to take initiative.

- We believe in the energy for "desire" that makes our employees creative and productive.
- We believe that every employee of our Bank is a "leader in his/her field" and that they are the one who knows best what they are doing.

Continuous progress

- We sustain the quality of our services by constantly improving ourselves rather than maintaining the status quo.
- Investing in our people and technology to achieve continuous progress is an inseparable element of our policy.
- Our primary duty is to sustain a high level of quality while constantly improving the quality of our products and services.
- Our approach to improving quality is proactive; we strive to identify the needs and expectations of our customers and address them even before they are voiced by our customers.

Our environmental and social responsibilities

- We undertake every effort to be beneficial to the society, the environment and humankind.
- We believe that the environmental and social values set out by Garanti Bank for all of its stakeholders will be taken as a model not only in the banking sector but also in the entire national economy while providing significant contributions to Turkey's development.

Teamwork

- We believe in effective teamwork and open lines of communication. We do not compromise these principles.
- We are opposed to strict layers of hierarchy.
- Everybody at Garanti Bank from the CEO to the lowest ranking personnel and all of the organizations which we cooperate with coalesce into a unified power to realize the vision.
- The effective teamwork of the Bank is strengthened by collaboration, mutual trust and respect.

Message from the Chairman

A number of interrelated topics ranging from climate change to the depletion of natural resources and distribution of prosperity on earth remain on the agenda of the whole of humankind as major challenges that must be overcome. Garanti Bank will continue to play a key role in building a sustainable future both at national and international scales, to pioneer its sector in the area of sustainability and to contribute to the future of humankind.



Dear Stakeholders,

I am delighted to present this Sustainability Report to you with a large content, following our Sustainability Review published in 2011. Keeping view of the global developments with a proactive approach, our Bank has gradually reorganized its sustainability-related efforts within a systematic structure since the turn of the century, while taking important steps towards internalizing the concept of sustainability across its organization.

This first comprehensive report that we share with you discusses Garanti Bank's sustainability performance across five different areas and underlines our future targets and projections. Our report also analyses our operations and results according to the provisions of the United Nations Global Compact, of which we are a signatory. On behalf of myself and the entire Board of Directors, I would hereby like to extend my gratitude to our stakeholders and all of our employees, who have contributed to Garanti Bank's sustainability performance and to the publication of this report.

Our way to anticipate the sustainable business model

With more than 500 products and services, Garanti Bank plays a key role in the financial lives of millions of individuals and organizations and stands by them while they plan and design their future. To this end, we work in close cooperation with our business partners, as well as with non-governmental organizations and

public authorities. We aim to completely fulfill the requirements of our corporate responsibilities within the framework of our service cycle. This permanent target is also an unalterable principle of our long-term strategy and business model.

Our strategy, which is defined as maintaining long-term sustainable growth through constant value creation, allows us to steadily and noticeably increase the value we provide our customers, shareholders, employees, the environment and society as a whole by utilizing our agility, organizational productivity and efficiency.

Our Bank has made the best use of the positive dynamics introduced by our national economy over the last decade, while increasing its efforts to support its customers and the real sector in particular, and enhancing employment opportunities. All these developments have not only increased our direct and indirect contributions to Turkey's sustainable economic development, but have also injected new vigor to our journey of balanced and healthy growth.

Sustainability is closely related to adopting the right strategy and the right business model by building plans and processes that are resistant to external factors. We must continuously improve Garanti Bank's competencies, which will enable the Bank to easily overcome any difficulties that the markets may encounter in coming periods. In this endeavor, we benefit from the staunch support of our shareholders. The most important assets we need in this journey are the strong loyalty of employees to our organization and our stakeholders' belief and trust in our brand.

Our vision, to be the best bank in Europe, is an important source of motivation for us. The Garanti brand is a respected, preferred and leading brand in Turkey, in the foreign markets we serve through our subsidiaries, as well as the global financial community. We represent the most traded stock on the Istanbul Stock Exchange. All these factors constitute the most important assets that enable us to look to the future with confidence and to build the environment of tomorrow, where all of our stakeholders will continue to win.

Global motivations and our duty

The world has been shaken by tough economic conditions for the last four years. Moreover, some countries and regions are currently undergoing a period of rapid social and political transformation. We cannot let these uncertainties cast a shadow over opportunities for development the future offers to humankind.

The world's population, currently over 7 billion, is projected to reach 9 billion by the 2050's. Increasing number of people in developing countries will gain prosperity, while companies will expand and new global brands will emerge. Concurrently, there will be stronger demand for diversified financial products and services. The volume and global distribution of financial sources will remain a key issue in the improvement of sectors that vary from energy to water, healthcare to education and play a vital role in the future of humankind and the timely realization of investments in this direction.

Garanti Bank believes that all economic players, regardless of their sector, should take action. Running your business isolated from the rest of the world is already a thing of the past. A number of interrelated topics ranging from climate change to the depletion of natural resources and distribution of prosperity on earth remain on the agenda of the whole of humankind as major challenges that must be overcome.

Strong cooperation, leadership, vision and action are needed to build a sustainable world. Companies like Garanti Bank which have a global strategy and a global point of view, have to play a leading role for the necessary steps to be taken with courage for the development of both national and international cooperation and the creation of synergy between public and private sectors.

Garanti Bank will continue to take a part in building a sustainable future both at national and international scales, to pioneer its sector in the area of sustainability and to contribute to the future of the whole of humankind.

I would like to invite you – our valuable stakeholders – to share your feedback regarding the content of this report, which underlines the steps that we have taken in the area of sustainability and wish all of you happy tomorrow.

sustainability@garanti.com.tr

Yours sincerely,

Ferit F. Şahenk
Chairman of the Board of Directors

Garanti Bank in Brief

06/12

Branch network covering 96% of Turkey
>140 types of transactions capable of
being processed by 3,388 ATMs
17,247 employees
> 11 million customers



Total Assets

06/2012

TL 170.6
billion

2011

TL 163.5 billion

Garanti Bank is Turkey's second largest private bank in terms of total asset size.



Garanti: Superior Banking Business Model

Established in 1946, Garanti Bank is Turkey's second largest private bank with consolidated assets reaching TL 170.6 billion by June 2012.

Garanti Bank operates in every segment of the banking sector including corporate, commercial, SME, retail, private and investment banking. Garanti Bank, together with its eight financial subsidiaries as well as international subsidiaries in the Netherlands, Russia and Romania, is an integrated financial services group, providing services including in areas of pension funds and life insurance, leasing, factoring, brokerage, and asset management.

Garanti provides a wide range of financial services with its 17,247 employees to its 11.2 million customers through an extensive distribution network that reached 915 domestic branches, 5 foreign branches in Cyprus, one in each

of Luxembourg and Malta, 4 international representative offices in Moscow, London, Düsseldorf and Shanghai and 3,388 ATMs as of June 2012 as well as an award-winning Call Center and state-of-the-art internet and mobile banking platforms built on cutting-edge technological infrastructure.

Garanti Bank commands a pioneering position in all lines of business as a result of the profitable and sustainable growth strategy it has pursued since the day of its establishment. Its competent and dynamic human resources, unique technological infrastructure, customer-centric service approach, innovative products and services offered with strict adherence to quality position Garanti Bank as a leader in the Turkish banking sector.

Following the best practices in corporate governance, Garanti Bank is jointly controlled by two powerful companies, Doğu Holding Co. and Banco Bilbao Vizcaya Argentaria S.A. (BBVA), under the

principle of equal partnership. With shares publicly traded in Turkey, the UK and the USA, Garanti has an actual free float of 48.92%.

Garanti Bank continues to differentiate itself and facilitate the lives of its customers with its dynamic business model and superior technology integrated to its innovative products and services. Its custom-tailored solutions and wide product variety has played a key role in reaching TL 119 billion in cash and non-cash loans¹. The high asset quality attained through advanced risk management systems and established risk assessment culture set Garanti Bank apart from its peers in the sector.

Garanti is committed to creating value not only for its customers and shareholders, but also for all its stakeholders and society. Garanti's long-term support in culture, arts, environment, education, and sports reflects this commitment as well as its keen sensitivity to sustainability.

Selected Consolidated Financial Indicators of Garanti Bank (TL million)

	December 2011	June 2012
Cash Loans	90,734.1	95,498.4
Non-Cash Loans	22,237.4	23,028.8
Total Assets	163,475.3	170,597.0
Shareholders' Equity	17,899.8	19,309.1
Total Deposits	93,236.3	97,031.8
	June 2011	June 2012
Profit before Taxes and Provisions	2,928.1	2,696.2
Profit before Taxes	2,450.7	2,248.8
Net Profit	1,928.9	1,782.0

¹ Based on BRSA 2012 year-end financials.

Garanti Bank in Brief

Garanti Bank maintained its position as the company with the highest market value in the ISE as of June 2012.

Key Financial Ratios* (%)

	2011	June 2012
Average Return on Equity	19.5	18.9
Average Return on Assets	2.2	2.1
Non-Performing Loans Ratio	2.1	2.1
Capital Adequacy Ratio (Basel I)	15.8	15.3

* Figures are based on BRSA consolidated financials.

Market Shares* (%)

	2011	June 2012
Total Performing Loans	13.4	13.1
TL Performing Loans	11.3	11.2
FC Performing Loans	18.5	18.4
Credit Cards – Issuing Volume (Cumulative)	18.9	18.1
Credit Cards –Acquiring Volume Cumulative)	19.9	18.8
Consumer Loans**	12.8	12.8
Total Customer Deposits	12.6	12.3
TL Customer Deposits	10.8	11.0
FC Customer Deposits	16.2	14.9
Customer Demand Deposits	15.2	14.2
Mutual Funds	14.5	15.4

* BRSA Weekly Data – Commercial Banks

** Includes consumer credit cards.

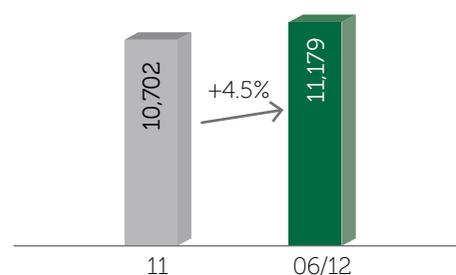
Garanti Bank with Numbers

	December 2011	June 2012
Branch Network	918	926
+ Domestic	907	915
+ Abroad	11	11
Personnel	16,775	17,247
ATM	3,268	3,388
POS*	458,851	498,264
Total Customers	10,701,803	11,178,715
Internet Customers**	2,068,184	2,200,825
Mobile Banking Customers **	148,070	245,351
Credit Cards	8,544,466	9,052,311
Paracard (Debit) Cards	6,507,784	6,706,847

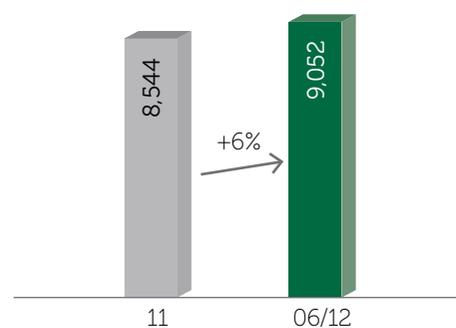
* Includes shared POS

** Active customers only – minimum 1 login per quarter

Total Number of Customers (1,000)



Number of Credit Cards (1,000)



Garanti Bank's Ownership Structure and Information on Garanti shares

Garanti Bank's paid-in capital stood at TL 4,200,000,000 as of June 30th, 2012.

Name	Number of Shares	Nominal (TL)	Share (%)
Doğuş Group (Total)	101,747,654,520	1,017,476,545.20	24.2256
BBVA (Banco Bilbao Vizcaya Argentaria S.A.)	105,042,000,000	1,050,420,000.00	25.0100
Others	213,210,345,480	2,132,103,454.80	50.7644
Total	420,000,000,000	4,200,000,000.00	100.0000

With an actual free float ratio of 48.92%, Garanti Bank's shares are traded on the Istanbul Stock Exchange (ISE) under "GARAN" ticker.

The shares are also listed on the London Stock Exchange Main Market. The initial public offering of Garanti Bank's shares was conducted in 1990. In 1993, the Bank became the first Turkish company to offer its shares to international markets in the form of Depositary Receipts-ADR/GDR.

As of June 2012, Garanti Bank maintained its position as the company with the highest floating market capitalization in the ISE. Garanti Bank shares accounted for 18% of the turnover in the ISE-100 Index and 38% of the ISE Banks Index as of June 2012. Garanti Bank shares also constituted 26% of foreign transactions in the ISE and, represented 45% of the foreign transactions among all listed banks.

Specialized Subsidiaries – Superior Service Model

Together with its domestic and foreign subsidiaries providing services in various fields of expertise, Garanti Bank offers the most effective solutions to its customers.

Selected Facts About Garanti Bank's Subsidiaries Include:

- Banking operations in Netherland, Russia and Romania since 1990s
- Leader in bancassurance
- 20% of all pension participants in Turkey choose Garanti
- #2 in factoring with US\$ 1.9 billion of factoring business volume
- Leader in number of leasing contracts
- Turkey's first asset management company
- Strong presence in capital markets with ~6% brokerage market share

As of 06/2012

16.4
billion \$

Market value of Garanti Bank

Garanti Bank in Brief

Its integrated business platform consisting of services in pension and life, leasing, factoring, securities, and asset management in Turkey as well as its international subsidiaries give Garanti Bank the ability to serve its local and international customers with high-quality, wide product variety.

Other information on consolidated investments in subsidiaries

Subsidiaries	Address (City/Country)	Parent Bank's Share-If Different, Voting Rights (%)	Shares of Other Consolidated Subsidiaries (%)	Method of Consolidation
1 Garanti Finansal Kiralama A.Ş.	Istanbul/Turkey	99.96	-	Full Consolidation
2 Garanti Faktoring Hizmetleri A.Ş.	Istanbul/Turkey	81.84	-	Full Consolidation
3 Garanti Yatırım Menkul Kıymetler A.Ş.	Istanbul/Turkey	100.00	-	Full Consolidation
4 Garanti Portföy Yönetimi A.Ş.	Istanbul/Turkey	100.00	-	Full Consolidation
5 Garanti Emeklilik ve Hayat A.Ş.	Istanbul/Turkey	84.91	-	Full Consolidation
6 Garanti Bank International NV	Amsterdam/Holland	100.00	-	Full Consolidation
7 Garanti Bank Moscow	Moscow/Russia	99.94	-	Full Consolidation
8 Garanti Holding BV	Amsterdam/Netherlands	100.00	-	Full Consolidation
9 G Netherlands BV	Amsterdam/Netherlands	-	100.00	Full Consolidation
10 Garanti Bank SA	Bucharest/Romania	-	100.00	Full Consolidation
11 Motoractive IFN SA	Bucharest/Romania	-	100.00	Full Consolidation
12 Ralfi IFN SA	Bucharest/Romania	-	100.00	Full Consolidation
13 Domenia Credit IFN SA	Bucharest/Romania	-	100.00	Full Consolidation

Garanti Bank's Credit Ratings

Standard&Poor's (April 5th, 2013)	
Outlook	Stable
Long Term FC	BB+
Long Term TL	BB+
Standalone Credit Profile	bbb-

Moody's (July 10th, 2012)	
Long Term FC Deposit Outlook	Stable
Long Term FC Deposits	Ba2
Long Term TL Deposits	Baa2
Short Term TL Deposits	Prime-2
Short Term FC Deposits	NP
Bank Financial Strength Rate (BFSR)	D+
BFSR Outlook	Stable
Long Term National Scale Rating	Aa2.tr
Short Term National Scale Rating	TR-1

Fitch Ratings (December 14th, 2012)	
Outlook	Stable
Long Term FC IDR	BBB
Short Term FC IDR	F3
Long Term TL IDR	BBB
Short Term TL IDR	F3
Viability Rating	bbb
Support Rating	3
National	AAA (tur)

JCR Eurasia Rating (April 4th, 2012)	
Outlook	Stable
Long Term International FC	BBB-
Long Term International TL	BBB
Long Term National	AAA (Trk)
Short Term International FC	A-3
Short Term International TL	A-3
Short Term National	A-1 +(Trk)
Sponsor Support	1
Stand Alone	A

Garanti Bank's Sustainability-Related Indicators

51
hours

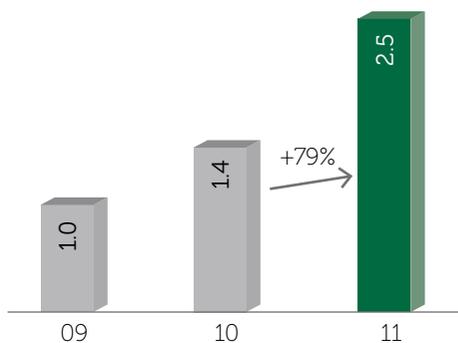
Garanti Bank's average training duration per employee as of year-end 2011

Garanti Bank is shaping its activities in order to demonstrate its ongoing commitment to the environment and the development of corporate responsibility across all its business areas.

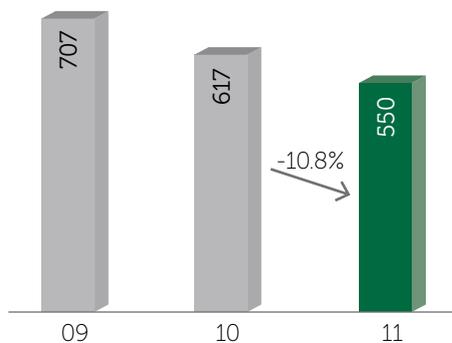
The key programs, actions and results to date in this area evince Garanti Bank's continuous efforts to increase its sustainability performance throughout its entire corporate culture.



Volume of Loans Supplied to Renewable Energy Projects (cumulative, US\$ billion)



Ratio of Total Greenhouse Gas Emissions to the Bank's Total Assets (tCO₂e/TL billion)



Indicator	2009	2010	2011
Corporate Governance and Economic			
Market Value (US\$ billion)	17	21	13
Rank Among Publicly-Held Companies at ISE (by Market Capitalization)	1	1	1
Rank Among Private Banks (by Asset Volume)	2	2	2
Rank Among Private Banks (by Credit Volume)	1	1	2
Non-Performing Loans (%) *	4.30	2.90	1.80
Earnings Per Share (TL)	0.705	0.745	0.731
Number of Meetings of the Sustainability Committee	-	2	8
Customers			
Volume of Loans Supplied in Cooperation with KOSGEB (TL million)	524	718	790
Number of SMEs Visited Within the Scope of GAS ²	1,862	1,936	1,313
Number of Cities Visited Within the Scope of GAS	5	7	6
Volume of Loans Supplied for Women Entrepreneurs Support Package (TL million)	118	146	84
Volume of Loans Supplied to Renewable Energy Projects (cumulative, US\$ billion)	1.0	1.4	2.5
Environment			
Water Consumption (x1,000 m ³)	-	-	191.6
Total Paper Consumption (1,000 tons)	652	581	510
Fossil Fuel Consumption ³ (GWh)	31	46	73
Electricity Consumption (GWh)	113	112	117
Scope 1 Emissions (1,000 tCO ₂ e)	12.6	14.1	17.0
Scope 2 Emissions (1,000 tCO ₂ e)	68.0	67.6	70.4
Scope 3 Emissions (1,000 tCO ₂ e)	1.7	2.7	2.6
Reduced Amount of Yearly Greenhouse Gas Emissions Caused by Operational Renewable Energy Projects Financed by the Bank (million tCO ₂ e)	0.6	0.9	1.1
Ratio of Total Greenhouse Gas Emissions to the Bank's Total Assets (tCO ₂ e/TL billion)	707	617	550
Greenhouse Gas Emissions Caused by Business Travels (tCO ₂ e/number of employees)	0.099	0.161	0.157
Ratio of E-Learning Hours to the Total Training Hours (%)	12	10	22
Human Resources			
Ratio of Women Employees in Total Number of Employees (%)	57.60	57.31	56.92
Number of Women Employees in Senior Management (number of women managers/total number of managers)	23/76	22/76	20/73
Average Seniority (years)	5.78	6.39	6.80
Average Age of Employees	30.82	31.56	31.90
Average Training Duration per Employee (hours)	49	49	51
Social Responsibility			
Number of New Teachers Reached through the "No Limits in Teaching" Project	5,871	14,567	27,580

* Based on Garanti Bank's unconsolidated financials.

In order to better monitor its sustainability performance, Garanti Bank aims to improve the sustainability-related indicators of its business operations, especially its products and services.

² For more information about Garanti Anatolia Meetings, please go to page 49.

³ Fossil fuel consumption in mobile and stationary sources is included.

Comments of the CEO and Executive Vice President Responsible of Sustainability

At Garanti Bank, we define our responsibilities to our stakeholders as the creation of permanent value in the short and long run. We see sustainability, on the other hand, as a permanent goal and a valuable instrument that will help us contribute to the resolution of environmental, social and economic problems of the new era.



Ebru Dildar Edin
Executive
Vice President
Responsible
of Project and
Acquisition Finance
and Sustainability

Ergun Özen
CEO



Mr. Ergun Özen – Garanti Bank’s CEO – and Mrs. Ebru Dildar Edin – Executive Vice President responsible of Project and Acquisition Finance and Sustainability – made the following comments on the Bank’s sustainability-related efforts and performance:

Question: Could you give some information on Garanti Bank’s position in the market and how it anticipates the concept of sustainability?

Ergun Özen (EÖ): In the past 15 years, we have seen how globalization has brought about extensive and deeply rooted changes in a number of different areas, from styles of doing business to our living habits. The biggest effect of these winds of change has been that all members of the community, from individuals to organizations, are affected by each other, and even the smallest changes in ecological, social and economic circumstances.

In this new order, in which capital can freely flow among countries, we witness that the private sector - recognizing that it cannot survive on its own - has taken action in advance of political consensus. Meanwhile, we observe strong signals that this new trend will start affecting those organizations that have not yet committed to a course. The banking industry’s financial tendencies will undoubtedly act as a catalyst in the big picture, which is pushing organizations to take swift action rather than making future commitments.

At Garanti Bank, we define our responsibilities to our stakeholders as the creation of permanent value in the

short and long run. We see sustainability, on the other hand, as a permanent goal and a valuable instrument that will help us contribute to the resolution of environmental, social and economic problems of the new era. We also believe that sustainability will render our business solid in the eyes of our customers and stakeholders and our sustainability-related efforts will be a source of pride for our shareholders.

As a result of our scale and the economic size under our management, each decision we make at Garanti Bank has repercussions that extend beyond the financial transactions which form the basis of our business. Our presence in the market impacts economic buoyancy, social prosperity, people’s living styles and even consumption patterns. We maintain an interactive business relationship with our customers through physical and electronic delivery channels for 365 days a year and the funds we provide to the real sector impact Turkey’s growth and development process. On the other hand, the most fundamental considerations in our service cycle are to be straightforward and transparent in every step we take, to adopt business ethics and to maintain full compliance with the law.

With a particular focus on loan supply policies that are beneficial to society and the environment, Garanti Bank successfully carries out sustainability-related initiatives, which embrace, with a comprehensive approach, the Bank’s innovative financial products, as well as its corporate social projects that make a difference in the community.

Question: Could you give us some information about the impacts of your activities on the community and the environment?

Ebru Dildar Edin (EE): We are currently living through a period where global conditions are becoming more challenging with each passing day and volatility is becoming a more common part of everyday life. While scarce resources are unable to meet the needs of a growing population, humankind is struggling to solve a large number of problems. In such a world, the competitive environment of tomorrow will be far different from today.

The most appropriate approach that banks must adopt in this difficult period is to manage the risks effectively and to continuously increase the value they create for their shareholders on one hand, while managing the environmental and social risks arising from their lending activities on the other.

Provision of credit, which is a fundamental function of the banking business, determines the growth trend for corporations, while affecting general economic buoyancy, as well as trade, employment, natural environment and social development.

At this point, our most important duty as bankers is to act with the right rationality and to seek sustainability with all of its aspects in our lending activities. We have adopted a systematic point of view by restructuring our loan assessment process in accordance with the requirements of the day since 2010.

Comments of the CEO and Executive Vice President Responsible of Sustainability

The most fundamental considerations in our service cycle are to be straightforward and transparent in every step we take, to adopt business ethics and to maintain full compliance with the law.

In addition, we have begun to further analyze our in-house operations, with a particular focus on their direct impacts on the environment. We believe the concrete actions we take in order to manage such impacts will raise the awareness of a wider group by inspiring our 17,000 employees.

Question: Could you comment about your efforts to reduce your direct impacts on the environment?

EE: As one of Turkey's largest organizations, we are aware of the importance of reducing our environmental impacts at our service points.

To that end, we attach particular importance to tackling climate change. At Garanti Bank, we accept the need to reduce the negative impacts of humankind on the climate as our basic responsibility, in the name of bequeathing a sustainable world to future generations. We carry out systematic projects in this area with the participation of all of our stakeholders. We have continued our intensive efforts to reduce our carbon footprint during the reporting period. At the end of the reporting period, we disclosed our greenhouse gas inventory and our approach to managing climate change to the Carbon Disclosure Project for the third time, which we have been involved with and supporting since 2010.



Having earned the highest score in the performance category among 32 participating companies in our final report, we were deemed worthy of the "2012 Turkey - Carbon Performance Leadership" award granted by the Carbon Disclosure Project Turkey Office for the first time.

We have recently taken a number of measures aimed at resource saving at our service points throughout Turkey. We are always seeking ways to reduce our consumption of electricity and fossil fuels through a range of measures, such as the use of efficient lighting methods and heat insulation. Our new technology campus, which will be built according to the LEED criteria, stands as testament to our belief that we view this as a great opportunity to reduce our operating costs. Construction work on the campus got underway in 2011. We plan to minimize our travelling by using such technologies as webinar, teleconference and e-learning and by rearranging the routes of service vehicles used for employee commuting.



In another important development in 2012, our Bank turned its environmental approach into a holistic system under the name of "Environmental Management System". In October 2012, as we were preparing our report for publication, Garanti Bank's Environmental Management System was certified to ISO 14001.

Question: Could you provide some information about your practices aimed at minimizing the environmental and social impacts caused by your credit supply activities?

EÖ: Our Environmental and Social Loan Policies, which were accepted by our Board of Directors in 2011, are applied to all loans we provide without any monetary limit.

We analyze and evaluate any new projects with an investment value exceeding US\$ 20 million according to the Environmental and Social Impact Assessment Model within the framework of the Environmental and Social Impact Assessment System.

Within the scope of the system and the model, we examine and rate the projects based on their social and environmental impacts.

According to the results this assessment, we ask our customers, if necessary, to prepare and implement an Environmental and Social Management Plan, and to report to us on a regular basis.

With its testing phase completed in December 2012, this system, which

is constantly updated in keeping with new requirements and needs, has been designed within the space of two years based on Garanti Bank's extensive market knowledge and experience.

Question: What are the essentials of sustainable business practices and responsible finance services at Garanti Bank?

EÖ: At Garanti Bank, the sources of our strength and stability are our robust corporate governance, strong and flexible balance sheet, transparent reporting, and, most of all, our risk-sensitive approach. All these factors, in parallel with our sustainability approach as set out above, will allow us to provide increasing support to our customers, shareholders and employees in the long term.

Offering responsible financial solutions and ensuring a high level of customer satisfaction are among our most important priorities. While we continue to serve our customers by improving our technological infrastructure on one hand, we add innovative and high-quality financial products to our portfolio which address different customer profiles on the other.

Garanti Bank's unchanging aim is to ensure that banking services are easily accessible, and consumed in a conscious manner. In terms of sustainability, we believe in the importance of our customers' level of knowledge and conscious preferences with regard to financial products and services and their conscious preferences. To this end, we hold meetings addressing different segments and share our knowledge with them. Within the scope of our service cycle, we believe it is a fundamental element of our responsibility that we

Garanti Bank's Environmental Management System was certified to ISO 14001 in October 2012.

Comments of the CEO and Executive Vice President Responsible of Sustainability

Our human resources colleagues, who hold office in all of our service units from headquarters to the branches, approach with great sensitivity and care towards and make contributions to the projects that directly or indirectly affect our sustainability performance.

inform our customers of even the smallest details that can affect them and encourage them to think in an objective manner.

Question: What role do your human resources play in your sustainability performance?

EÖ: Our employees are at the heart of our success. With this in mind, we attach great importance to professional development and talent management at Garanti Bank. Moreover, we focus on maintaining and improving the continuity of a differentiated and reliable business environment that respects people's efforts and of which our employees are proud to be a member.

Our employees continue to play an active role within the scope of Garanti Bank's sustainability initiatives. Our human resources colleagues, who hold office in all of our service units from headquarters to the branches, approach with great sensitivity and care towards and make contributions to the projects that directly or indirectly affect our sustainability performance. The common culture and awareness shared by all of our employees add strength to the qualifications attributed to the Garanti brand in the area of sustainability, as in all other fields.

Garanti Bank personnel have an extremely positive approach towards sustainability and this approach is encouraging for the success of the projects that we aim to carry out in the future. Approaching the issue of sustainability as a lifestyle and state of mind rather than a corporate target, our employees demonstrate noticeable progress in terms of voluntariness. Our target is to further motivate our employees regarding sustainability and thus, to achieve better corporate results.



Question: Social responsibility programs represent another dimension of social contributions. Is there anything you would you like to say about your efforts in this area?

EE: We are happy to support the community through different social responsibility programs. We do not see these activities as a compulsory task, but rather define them as our natural responsibility to the society of which we are a member and where we carry out our commercial activities. Garanti Bank is a Turkish corporate citizen, which has adopted the principle of social responsibility for many years, turned it into a systematic approach and thus made a difference.

Among the programs we have implemented in recent years, "Öğretmen Akademisi Vakfı" (the Teacher Academy Foundation) and "Öğretmenin Sınırı Yok" (No Limits in Teaching) are two of the most significant ones and they will generate value for our teachers, who directly determine the quality of education. These programs clearly set out our point of view towards education. On the other hand, our efforts in sports



and culture and the arts demonstrate our strategy to undertake and maintain our social contributions to the greatest possible extent.

Another development that we realized during the reporting period was to restructure the Garanti Contemporary Arts Centre, the Osmanlı Bank Museum and the Garanti Gallery, each of which used to independently carry out a number of projects in their own areas, under the "SALT" name. SALT, which we see as an important step towards raising cultural awareness and creating a common cultural heritage, was visited by 245,000 people during the reporting period within the scope of different activities. This number is a significant achievement indicating the extent of our influence.

We are determined to continue our social programs and investments to reach broader masses and increase our influence.

Question: How would you explain the relationship between sustainability and efficiency/productivity?

EÖ: Our efficiency-oriented organizational structure is an essential element of our commitment to sustainability. Placing the principles of efficiency and productivity, just like profitability, at the core of producing permanent value for stakeholders, Garanti Bank views sustainability as an important platform to manage its costs at an optimum level and in reaching its performance targets.

As long as we improve the efficiency and productivity of our organizational structure, we will maintain our competitive strength and, by continuously enhancing our total output in the service cycle, succeed in constantly increasing the value we provide our stakeholders in the long term. Although this may appear to be the economic front of sustainability, it is also vitally important for us in fulfilling our environmental and social responsibilities.

Believing in the importance of international cooperation in the area of sustainability and having demonstrated its sustainability commitment in almost all major platforms, Garanti Bank will continue to be a pioneer in Turkey in the future and carry out such efforts that confirm its leadership.

We would like to extend our gratitude to all of our employees, who have made sustainability one of Garanti Bank's core values.

We are determined to continue our social programs and investments to reach broader masses and increase our influence.

Milestones in Garanti Bank's History

Garanti Bank successfully carries out sustainability-related initiatives, which embrace all aspects of its activities with a comprehensive approach.

2002:

- Started Garanti Anatolian Meetings, which aim to bring representatives of SMEs and local administrations together in order to ensure that regional solutions can be devised.

2005:

- The first Turkish company to receive the Investors in People (IIP) achievement certificate for the quality of its human resources practices.

2006:

- The first Turkish bank to implement a "Paperless Banking" project including the implementation of the ID scanning practice in branches, a world first.
- The first Turkish private bank to offer "Woman Entrepreneurs Support Package".

2007:

- Introduced the Environmentally Friendly Bonus Card, a first in Turkey and Europe as an ecologically sound product featuring environmentally friendly plastic, communication materials and donation characteristics.
- Put "Önersen" into service for employees to provide opinions and suggestions.
- Began to virtualize servers in order to increase energy efficiency in the data centers, where electricity consumption is highest per unit area.

2008:

- Founded the "Öğretmen Akademisi Vakfı (Teachers Academy Foundation).
- Established a Social Responsibility Club called 'Gönüllü Yoncalar' (Voluntary Clovers), with a total of 70 members.
- Launched the "Öğretmenin Sınırı Yok" (No Limits in Teaching) project in cooperation with the Ministry of Education and allocated TL 15 million in resources to the project.
- Received WWF's Golden Panda Award for the second time.

2009:

- Began to calculate its greenhouse gas emissions for the first time.

2010:

- For the first time, submitted its greenhouse gas emissions and climate change strategy to the Carbon Disclosure Project (CDP).
- Established the Sustainability Committee.
- Established "Atölye" (Workshop), a project-based innovation platform.

2011:

- Became a member of United Nations Environment Programme Finance Initiative (UNEP FI⁴).
- Implemented the "Environmental and Social Loan Policies" following endorsement of the Policies by the Board of Directors.
- Established the Environmental and Social Impact Assessment System and began to test it.
- Started the construction of the Pendik Technology Campus, which is designed according to the LEED criteria.
- Began to organize the KOBİLGİ (SME Information) seminars enriched with examples and practices where developments related to areas such as legislation, marketing and sales are explained by experts.
- Established "SALT", in an important milestone in the Bank's longstanding support for culture and the arts.
- Received acknowledgment in the Carbon Disclosure Project (CDP) Global 500 Report 2011.
- Increased its share in active Wind Energy Power Plants in Turkey to 40%.
- Held the Executives Summit with the "Sustainable Growth" theme.

2012:

- Established a full-time "Sustainability Team" under the Project and Acquisition Finance Department
- Signed up to the United Nations Global Compact.
- Became the first bank in Turkey to become a member of the Turkish Business Council for Sustainable Development (TBCSD⁵).
- Received the "2012 Turkey - Carbon Performance Leadership" award from Carbon Disclosure Project by receiving the highest score in the performance category among 32 participating companies.
- Joined the WWF Green Office Program.
- Set up its Environmental Management System and Environmental Policy.
- Assumed, with the ISO 14001 certificate, the title as the Turkish bank that implement an Environmental Management System in the highest number of buildings and to the broadest extent.
- Became the first and only institution in Turkey to be deemed worthy of the Investors in People (IIP) certificate in the "Gold" category. IIP is the only international standard in the world to certify the quality of companies' HR practices.
- Launched the Sustainability E-Learning Program that is open to all Bank employees.
- Joined the "HP Planet Partnership Program" for the disposal of used printer cartridges.
- Underlined the financial sector's determination to support sustainable growth by undertaking a commitment into the credit appraisal process at the 2012 UN Sustainable Development Conference (Rio+20), which promotes cooperation between the public and private sectors.
- Decided to make Executives Summit and Future Meetings carbon-neutral.
- Launched efforts to facilitate disabled customers' access to financial services.
- Started its first initiative for an environment-friendly supply chain by including a binding provision concerning full compliance with Garanti Bank's Environmental Management System in supplier contracts.
- Brought the "Rotaban" project into practice which aims to reduce fuel consumption of Garanti Bank's personnel service buses in Istanbul.

⁴ UNEP FI: The United Nations Environment Programme Finance Initiative

⁵ TBCSD: Turkish Business Council for Sustainable Development

Garanti Bank's Sustainability Approach

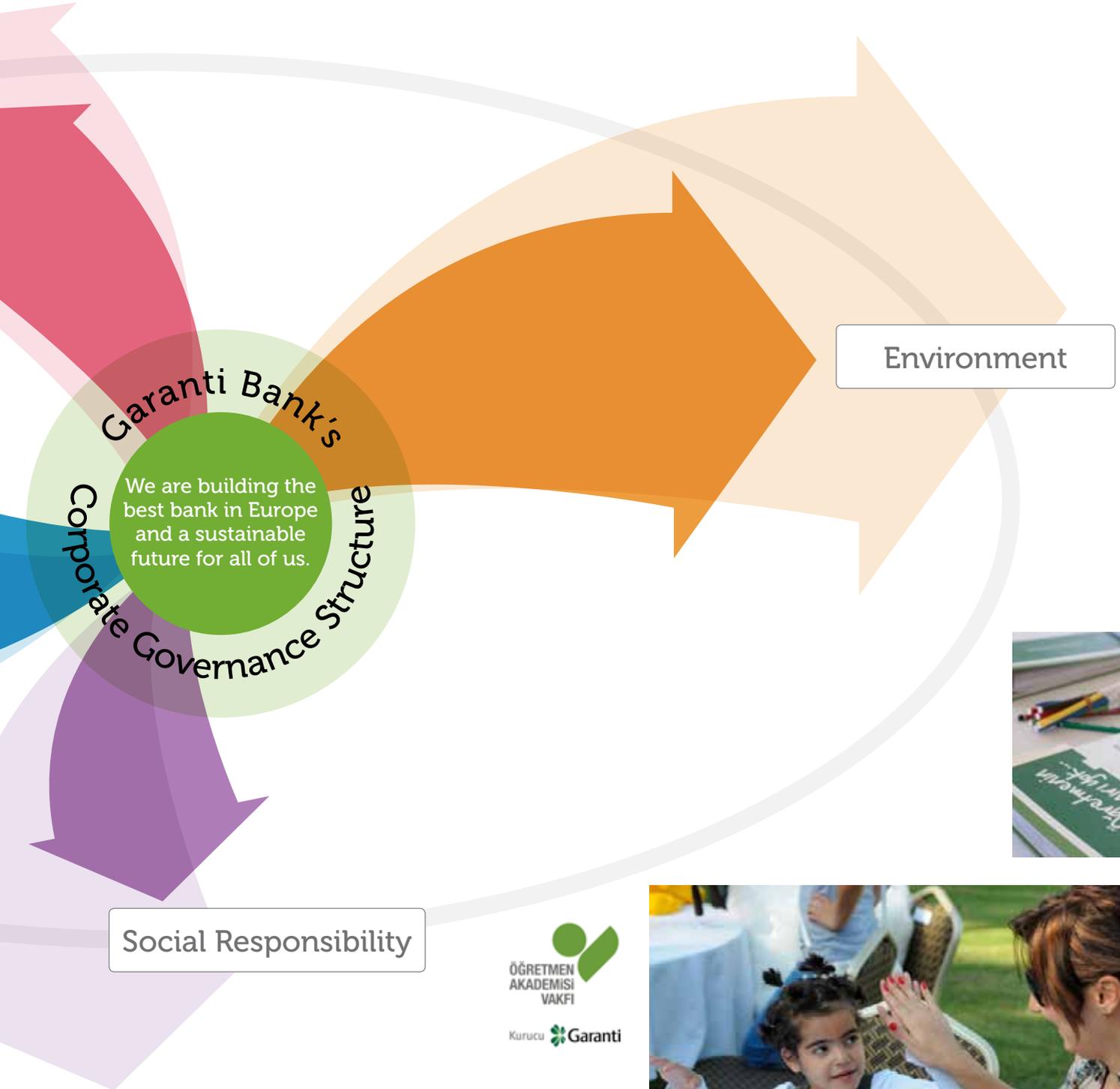
Garanti Bank's sustainability approach extends from the basis of its corporate governance structure, allowing for the creation of permanent value for all stakeholders.

Garanti Bank understands the necessity of strong and proper processes, a deeply rooted corporate culture, values being adopted by its employees and a proactive business strategy for an effective corporate governance structure. Garanti Bank is a company that has successfully adopted all of these elements.

Customers

Human Resources





Stakeholder Engagement at Garanti Bank

Stakeholder Groups of Garanti Bank

External Stakeholder Groups
Internal Stakeholder Groups
Financial Sector Stakeholder Groups

Garanti Bank has a relationship with a wide stakeholder mass, which largely comprises the Bank's customers, employees, shareholders and investors.

Stakeholder participation is vital for Garanti Bank in effectively implementing its sustainability strategy. The Bank determines its sustainability-related priorities in light of the findings of its transparent stakeholder participation process.

Stakeholder participation brings strategic value and commands importance in terms of:

- improving economic performance,
- minimizing and effective management of risks,
- determining stakeholders' requests and expectations,
- supporting the development of innovative products and services,
- managing the Bank's impacts on the environment, and
- restructuring the Bank's social responsibility activities.

Stakeholder communication and participation is conducted through a variety of channels.

Garanti Bank establishes dialogue with its stakeholders through the banking service process, strategic collaborations, one-to-one meetings, conferences, seminars, workshops, focus group studies, surveys and similar platforms.

Garanti Bank's stakeholder groups, participation platforms and its scope of participation are summarized in the following table:

External Stakeholder Groups		
	Engagement Platform	Evaluation of the Period
Customers	<ul style="list-style-type: none"> • Banking service process (Branches) • Customer experience and market research • Customer Care Line • www.garanti.com.tr • Social media <ul style="list-style-type: none"> · www.facebook.com/Garanti · https://twitter.com/garanti · https://plus.google.com/+garanti • Seminars, conferences and sector-based information meetings • Communication activities • Activities within the scope of social responsibility projects 	<p>Garanti Bank is engaged with its customers as part of the banking service process. Customers are able to submit their feedback concerning its environmental and social performance, as well as its products and services to the Bank through a number of channels, including the Customer Care Line. Garanti Bank considers its customers the focus of all its activities. Please refer to page 42 for details of developments concerning the Bank's relationships with its customers, as well as its products and services.</p>
Public authorities/ Regulatory institutions	<ul style="list-style-type: none"> • Systematic reporting • Meetings, forums, conferences • Press releases 	<p>Garanti Bank demonstrates the utmost care in complying fully with the law and regulations in all of its activities.</p> <p>The Bank is in regular contact with the BRSA⁶ – the regulatory authority of the Turkish banking industry – as well as with SDIF⁷, Undersecretariat of the Treasury, the Central Bank, the Capital Markets Board, respective ministries, other institutions and agencies as required by reporting liabilities envisaged in the law and regulations and other requirements concerning the flow of information.</p> <p>In order to increase its support for sustainable development, the Bank takes advantage of any opportunities for cooperation that arise with such platforms as TBCSD⁸, UNEP FI and the UN Global Compact, of which the Bank is a member.</p> <p>Garanti Bank underlined the financial sector's determination to support sustainable growth by entering into commitments concerning the credit appraisal process at the 2012 UN Sustainable Development Conference (Rio+20), which promotes cooperation between the public and private sectors.</p> <p>For Corporate Governance at Garanti Bank, please refer to page 34.</p>

⁶ BRSA: Banking Regulation and Supervision Agency

⁷ SDIF: Savings Deposit Insurance Fund

⁸ TBCSD: Turkish Business Council for Sustainable Development

Stakeholder Engagement at Garanti Bank

Garanti Bank, which is in constant communication with its shareholders and investors through various channels, paid utmost care to keeping domestic and foreign investors informed in the most straightforward and transparent manner.

External Stakeholder Groups		
	Engagement Platform	Evaluation of the Period
Suppliers	<ul style="list-style-type: none"> Daily business cycle Meetings E-mail communication 	Garanti Bank painstakingly addresses the environmental impact caused by its suppliers, in addition to the direct environmental impacts resulting from its internal operations. In 2012, the Bank included a new article to supplier contracts, which envisages full compliance to Garanti Bank's Environmental Management System, thus providing compliance of subcontractors with the system particularly in the service areas of cleaning and catering.
Non-governmental organizations	<ul style="list-style-type: none"> Sponsorships Strategic collaborations Events 	Sharing with the community is one of the core values of Garanti Bank's corporate culture. Offering its knowledge in various areas to the service of the community and future generations, the Bank aims to generate benefits for society through non-governmental organizations by providing support to various NGOs in our country regarding social, economic and environmental issues and by carrying out joint projects with them. For Social Responsibility at Garanti Bank, please refer to page 88.
Media	<ul style="list-style-type: none"> Press conferences Press releases Interviews 	Garanti Bank is in a transparent relationship based on mutual respect with the media. Garanti Bank establishes dialogue with national and international media and undertakes efforts with the objective of raising awareness about the Bank and its operations, and answering questions forwarded to the Bank in the swiftest and most straightforward manner.
Community	<ul style="list-style-type: none"> Garanti Anatolian Meetings Support for Women Entrepreneurs (Meetings with Women Entrepreneurs, Women's Entrepreneur Contest) KOBİLGİ (SME Informative) Meetings ÖRAV (Teachers Academy Foundation) Toplum Gönüllüleri Vakfı (Community Volunteers Foundation) Genç Hayat Foundation 12 Dev Adam Basketbol Okulları (12 Giant Men – Basketball Schools) Project SALT Social responsibility websites (Garanti Takvim) 	Garanti Bank transparently announces all events – organized within the scope of its strategic collaborations with NGOs – with all of its stakeholders at Garanti Takvim's website (www.garantitakvim.com). The www.ogretmeninsiniriyok.com website also provides information concerning "No Limits in Teaching" project, of which the Bank is the main sponsor within the scope of the Teachers Academy Foundation. For Social Responsibility at Garanti Bank, please refer to page 88.

Internal Stakeholder Groups

	Engagement Platform	Evaluation of the Period
Employees	<ul style="list-style-type: none"> • Talent Management Study • Assessment and Development Center • Garanti Leadership Academy • 360 Degree Feedback Process • Internal Customer Satisfaction Survey • Employee Engagement Survey • Suggestion and Idea Platforms "Önersen" and "Atölye" • Career Opportunities Bulletin • 4-Season Meetings • Sustainability Representatives Network • Future Meetings • Garanti Managers Summit 	<p>Garanti Bank's most important driving force is its human resources. Garanti Bank is a leading and model company in the finance sector in terms of training and technological support it provides to its human resources.</p> <p>A network of Sustainability Representatives has been established to maximize Garanti Bank employees' positive contributions to the Bank's sustainability performance.</p> <p>Önersen and Workshop Platforms aim to encourage all employees to produce and submit recommendations about the Bank's environmental and social performance.</p> <p>Training sessions with varying scope and content addressing all levels, from specific units to all Bank personnel, are organized to ensure employees' active participation.</p> <p>Please refer to page 74 to learn more about the progress of Garanti Bank – which carries out its activities with the vision, "To Become the Best Bank in Europe" – in the area of human resources.</p>
CEO and Board of Directors	<ul style="list-style-type: none"> • Sustainability Committee Meetings • E-mail Communication • Periodically published informative publications (Quarter, Semi-Annual and Annual Reports, Interim Reports and Weekly and Quarterly Stockwatch Publications) • Sustainability Meetings with the Executive Vice President Responsible for the Project and Acquisition Finance Department 	<p>Forming the backbone of corporate management organization, the Board convened on a regular basis during the reporting period, assessing a number of issues. Meanwhile, the CEO continues to lead and guide the daily execution of the business.</p> <p>Active participation of senior management in decision-making processes is facilitated through senior management's Review Meetings, held at least twice each year, where the Sustainability Committee is informed of the Sustainability Team's activities in cooperation with other departments.</p> <p>Moreover, through the Sustainability Meeting held every two weeks, the Executive Vice President of Project and Acquisition Finance, who is also a member of the Sustainability Committee, is kept informed, thus ensuring that the senior management frequently provides guidance and support.</p> <p>For details of the Organizational Structuring at Garanti Bank, please refer to page 35.</p>

Stakeholder Engagement at Garanti Bank

Garanti Bank utilizes long-term international specialized funds with low interest rates in order to meet Turkey’s financial needs for sustainable growth.

Stakeholder Groups from the Financial Sector		
	Engagement Platform	Evaluation of the Period
Shareholders, analysts and investors	<ul style="list-style-type: none"> • General Board Meetings • Meetings with analysts and investors • Phone calls/teleconferences and e-mail communication with analysts and investors • Public Disclosure Platform • Periodically published informative publications (Stockwatch, Corporate Profile, Carbon Disclosure Project, Sustainability Review, Annual Reports, Earnings and Interim Reports – interactive or printed) • Social media • Perception Analysis Survey • Investor Feedback Mechanism • Current Budget Meetings • Shareholder Identity Analysis 	<p>In meeting its basic responsibility towards its shareholders, Garanti Bank has continued to assess how to demonstrate and share the best possible economic performance under current market conditions during the reporting period.</p> <p>The Bank, which is in constant communication with its shareholders and investors through various channels, carried out all required information disclosures during the reporting period in line with the requirements determined by the lawmakers in Turkey and paid utmost care to keeping domestic and foreign investors informed in the most straightforward and transparent manner.</p> <p>Based on a proactive approach to the development of its understanding of sustainability, Garanti Bank surveys its investors’ assessments and reshapes its routine communication practices to ensure maximum contribution from its stakeholders regarding sustainability.</p> <p>Within this framework, the Bank:</p> <ul style="list-style-type: none"> · participated in a total of 13 information meetings (conferences and roadshows) and · as part of perception analysis, asked investors to submit their opinions and feedback on Garanti Bank’s sustainability performance and the issues the Bank must focus on in order to increase this performance.

Stakeholder Groups from the Financial Sector

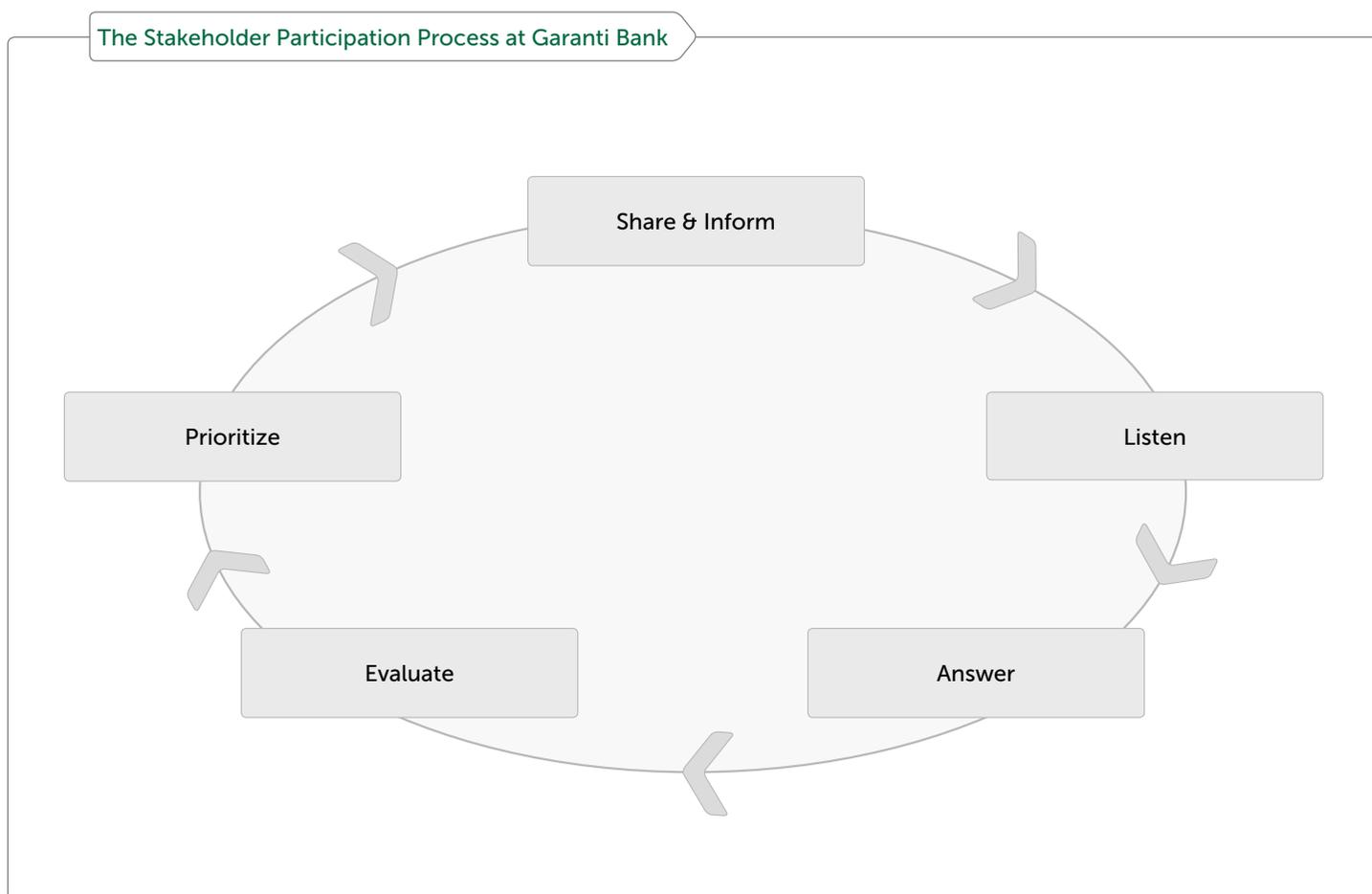
	Engagement Platform	Evaluation of the Period
Financial Institutions	<ul style="list-style-type: none"> • Meetings • Periodically published informative publications (Carbon Disclosure Project, Sustainability Review, Annual Reports) • Phone calls/teleconferences, e-mail communication 	<p>Garanti Bank utilizes long-term international specialized funds with low interest rates in order to meet Turkey's financial needs for sustainable growth.</p> <p>To that end, the Bank collaborates with international financial institutions in such topics as renewable energy, energy efficiency and financial needs of SMEs that are the backbone of the national economy.</p>
Banking Sector	<ul style="list-style-type: none"> • Member of the Banks Association of Turkey • Member of the United Nations Environmental Programme Finance Initiative (UNEP FI) • Member of the Turkish Business Council for Sustainable Development (TBCSD) • Various national and international conferences 	<p>By actively attending "Role of the Financial Sector in Sustainable Growth Workgroup" meetings held by the Banks Association of Turkey, Garanti Bank aims to contribute to the association's activities in this area.</p> <p>The Bank exchanges ideas and participates in working groups with other banks in various organizations through its membership in such initiatives as UNEP FI and TBCSD.</p> <p>Please refer to page 31 for details of Garanti Bank's national and international memberships.</p> <p>For Corporate Governance at Garanti Bank, please refer to page 34.</p>

Stakeholder Engagement at Garanti Bank

Garanti Bank keeps abreast of the needs and expectations of different stakeholder groups through a number of research studies in a bid to maximize the added value that it provides to its stakeholders. The Bank determines the primary issues and its general strategic roadmap based on the results of these research studies.

The most important part of the stakeholder participation process is to inform stakeholders of Garanti Bank's sustainability performance through a range of different channels, such as training sessions, announcements,

publications and teleconferences. In light of subsequent stakeholder feedback, the Bank determines strategically important issues in order to enhance its sustainability performance.



Garanti Bank's National and International Memberships

Garanti Bank adopts various reporting initiatives and works in cooperation with a number of organizations with the aim of improving the reporting of environmental and social impacts of its activities, and to promote communication with other stakeholders.

Initiatives Adopted and Supported by Garanti Bank



The Global Reporting Initiative (GRI)



Carbon Disclosure Project (CDP)



United Nations Environmental Programme Finance Initiative (UNEP FI)



United Nations Global Compact



Turkish Business Council for Sustainable Development (TBCSD)



WWF Green Office Program



The Banks Association of Turkey, Role of the Financial Sector in Sustainable Growth Workgroup



HP Planet Partners
HP Planet Partners Program

Prioritization Analysis and the Scope of the Report

5

main topics

Corporate Governance
Customers
Human Resources
Environment
Social Responsibility

The prioritization analysis contributes to the success of Garanti Bank's sustainability strategy, thus helping the Bank meet stakeholder expectations.

The prioritization analysis plays a key role in the determination of issues on which Garanti Bank needs to focus in order to ensure that stakeholders contribute to the improvement in the Bank's sustainability performance. It is also crucial in the determination of issues that may bring either opportunities or threats, and thus must be taken into consideration when it comes to strategic or operational aspects.

Issues of the highest priority for Garanti Bank are determined and detailed based on the Bank's strategic roadmap and stakeholder expectations.

Garanti Bank structures the determination of top priority issues as a continuous, participatory and multidimensional process. In particular, as internal stakeholders gain knowledge, the level of participation continuously improves. The opinions and demands of the Bank's wide stakeholder group play a key role in the determination of top priority issues.

Efforts demonstrated by the Bank with respect to the listed prioritized issues and the Bank's targets for the coming periods are summarized under 5 topics in this report. The report includes all of Garanti Bank's operations as well as the efforts undertaken by the Bank to ensure that its supply chain and loan supply activities are sustainable. However, the report does not include the activities of Garanti Bank's subsidiaries that are subject to consolidation and its branches outside of Turkey.

Having taken its first initiative in the prioritization analysis during 2012, Garanti Bank aims to improve the stakeholder participation process and deepen its prioritization analysis in 2013 in light of the results it achieves.

The issues that were prioritized in the 01/2011-06/2012 Sustainability Report of Garanti Bank, which carries out all of its operations under its strong corporate management structure, are summarized as below:

Corporate Governance

Top priority issues	<ul style="list-style-type: none"> • Corporate governance structure • Legal compliance • Loyalty to ethical values • Effective risk management
Related stakeholders	Customers, employees, shareholders, analysts and investors, public authorities and regulatory institutions, the media, suppliers and the banking sector

Customers

Top priority issues	<ul style="list-style-type: none"> • Global crisis and economic performance • Responsible banking practices • Innovative products and services • Financial training • Projects which generate value for customers • Access to financial services • Customer orientation • Information Technology
Related stakeholders	Customers, employees, shareholders, analysts and investors, public authorities and regulatory institutions, the media, suppliers and the banking sector

Human Resources

Top priority issues	<ul style="list-style-type: none"> • Performance and career management • Reinforcement of performance-oriented corporate culture • Integration of sustainability awareness into the corporate culture and generalization of voluntary efforts • Training human resources • Social benefits
Related stakeholders	Employees, public authorities and regulatory institutions, and the banking sector

Environment

Top priority issues	<ul style="list-style-type: none"> • Reducing consumption of natural resources • Bringing the Bank's carbon footprint under control • Limiting the environmental and social impacts of loan supply activities • Supporting NGOs that deal with environmental issues
Related stakeholders	Customers, employees, shareholders, analysts and investors, public authorities and regulatory institutions, the media, suppliers, the banking sector and NGOs

Social Responsibility

Top priority issues	<ul style="list-style-type: none"> • Contribution to the community's cultural and educational background • Support for education • Support for sports • Support for culture and the arts • Promoting cultural, educational and sports activities and improving access to such activities
Related stakeholders	Customers, employees, the media, universities and NGOs

Garanti Bank's Corporate Governance Structure

18 committees

18 committees and a Discipline Board Presidency operate within the scope of the Garanti Bank's corporate management structure.

A strong, consistent and effective organizational structure for a sustainable performance

Garanti Bank undertakes all of its activities within the scope of its corporate governance structure, in which all of the Bank's duties, responsibilities and processes are clearly defined.

Garanti Bank's corporate governance structure comprises the Bank's senior management, which aims to conduct operational management at the highest standards, and the Board of Directors, which monitors the Bank's performance in a systematic and effective manner.

For Garanti Bank, the essentials of good corporate governance practice are transparency, accountability, straightforwardness, fairness and ethical values. These essentials allow the Bank to implement an effective risk management system, play a key role in the Bank's ability to fully comply with laws and regulations and to establish open and clear communication with its stakeholders.

Garanti Bank's Board of Directors and Senior Management

Board of Directors⁹:

Name, Surname	Title	Date of Assignment	Educational Background	Business Experience *
Ferit Faik Şahenk	Chairman	18.04.2001	Bachelor's Degree	22 years
Süleyman Sözen	Vice-Chairman	08.07.2003	Bachelor's Degree	30 years
Muammer Cüneyt Sezgin	Member of BOD and Audit Committee	30.06.2004	Ph.D.	24 years
Dr. Ahmet Kamil Esirtgen	Member	19.03.1992	Ph.D.	38 years
Manuel Castro Aladro	Member	22.03.2011	Master's Degree	20 years
Manuel Pedro Galatas Sanchez-Harguindey	Member of BOD and Audit Committee	05.05.2011	Bachelor's Degree	28 years
Carlos Torres Vila	Member	22.03.2011	Master's Degree	21 years
Angel Caro Fernandez	Member	22.03.2011	Bachelor's Degree	27 years
Sait Ergun Özen	Member and CEO	14.05.2003	Bachelor's Degree	25 years

CEO and Executive Vice Presidents (EVP)¹⁰:

Name, Surname	Title	Date of Assignment	Educational Background	Business Experience *
Sait Ergun Özen	CEO	01.04.2000	Bachelor's Degree	25 years
Adnan Memiş	EVP – Support Services	03.06.1991	Master's Degree	34 years
Ali Fuat Erbil	EVP – Financial Institutions and Corporate Banking	30.04.1999	Doctorate	20 years
Ali Temel	EVP – Loans	03.08.2012	Bachelor's Degree	22 years
Gökhan Erun	EVP – Human Resources and Investment Banking	01.09.2005	Master's Degree	18 years
Faruk Nafiz Karadere	EVP – SME Banking	01.05.1999	Bachelor's Degree	30 years
Halil Hüsnü Erel	EVP – Tech., Operations Man. and Central Mar. **	16.06.1997	Bachelor's Degree	27 years
Uruz Ersözoğlu	EVP – Treasury	05.04.2006	Bachelor's Degree	21 years
Turgay Gönensin	EVP – Commercial Banking	15.12.2001	Bachelor's Degree	27 years
Aydın Şenel	EVP – General Accounting and Financial Reporting	02.03.2006	Bachelor's Degree	31 years
Zekeriya Öztürk	EVP – International Business Development	06.03.2006	Master's Degree	17 years
Avni Aydın Düren	EVP – Legal Services	01.02.2009	Master's Degree	18 years
Betül Ebru Edin	EVP – Project and Acquisition Finance	25.11.2009	Bachelor's Degree	18 years
Murat Mergin	Head of Strategic Planning	01.01.2002	Bachelor's Degree	18 years
Onur Genç	EVP – Retail Banking, Private Banking and Call Center	20.03.2012	Master's Degree	13 years
Didem Dinçer Başer	EVP – Delivery Channels	20.03.2012	Master's Degree	14 years

* Business Experience in Banking and Business Administration

** EVP – Technology, Operations Management and Central Marketing

⁹ The list is provided for 30.06.2012. Kindly visit the below webpage for the list dated 30.12.2012 provided in Türkiye Garanti Bankası Anonim Sirketi Unconsolidated Financial Statements Report, 31 December 2012:

http://www.garanti.com.tr/en/our_company/investor_relations/financials_and_presentations/annual_and_interim_reports/annual_and_interim_reports_brsa.page?

¹⁰ The list is provided for 30.06.2012. Kindly visit the below webpage for the list dated 30.12.2012 provided in Türkiye Garanti Bankası Anonim Sirketi Unconsolidated Financial Statements Report, 31 December 2012: http://www.garanti.com.tr/en/our_company/investor_relations/financials_and_presentations/annual_and_interim_reports/annual_and_interim_reports_brsa.page?

Garanti Bank's Corporate Governance Structure

For Garanti Bank, the essentials of good corporate governance practice are transparency, accountability, straightforwardness, fairness and ethical values.

Garanti Bank's Board of Directors seats nine members. The Chairman has no executive function. The CEO serves as a natural member of the Board, in line with the relevant legislation.

At Garanti Bank, the Chairman and the CEO have different roles. The Chairman chairs the Board of Directors. The CEO's duty, however, is to lead and manage the Bank's operations. 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. On the other hand, the Board and the senior management cooperate to determine the Bank's strategic targets, in a manner which promotes synergy.

The principles adopted by Garanti Bank regarding whether there are rules and restriction on Board members assuming duties outside of the Bank have been developed in line with the Banking Law, Turkish Commercial Code and other legislation relevant.

For more information about Garanti Bank's Board of Directors and senior management, please refer to pages 103-107 of the 2011 Annual Report, which can be found at the following address: http://www.garanti.com.tr/en/our_company/investor_relations/financials_and_presentations/annual_and_interim_reports/annual_and_interim_reports_brsa.page?



Committees at Garanti Bank

At Garanti Bank, there are a total of 18 committees and a Discipline Board Presidency, which are the basic elements of the Bank's corporate management structure.

Committees that operate within the scope of the Bank's corporate structure are listed as follows:

- AML Compliance Committee
- Anti-Fraud Monitoring Committee
- Assets and Liabilities Committee
- Audit Committee
- Basel Steering Committee
- Branch Design Committee
- Coordination and Monitoring Committee
- Credit Committee
- Credit Processes Committee
- Credit Risk Committee
- Customer Experience Committee
- Liquidity Risk Management Committee
- Market Risk Committee
- Operational Risk Committee
- Personnel Committee
- Remuneration Committee
- Sustainability Committee
- Training Strategy Committee

Joint targets of committees operating within the Bank are as follows:

- Ensuring efficiency and productivity within the framework of acceptable risk parameters,
- Implementing the Bank's corporate strategy by aiming at full compliance with the law and legislations,
- Observing full compliance with ethical and corporate values,
- Maintaining a balanced and integrated performance economically, socially and environmentally.

For more information about Garanti Bank's committees, please refer to pages 108-110 of the 2011 Annual Report, which can be found at the following address: http://www.garanti.com.tr/en/our_company/investor_relations/financials_and_presentations/annual_and_interim_reports/annual_and_interim_reports_brsa.page?



Policies and principles adopted by Garanti Bank

Garanti Bank has set out a number of policies and principles regarding many issues from customer satisfaction to legal compliance. Some of these policies and principles, which are applied in the Bank's respective units, are listed in the following table:

- Anti-Fraud Policy
- Compliance Policy
- Customer Satisfaction Policies
- Environmental Policy
- Environmental and Social Loan Policies
- Ethical Principles
- Ethical Sales Principles
- Garanti Bank Risk Management Strategy, Policy and Procedures
- Internal Audit Policies
- Internal Control Policies
- Social Media Policy
- Total Quality Policy

Compliance and legal requirements

Garanti Bank has established and developed strong systems and processes in light of legal requirements. These systems serve to guarantee the Bank's long-term sustainability and strength when it comes to generating added value.

Risk management, internal audit and control functions at Garanti Bank

At Garanti Bank, risk management, internal audit and control functions are performed by teams that report directly to the Board of Directors and carry out their responsibilities in compliance with applicable legislation and independent of executive functions.

As part of its risk management strategies, which are vitally important for sustainable performance, Garanti Bank systematically monitors and measures its risk exposure through methods compliant with international standards and in line with its framework of written risk policies.

Implementation of the Basel II Criteria

The draft regulations concerning capital adequacy and the process of switching to the Basel II Criteria in Turkey were published by BRSA in 2011. According to the envisaged schedule, Basel II based reporting began to be carried out concurrently with the existing reporting structure from July 2011. Official reporting in line with Basel II began in July 2012.

Provided that banks operate in line with defined standards, Basel II contributes to the development of market discipline. The Basel II criteria also contribute to a stronger and more powerful banking industry, while integration with the global financial system helps the banking industry curb the size of the informal economy.

For more information about Garanti Bank's risk management, please refer to pages 111-115 of the 2011 Annual Report, which can be found at the following address:
http://www.garanti.com.tr/en/our_company/investor_relations/financials_and_presentations/annual_and_interim_reports/annual_and_interim_reports_brsa.page?



Activities of the Internal Control Unit

The Internal Control Unit ensures that a sound internal control environment is in place at the Bank. Accordingly, this unit performs the necessary coordination work, ensuring that activities are performed regularly, efficiently, effectively and in accordance with the management strategies and policies of the Bank and the applicable rules and regulations. In this context, efforts are undertaken to set up an infrastructure based on the functional separation of tasks, the sharing of authority and responsibilities, the establishment of a sound reconciliation system, the integration of self-control mechanisms and systemic controls into processes and the identification and monitoring of exposures.

The Internal Control Unit also performs the disaster recovery and business continuity management duties at Garanti Bank. The Disaster Recovery and Business Continuity Plan, which was prepared to ensure crisis management and to minimize any operational losses resulting from business interruption, was revised in 2012 so as to include the emergency procedure in the event of environmental threats.

In line with the increasing importance of containing legal compliance risk, compliance-related efforts are carried out by the Compliance Controls Team under the Internal Control Unit in accordance with international standards¹¹.

Garanti Bank's planned activities and its new products are analyzed within the framework of the principles set forth in the applicable legislation before they are put into practice or offered to customers, in order to ensure their compliance with laws and other related legislation, in-house policies and rules, and routine banking practices. Recommendations are submitted to and shared with respective units in order to eliminate any omissions of in-house policies and procedures during the course of the controlling process.

AML Compliance Officer¹²

It is an independent function set up under the Board of Directors. The AML Compliance Officer carries out activities within the scope of the strategy for prevention of laundering proceeds of criminal activity and financing of terrorism, in order to ensure that the Bank complies with national and international regulations.

¹¹ The Compliance Department was established under the Board of Directors on July 5th, 2012. The Compliance Controls Team, which had reported to the Internal Control Unit, was attached to the Compliance Department.

¹² The manager of the Compliance Department also serves as the AML Compliance Officer.

Garanti Bank's Corporate Governance Structure

As part of its risk management strategies, Garanti Bank systematically monitors and measures its market risk, credit risk and operational risk through methods compliant with international standards.

Activities of the Anti-Fraud Monitoring Department

The Anti-Fraud Monitoring Department centrally monitors credit card, merchant, internet and application fraud under an organizational structure formed in accordance with the "enterprise fraud prevention" approach. As part of the ongoing effort to monitor and control operational risks to which Garanti Bank is exposed, the Anti-Fraud Monitoring Department develops strategies to proactively monitor, detect, control and prevent acts of external fraud.

The Department develops views and suggestions on the Bank's new product and service developments after assessing developments concerning external fraud risks. The Department also conducts training and awareness programs in order to raise awareness among Garanti Bank personnel regarding the importance of tackling fraud and to establish this culture throughout the Bank.

Within the scope of effective detection and prevention activities against external fraud cases, losses due to credit and debit card fraud, merchant fraud, internet fraud and application fraud events remain at low levels although the overall trends have been changing and increasing with the development of technology.

Internal Audit Department

The auditing of Garanti Bank's head office units, branches and subsidiaries subject to consolidation is performed by the Internal Audit Department. The Department performs audits within the relevant units, with special emphasis on the following:

- Compliance of activities with applicable legislation and internal regulations,
- Accuracy and reliability of all financial and non-financial data,
- Effectiveness of asset protection practices,
- Efficiency and effectiveness of operations.

The Internal Audit Department is also responsible for conducting investigations regarding fraudulent activities and forgery performed by employees or third parties against Garanti Bank.

In order to effectively perform all these functions, the Internal Audit Department has divided its activities into the categories of on-site audits, central audits, investigations and examinations and IT audits, and has arranged its organizational structure accordingly.

Policy for the Prevention of Misconduct and Unethical Behavior

Tackling all types of corruption, including bribery and extortion, is a matter of the utmost priority for Garanti Bank. The Bank has in place the necessary mechanisms to carefully and closely monitor this issue in all actions undertaken by its customers, suppliers and employees.

The primary purpose of the Policy for the Prevention of Abuse and Unethical Behavior, in which such mechanisms are set out, is to improve the conditions for an honest and reliable working environment by raising awareness of all kinds of misconduct within the Bank. By defining all types of misconduct, this policy aims to create a common point of view and raise awareness with the aim of preventing potential incidences of misconduct, to identify them in the shortest period of time, and to determine the measures which need be taken against misconduct.

The policy also sets out the responsibilities of the senior management, Disciplinary Committee, Audit Committee, Anti-Fraud Committee, Internal Audit Department, Anti-Fraud Monitoring Department, Human Resources, Training Department, Bank management and all other employees under a systematic and comprehensive approach in order to establish, develop and improve control systems with the purpose of preventing any potential incidences of fraud against the Bank.

The policy includes all possible internal and external fraudulent activities within the Bank and is applied uniformly and consistently without consideration of the duty, position or seniority of the persons found to be responsible for incidences of misconduct to the employees of the Bank, but also with respect to all stakeholders in touch with the Bank.

Elimination of legal compliance failures and fines

A total of 112 fines, amounting to TL 10.7 million, were imposed on Garanti Bank because of legal compliance failures with respect to the offering of products and services during the reporting period. The Bank paid all of these administrative fines, which were also publicly disclosed, most of which was imposed by the Competition Authority. The Bank now undertakes the necessary efforts to prevent the recurrence of such compliance failure.

With the exception of the TL 8 million in administrative fines handed down by the Competition Authority, the Bank received no fine exceeding TL 3 million during the reporting period in 2011.

Ethical Principles and Garanti Bank

Garanti Bank's Ethical Principles

define some of its general principles such as integrity, equality, transparency, protection of social benefits, respect for the environment, and emphasize the responsibilities of employees in situations where conflicts of interest may arise as well as the importance of the concept of confidentiality first and foremost relating to customer information.

Ethical Sales Principles emphasize that "reputation" is the Bank's most important value and set out the expected code of conduct, in detail, for employees who engage in sales activities.

In order to further support the culture of compliance throughout the Bank, a web-based training program entitled "Ethical Principles and Rules of Integrity"¹³ was undertaken in 2012. This training program provides information on the right behavior patterns that the employees of the Bank are expected to demonstrate in possible situations that may be encountered during the business life, as well as the basic rules of integrity.

Prevention of conflicts of interest

The Handbook of Ethical Principles and the Handbook of Ethical Sales Principles, which were issued by Human Resources and Internal Audit Department with the purpose of regulating employee behavior and the professional relations of employees in parallel with the Bank's commitment to corporate governance principles and ethical values, are published on the intranet which can be accessed by all Bank personnel.

Principles that all Bank personnel, including senior managers, are responsible for following in the situations set out below are defined under the section entitled "conflict of interest", in our handbook of "Ethical Principles", which was prepared on the basis of the provisions of the Banking Law and other related regulations, occupational ethics, Garanti Bank's Personnel Communiqué and the Bank's procedures:

- Use of insider information
- Employees' use of their personal accounts
- Accounts of employees' relatives
- Business relations with relatives and getting gifts from them
- Accepting gifts and assistance

Issues that fall under the scope of conflicts of interest are evaluated within the scope of the audits performed by the Internal Audit Department. In the event that any compliance failures are identified, the necessary disciplinary sanctions will be applied to the respective personnel in line with the Bank's personnel communiqué and ethical principles.

¹³ About Garanti Bank's Code of Ethics, which includes policies on human rights, the amount of training per person is approximately 30 minutes during the reporting period. The total amount of training has reached to 7,262 hours by 01 July 2012 with a completion rate of 84%. The trainings still continue.

Garanti Bank's Corporate Governance Structure

In 2012, Garanti Bank established a full-time Sustainability Team in order to enhance the efficiency of its organizational structure for sustainability.

The team is responsible for the coordination of all sustainability-related activities at the Bank.

"Sustainability" Organization at Garanti Bank

For Garanti Bank, "sustainable development" means increasing the environmental, social and economic welfare of today's growing world population, without threatening the ecological balance and the needs of future generations.

With its strategy defined as "achieving long-term sustainable growth by continuously creating value", Garanti Bank believes that the concept of sustainability must be adopted in the financial sector's decision-making mechanisms and business processes.

In line with this holistic approach, Garanti Bank established the Sustainability Committee in 2010 with the aim of coordinating the work undertaken in the area of sustainability. Operating under the Board of Directors, the Sustainability Committee is chaired by one of the Board members.

Members of the Sustainability Committee¹⁴

Cüneyt Sezgin	Board Member – Chairman
Adnan Memiş	EVP Responsible for Support Services – Member
Ebru Dildar Edin	EVP Responsible for Project and Acquisition Finance – Member
Erhan Adalı	EVP Responsible for Loans – Member
Mustafa Tiftikçioğlu	Corporate and Commercial Loans Coordinator – Member
Batuhan Tufan	SVP Responsible for Financial Institutions – Committee Member
Elif Güvenen	SVP Responsible for Corp. Brand Man. and Mar. Comm. – Member *
Emre Hatem	SVP Responsible for Project and Acquisition Finance – Member
Emre Özbek	SVP Responsible for the Internal Control Unit – Member
Handan Saygın	SVP Responsible for Investor Relations – Member
İnci Soysal	SVP Responsible for Compliance – Member
Sedef Figen Alpay	SVP Responsible for the Construction Department – Member
Onur Uğur Özkan	Manager at Strategic Planning Department – Member

* Elif Güvenen, SVP Responsible for Corporate Brand Management and Marketing Communication – Member

The Committee convenes at least twice a year in order to monitor and direct the Bank's progress in the area of sustainability. As well as economic criteria, the Committee has integrated environmental and social factors into the Bank's operations, products and services, and decision-making mechanisms. This structure also ensures that all decisions

taken and all efforts shown by Garanti Bank comply with the Bank's other policies and related regulations.

The Sustainability Committee has convened 10 times as of the end of the reporting period. 8 of these meetings were held within the reporting period.

¹⁴ The list of Sustainability Committee members are provided for the first quarter of 2013 when the report is published.

Sustainability Team

In 2012, Garanti Bank established a full-time Sustainability Team under the Project and Acquisition Finance Department in order to enhance the efficiency of its organizational structure for sustainability.

Consisting of four members in total including the Senior Vice President of Project and Acquisition Finance Department, the Team has two environmental engineers.

The Sustainability Team is responsible for the coordination of all sustainability-related activities at Garanti Bank. The Team, which regularly reports to the Sustainability Committee, works in cooperation with the Bank's other units during the implementation of the decisions taken by the Committee.

Monitoring the Bank's sustainability targets and performance within 2-week periods, the Team ensures the consolidation of sustainability-related data coming from across the Bank and evaluates such data in line with the Bank's targets. The Team is also responsible for the coordination of the process of collecting information from other units.

In 2012, Garanti Bank took yet another step in its process of structuring for sustainability. Sustainability Representatives began to be elected in departments, regional directorates and branches. The duty of these representatives is conceived as working in coordination with the Sustainability Team to collect data and support the implementation of the decisions taken by the Sustainability Committee within their own departments.



Customers and Sustainability

96

new products

The number of new products launched during the reporting period, out of total 504 existing products.



As of 06/2012

25 thousand

The number of SME representatives reached through Garanti Anatolian Meetings held in 55 provinces.



Garanti
Başka bir arzunuz?

**TÜRKİYE'NİN EN BAŞARILI
KADIN GİRİŞİMCİLERİ
BU YIL KİMLER?**

Türkiye'nin Kadın Girişimcisi Yarışması'na katılın, başarı hikâyenizi paylaşın, en iyiler arasında yerinizi alın.

Ödüller:
Türkiye'nin Kadın Girişimcisi
20.000 TL
Gelecek Vaad Eden Kadın Girişimci
15.000 TL
Yöresinde Fark Yaratan Kadın Girişimci
15.000 TL

Başvuru Tarihi:
26 Aralık 2011-20 Mart 2012

6. YIL

KAGİDER | Ekonomist

Garanti Bank aims to achieve sustainability throughout the entire customer service cycle. Sustainability has been adopted in a number of products and services in various business lines, ranging from SME banking to retail banking and project finance.

In order to offer the best service experience to its customers, who are at the heart of its business, and to ensure their continuous satisfaction, Garanti Bank will continue to maintain sustainability and generate added value in the long term.

Importance of Customer Experience and Satisfaction

Customer experience that supports sustainability

Garanti Bank, with the support of its strong technological infrastructure, has developed the methodologies required to offer the best customer experience. Garanti Bank is a leading financial services provider that goes to the greatest lengths to offer the best customer experience.

Listening to customers, identifying their needs and addressing areas where they are not satisfied are the cornerstones of the customer experience process offered by Garanti Bank. Permanent and continuous customer satisfaction being an important element of its sustainable economic performance, Garanti Bank attaches particular importance to addressing any issues with which its customers are not satisfied. These unstinting efforts contribute towards further enhancing the level of customer satisfaction.

One of the projects that Garanti Bank implemented under the customer

experience methodology was the Customer Investigation System. With this system, which was implemented in 1997, models aimed at identifying customers' needs and expectations were designed and applied. These models contributed to raising customer satisfaction by ensuring that the Bank knows its customers well and offers the right products to the right customer. Garanti Bank also undertook efforts to establish a sound and permanent link between the Bank's targets and customer satisfaction. While gathering the outputs of all performance monitoring and assessment instruments, and CRM¹⁵ systems, the Bank has taken important steps to integrate its corporate targets into its customer satisfaction processes.

"Başka bir arzunuz?" (Anything else?)

Garanti Bank believes that customer satisfaction can be ensured only by offering a good experience to the customers at each stage of interaction.

As expressed by the slogan, "Başka bir arzunuz?" (Anything else?), this approach has been designed to meet all needs of customers in all of their banking experiences.

By placing customers squarely at the heart of its practices and operations, Garanti Bank designs its products and services around its customers. Underlying this point of view is the Bank's strength of knowing its customers well, knowing how to satisfy them and delivering the appropriate product(s) or service(s).

A customer with sufficient and correct information is a happy customer.

Within the framework of a study conducted in 2011, Garanti Bank carried out interviews with those customers who have drifted away from the Bank. Aimed

at identifying the issues which failed to meet customers' expectations as well as critical experience moments, the study showed the importance of being well informed, with the right information.

The study found that being informed of the content, features and costs of products and services was the issue that registered the highest anxiety with customers. The importance of communication between portfolio customers and their customer representatives was also highlighted by the results of the study. Another topic that customers care about is their experience during the complaint process. The presence of a bank official who listens to customers' complaints and is solution-oriented is of great importance in terms of customer satisfaction.

According to Garanti Bank's Customer Satisfaction Constitution, providing customers with timely information and directing them to the right individual or unit is the first prerequisite in achieving customer satisfaction.

Every employee at Garanti Bank is expected to:

- meet customer needs in a timely and accurate manner;
- undertake the necessary planning so that there is no interruption to the services rendered;
- determine customer priorities.

The Bank's user-friendly and uninterrupted approach to service, the fact that it meets its customers' needs the fastest and in the most flawless manner, and the highest priority that it attaches to its customers' benefits in all processes are expressed in Garanti Bank's "win to win with customers" principle.

¹⁵ CRM: Customer Relationship Management

Customers and Sustainability

Garanti Bank attaches particular importance to permanent and continuous customer satisfaction being an important element of its sustainable economic performance.

Segment-specific programs aiming to meet customers' needs contribute to sustainability.

Garanti Bank addresses customers of all ages and in all segments through its product and services.

The Bank adds value to the lives of its customers by offering segment-specific programs such as Mini Bank for children, Extragenç for youngsters and retirement banking for the retired.

Garanti Mini Bank is a program that allows customers to begin investing now for the future of their children and covers the products that were designed for this purpose. Besides being an investment instrument, Mini Bank directly addresses children through its newspaper, gifts and many more products.

The Extragenç program, while offering products and services that aim to cover the banking needs of young people, also offers a youth club where young people can benefit from social activities.

STUDENT ACCOUNT: Garanti Bank examined young people's relation with money and banks in the Youth Banking Research 2010. The Bank reviewed young people's spending habits and their financial relations with their families, and accordingly, in 2011, developed the "Student Account" product which arranges the transfer of allowances between parents and their children.

"Student Account" introduces children to banking products, particularly Paracard and Internet Banking, while giving families the chance to pay allowances automatically.

The Bank offers many advantages to people who have retired from the Social Security Institution and who receive their pensions from Garanti Bank. The banking practices are made easy for retired customers through a number of measures including the private menu offered to pensioners at ATMs and loans with attractive interest rates.

In current volatile markets, which may from time to time reflect uncertainty, customers increasingly need expert opinions and support in order to plan their financial futures. Garanti Bank offers financial planning services to its Retail and Private Banking customers.

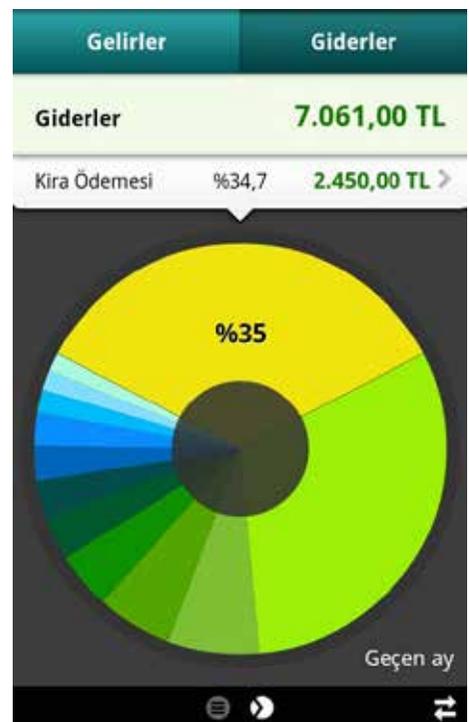
As part of this service, customers are classified into specific risk groups and the Bank provides portfolio recommendations suitable for each risk group. Accordingly, customers can gain access to professionally prepared investment proposals and can choose the proposals that best fit their risk-reward profiles. Likewise, a wide array of alternatives is offered for pension mutual funds as part of the private pension services. These alternatives offer customers the opportunity to draw up the best pension plan for themselves and thus help them look to the future with confidence.



06/2012

2.2
million

One out of every four people using internet banking is a Garanti customer.



Garanti Bank Iphone Application

Standing by Customers in Good and Bad Times

Financial health of its customers is important to Garanti Bank.

Research studies indicate that customers are seeking financial balance because of the effects of increasing consumption and may sometimes experience difficulties in maintaining their financial health.

In order to support the Bank's customers' financial sustainability under the current global and national market conditions, Garanti Bank began to offer products and services that will help the Bank customers

- manage their financial lives through personal approaches;
- develop a tendency to save; and
- realize their short- and long-term targets.

Following the roll-out of its new design in 2011, Garanti Bank's internet banking is no longer merely a means of meeting customers' daily banking needs, but has been transformed into a comprehensive personal banking platform now offering budget management and financial consultancy services. With more than 2.2 million users, Garanti Bank's online branch serves as a convenient channel where customers gain control over their finances and are able to rapidly complete their banking transactions. Garanti Bank will press ahead with its investments to widen product and service diversity in its online branch in order to address customers' different needs.

Full Support Platform

Garanti Bank's Full Support Program offers an array of flexible options to help customers deal with potential fluctuations in personal income, through practices such as reducing the number

of customers' installment payments or postponing their installments.

The platform can also offer a new credit limit with a low interest rate to those customers with sound payment record. This practice encourages customers to complete their payments on time.

Options such as reducing the number of installments and postponing installments, offered especially to those customers who are experiencing difficulty in completing their payments, have been welcomed as positive step towards protecting the future credibility of individuals.

SMEs and Garanti Bank

In an economy where 99% of enterprises are SMEs

99% of the enterprises in Turkey are SMEs. In Turkey, enterprises that fall under the official definition of "SME" account for 78% of the employment, 50% of the total investments, 24% of the loans and 59% of the exports.

With a wide array of tailor-made products and services, Garanti Bank serves SMEs, which are the beating heart of the Turkish economy.

Garanti Bank does not only allocate its own resources to SMEs, but also extends long-term and cost efficient resources which it obtains from international financial institutions. Below are the areas which the Bank will prioritize in terms of increasing its support to SMEs in the coming periods:

- Offering new products and services that simplify and guarantee the commercial lives of SMEs;
- Supporting the digital transformation of SMEs in order to ensure that they can effectively use information technology;

- Ensuring that SMEs have easier access to information by designing information and consultancy services;
- Providing for the needs of SMEs in a wide range of different areas by establishing strong brand collaboration and/or cooperating with local/sectoral institutions;
- Offering various financial solutions to entrepreneurs, who need fast-tracked and straightforward access to financial resources;
- Undertaking efforts to assist the development of SMEs in cities that currently lack sufficient financial support from banks;
- Becoming a solution partner in the agriculture sector by providing solutions not only meeting financial needs of agricultural enterprises, but also regulating the cash flow of the sector;
- Offering sectoral or local financial solutions through projects for the Bank to carry out in cooperation with such institutions as clusters, organized industrial zones, exporter associations, etc.

QUALITATIVE RESEARCH ON SME BANKING:

This research has revealed that SMEs have difficulty in collecting and making payments on time, which causes reduced trust in trade relations, indicating a need for solutions to make trade easier in assurance terms. Responding to these findings, Garanti Bank offered a new financial product entitled "Garanti Payment" for SMEs in 2011. This new product allows, in sales which have a future due date for payments, the buyer to complete the payment and the seller to make collections under the Bank's assurance.

Customers and Sustainability

In its efforts aimed at supporting craftsmen and the industrial sector, Garanti Bank develops special campaigns and activities by taking the political, social and economic conjuncture into account.

Supporting increased employment

Resources provided as loans to SMEs enable a positive contribution to domestic trade, export and tax volumes, while also playing a key role in the creation of new employment opportunities.

For instance, Garanti Bank provided € 15 million of funds in October 2011 and March 2012 to manufacturers operating in the Ankara OSTIM and KONYA clustering regions. It was calculated that these funds would create 489 jobs in a total of 59 enterprises through their economic leverage.

Solutions that fit the political, social and economic conjuncture

In its efforts aimed at supporting craftsmen and the industrial sector, Garanti Bank develops special campaigns and activities by taking the political, social and economic conjuncture into account. This approach shields SMEs from the market conjuncture, thus helping enterprises continue their progress in a sound manner.

In 2011, despite the high expectations in the market that the KOSGEB (Republic of Turkey, Small and Medium Enterprises Development Organization) loan program would be announced, the program was not extended. Subsequently, Garanti Bank offered the KOSGEB Bridge Loan Program to SMEs, who had been expecting to benefit from KOSGEB loans, and undertook financial planning, accordingly. Within the scope of the bridging loan program which offered almost the same conditions as KOSGEB loans, Garanti Bank granted a total of TL 460 million in loans to about 15,000 SMEs.

The loan campaign, with a grace period of 3 months - which was designed to shield SMEs against the recession in markets during Ramadan and support their economic sustainability - was another example of the support extended

by Garanti Bank to the sector. Likewise, promotions aimed at supporting SMEs for sectors such as agriculture, tourism and service vehicles, in which cash flows dry up in certain months of the year, are activities with social and economic sustainability at their core.

Cooperation with KOSGEB – more than TL 2 billion in resources extended to 30,000 customers

KOSGEB operates with the mission of raising SMEs' share in economic and social development by offering qualified services and support to the enterprises in order to strengthen their competitive strengths and spread the entrepreneurship culture. To this end, KOSGEB periodically undertakes various projects aimed at providing SMEs with cost-efficient loans.

From the beginning, Garanti Bank has been part of these projects: it has extended significant financial contributions to the development of SMEs in Turkey, supplying more than TL 2 billion in resources to a total of 30,000 customers through these projects.

TL 827 million of these loans was provided to 13,000 customers during the reporting period.

TurSEFF, SEFI, STEP, TurAFF and Proparco loans

Garanti Bank offers long-term funds to SMEs by working in cooperation with a number of international financial institutions.

During the reporting period, Garanti Bank provided US\$ 54.6 million in funds to SMEs within the scope of the "Turkey Sustainable Energy Finance Facility" (TurSEFF) loan program. Aiming to raise efficiency in SMEs' operations, the loan program is primarily offered to the enterprises seeking to cut costs by reducing the consumption of energy

01/2011-06/2012

TL 127
million

The amount of loans provided within the scope of Women Entrepreneur Support Package.

In addition to extending funds to women entrepreneurs, Garanti Bank also supports activities encouraging entrepreneurship and educational projects.



during production and invest in energy efficiency and heat insulation. For detailed information regarding the TurSEFF loan program directed by EBRD, please visit www.turseff.org.

Another loan program mediated by Garanti Bank is the "Sustainable Financial Instrument for SME's in Clusters/ Organized Industrial Zones" (SUFI). SUFI was designed to enhance the industrial activity in the Ankara OSTIM and Konya clustering regions, to bolster the competitive strength of enterprises carrying out R&D activities and to support production processes. As part of the Program, Garanti Bank supplied € 15 million in funds to SMEs during October 2011 and March 2012 periods.

Garanti Bank continues to extend loans to SMEs within the framework of the Small Tourism Enterprise Program (STEP), designed particularly for hotels and bed and breakfast accommodations to contribute with the aim of promoting sustainability of the tourism sector in development priority regions and to raise the competitive strength of tourism enterprises.

Garanti Bank also supports agricultural enterprises that operate in development priority regions. Designed to meet all types of financial needs for agricultural enterprises, the "Turkey Agribusiness SME Financing Facility" (TurAFF) loans are offered to SMEs in cooperation with EBRD. The process of supplying the € 40 million loan package is still under way. For detailed information regarding the

TurAFF loan program, please visit www.ebrd.com/pages/project/psd/2011/42211.shtml.

Aiming to contribute to renewable energy projects in Turkey, Garanti Bank has secured financing from Proparco in the amount of EUR 50 million with a tenor of 12 years in December 2011. Proparco is a subsidiary of the French Development Agency, or AFD, which provides funds for private investments in developing countries. The credit agreement is fully oriented to supporting clean energy projects.

Garanti Bank supports women entrepreneurs.

Garanti Bank sees supporting women entrepreneurs as a major responsibility for Turkey's social and economic development. Apart from extending funds to women entrepreneurs, the Bank also supports activities encouraging entrepreneurship and educational projects. Since 2006, the total credit amount disbursed by Garanti Bank under its women entrepreneurs support package has reached TL 475 million, with TL 127 million of this amount provided during the reporting period.

On November 2012, Garanti Bank secured a financing from EBRD amounting to USD 60 million, specifically dedicated to female business owners or managers of SMEs.

Women Entrepreneurs Meetings

Through its organization of the Women Entrepreneurs Meetings, organized

As of 06/2012

TL 475
million

The total credit amount disbursed under Women Entrepreneurs Support Package since 2006.

in collaboration with the Women Entrepreneurs Association of Turkey (KAGİDER), Garanti Bank aims to contribute to the personal development of women in business, informing them on fundamental business issues and encouraging them to create new opportunities in their own businesses.

Between 2008 and 2010, Women Entrepreneurs Meetings were held with the participation of a total of around 2,000 women entrepreneurs in Eskişehir, Kayseri, Adana, Izmir, Samsun, Gaziantep, Bursa, Manisa, Konya and Edirne.

During the reporting period, Women Entrepreneurs Meetings were held with the participation of a total of about 2,000 women entrepreneurs in Ankara, Kütahya, Kahramanmaraş, Kibris, Trabzon, Antalya, Denizli, Antakya and Mardin.

Target	Explanation	Target Year
Women Entrepreneur Meetings	The Bank will organize Women Entrepreneur Meetings in 6 more cities in 2013. By the end of 2013	
Number of certificates given through the training at the Women Entrepreneurs Executive School	The Bank aims to ensure that 450 women entrepreneurs receive certificates by the end of 2013 through the training provided at the Woman Entrepreneur School of Management, a program co-organized with the Boğaziçi University Centre for Lifelong Learning	By the end of 2013

Customers and Sustainability

With the modern and effective solutions it designs by taking sector-specific dynamics into account, Garanti Bank aims to ensure that the cash flow cycle, which has traditionally operated outside the banking system, is brought into the system.

Supporting rural development with "Agricultural Banking" products

As well as meeting the financial needs of agricultural enterprises, Garanti Bank aims to establish sustainable cooperation with the agricultural industry by regulating the cash flows of farmer associations, which play a key role in the industry.

Within the scope of its activities to supply loans to the agricultural industry, the Bank aims to work with agricultural enterprises which:

- manufacture market-oriented products;
- is larger than the average size of enterprises in the region;
- operating in the areas of processing, warehousing, packaging and marketing of agricultural products in addition to agricultural production;
- preferably carry out both arable and livestock farming together.

With the modern and effective solutions it designs by taking sector-specific dynamics of agricultural sector into account, Garanti Bank aims to ensure that the cash flow cycle, which has traditionally operated outside the banking system, is brought into the system.

For this purpose, the Bank updates its agricultural banking product portfolio so that it covers the needs for banking products and services that may be required in all production and trade activities, from the farm to the dinner table.

Within the scope of agricultural banking, Garanti Bank responds to financial needs at the following stages:

- carrying out high-quality agricultural production in the field at specific standards;
- storing and warehousing animal and vegetative products at high standards;
- manufacturing products by employing modern processing techniques;
- delivering products to consumers by undertaking the necessary classification and packaging work and using the right marketing channels.

Garanti Bank has extended a total of TL 788 million in loans to more than 11,000 agricultural enterprises.

Having kept close view of developments in the sector during 2011, Garanti Bank designed two new loans within the scope of licensed warehousing and the IPARD grant program.

AGRICULTURAL INDUSTRY

RESEARCH: In a study conducted in 2011, Garanti Bank examined each of the supply chains with different dynamics in the agricultural industry. Garanti Bank is designing solutions by taking into account the needs of various agricultural activities like fruit - vegetables farming, dairy productions, etc. In 2011 and 2012, the Bank also pressed ahead with its efforts regarding "Takas Kart", a product that simplifies the monitoring of trade activities and the payment mechanism between farmers and producer associations. "Takas Kart" was launched in the second half of 2012.

Agricultural loans

01/2011-06/2012

TL 788
million

The loan amount provided to more than 11,000 agricultural enterprises.



Efforts to expand the informed customer group

Garanti Bank organizes seminars, conferences and sector-based information meetings in order to raise its customers' level of knowledge and to bolster their loyalty to the Bank. The Bank has also organized foreign trade training sessions, information seminars regarding the new Turkish Trade Code and conversation meetings with economists.

The Bank has further encouraged its customers to attend domestic and international conferences organized by international institutions like Euromoney. The Bank, in cooperation with fund providers, has also offered various opportunities to its customers – who plan to invest within the scope of the efficiency projects – to receive technical consultancy services.

KOBİLGİ (SME Informative) Meetings

Launched during 2011, the KOBİLGİ SME Informative Meetings refer to a series of symposia enriched by case studies and practices, where specialists provide information on developments in various topics including legislation, marketing and sales.

These training sessions, explaining in technical detail not only the latest regulations but also the most recent developments in areas such as marketing and sales, were held with the participation of about 1,700 people in five different cities during the reporting

period. KOBİLGİ meetings continued, with different topics, in various cities throughout Anatolia in 2012.

Garanti Anatolian Meetings

Celebrating its 10th year in 2012, the Garanti Anatolian Meetings, bring together SMEs and the representatives of local administrations from different provinces in Turkey. Through discussions on the changes in the economy and market conditions with professionals who are experts in their field, Garanti enables SMEs and local administrators to evaluate regional and international opportunities, discover potential business areas and create solutions together for their local problems. Since the commencement of the program, 74 meetings have been held in 55 provinces, bringing together 25,000 representatives of SMEs. During the reported period, approximately 3,500 SMEs came together in 13 provinces.

Facebook Chat with SMEs

Live broadcasts, referred to as 'Facebook Chats with SMEs', have been initiated on Garanti Bank's Facebook page¹⁶. The following topics were discussed in these broadcasts: New Aspects of the new Turkish Commercial Law, angel investors, the general economy and women entrepreneurship. With previous broadcasts made available for viewing from the Garanti Bank Facebook account, live webcasts continued during 2012, with a range of different topics and guests.

Garanti Anatolian Meetings

01/2011-06/2012

3,500
SMEs

Approximately 3,500 SMEs came together in 13 provinces.



¹⁶ Garanti Bank's facebook page ranks number one in the total number of "like"s among all financial institutions in Europe and Turkey.

Customers and Sustainability

Garanti Bank, who will begin to implement disabled-friendly practices in the coming period in some of its other branches, is working on e-learning programs which aim to raise awareness among branch personnel.

Easier banking for disabled customers

Assisting the mobility impaired at ATMs and branches

Garanti Bank, with concern for the needs of its orthopedically disabled customers, designed disabled-friendly ATM machines alongside its existing machines and put them into service.

The Bank prepared a cabin concept which enables the orthopedically disabled customers to approach ATM's easily in their wheelchairs, lowered the ATM keyboard of those cabins to a level appropriate for use with wheelchairs and has aligned the ATM device so the screen is easily visible for disabled people. The Bank will carry out the same improvements at all ATMs located in the front of disabled-friendly branches, as long as the physical conditions allow.

The Bank also aims to improve ease of use for visually impaired customers in disabled-friendly ATMs through audio transactions.

In disabled-friendly branches, the Bank has decided to:

- ensure that branch entrances are accessible to the orthopedically disabled customers;
- ensure that the doors to the branches are appropriate for use by the disabled customers, if necessary;
- guide the visually impaired with surface features on the floors;
- give priority to the disabled customers in the Qmatic queuing system, if information related to their situations is kept in the Bank's records;
- design low teller's counters so that the orthopedically disabled customers can receive a priority service; and
- ensure that the ATMs located in the facade of those branches.

Within the scope of work on disabled-friendly branches, a pilot project was started in the Hasanpaşa Branch, on the Anatolian side of İstanbul, and in the Bomonti Branch on the European side.

Garanti Bank will begin to implement disabled-friendly practices in the coming period in some of its other branches. In 2013, the Bank will examine the regions where new branches will be opened and where existing branches will be relocated, as well as branches which will be renovated, in order to design these branches in a disabled-friendly format. Moreover, in order to provide better services to disabled customers, the Bank is working on e-learning programs which aim to raise awareness among branch personnel.

Garanti Bank has launched an initiative aimed at providing its disabled customers with easier access to banking services.

Within the scope of this initiative, the Bank aims to undertake the necessary measures at various service points, particularly at its branches and ATMs to facilitate access..



Disabled-friendly ATM Machine

Upgrading the internet branch and credit card transactions for the visually impaired customers

The internet branch will undergo a number of necessary changes to render it accessible to visually-impaired customers, enabling them to perform audio

transactions by listening to the internet branch menu.

The Bank plans to inform visually impaired customers of their credit card transactions through SMS sent to their

mobile phones. The visually impaired customers, who receive information through SMS sent to their mobile phones, will be able to listen to these messages with the programs they currently use.

Garanti Bank's efforts to assist its disabled customers and its targets for the coming period are summarized as follows:

Target	Explanation	Target Year
Disabled-Friendly Branches: Bomonti Branch (Istanbul) Pilot Application	<ul style="list-style-type: none"> Rendering teller's counters and branch entrances wheelchair-accessible Applying surface features on branch floors to guide visually impaired customers 	The Bank aimed to end the pilot branch application on December 31st, 2012. Plans will be completed in 2013 under the disabled-friendly branches initiative, in order to transform a selected number of branches and ATMs in a disabled-friendly manner.
Disabled-Friendly ATMs	<ul style="list-style-type: none"> Ensuring that visually impaired customers can carry out audio transactions at ATMs An ATM concept that provides ease of use for orthopedically disabled customers 	Garanti Bank envisages ending pilot applications for disabled-friendly ATMs on December 31st, 2012. In 2013, the Bank will carry out planning activities concerning branches that will be turned into the disabled-friendly ATM format.
Distance learning programs for Bank personnel	<ul style="list-style-type: none"> Distance learning programs to ensure that branch personnel provide a better service to disabled customers 	Garanti Bank plans to end the training programs for branch personnel on December 31st, 2013.
Give priority to disabled customers in branch transactions	<ul style="list-style-type: none"> Keeping information related to disabled customers in the Bank's records and giving them priority in the Qmatic queuing system 	Garanti Bank plans to implement the improvements in all of its disabled-friendly branches by December 31st, 2013.
Help visually impaired customers carry out their transactions through the internet branch	<ul style="list-style-type: none"> Effecting the necessary improvements in the internet branch to ensure that visually impaired customers are able to perform audio transactions 	In 2012, Garanti Bank launched efforts to initiate the necessary arrangements. The Bank plans to fully implement these improvements by December 31st, 2013.
Inform visually impaired customers of their credit card transactions	<ul style="list-style-type: none"> Informing visually impaired customers of credit card transactions through audio SMS notifications 	Garanti Bank plans to initiate the pilot implementation of this service on December 31st, 2013.

Customers and Sustainability

Garanti Bank is able to protect its distinctiveness in the banking industry with its flexible and user-friendly products, developed as a result of comprehensive studies.

Credit assessment procedures and sustainability

Garanti considers the credit extended to its customers at length with regard to its environmental and social impact and is involved in an engaged partnership with the customer concerning the management of possible risks.

Information concerning Garanti Bank's loan assessment policies and procedures is given on page 56 of this report.

Research, Innovation Management and Product Development

Assessing sustainable growth and the fields of development with an innovation-based business approach, Garanti Bank is able to protect its distinctiveness in the banking industry with its flexible and user-friendly products, developed as a result of comprehensive studies.

Garanti Bank continues to stand by its customers with a total of 504 products, 96 of which were new products launched during the reporting period.

Operating with a particular focus on delivering value, Garanti Bank's innovation process is the guarantee of the sustainability of its product and service portfolio. Within the scope of this process, the Bank evaluates each new idea in line with customer needs, trend analyses and business targets in terms of cost and applicability. In the final stage of this process, the selected ideas are turned into marketable and applicable products, services or business processes, taking their place within the Bank's product and service portfolio.

Suggestion and Idea Platforms "Önersen" and "Atölye"

Garanti Bank attaches great importance to its employees' contributions to the innovation process.

Used by employees to submit their opinions, the 'Önersen' and 'Atölye' suggestion and idea platforms promote innovation among employees.

In 2011, nearly 2,000 suggestions were received through 'Önersen', a suggestion platform open since 2007. Through 'Atölye', a project-based innovation platform that has been running since 2010, the Bank gathered nearly 2,000 innovative ideas from employees within the scope of five projects.

Garanti Bank attaches considerable importance to ensuring that customers are also involved in new product and service development stages and the innovation process. To this end, the Bank undertook 25 marketing research studies during the reporting period, soliciting opinions from 19,674 consumers.

Garanti Bank continues to develop products and services which fully satisfy customers' needs and ensure the service experience is unique and special. Some of the products which have been developed recently within the scope of the innovation process include Garanti Payment, Savings Account, Spend and Save Account and Net Account.

New products launched during reporting period

96

The total number of products offered to the customers

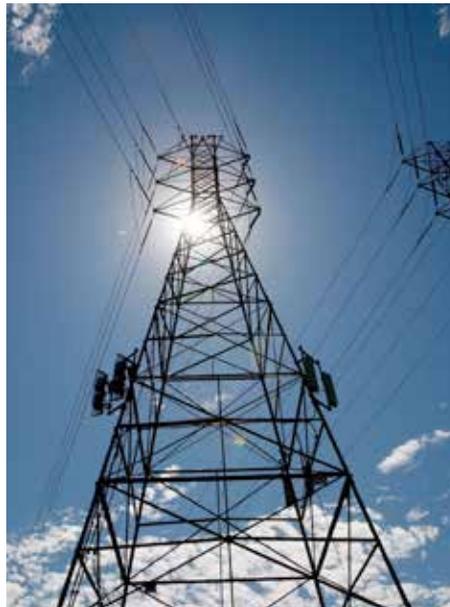
504



The Environment and Sustainability

40%

The share of Garanti Bank in Turkey's total installed capacity of wind power (as of 2011)



Loan Limit (US\$ million)

06/2012

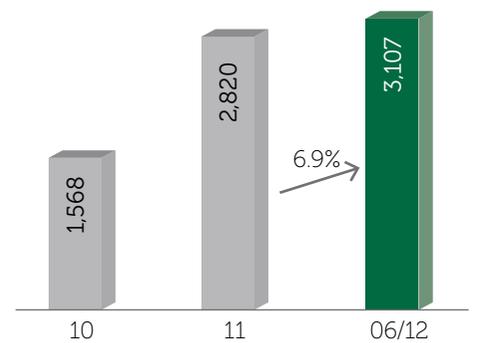
2,681

2010

1,503

Total credit amount extended to renewable energy projects

Growth in the Total Installed Capacity of Renewable Energy Projects Financed by Garanti Bank (MW)



Environmental degradation, human induced climate change and the depletion of natural resources threaten the welfare of a rapidly growing population and the global economy.

Garanti Bank sees its proactive management of this change through its effective organizational structure not only as the secret of its success but also as one of its most essential duties to its stakeholders.

In order to improve its environmental performance, Garanti Bank monitors its resource consumption, takes steps to reduce it, raises the awareness of employees and collaborates with suppliers.

Moreover, to extend its work to a larger scale, Garanti is also improving its credit-assessment procedures with regard to environmental and social criteria.

Garanti Bank's Environmental and Social Loan Policies

Garanti Bank deals with the environmental and social impacts of activities for which it has provided financing, under a separate topic called "indirect impact". The Bank initially set up the Environmental and Social Loan Policies (ESLP) in order to minimize the indirect impacts of loans granted by the Bank and put them into practice in 2011, following approval by the Bank's Board of Directors.

Garanti Bank's Environmental Policy

Garanti Bank is committed to continuously and significantly increase the value that it creates for its:

- customers,
- shareholders,
- employees,
- the community and
- the environment

In this context, [Garanti Bank's Environmental Policy](#) is based on the following principles:

- Monitor and comply strictly with all environmental legislation
- Monitor and analyze carefully both the national and international sustainability programs; go beyond the mere fulfillment of the obligations under the programs joined and raise to the highest level in terms of the value added regarding sustainability

- Respect the environment, embrace and spread environmental responsiveness
- Enable and promote the efficient usage of all resources
- Keep under control the direct environmental impact caused by in-house operations
- Evaluate the loans extended within the context of the "Environmental and Social Loan Policies," keep under control the indirect environmental impacts caused by loans
- Develop eco-friendly products and services
- Bequeath a sustainable world to future generations by constantly improving the environmental performance
- Contribute to the awareness and development of all stakeholders by encouraging multi-channel communication

Garanti Bank believes that informing its stakeholders, particularly its customers and employees, about its Environmental and Social Policies is an important opportunity to raise public awareness with respect to sustainable development.

Environmental and Social Loan Policies constitute the environmental and social principles governing the extension of loans at Garanti Bank. Within the framework of these policies, the Bank runs the "Environmental and Social Impact Assessment Process" (ESIAP) that was designed within two years with the support of an independent consulting firm, as well as the "Environmental and Social Impact Assessment Model" (ESIAM) which is a part of the ESIAP.

The Environment and Sustainability

Environmental and Social Loan Policies constitute the environmental and social principles governing the extension of loans at Garanti Bank. Within the framework of these policies, the Bank runs the “Environmental and Social Impact Assessment Process” (ESIAP) and the “Environmental and Social Impact Assessment Model” (ESIAM) which is a part of the ESIAP.

Loan requests received by Garanti Bank are first subjected to the ESLP; projects which do not comply with the policies are rejected. The ESLP, which was launched in 2011 and is applied on all loans without a threshold, is based on the following principles:

- Garanti Bank pays regard to maximizing the environmental and social benefits in financing projects considering their environmental and social impacts.
 - Garanti Bank supports the protection and management of natural biodiversity. It takes into consideration the measures which will protect biodiversity and the natural habitat in the financing of projects.
 - Garanti Bank supports efforts to increase energy efficiency and the transition to a low carbon economy.
 - Garanti Bank subjects new projects with an investment value of more than US\$ 20 million to the ESIAM which was developed by the Bank. With this model, projects are categorized and graded according to their characteristics, size, sensitivity, location and the possible social and environmental impacts. The Bank’s decisions are based on the risk rating calculated in accordance with the model.
- The following financings are not subject to the ESIAM:
 - Acquisition and privatization loans,
 - Construction loans (excluding mass housing projects),
 - Projects for which the Bank provides consultancy services,
 - Short- or long-term loans, that do not include the realization of any project,
 - Loans provided to a project that is already operational (provided that those projects do not create an additional impact)., and
 - Refinancing loans for ongoing projects (provided that those projects do not create an additional impact).
 - Following the application of the ESIAM, Garanti Bank may request from the project owners that an Environmental and Social Monitoring Plan (“ESMP”) is prepared, applied and regular reports are submitted for projects, which have higher risk ratings. The Bank expects the ESMP to be prepared in detail and with content that fits the project’s scale and risk level, as well as the Bank’s evaluation system.
 - It is imperative that the results of the assessment of environmental and social impacts are shared with the Credit Committee. The limit for total investment amount, policies and the assessment process may be revised or updated, if deemed necessary by the Sustainability Committee.



- Garanti Bank does not finance activities that are banned or restricted by national legislation and/or international agreements to which Turkey is a party. The Bank also does not finance the activities, projects or companies listed below, without carrying out any environmental and social impact assessment and applying any limits.
 - Companies involved in the production of weapons of mass destruction and landmines,
 - Individuals or companies found to employ child labor, or who violate human rights¹⁷,
 - Individuals or companies that deal with the production and trade of asbestos fibers or radioactive substances (excluding healthcare equipment, quality control devices and situations in which use of radioactive substances is extremely limited or insignificant, or in situations where there is sufficient protection),
 - Fishing activities which are deemed to constitute overfishing,
 - Forestry activities which cannot be sustainably managed,
 - Individuals or companies involved in the production, warehousing, transport and trade of hazardous chemicals (petroleum and petrochemical products) in large quantities according to their industrial scale,
 - Activities carried out in wetlands defined as RAMSAR (Convention on Wetlands of International Importance) areas,
 - Individuals or companies involved with products and/or activities that fall under the scope of CITES¹⁸,
 - Activities that threaten the cultural heritage qualifications of sites classified as UNESCO World Cultural Heritage.
- Garanti Bank pays regard to ensuring that the projects it finances satisfy the social and environmental standards required by legislation and the Bank's policies, that impact assessment is undertaken by the project owner(s), if necessary, that prescribed measures are taken by the project owner(s) and that project owners have effective internal audit systems. When necessary, the Bank suggests extra measures to mitigate negative effects and requests the project owner(s) to take the necessary measures.

Garanti Bank aims to contribute to the awareness of society, by providing information on ESLP to its stakeholders, especially its shareholders, employees and customers.



¹⁷ To the best of the Bank's knowledge, Garanti Bank has, during the reporting period, no customer who is subject to any investigation regarding human rights. Within the scope of the ESLP, this criterion is applied during the assessment of loans; in the event of any violation, the loan request is rejected.

¹⁸ CITES: Convention on International Trade of Endangered Species

The Environment and Sustainability

Before the 2012 UN Sustainable Development Conference (Rio+20) took place, Garanti Bank promised that it will complete the testing phase of the ESIAP by the end of 2012 and it will officially bring the ESIAP into practice from 2013.

Environmental and Social Impact Assessment Process

During the Environmental and Social Impact Assessment Process (ESIAP), projects that comply with ESIP principles are first evaluated for their compliance with "Sectoral Principles," which are individually defined for each sector. Projects with a total investment value of more than US\$ 20 million which comply with these principles are classified into various categories (A, B, C) depending on the extent of their environmental impact and then held subject to the ESIAM.

Before the 2012 UN Sustainable Development Conference (Rio+20) took place, Garanti Bank promised that it will complete the testing phase of the ESIAP by the end of 2012 and it will officially bring the ESIAP into practice from 2013. With this commitment, Garanti Bank has demonstrated the financial sector's determination to support sustainable development.

For more information about Garanti Bank's commitment, please visit <http://sustainabledevelopment.un.org/index.php?page=view&type=1006&menu=1348&nr=629>



Through the ESIAP, Garanti Bank aims to:

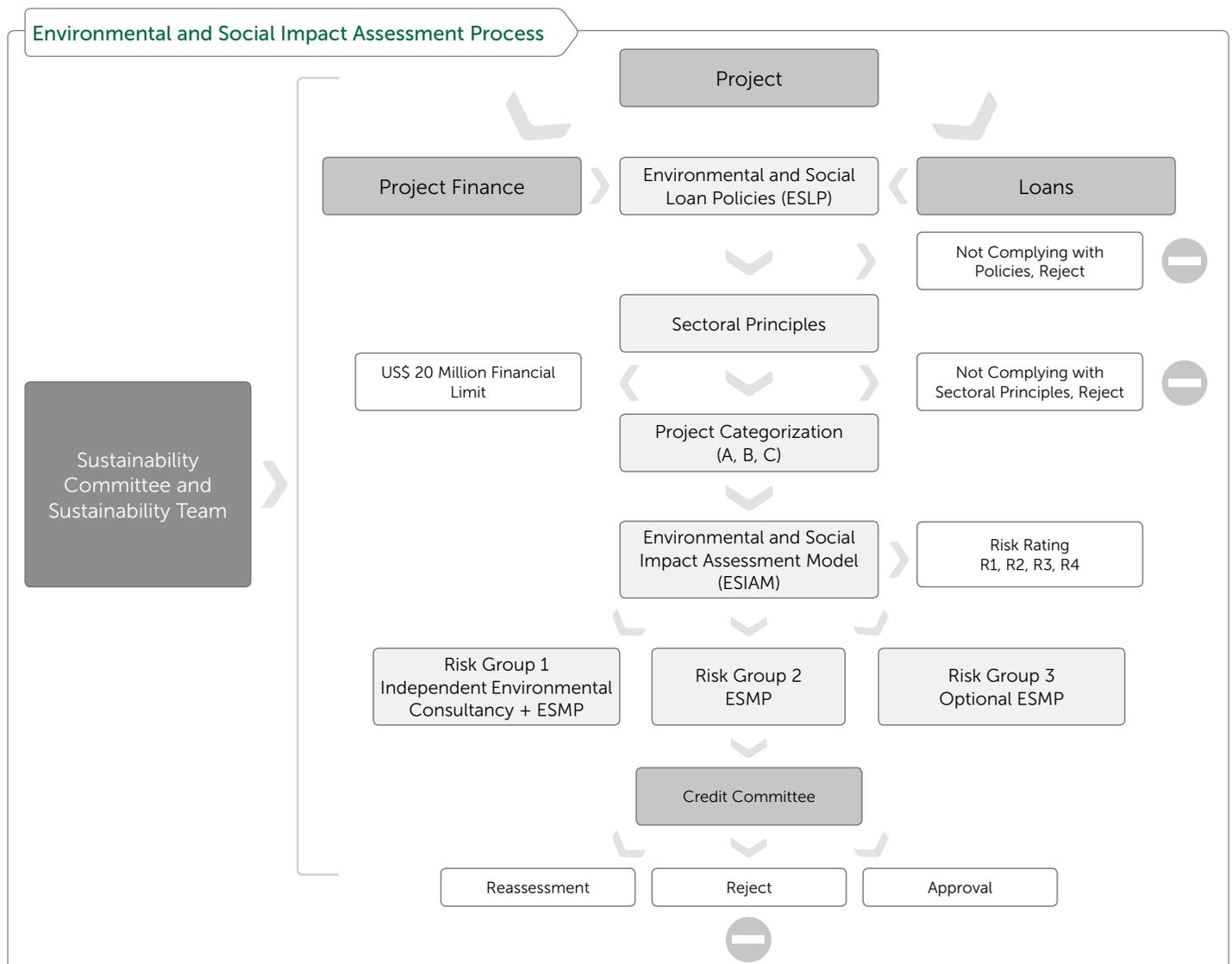
- Determine and evaluate all environmental and social impacts of projects in a systematic way;
- Ensure that projects supported by the Bank are sustainable from an environmental and social perspective;
- Ensure that each stage of financed projects, as well as all processes and policies pursued by the Bank, fully comply with national legislation and regulations;
- Ensure that all projects subject to the environmental and social impact assessment are evaluated and financed through the methods defined in the ESIAP;
- Ensure that project owners take the necessary measures to reduce the identified impacts to an acceptable level;
- Effectively monitor the ESMP prepared by customers (project owners) in order to help project owners monitor and improve their compliance with the Bank's environmental and social policies during the Bank's loan supply process;
- Ensure that the project owners have sufficient capacity and an adequate workforce to fulfill the Bank's environmental and social requirements during construction and operation; and
- Evaluate the public reaction related to any negative impacts that may arise during construction and operation of projects.

Investment value

>20
million \$

In Garanti Bank, projects with a total investment value of more than US\$ 20 million are subjected to the ESIAM.





The Environment and Sustainability

With the implementation of the ESIAP, which was set up in accordance with international practices, the Bank has achieved significant progress towards compliance with the Equator Principles.

Garanti Bank is committed to constantly improving this new assessment process, which began to be tested in 2011, through dedicated observation of national and international legislation and developments.

With the implementation of the ESIAP, which was set up in accordance with international practices, the Bank has achieved significant progress towards compliance with the Equator Principles¹⁹, which are internationally recognized by the financial sector.

Environmental and Social Impact Assessment Model (ESIAM)

Under the ESIAM, there are question sets that are prepared specific to each sector. Depending on the sector applicable to each project, these questions are answered by the Project and Acquisition Finance Department or the Corporate and Commercial Loans Department.

The ESIAM comprises of three stages:

1 - Category Selection

The project is assigned to the most appropriate of the three categories mentioned below:

Category A

- Projects defined in the ANNEX-I of the Environmental Impact Assessment (EIA) Regulation (projects that are subject to the EIA),
- Projects that are carried out in or around sensitive areas defined in the ANNEX-V of the EIA Regulation,
- Projects where there is strong public or NGO opposition

Category B

- Projects defined in ANNEX-II of the EIA Regulation (projects that are subject to the selection-elimination criteria and

that require project introduction files)

- Projects attracting either strong interest or opposition from the general public or NGOs
- Projects which are exempt from the EIA

Category C

- Projects included in the ANNEX-I or ANNEX-II of the EIA Regulation
- Projects where there is no adverse interest in, or opposition from, the general public or NGOs

2- Determination of a Project's Risk Rating

Different questionnaires that are separately designed for each sector listed below are used in order to determine the risk rating of any project:

- Cement, Glass, Ceramics Sector
- Foodstuff, Beverage, Feed and Agricultural Products Sector
- Geothermal Power Plants
- Hydroelectric Power Plant Projects
- Metallurgy/Machine/Petrochemicals/ Chemicals Industry
- Mining Industry
- Nuclear Power Plants
- Paper-Cellulose Sector
- Petroleum and Natural Gas Industry
- Solar Power Plants
- Textiles and Leather Sector
- Thermal Power Plant Projects
- Tourism/Healthcare/Mass Housing/ Mall Sector
- Transport/Infrastructure Sector
- Waste Utilization and Disposal Sector
- Wind Farms

ESIAM

comprises sector-specific question sets for 16 sectors and consists of three stages.



¹⁹ For more information about Equator Principles, please visit: <http://www.equator-principles.com/>

In the sectoral question lists used in Garanti Bank's ESIAM, a project's environmental and social impacts are investigated through questions such as the following:

- Is the project carried out in areas that are protected by national or international legislation?
- Are the cumulative impacts of other power plants that are already in operation taken into account during the assessment of impacts?
- Is the planned minimum instream flow of the hydropower plant project sufficient?
- Are there any economic, social or physical losses associated with the land purchases (expropriation) or resettlement in the project?
- Are environmental and social factors, in addition to technical and economic criteria, taken into account in the master plan or during the evaluation of alternatives in the feasibility study?

3- Determination of the Risk Group Based on the Category and Risk Rating

Projects are classified according to their risk rating and category, by using a risk matrix created by the Bank itself, and finally their risk classes are identified based on this evaluation.

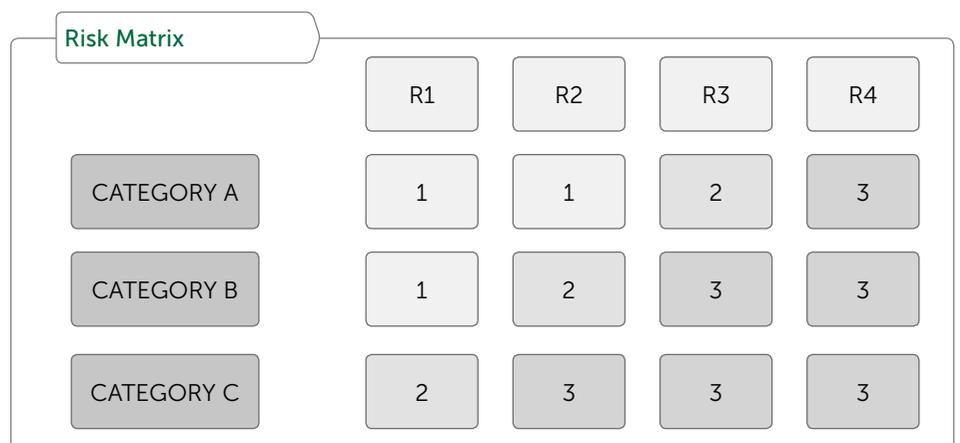
Garanti Bank demands specific actions to be taken according to the risk class determined by the application of the ESIAM. If the final risk group is 1, the Bank asks an independent consultant firm to prepare a comprehensive report regarding the project's environmental and social impacts and also to prepare, apply and regularly report an ESMP. If the risk group is 2, the Bank requests that the project owner(s) prepare, apply and regularly report an ESMP. The Bank expects the ESMP to be prepared in detail and with content appropriate to the project's scale and risk level, as well as the Bank's evaluation system. If the risk group is 3, actions are dependent on decision of the credit committee.

If a project fails to meet the environmental and social criteria within the scope of ESIAM, the Bank may reject the project or ask the debtor to take additional measures, monitor identified impacts and report these impacts in detail on a regular basis.

For instance, in 2012 when the system was tested, Garanti Bank asked, during the loan assessment of various thermal power plant projects, for a revision of the air quality modeling and requested that cooling water should be obtained from seawater through desalination. Likewise, the Bank requested the construction of fish passages and archaeological evaluation reports from some hydroelectric power plant projects and ornithological impact and monitoring reports from a number of wind farm projects. In many of the projects, the ESMP was prepared and applied.

The ultimate risk rating of the Project is determined following an evaluation of question-based risk ratings through an algorithm which was prepared with the support of the consulting firm based on scientific facts.

Risk Rating	Explanation
R1	High risk
R2	Medium risk
R3	Low risk
R4	Very low risk



The Environment and Sustainability

Once all renewable energy projects financed by Garanti Bank and that are still under construction by June 2012 are commissioned, the reduction in greenhouse gases is expected to reach 5.86 million tons of CO₂ equivalent per year.

Garanti Bank and renewable energy

Garanti Bank considers the financing of renewable energy projects as an important opportunity to reduce the greenhouse gas emissions of Turkey. The Bank offers its greatest support to wind farm projects because of their positive impact on Turkey's current account deficit, as well as their minimal environmental and social impact.

Garanti Bank evaluates energy projects based on the environmental and social principles which it has specifically determined for various power plant types.

Garanti Bank estimated a reduction in greenhouse gas emissions equal to about 1.3 million tons of CO₂ equivalent by June 2012 from the operational renewable energy projects that it has financed. Once all renewable energy projects financed by the Bank that are still under construction by June 2012 are commissioned, the reduction in greenhouse gases is expected to reach 5.86 million tons of CO₂ equivalent per year, taking Turkey's current grid emission factor into account.

Growth in the Total Installed Capacity of Wind Power Projects Financed by Year (Cumulative)

	2006	2007	2008	2009	2010	2011	06/2012
MW	70	220	385	540	626	874	874
Loan Limit (US\$, million)	84	281	502	694	806	1,138	1,138

Growth in the Total Installed Capacity of Hydroelectric Power Projects Financed by Year (Cumulative)

	2007	2008	2009	2010	2011	06/2012
MW	54	118	211	882	1,946	2,068
Loan Limit (US\$, million)	60	107	277	627	1,344	1,453

Growth in the Total Installed Capacity of Geothermal Power Projects Financed by Year (Cumulative)

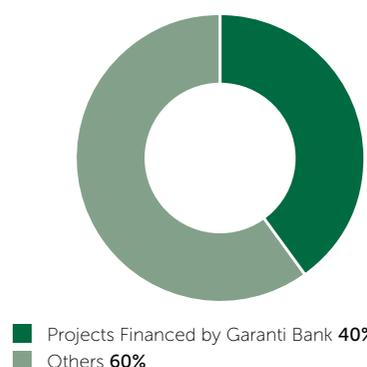
	2010	2011	06/2012
MW	60	-	75
Loan Limit (US\$, million)	70	-	90

As of June 2012, Garanti Bank had allocated:

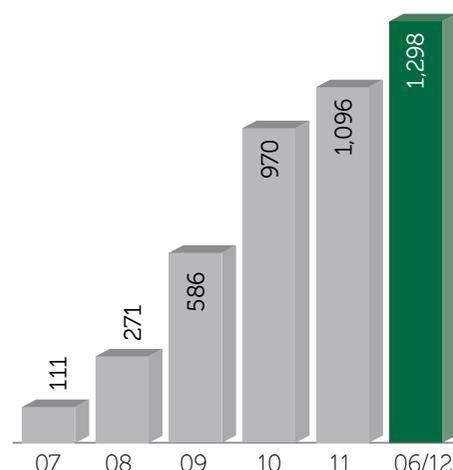
- US\$ 1,138 billion to wind farm projects which will have a total installed capacity of 874 MW when completed,
- A total of US\$ 1,453 billion to hydroelectric power plant projects which will have a total installed capacity of 2,068 MW once all of them are commissioned, and
- US\$ 90 million in funds to geothermal power plant projects which will have a total installed capacity of 75 MW when completed.

Nearly half of the funds provided by the Bank to energy projects have been allocated to renewable energy projects.

Garanti Bank's Share in Turkey's Installed Wind Power Capacity (2011)



Development of Annual Greenhouse Gas Reduction through the Operational Renewable Energy Power Plants Financed by Garanti Bank by June, 2012 (1,000 tons of CO₂ equivalent/year)



Garanti Bank's Environmental Management System

In 2012, Garanti Bank established the Environmental Management System (EMS) with the support of two independent consultant firms, in order to manage its direct and indirect environmental impacts in an effective and systematic way. Accepting compliance with the EMS requirements in all stages of its banking activities as a core principle, Garanti Bank also began to provide training to its employees on this issue.

These training sessions aim to inform the Bank employees of changing legal and voluntary practices concerning the environment, by also taking the Bank customers' environment-related requests during the service cycle into account.

ENVIRONMENTAL MANAGEMENT SYSTEM: The management system, which is designed to systematically reduce or, where possible, to eliminate any negative environmental impacts that may be caused by various activities of companies, is referred to as the "Environmental Management System".

ISO 14001 ENVIRONMENTAL MANAGEMENT STANDARD: Published by the International Organization for Standardization, the ISO 14001 Environmental Management System Standard refers to the establishment of a system that identifies environmental impacts in each stage of a company's activities and minimizes environmental damage by bringing these impacts under control through necessary measures.

Garanti Bank prepared a handbook to demonstrate how it fulfills the standards set out in ISO 14001, concerning the Environmental Management System, and to set out its related strategies and policies. Moreover, the Bank prepared 19 different procedures²⁰ in order to bring under control and minimize any environmental impacts that may arise at any stage of its activities:

- Bidding (Tender) Procedure
- Corporate Brand and Marketing Communication Procedure
- Corrective and Preventive Activities Procedure
- Customer Satisfaction Procedure
- Document and Data Control Procedure
- Emergency Environmental Impact Procedure
- EMS Internal Audit Procedure
- EMS Review and Sustainability Procedure
- Environmental Dimensions Assessment and Control Procedure
- Environmental Impact Assessment and Loan Procedure
- Human Resources Procedure
- Investor Relations Procedure
- Logistics and Purchase Procedure for Social Purposes
- Procedure to Determine and Keep Track of Environment-Related Legal Requirements and Other Requirements
- Quality Records Procedure
- Service Procedure
- Social Platforms Management Procedure
- Training Procedure
- Waste Control Procedure

2012

ISO 14001

Environmental Management System certification



ISO 14001 Certificate Ceremony

²⁰ Garanti Bank designed these procedures in line with the ISO 9001 Quality Assurance System procedures to the maximum extent in order to increase the efficiency of this system, which was launched in 2012.

The Environment and Sustainability

On November 26th, 2012, Garanti Bank was granted the “2012 Turkey - Carbon Performance Leadership” award by CDP, which is considered to be the world’s largest environmental initiative. In the evaluation undertaken by CDP, Garanti Bank has climbed to a leading position, receiving the highest score in the performance category among 32 companies.

The procedures of the Environmental Management System is developed in compliance with the existing ISO 9001 Quality Management System’s procedures.

The Sustainability Committee Meetings also act as the Management’s Review Meetings, where the developments within the scope of EMS are presented. In these meetings, the Construction Department, which is responsible for the implementation of the EMS, and the Sustainability Team present information about the improvements on EMS along with other topics related to sustainability.

Thanks to the Bank’s efforts throughout 2012, the EMS was designed in accordance with the ISO 14001 requirements and methods and responsibilities were determined for each field of activity. Likewise, the Bank started to determine targets for energy consumption and greenhouse gas emission reductions in order to improve its environmental performance.

The Bank subsequently focused on its supply chains, and for a selected range of products and services, has begun to require that all new suppliers should have, even if at the minimum level, an Environmental Management System²¹.

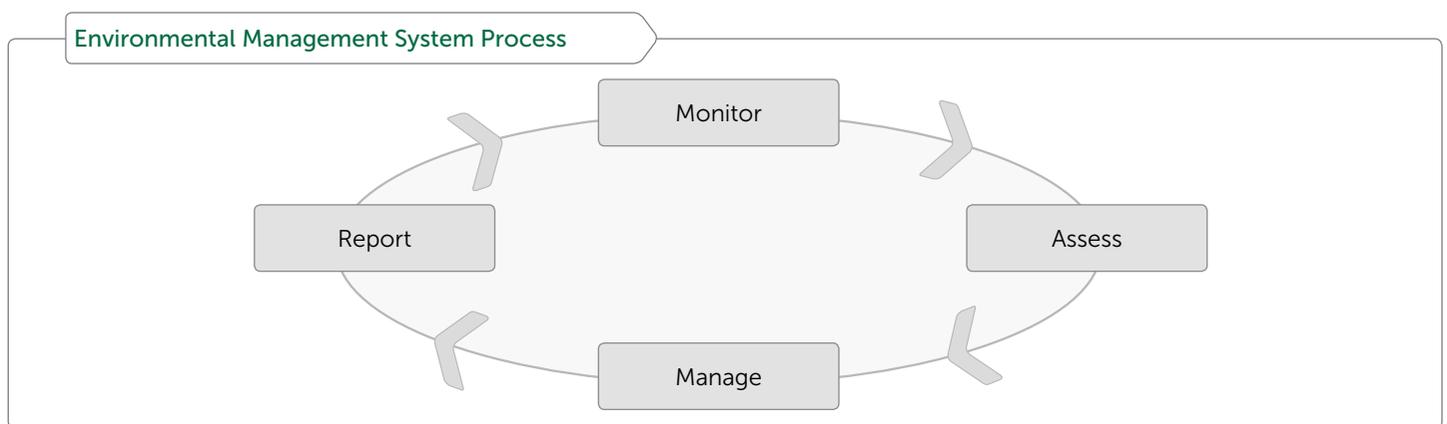
From Q1/2012, the Bank worked to spread the EMS in all of its facilities.

Garanti Bank aims to promote the EMS while enhancing it. Garanti is strongly focused on the use of EMS as an effective means of control and management of the environmental impact of banking activities.

Within the framework of EMS, Garanti Bank monitors, evaluates and finally controls the environmental impacts of its operations in light of its findings from the monitoring and evaluation processes. The Bank has also adopted the process of reporting the progress it makes to all of its stakeholders as a core principle.



Garanti Bank’s Environmental Management System was certified with **ISO 14001** following audits performed in October 2012 by **TÜV-SÜD**, a German independent audit agency. In 2012, Garanti brought 23 facilities including certain branches and regional head offices, in addition to its Zincirlikuyu Head Office, the Güneşli Blocks, the Dikilitaş Training Center into its Environmental Management System. With this result, Garanti Bank has been recognized as the first bank that operates an Environmental Management System in such a large area and context in Turkey.



²¹ While supplier contracts contain clauses pertaining to environmental issues, there is no evidence of any clauses pertaining to auditing for and reporting human right violations. Such contracts do however make reference to laws and regulations (including the Labor Law) pertaining to the protection of workers. Such provisions give Garanti Bank the right to terminate any contract which is deemed to be in violation of worker protection regulations.

During the reporting period, Garanti Bank was not aware of any supplier with which it was working that was under investigation for any issue related to human rights.

The Environment and Sustainability

Garanti Bank, which has an extensive service network throughout Turkey, carefully manages and aims to reduce its total greenhouse gas emissions in line with its relative targets.

Garanti Bank aims to minimize the impact of its business on the environment.

The following table presents a summary of Garanti Bank's consumption of natural resource and its carbon footprint during the reporting period.

Resource	Total Consumption (2011)	Total Consumption (06/2012)	Total Consumption (01/2011-06/2012)	Energy Content (Tj)
Electricity (MWh)	116,998	59,853	176,851	636.7
Natural Gas for Heating (m ³)	3,166,379	1,495,591	4,661,970	174.0
Diesel for Heating (liters)	324,000	158,053	482,053	18.5
Coal for Heating (kg)	104	96	200	2.5
Water Consumption (m ³)	191,630	99,748	291,378	-
Diesel Consumption in Vehicle Fleet (liters)	1,857,452	1,122,599	2,930,052	113.3
Gasoline Consumption in Vehicle Fleet (liters)	1,736,440	617,643	2,354,084	81.2

	Scope 1	Scope 2	Scope 3	Total
Tons CO ₂ Equivalent – 2011	16,981	70,351	2,632	89,964
Tons CO ₂ Equivalent – 06/2012	8,166	36,591	1,596	46,353

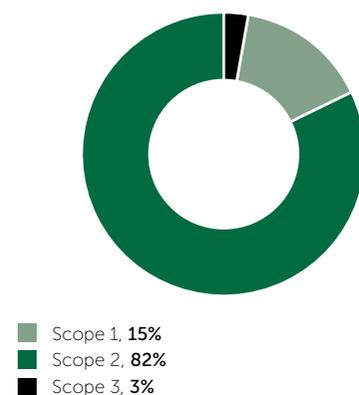
The calculation was performed according to the principles of the "WBCSD/WRI – The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)". The figures above include Scope 1, Scope 2 and Scope 3 emissions of Garanti Bank, Garanti Mortgage, Garanti Technology, and GÖSAŞ. R22 gas, which is used as a refrigerant, will be excluded from the calculation from 2012 as it is covered by the Montreal Protocol but not covered

By the end of 2011, Garanti Bank's total greenhouse gas emissions, including its Scope 1, Scope 2 and Scope 3 emissions had increased by 6.6% YOY.

by the Kyoto Protocol. Moreover, only the largest buildings by surface area (m²) are included in the refrigerant calculation as there is no reliable data pertaining to the other buildings. For calculation references, changes made in the calculation methodology in 2011 and data limitations, please refer to Garanti Bank's report of 2012 on CDP's website: <https://www.cdproject.net/en-US/Pages/HomePage.aspx>

It is believed that this increase is due to the data collection constraints in 2010, the increased fuel consumption for heating purposes caused by the extreme cold in the winter of 2011 and the increase of more than 6% in the number of Bank branches when compared to 2010.

Breakdown of Greenhouse Gas Emissions (06/2012)

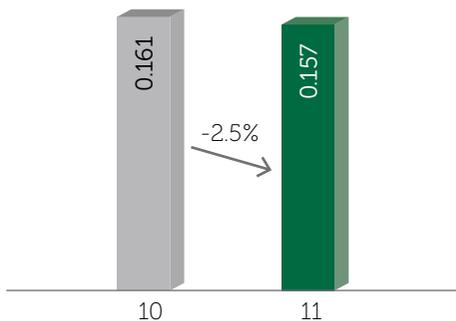


By enabling the use of alternative communication channels, such as teleconferencing, webinar, e-learning in its business processes, Garanti Bank has succeeded in reducing emissions caused by long distance travel, despite an increase in the number of employees at the Bank.

Operating in the financial services sector, Garanti Bank's greenhouse gas emissions are lower than the emissions of many companies that operate in other industries. On the other hand, the Bank, which has an extensive service network throughout Turkey, carefully manages its total emissions and aims to reduce emissions in line with its relative targets.

In 2011, Garanti Bank set out a target to reduce the ratio of its CO₂ equivalent emissions over total assets by 7% by the end of 2012, compared to the end of 2010.

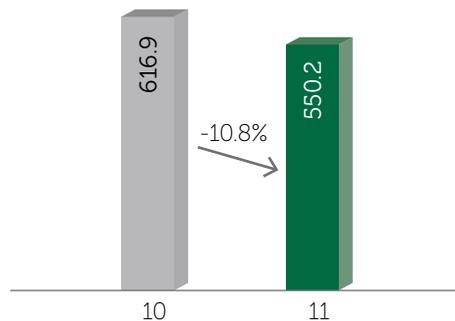
Scope 3 Emissions Caused by Flights / Total Number of Employees (Ton CO₂ Equivalent/Number of Employees)



By the end of 2011, Garanti Bank succeeded in lowering this ratio by 10.8%, compared to its target. The Bank is still working to calculate its greenhouse gas emissions for 2012.

Most (78.94 %) of the greenhouse gas emissions are caused by the electricity consumption in office areas. This is followed by fossil fuels consumption and the refrigerants (17.62 %) used in air conditioners. Developing projects to reduce its emissions by carefully evaluating its greenhouse gas profile, the Bank has focused on energy efficiency projects that will also help reducing its operating costs.

Ton CO₂ Equivalent over Total Assets* (Ton CO₂ Equivalent/TL billion)



* Calculated on the basis of the outgoing period-end independent auditing of Garanti Bank and its financial institutions, with regard to the consolidated financial tables.

2011

-10.8%

Reduction in the ratio of CO₂ equivalent emissions over total assets

Garanti Bank determines its greenhouse gas profile based on the Greenhouse Gases Protocol. Emissions in Scope 1 are greenhouse gas emissions caused by the Bank's own sources, like natural gas boilers within the facilities defined by the Bank.

Emissions in Scope 2 are greenhouse gas emissions caused by the use of outsourced electricity, heat or steam energy.

Emissions in Scope 3 are greenhouse gas emissions associated with purchase of products or services, or air, land or rail transport, where fuel expenses are covered by an organization other than Garanti Bank.

Garanti Bank included only the air travel of its employees for business purposes in the calculation of Scope 3 emissions. The Bank has decided on which greenhouse gas sources will be included in the calculation of Scope 1, Scope 2 and Scope 3 emissions based on data accessibility.

The Environment and Sustainability

Garanti Bank saved 5.3 kWh of electricity per year in the last 4-year period by implementing data centers server virtualization project.

Garanti Bank plans to reduce the use of natural resources, particularly energy, by focusing on energy efficiency projects.

Garanti Bank takes effective measures and carries out projects in order to minimize the environmental impacts caused by its activities. Highlights from the activities conducted by the Bank for this purpose are summarized below.

Technological solutions that reduce travelling

Garanti Bank strives to reduce the negative impacts of business travel on the environment.

During the reporting period, the Bank focused particularly on travelling needs for training purposes and achieved significant savings. In this context, the Bank focused on the use of various technologies, such as webinar, e-learning and teleconferencing. Another positive result of these techniques is that they have significantly increased and accelerated information sharing processes.

In 2011, the ratio of non-travelling e-learning hours to the total training hours throughout the Bank increased from 10% to 22%, while branch personnel, who frequently travel for training, carried out 26% of their training through e-learning channels.

Server virtualization in data centers

The highest carbon emissions per m2 in Garanti Bank's physical service buildings are derived from the use of servers.

By means of the virtualization project launched in 2007, the Bank began to virtualize 300 servers in its data centers, which are distributed to different locations throughout Turkey. This technology allows the efficient use of server capacity, and has enabled the Bank to reduce both electricity consumption and cooling requirement of the servers.

With this project, Garanti Bank saved 5.3 million kWh of electricity per year in the last 4-years period. This amount corresponds to 3,199 tons of CO₂ equivalent, and is expected to increase in the subsequent phases of the project.

Fuel savings in personnel service buses: Rotaban

Rotaban is a practice that aims to reduce fuel consumption in Garanti Bank's personnel service buses in Istanbul.

Route optimization is performed through an online service in personnel services buses, which are used in many locations in Istanbul. Within the scope of this service, the Bank has aimed to reduce the total annual distance travelled by its personnel service buses in Istanbul by 603,000 km, by always determining the shortest routes between any two locations. The fossil fuel savings from Rotaban program is estimated to cut an average of 287 tons of CO₂ equivalent greenhouse gas emissions per year.

The ratio of e-learning hours to the total training hours

22%

The ratio of non-travelling e-learning hours to the total training hours throughout the Bank increased from 10% to 22%.

Garanti Bank has launched a number of practices at different points of its organization, aiming to save energy in its lighting systems.

Annually

603

Thousand km

The annual reduction in distance that Garanti Bank aims to save within Rotaban project

Renovation of energy and lighting systems

Garanti Bank has launched a number of practices at different points of its organization, aiming to save energy in its lighting systems:

- The Bank launched a number of initiatives at its head office, like motion sensors and LED systems that increase efficiency in lighting systems. The Bank also began to use LED systems for the lighting of the outer front of its head office.
- LED lighting systems are used for band lighting at ATMs. Within the same program, the Bank switched advertising boards in its branches to the LED system, achieving significant energy savings.
- Astronomical time clocks, adjusted according to sunrise and sunset times, are used in the outer fronts of all ATMs and branches.
- The Bank plans to begin using LED lighting in 2013 in new branches that will be opened soon or in branches that will be renovated, in line with feasibility studies performed with the purpose of replacing old light bulbs with energy-saving LED lighting.
- The Bank focuses on ensuring the maximum use of daylight (natural lighting) in new branches that will be opened soon or in branches that will be renewed. As well as enabling the Bank to benefit from lower energy expenses, greater use of natural lighting will provide a healthier environment by supporting its employees' motivation.
- The Bank aims to prevent energy losses by installing heat insulation at its branch fronts.

- Garanti Bank has examined possible saving opportunities by reducing energy costs in the maintenance and use of its head office building. As a result of these efforts, the Bank aims to render the building energy efficient and to obtain its energy performance certificate.

Use of R410 gas and switching to energy-efficient air-conditioning

In its recently opened or renovated branches, Garanti Bank began using air-conditioning units which work with R410 gas, which is not contributing to ozone depletion like R22.

The Bank is replacing old air-conditioning units with new generation energy-efficient air-conditioning units in a bid to increase energy efficiency in its recently opened or renewed branches.

Use of the new systems, which improve efficiency by up to 40% through A+ class air-conditioning units, reduces total energy consumption by 10% in a typical branch. In 2011, a total of 1,521 air-conditioning units at 50 service points were replaced by new air-conditioning units, saving about 32,240 kWh of energy in the year.

The new generation air-conditioning units have been installed in all new branches, buildings and ATMs since 2009. Moreover, the recently opened or renewed branches began to use heat recovery devices (working with plug fans) that consume less electricity.

2011

32,240 kWh/year

Amount of energy saved with replacement of 1,521 new air-conditioning units at 50 service points



The Environment and Sustainability

Measures aimed at saving water have been implemented at Garanti Bank's existing service points, as well as its new branches.

Efforts to save water

Measures aimed at saving water have been implemented at the Bank's existing service points, as well as its new branches. In this context, Garanti Bank aims to keep daily water consumption under control through the use of new faucets with a lower flow rate. The Bank also treats and collects the rainwater from the roof of the head office building, using it in landscape irrigation.

Furthermore, mains water is treated and used as drinking water at the head office building. This practice eliminates use of plastic bottles and the greenhouse gas emission caused by their transport.

Pendik Technology Campus is designed according to the LEED Criteria.

With construction work having begun in August 2011, the Pendik Technology Campus is a sustainable project with its architectural and engineering solutions.

During project design and construction work, LEED criteria such as the building's compatibility with the land, the reduction of energy and water consumption, selection of environmentally friendly materials and the waste management in construction work are taken into account.

The Bank aims to receive the LEED New Construction-Gold certificate for the Pendik Technology Campus Project. According to data provided by the US Green Building Council, although investment costs of buildings with LEED certificate are 2% higher than similar buildings without the certificate, the total

energy consumption in buildings with the LEED certificate is 18-39% lower.

Spreading environmentally friendly practices throughout supply chain management

Garanti Bank took its first step for an environmentally friendly supply chain by adding a binding article in supplier contracts in 2012 concerning full compliance with the EMS.

Articles that aim to protect the environment were included in the purchase processes in EMS procedures, ensuring that the Bank's sensitivity regarding its supply chain was comprehensively adopted.

In 2012, Garanti Bank ensured that its subcontractors complied with the EMS, particularly in the areas of cleaning and catering.

Efforts to raise awareness

Garanti Bank is aware that the effectiveness of the EMS cannot be taken for granted without the support of its employees.

Acting on this fact, the Bank designed a Sustainability E-Learning program for all bank personnel, with the aim of raising awareness on the issue. The Bank is committed to raising the awareness of its employees, who form its most precious stakeholder mass.

The Bank also added its view of the concept of sustainability to its orientation training, spelling out its expectations of employees on this issue.

18%



The minimum energy saving expected from Pendik Technology Campus designed according to the LEED Criteria, in comparison with ordinary buildings without the certificate



Pendik Technology Campus

The brochure entitled "101 Önlem" (101 Measures) is an initiative that was launched with the aim of informing employees about climate change and the measures that can be taken to prevent negative environmental impacts.

In the coming periods, Garanti Bank will continue to support its employees' knowledge of sustainability through more comprehensive training and awareness-raising programs, including the environmental and social assessment process applied to loans.

International experience sharing and attending initiatives

In the course of the ongoing restructuring of the global economy's financial and economic infrastructure with a focus on sustainability, collaborations and solutions designed by leading companies in the area of sustainability have gradually gained importance.

Garanti Bank keeps a close view of sustainability-related developments and actively attends initiatives. In this context, the Bank became a member of the United Nations Environment Programme Finance Initiative (UNEP FI) at the end of 2011 and announced its commitment to the UN Global Compact in 2012. In addition, in 2012 Garanti Bank became the first bank in Turkey to become a member of the Turkish Business Council for Sustainable Development (TBCSD).

The Bank aims to actively take part in these and other initiatives and to be a role model for the banking industry in the area of sustainability.

Garanti Bank's Recycling Program

The Garanti Bank Environmental Management System envisages the re-use of waste where possible and, wherever not, recycling or, where this is not appropriate, its disposal by an authorized disposal company.

1. Re-use

The re-use of waste is the first priority of the Bank's Recycling Program.

Computers that are broken or redundant are delivered to Garanti Technology which examines their potential scope for re-use. Repaired computers are then donated to schools in need if deemed to be usable.

2. Recycling

Beginning with buildings subject to the EMS, the Bank began to deliver recyclable wastes to authorized recycling and disposal facilities.

Within the framework of the Garanti Bank's recycling program, separation at source is implemented. Recyclable paper, plastic, metal and glass are delivered to whichever municipality the service point is located in or to a licensed recycling firm, where they are recycled. The Bank presses ahead in its efforts to widen separation at source.

A study conducted in June 2012 by the Bank found an average of 172.5 tons per year of packaging waste. This amount was calculated based on the amounts of waste per employee in offices that are subject to the Environmental Management System and by adapting these values to the whole Bank. Packaging waste includes paper, glass, metal and plastic wastes.

101



The brochure entitled "101 Önlem" (101 Measures) is an initiative that was launched with the aim of informing employees about climate change and the measures that can be taken to prevent negative environmental impacts.



The Environment and Sustainability

Garanti Bank is making major contributions to Foundation for the Protection of Nature (WWF–Turkey) for the sustainable use and conservation of our nation's natural resources.

3. Management of Hazardous Waste

Within the scope of hazardous waste management, hazardous wastes that are produced by the Bank are collected in accordance with determined rules and delivered to authorized recycling and disposal facilities.

Collected waste is delivered to relevant organizations identified below for proper disposal:

- Used batteries are sent to TAP (Portable Battery Manufacturers and Importers Association), which is the only organization authorized to separately collect, transport, store and dispose used batteries;
- Used printer cartridges are sent to HP as part of the "HP Planet Partners" program launched by HP



Fluorescent lamps and similar waste which are deemed as hazardous waste are stored for a maximum of 6 months and then sent to an authorized disposal facility.

All electronic waste, including computers which are no longer usable in the Bank, are delivered by Garanti Technology to an authorized disposal facility, where they are disposed of in a manner which minimizes the environmental impact.

4. Excavation Waste

Excavation waste and debris left over during branch openings or renewal is removed to disposal areas as designated by the municipality.

Supporting the protection of nature: Foundation for the Protection of Nature (WWF–Turkey)

Garanti Bank, as the main sponsor for 20 years of WWF Turkey, is making a major contribution to the sustainable use and conservation of our nation's natural resources, with the slogan "Garanti for Nature".

With its work on conserving biological diversity and ensuring the sustainable use of natural resources, with the intention of building a future where humanity co-exists harmoniously with nature, the WWF is an international NGO supporting 2 thousand conservation projects around the world and, with close to 4 thousand employees, is the world's largest environmental organization. The foundation carries out projects in around 100 countries in the main areas of climate-change, forest conservation, fresh water, protecting the seas, endangered species and sustainability.

Due to its long-term support for WWF Turkey's nature conservation projects, Garanti Bank was recognized in 2008 for the second time with the Golden Panda award. Having received the same award in 2001, Garanti retains its status as the only Turkish company to have won a Golden Panda award.

In addition to its regular, systematic support, in February 2012, Garanti Bank also supported the Report on Turkey's Ecological Footprint, prepared by WWF Turkey, investigating our consumption patterns and their impact on natural resources.

Due to its long-term support for WWF Turkey's nature conservation projects, Garanti Bank was recognized in 2008 for the second time with the Golden Panda award.



The targets which will enhance Garanti Bank's environmental performance in the coming periods are summarized as follows:

- Garanti Bank plans to increase the number of suppliers who apply the sustainability criteria that were included in the Bank's purchasing procedures in the short term.
- The Bank will launch efforts to use renewable, recyclable and non-toxic materials during opening and renovation of branches, while using materials that offer the possibility of recycling and reuse at the end of their lifespan. With this approach, the Bank aims to minimize its environmental impacts in the selection and use of materials.
- Applying the waste-management plan, during the construction of branches, all waste generated will be sent to disposal or recycling facilities.
- The Bank aims to complete feasibility studies on the replacement of lighting fixtures in branches to be opened and renovated with low-energy consumption LED fittings. Likewise, projects will be undertaken to ensure the maximum use of daylight.
- The testing phase of the ESIAP will be completed as of January 31st, 2013 and it will be commissioned on the same date.²² The Bank will hold remote training for its employees from January 2013. Furthermore, the Bank aims to review the criteria of the system in 2013, aiming to ensure that the system is always up-to-date.
- In 2013, the Bank will draft plans to lower the US\$ 20 million limit designated for projects subject to the ESIAM.
- The Bank will continue to effectively apply the EMS and expand its scope. The number of locations subject to the EMS will be raised to a minimum of 250 in 2013. In line with this target, the Bank will also increase the number of its internal auditors for EMS in 2013.
- The Bank will step up its efforts to install insulation on branch fronts, while effecting improvements with respect to reducing water consumption.
- The Bank's data collection system will be improved in 2013 in order to better monitor the amount of waste produced.
- Electronic waste will continue to be recycled by authorized recycling facilities in order to curb their negative impact on the environment and human health, and to bring them back into the economy.
- A new Greenhouse Gas Reduction target will be set during the management review of Environmental Management System in the first quarter of 2013.
- By the end of 2012, the Bank aims to reach its target of reducing the ratio of total greenhouse gas emissions (equivalent to CO₂) in its total assets by 7%.
- Garanti Bank will continue to update and improve its employees' awareness and knowledge about the Bank's sustainability approach through various methods like remote training programs.

As a result of these and similar practices, Garanti Bank aims to reduce the negative impacts on the environment and society which occur through financing activities to acceptable levels, ensure efficient use of energy, reduce CO₂ emissions and other greenhouse gases, raise its contribution to society to the highest levels, protect the environment and ensure economic efficiency.

²² The system is commissioned by when this report is published.

Human Resources and Sustainability

At Garanti Bank

Total Number of Personnel 17,247
Average Years of Experience 6.8 Years
Average Age 31.9



2011

51



2010

49

Average training per employee (hours)



Garanti Bank's most valuable asset is its human resources. Continually investing in people, the Bank views its human resources as the guarantee of its sustainability and efficient growth.

As the first Turkish company rewarded with the "Gold" certificate, an accolade given to only 2.6% of companies holding the 'Investors in People' (IIP)²³ certificate around the world, Garanti Bank differentiates itself in the field of human resources with its highly-qualified team, emphasis on innovation, and efficiency-oriented systems and processes.

Highlights from Garanti Bank's human resources...

- As of June 2012, the total number of employees serving at Garanti Bank's headquarters, as well as its 926 branches and other service buildings, stood at 17,247.
- 57% of Garanti Bank employees are women.
- On average, employees had 6.83 years of experience with an average age of 31.92 years.
- 85% of Garanti Bank employees are university graduates.
- A total of 5% of employees held a postgraduate academic title.

Breakdown of Personnel by Educational Background (06/2012)



- Postgraduates and Employees with a Doctorate, **5%**
- Graduates, **62%**
- Graduates of a Vocational High School, **18%**
- High School Graduates, **15%**

Garanti Bank's Basic HR Indicators (2011-06/2012)

Number of personnel	2011		(06/2012)	
	Employees	%	Employees	%
Total	16,775	100	17,247	100
Women	9,548	56.92	9,784	56.73
Men	7,227	43.08	7,463	43.27

	2011			(06/2012)		
	Women	Men	Total	Women	Men	Total

Breakdown of Senior Management By Gender

General Manager	0	1	1	0	1	1
Executive Vice President	1	12	13	2	12	14
Director of the Internal Audit Department	0	1	1	0	1	1
Group Manager	19	39	58	19	42	61

Breakdown of Personnel by Educational Background

Employees with a Doctorate	4	12	16	4	13	17
Postgraduates	427	333	760	432	339	771
Graduates	6,238	4,211	10,449	6,371	4,358	10,729
Graduates of a Vocational High School	2,151	825	2,976	2,226	875	3,101
High School Graduates	728	1,846	2,574	751	1,878	2,629
Total	9,548	7,227	16,775	9,784	7,463	17,247
Employee Turnover Rate	8.15	6.22		4.16	2.57	

Breakdown of Personnel by Gender (06/2012)



- Women, **57%**
- Men, **43%**

²³ For more information about the Investors in People (IIP) certificate which is the only standard recognized globally and assessing the quality of companies' human resources applications, please visit <http://www.investorsinpeople.co.uk/Pages/Home.aspx>

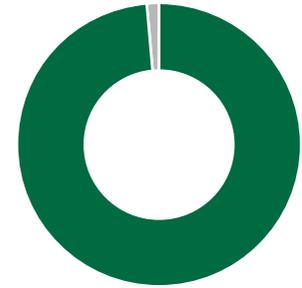
Human Resources and Sustainability

Additional HR Indicators (06/2012)

Total workforce broken down by region

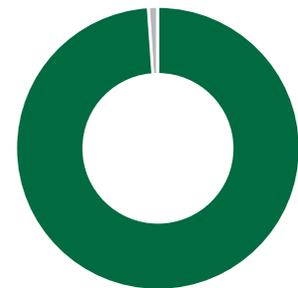
Name of Region	Number
Headquarters and Other Offices	6,315
İstanbul Avrupa Regional Offices	2,845
İstanbul Anadolu Regional Offices	1,650
Ankara Regional Offices	962
Akdeniz Regional Office	561
Güney Ege Regional Office	497
Marmara Regional Office	488
İzmir Regional Office	457
Çukurova Regional Office	444
Güneydoğu Anadolu Regional Office	429
Batı Anadolu Regional Office	422
Orta Anadolu Regional Office	385
Doğu Karadeniz Regional Office	375
İç Anadolu Regional Office	361
Ege Regional Office	360
Doğu Anadolu Regional Office	320
Batı Karadeniz Regional Office	316
TRNC International Branches	60
Total	17,247

Total Number of Permanent Employees Broken Down by Employment Type



■ Full time: 17,042
■ Part time: 205

Total Number of Employees Broken Down by Employment Contract



■ Permanent: 17,071*
■ Temporary: 176

* of which 9,648 are women and 7,423 men

Total number of employees hired during the reporting period broken down by age group

Age Group	Number
18-25	1,746
25-30	1,264
30-35	126
35-40	31
40>	3
Total	3,170

Total number of employees hired during the reporting period broken down by region

Name of Region	Number
İstanbul Avrupa Regional Offices	439
İstanbul Anadolu Regional Offices	190
Akdeniz Regional Office	197
Ankara Regional Offices	131
Batı Anadolu Regional Office	52
Bati Karadeniz Regional Office	57
Çukurova Regional Office	37
Doğu Anadolu Regional Office	72
Doğu Karadeniz Regional Office	67
Ege Regional Office	36
Güney Ege Regional Office	75
Güneydoğu Regional Office	97
İç Anadolu Regional Office	88
İzmir Regional Office	40
TRNC International Branches	10
Marmara Regional Office	58
Orta Anadolu Regional Office	74
Headquarters and Other Offices	1,450
Total	3,170

Total number of employees hired during the reporting period broken down by gender



Male 1,299
Female 1,871



Human Resources and Sustainability

Total number of employees left during the reporting period broken down by age group

Age Group	Number
18-25	519
25-30	1,364
30-35	551
35-40	219
40>	292
Total	2,945

Total number of employees left during the reporting period broken down by region

Name of Region	Number
İstanbul Avrupa Regional Offices	476
İstanbul Anadolu Regional Offices	225
Ankara Regional Offices	162
Akdeniz Regional Office	126
Batı Anadolu Regional Office	42
Batı Karadeniz Regional Office	57
Çukurova Regional Office	46
Doğu Anadolu Regional Office	43
Doğu Karadeniz Regional Office	39
Ege Regional Office	41
Güney Ege Regional Office	80
Güneydoğu Regional Office	68
İç Anadolu Regional Office	58
İzmir Regional Office	50
TRNC International Branches	8
Marmara Regional Office	66
Orta Anadolu Regional Office	58
Headquarters and Other Offices	1,300
Total	2,945

Total number of employees left during the reporting period broken down by gender

Men 1,210
Women 1,735



The number of employees by gender that took parental leave:

Between 2011 January and 2012 June: 1,335 female employees took parental leave; 608 male employees took parental leave due their spouse's giving birth.

The number of employees who returned to work after parental leave ended, by gender:

5% of the female employees who took parental leave subsequently did not return to work.

The number of employees who returned to work after parental leave ended who were still employed twelve months after their return to work, by gender:

A full year has not yet passed (as of the date of this report) since the most recent date (30 June 2012) on which employees returned from parental leave.

The return to work and retention rates of employees who returned to work after leave ended, by gender:

The total retention time during 01/2011-06/2012 was 32,280 days for women employees and 12,895 days for male employees. Return to work data is not kept.

Human resources and the business environment at Garanti Bank

Garanti Bank proceeds with the success, determination and creativity of people who believe in innovation, work conscientiously, abide by principles of honesty and patience, adopt the target of superior quality, seek to cooperate and are eager to improve both themselves and others.

The architects of Garanti Bank's success are its employees. Investments in its workforce play a key role in the prestige of the Garanti Brand at national and international platforms.

With the training and education support which it provides to its human resources, Garanti Bank has reached a level that is exemplary both to the Turkish and global financial world.

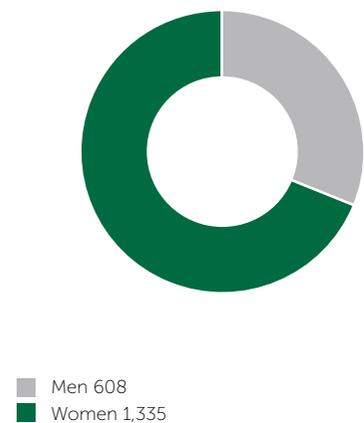
Garanti Bank's corporate target is to maintain a modern business environment where human rights are respected.²⁴

Aiming to be a sustainable employer, Garanti Bank's HR strategy is based on the fundamental consideration of offering its employees the best financial opportunities under the prevailing market conditions while encouraging them to continuously develop their personal and professional talents and competencies.

The continuous cycle of training and personal and professional development is one of the essential promises of Garanti Bank to its employees.



The number of employees by gender that took parental leave



²⁴ For more information on "Garanti Bank's Code of Ethics and Integrity e-Learning Program" that refers human rights as well, please go to page 39.

In addition to "Garanti Bank's Code of Ethics and Integrity E-Learning Program", the Bank also offered Sustainability E-learning Program to its employees whereby personnel were informed of the Bank's policies regarding prohibition of lending to people and institutions which employ child labor or violate human rights. The total number of training hours spent on this 30-minute program as of the end of 2012 was 7,612 and the completion rate is 88% in 2012.

Please see page 55 for Garanti Bank's Environmental and Social Credit Policies for further information regarding restrictions on lending including lending to people and institutions, which violate human rights.

Human Resources and Sustainability

As the first Turkish company rewarded with the “Gold” certificate, an accolade given to only 2.6% of companies holding the ‘Investors in People’ (IIP) certificate around the world, Garanti Bank differentiates itself in the field of human resources with its highly-qualified team, emphasis on innovation, and efficiency-oriented systems and processes.

Equality of opportunity and diversity

Garanti Bank views equality of opportunity and diversity as a fundamental value and a driving force of its corporate culture. The Bank focuses on adopting various competencies within its human resources to the best possible extent. In line with this purpose, Garanti Bank encourages its employees to think differently and improve their personal and professional competencies. The Bank protects the principle of “offering equality of opportunity to employees” in all processes of HR management, while supporting diversity on the basis of gender, religion and age.

One of the clearest indicators of diversity at Garanti Bank is the comparatively higher number of female employees. Moreover, the high number of women who are commissioned in the senior/middle level management of the Bank is a concrete result of the Bank’s diversity policies.

Every employee at Garanti Bank is the leader of their job.

Garanti Bank employees create their own career plans. In accordance with the results of their competency and performance evaluations, employees define, plan and manage their own career goals with their managers. Through this process, Garanti Bank also promotes its managers from within.

Goal-oriented management and performance evaluation

In Garanti Bank, open performance evaluation is based on concrete and measurable goals and is therefore highly objective. The personal goals of employees, determined together with

their managers in line with the Bank’s objectives, are monitored throughout the year and revised if necessary. At the end of the year, the performance level of every employee is determined according to its success in reaching its goals. On the other hand, employees’ performance levels influence their career paths, their nomination to various postings and their remuneration package.

Balanced Scorecard

The practice of the Balanced Scorecard has been applied at Garanti since 2007. The Balanced Scorecard practice aims to turn the corporate vision and strategies that form the foundation of the performance process into performance criteria sets. The Balanced Scorecard practice is a system that aims to transform the Bank strategies into measurable targets. Within the scope of this practice, financial targets as well as customer-, process- and employee-related (learning and development) targets, which allow financial targets to be realized, are set forth for employees.

A competency-based career development approach

Competencies are important in

- the establishment of selection and recruitment criteria,
- career opportunities,
- determining the right people for various open positions such as promotions and project
- teams.

06/2012

813

The number of managers who have participated the 360 Degree Feedback program

In accordance with the results of their competency and performance evaluations, employees define, plan and manage their own career goals with their managers.

The determination of educational and development needs, educational programs and the setting out of career plans form the basis of all Human Resources Management Systems.

Career Opportunities Program

Employees have priority of consideration for open positions within Garanti Bank.

The open positions and required qualifications for these positions are announced to the employees through in-house job postings and the Career Opportunities Bulletin, which is shared with employees over the intranet. Candidates who believe they are suitable for these positions may apply without obtaining approval from their managers or any other individual. Candidates who fit selection criteria notify their managers and are invited to the selection process.

Promotion in Garanti Bank is directly related to performance.

Promotion at Garanti Bank may either be vertical or horizontal. Authority brings with it responsibility and higher pay. Knowledge and experience are necessary requirements while moving to a higher position. However, the most important factor is always the level of performance. Careers at Garanti Bank are not limited to positions in banking. Transfer between other Garanti subsidiaries is also possible.

During the reporting period, 99% of those employees who had completed 3 months of service at Garanti Bank were deemed eligible for performance and career development evaluation.

The development of managers' managerial competencies is a key element of Garanti Bank's HR policy.

360 Degree Feedback Process

Garanti Bank is focused on improving the managerial competencies of its managers. Garanti Bank implements a 360 Degree Feedback Process once a year to determine the strengths and developmental areas of regional, unit and branch managers in terms of managerial competencies and to contribute to their professional and personal development. After the implementation, the managers are provided with one-to-one feedback regarding their strengths and areas that they need to improve, thereby raising awareness concerning these issues.

During the reporting period, a total of 813 Garanti Bank managers have participated the 360 Degree Feedback program.

Assessment & Development Center

The implementation of the Assessment & Development Center aims to reveal the strengths, development areas and potential areas of branch manager candidates in terms of their qualifications and to prepare them for management positions.

After an assessment performed at the center, candidates are provided feedback regarding the outcome. Every candidate that goes through the assessment process undergoes certain training programs in line with his/her development areas.

The determination of educational and development needs, educational programs and the setting out of career plans form the basis of all Human Resources Management Systems at Garanti Bank.

During the reporting period

99%

The rate of performance and career development evaluation of employees who had been working at least 3 months at Garanti Bank

Human Resources and Sustainability

The high performance and career development of Garanti Bank employees, as well as the Bank's sustainable performance, are supported through training solutions that are tailored to personal needs and competencies.

During the reporting period, a total of 138 Garanti Bank employees took part in the activities of the Assessment & Development Center.

Compensation and rewards at Garanti Bank

Compensation and rewards are the other building blocks of Garanti's HR policies. In line with its target of being the employer of choice, the Bank applies a competitive, market-sensitive salary system, which aims to improve employee's quality of life.

At Garanti Bank, compensation system is essentially based on performance and totally gender-neutral²⁵. In addition to individual performance, the Bank keeps a close view of general macroeconomic circumstances, the current inflation rate in Turkey and trends in the sector in order to apply a proper and fair policy on salaries of its employees.

In implementing its compensation policy, the Bank takes into account the values set forth by this policy as approved by the Board of Directors. Every employee, including the senior managers, meticulously upholds these values in all salary-related practices. Garanti Bank goes to great lengths to ensure that its compensation system is always:

- fair,
- transparent,
- measurable and based on balanced performance targets,
- encourages sustainable success,
- complies with the Bank's risk management principles.

At Garanti Bank, the salary package comprises the monthly pay, four bonus payments and two premium payments each year, meal vouchers, foreign language payments and other benefits. In addition, an allowance is paid to the Bank's internal auditors, who are on duty in or outside Istanbul, to cover their transport, accommodation and meal expenses.

Fair and transparent premium models are applied at Garanti Bank.

Garanti Bank employees are awarded with premiums based on a system that measures every achieved success based on such balanced and objective criteria as the realization of financial targets, risk management and customer satisfaction. The results of the regular individual rewarding are shared with the employees themselves and their managers periodically and in a transparent manner.

Garanti employees are members of the Private Social Security and Benefits Foundation, which was founded according to the temporary article no. 20 of the Social Securities Law no. 506 and they have means to be treated in contracted private hospitals through private health insurance.

2011

789,800

Total training hours (banking personnel)



²⁵ Some questionnaires regarding salaries have proved that the average salary of female employees is higher compared to the average salary of male employees. As the salary system is based completely upon performance rather than gender, there is no systematic study to track the difference between average male and female employee salaries.

Learning and Development at Garanti Bank

Garanti Bank carries out its learning and development activities with the vision of human resources as a valuable investment, of cultivating the best human resources in the financial sector and of ensuring the permanence of its employees' development.

The high performance and career development of Garanti Bank employees, as well as the Bank's sustainable performance, are supported through learning and development solutions that are tailored to personal needs and competencies.

Garanti Bank's learning and development strategy is based on five tenets:

Garanti Bank's learning and development strategy;

- **Pays attention to differences and offers equal opportunities.**
Garanti Bank pays attention to differences in learning styles; diversified training channels/methods are used by integrating current approaches and practices into training activities. Coaching and rotation practices, action plans and the sharing of experiences are the means which support and perpetuate Garanti Bank employees' training process and lead them to transfer their learning into their work environment.
- **Supports business results.**
The Bank views its Learning and Development Unit as its strategic business partner and it designs development activities within

the framework of its business needs. Learning and Development Strategy Committees, consisting of representatives from different units of Garanti Bank, full-time internal instructors specialized in training and professional instructors who share their own experiences in business life, contribute significantly to the creation of learning and development solutions that comply with the Bank's dynamics.

- **Believes in employees' potential.**
Established in 2005 and aiming to improve the managerial skills of Garanti Bank managers and to create a joint management culture, the Garanti Leadership Academy applies a selection and development system based on competencies. In Garanti Leadership Academy, participants' development process is supported by the common efforts of the HR Department, Learning and Development Departments and managers. Some 80% of the current managers at Garanti Bank are the graduates of the Garanti Leadership Academy.
- **Keeps up-to-date with the latest technology**
Effective use of technology plays a key role in the success of Garanti Bank's learning and development activities. Garanti Bank also supports the development of its employees through in-class training sessions and different training technologies.
 - **Web-based** training sessions that include video, animation, text and visual content
 - **WebEx**, a web conference system set up within the Bank which facilitates audio and video remote training

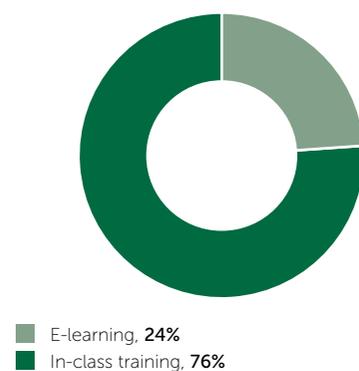


Some 80% of the current managers at Garanti Bank are the graduates of the Garanti Leadership Academy.

Human Resources and Sustainability

- **Simulation Branch** which allows participants to view critical issues concerning customer experiences in real life and to experience possible risks in advance in a safe environment
- **Garlive**, a live broadcast portal allowing customers to quickly access information
- **GBTube**, a video sharing website aimed at enhancing the learning process via experience sharing
- **Mobile Learning**, used for instant notifications through mobile instruments, such as mobile phones, Blackberry and tablet computers
- **Develops long-term cooperation with the academic world.**
As well as the many academics among the instructors serving Garanti, the Bank has agreements with Turkey's long established universities and educational institutions in regard to a variety of subjects. Training sessions that bring theory and practice together are designed by combining the academic knowledge of universities with the sectoral knowledge of the banking industry. Meanwhile, employees of the Bank may participate as guest students in university lectures within their academic schedules in order to obtain training on specific matters.

The Percentage of E-learning Hours in Total Training Delivered (06/2012)



Basic indicators of Garanti Bank's learning and development activities (01/2011-06/2012)

	2011	06/2012
Number of employees (all personnel)	16,775	17,247
Total training hours (banking personnel)	789,800	381,160
Average training per employee (hours)	50.6	24.0

Garanti Bank's Training Targets

Target	Explanation	Date of Realization
Training on the Environmental and Social Impact Evaluation System	The online technical training program that will be opened in 2013 for Bank personnel	December 31st, 2013
Share of education technologies	28% of all training sessions will incorporate educational technologies by the end of 2013	December 31st, 2013



Garanti's Gelecek (Future) Meetings

Garanti Bank holds Gelecek (Future) Meetings that allow new period strategies to be discussed with a joint thinking approach after the Bank's senior management undertakes an evaluation of the previous year's results with employees. These meetings reflect a corporate culture based on teamwork, joint thinking, sustainability and social benefit in which employees are able to comfortably express their thoughts and suggestions on different platforms.

As of 2012, in line with the Bank's sustainability approach, meetings have been held in a "carbon neutral" setting; measures were taken to minimize carbon emissions caused by such meetings, and the resulting carbon emissions were offset by supporting sustainable energy projects.

Garanti Bank 4 Season Meetings

Garanti Bank has been organizing regional meetings called 4 Season Meetings since 2009 with the aim of increasing the employees' motivation, improving employee relations, and achieving communication more effectively within the Bank. 4 Season Meetings create an opportunity for branch employees in a certain region to get together and socialize in an informal environment.

In 4 Season Meetings, which is a platform where all the branch employees under the same region come together, the employees take part in enjoyable chats and entertaining indoor activities in line with the internal communication themes that are announced during the meetings. 4 Season Meetings are single-day events in provinces where Garanti Bank has regional offices.

Garanti Managers Summit

Held annually, the Garanti Managers Summit, which brings together managers of Garanti Bank and its subsidiaries, is a special sharing and a common learning platform.

Addressing participants every year with a special concept of the period, the Summit concentrated on the theme of "Sustainable Growth" in 2011 and "New Customer Era" in 2012.

While the themes of the Managers Summits are consistent and linked to each other through years, the theme of the summit is determined particularly in accordance with the priorities of the Bank in line with its strategies, as well as the recent global developments. The decision is made for the summit theme by following the trends abroad, financial projections, cultural changes and consumer behavior.

As of 2012, in line with Garanti Bank's sustainability approach, the greenhouse gas emissions of Gelecek (Future) Meetings are offset in order to make the meetings carbon neutral.



Human Resources and Sustainability

Measurement and systematic follow-up of the employee satisfaction level are important in terms of the success and sustainability of Garanti Bank's HR strategy, policies and practices.

Employee satisfaction

Measurement and systematic follow-up of the employee satisfaction level are important in terms of the success and sustainability of Garanti Bank's HR strategy, policies and practices.

Through surveys held every year, the Bank listens to its employees' opinions and gathers information concerning their requests and expectations. This information is deemed to be a valuable input in the planning of the common future of the Bank and its employees.

Annually held surveys at Garanti Bank:

- Employee Engagement Survey
- Internal Customer Satisfaction Survey
- 360 Degree Feedback Survey

The Employee Engagement Survey

is carried out to gather employees' opinions concerning the working environment at Garanti Bank. The primary goal of the survey is to create a better and more efficient working environment, taking into account feedback from its employees. The scope of the survey includes basic employee-related subjects, such as the performance system, salaries, work/private life balance, job satisfaction, the working environment, development facilities and managers.

The Internal Customer Satisfaction Survey

allows Garanti Bank employees to evaluate the service they have received, and to offer their suggestions. The survey includes questions on such criteria as accessibility, teamwork, customer approach, communication, service quality and openness to criticism.

The 360 Degree Feedback Survey

aims to contribute to managers' development by determining their competencies, as well as their strengths and areas open to development.

The findings gathered from the surveys are shared with the senior management and managers and used in the proper design of development plans in accordance with employees' needs.

T. Garanti Bankası A.Ş. Memur ve Müstahdemleri Emekli ve Yardım Sandığı (Garanti Bank Pension Fund Foundation)

When employees join Garanti Bank, they automatically become members of the T. Garanti Bankası A.Ş. Memur ve Müstahdemleri Emekli ve Yardım Sandığı Vakfı, which was founded in accordance with temporary article no. 20 of the Social Securities Law no. 506.

Annually held surveys at Garanti Bank:

- Employee Engagement Survey
- Internal Customer Satisfaction Survey
- 360 Degree Feedback Survey



Garanti Bank 4 Season Meetings

A health certificate is issued for employees, their spouses and children. When their private health insurance limits are exceeded or in cases not covered by the insurance policy, the foundation will fund the health benefits for employees within specific limits and ratios. An employee is required to have completed a minimum of 30 workdays at Garanti Bank in order to benefit from the foundation's health benefits.

Garanti Bank employees may also profit from other benefits offered by the foundation for such medical expenses as dental therapy, glasses and lenses, which are not covered by private health insurance.

Garanti Bank and human rights

"Respect for human rights" is adopted as a fundamental principle in Garanti Bank's Code of Ethics.

Garanti Bank is committed to complying with and fulfilling the requirements of all legislation that govern working life in Turkey, as well as the UN Universal Declaration of Human Rights.

In April 2012, Garanti Bank signed the UN Global Compact and declared its commitment to abide by the provisions of the 'Human Rights' section of this compact. The provisions of the 'Human Rights' section of the UN Global Compact can be found at the following address: http://www.unglobalcompact.org/Issues/human_rights/index.html

Another fundamental principle adopted by Garanti Bank and its employees is that of no discrimination; the Bank will make no discrimination in their business relations on the basis of language, race, gender, political thought, philosophical belief, religion, sect or similar reasons.

In addition to profitability, Garanti Bank also attaches great importance to supporting social and cultural activities in line with protection of public good and respect for the environment.

Garanti Bank is also aware of its social responsibilities in the other countries where it operates. With the greatest respect for the historical and cultural aspects of every society, the Bank organizes events and gets involved in supportive projects, which will contribute to the development of the community it serves.

In line with its Environmental and Social Loan Policies, Garanti Bank does not finance any activities which are restricted or banned under national legislation and/or international agreements that Turkey is a party to or the projects or the activities of people or corporations which have been proven to employ child workers or violate human rights. Garanti Bank rejects loan demands for such projects or activities without holding them subject to any social and environmental impact evaluation and without any limit on the size of the loan.

"Respect for human rights" is adopted as a fundamental principle in Garanti Bank's Code of Ethics.



Social Responsibility and Sustainability

67
thousand

total number of teachers reached in 61 provinces as of 06/2012 within the scope of the "No Limits in Teaching" project



2011

27,580

2009

5,871

Number of new teachers reached within the scope of the "No Limits in Teaching" project



Garanti Bank views its systematic and long-term efforts, which it conducts within the scope of corporate responsibility, as an essential element of its sustainability approach.

These corporate responsibility programs, which generate a significant amount of value added for society, are implemented in a number of different areas, ranging from sports to education, to the arts, to nature and also to informing the business world.

Garanti Bank's Corporate Social Responsibility Policy

Driven by the importance we attach to the added value we offer to our country, society and individuals, to constantly monitor our country's and our society's needs and to set out our corporate responsibility efforts.

To create institutions that are open to social interaction and will set an example in their operating areas; to address our stakeholders' needs and expectations by building a permanent structure with these organizations and by aiming to produce long-term benefits for larger masses.

To become an organization, of which all our stakeholders - including our employees - are proud to be a part, with our community-oriented activities, that we have been conducting with corporate responsibility awareness.

To conduct all of our corporate responsibility efforts with a particular focus on social impacts and sustainability both inside and outside our organization.

Garanti Bank and Education

The focus of Garanti Bank's corporate responsibility projects is education.

Teachers Academy Foundation

Supporting education with the Deniz Yıldızları (Starfish) project since 1999, Garanti Bank began in 2007 to work on a long-term and impactful education-related corporate responsibility program. To this end, the Bank has strategically focused on projects that produce value for teachers, who directly determine the quality of education, instead of infrastructural solutions such as scholarships, donations, equipment support, building schools, etc.

Following the completion of the Bank's preparatory work, the Teachers Academy Foundation (ÖRAV) was founded in 2008. The foundation began its operations first with the "No Limits in Teaching" project, designed and implemented by Garanti Bank, in order to contribute to the development of an education model which raises individuals who think, question and research in our country.

Based in Istanbul, the foundation's main target is to respond to the needs of teachers who will contribute to raising the young generation, who is aware of their individual and social responsibilities; who research, question and think in an analytical way; who have self-confidence; who attach importance to the continuity of their personal development; who have adopted universal values; and who can lay claim to our country's cultural heritage.

2011

TL 15
million

The total amount of the funds allocated by Garanti Bank to the "No Limits in Teaching" project

No Limits in Teaching

Within the scope of the "No Limits in Teaching" project, the Bank has signed a 5-year contract with the Ministry of National Education in order to arrange training activities for the personal and occupational development of teachers. Garanti Bank has allocated a total of TL 15 million in funds for the project which got under way in the 2008-2009 academic years and whose objective is to reach 100,000 teachers.

In May 2009, the Foundation began to provide face-to-face trainings as part of the project, and had reached a total of 67,065 teachers in 61 provinces as of June 2012. The trainings will be offered throughout the whole of Turkey in the coming period. All teachers, administrative personnel and inspectors of primary schools may participate in these training programs on voluntary basis and free-of-charge. The training programs are provided in teachers' schools under the following topics: Classroom Management, Communication Skills and Evaluation. Teachers who participate in the training programs are awarded MEB (Ministry of Education)-approved certificates.

Social Responsibility and Sustainability

Systematic and long-term efforts conducted by Garanti Bank within the scope of corporate responsibility are implemented in a number of different areas, ranging from sports to education, to the arts, to nature and also to informing the business world.

In this project, training programs have been provided in more than 50 cities by 13 full-time specialized instructors who serve under ÖRAV, and about 300 part-time instructors, most of who joined the foundation after Instructive Training programs were held between January 2010 and February 2011 (first part-time instructor joined the foundation in August 2009).

Designed as a complementary and continuous platform, the eCampus website offers teachers who participate in the "No Limits in Teaching" project the opportunity to continue their personal and occupational development. More than 30,000 people are using eCampus.

For more information on the Öğretmenin Sınırı Yok (No Limits in Teaching) project, please visit: <http://www.ogretmeninsiniriyok.com>



For more information on Öğretmen Akademisi Vakfı (Teachers Academy Foundation) please visit: <http://www.orav.org.tr>



ÖRAV – Education Administrator Development Program

Within the framework of the Education Administrator Development Program, pilot training was given face-to-face and remotely between November 2009 and November 2010.

Following the pilot study, the program was carried out with the participation of school heads in Nevşehir and Tokat in May 2011 and in Batman in November 2011. A total of 100 head teachers participated in the program during the reporting period.

"Istanbul Museum of Modern Art" Education Program

Since 2005, Garanti Bank has been sponsoring the education program at Istanbul Modern, Turkey's first and only contemporary art museum.

The program aims to play a key role in raising creative and inquisitive individuals who are literate, and also actively involved in the arts, while supplementing classroom education.

Over 40,000 children and youths have so far received training through the ongoing Garanti-sponsored Istanbul Modern training programs.

Genç Hayat Foundation

Since 2009, Garanti Bank has been sponsoring the Genç Hayat Foundation's Anatolian Teacher High Schools Social Events and the related "Renk Çemberi" (Color Circle) project. In brief, the project aims to ensure that students educated in Anatolian Teacher High Schools are taught to be self-aware and aware of those around them, improve their basic communication skills, individual-social responsibilities and develop related behavior.

40,000

children and youths

Number of people who received training through Istanbul Modern training programs sponsored by Garanti Bank

Since 2005, Garanti Bank has been sponsoring the education program at Istanbul Modern, Turkey's first and only contemporary art museum.



Kurucu  Garanti

Toplum Gönüllüleri Vakfı (TOG) (Community Volunteers Foundation)

Garanti Bank has been the main corporate sponsor of TOG (Community Volunteers Foundation) – a project of transformation that aims to turn the energy of the youth into social benefits– since the establishment of the foundation.

Founded in December 2002, TOG aims to achieve social peace, solidarity and change through the leadership of the youth and the guidance of adults. By enabling young people to participate voluntarily in social responsibility efforts, the foundation contributes to their personal development, encouraging them to play an active role in social issues on the basis of volunteering.

Young people who work for TOG implement sustainable social responsibility projects drawn up on the basis of determined requirements, by becoming organized in clubs, communities or university groups. Some of the projects carried out by the foundation with the Bank's support during the reporting period are listed below:

- Gönüllü Eğitime Destek (Supporting Voluntary Education), which aims to contribute to the personal development of students in disadvantaged regions;
- Dönemsel Yaz Projeleri (Seasonal Summer Projects), which comprises of national and international support for education and social events organized in summer months;
- 5 Anahtar Eğitimler (5 Key Training programs), which aim to raise young people's awareness of basic concepts like civil society, projects and volunteering.

Culture and the Arts at Garanti Bank

SALT

Having determined the need for cultural environments that allow for cultural research and production in order to raise the cultural awareness of the community and to create cultural memory, Garanti Bank aimed to establish a cultural institution, which is unique and autonomous and which will, most importantly, evolve by interacting with its customers.

For this purpose, the Bank has restructured the Platform Garanti Contemporary Art Center, the Osmanlı Bank Museum and Garanti Gallery under the name, "SALT". All of these cultural structures used to operate under the Bank, breaking significant ground in their own areas.

SALT, which began to operate in Beyoğlu and Galata under the concept of "two buildings – one program", is a cultural institution that conducts cross-disciplinary programs in areas ranging from contemporary art to social and economic history, architecture to design and urban life. Entry to SALT is free-of-charge, which evaluates critical issues in visual and material culture and develops innovative programs for experimental thinking and research. In this aspect, SALT is an institution that has opened its doors to the entire community.

100,000

printed
publications

Number of printed publications gathered under 40,000 topics at SALT Research archive



Social Responsibility and Sustainability

Garanti Bank is constantly increasing its voluntary participation and support to the corporate social responsibility projects.

SALT Research, within the premises of SALT Galata, offers important sources to students, academics and researchers with a library containing about 100,000 printed publications gathered under 40,000 topics and an archive that allows for access to more than 1 million documents which have been transferred to the digital environment.

Since they became operational in 2011, SALT Beyoğlu and SALT Galata have hosted a total of 14 exhibitions, 190 events related to these exhibitions, 45 guided exhibition tours including workshops for students and 5 extensive broadcasts. Over the same period, a total of 245,000 people have visited SALT Beyoğlu and SALT Galata.

Mini Bank Children's Film Festival

Since 2004, Garanti Bank has been co-organizing the first children's film festival in Turkey, "Mini Bank Children's Film Festival" in coordination with TÜRSAK (Turkish Foundation of Cinema and Audio-Visual Culture).

So far, the Festival brought the art of cinema to almost 60,000 children who live in Turkish cities with minimum access to cinemas. During the reporting period, about 10,000 children from four different cities in Turkey were introduced to cinematic film.

The Lycian Trail

Garanti Bank sponsored the installation of direction signs to allow a guided walk on the Lycian Trail, a 500 km long trail stretching from Fethiye to Antalya, and further contributed to tourism in the region by publishing a guidebook for the Lycian Trail in 2006.

Excavations at Arykanda

For 18 years, Garanti Bank has been sponsoring the excavation works performed under the supervision of Prof. Dr. Cevdet Bayburtluoğlu at the Arykanda ancient city, which is known to be over 4,000 years old. The excavations work has been sponsored by Garanti Bank with the vision of discovering our archaeological heritage and the values protected by this heritage. The work has not only unearthed an important archaeological site in Turkey, but also serves the universal culture.

Garanti Bank and Sports

12 Giant Men Basketball Schools Project

12 Giant Men Basketball Schools Project Launched by the Turkish Basketball Federation under Garanti Bank's sponsorship, the 12 Giant Men Basketball Schools project aims to spread a love of basketball throughout Turkey, to create a conscious basketball family and to help raise the basketball players, referees and managers of the future.

As of 06/2012

40,000

The total number of students who have received basketball trainings at 12 Giant Men Basketball Schools

As of 06/2012

60,000

The total number of children who were introduced to cinematic film by "Mini Bank Children's Film Festival"



Within the scope of the project, students participate in not only basketball trainings but also other social and cultural activities. In addition to the education activities throughout the year, the Turkish League organization which is held in 4 different regions aims to increase the playing experience of children who get basketball training, to improve teammate relations and the feeling of sharing, and to foster new friendships between children. A total of 40,000 students were given basketball trainings since the beginning of the 12 Giant Men Basketball Schools project in 2002. The project is currently run with about 2,000 students in 70 cities. The number of students who have received basketball trainings during the reporting period is 8,000.

For more information about the sports projects sponsored by Garanti Bank, please visit: http://www.garanti.com.tr/tr/garanti_hakkinda/toplumsal_paylasim_projeleri/spora_destek_projeleri.page?



The number of Garanti Bank employees who are voluntarily participating in and support the Bank's corporate responsibility projects is growing with every passing year.

Launched with 70 members in August 2008, the social responsibility club entitled "Gönüllü Yoncalar" (Voluntary Clovers) reached more than 700 members in the space of just one year, as it became very popular among employees. The number of members of "Gönüllü Yoncalar" reached about 900 by the end of the reporting period. Having carried out many valuable projects since its establishment, "Gönüllü Yoncalar" Corporate Social Responsibility Club has defined its mission as to continuously and significantly increase the value that it produces for the community and the environment through its effectiveness, sensitivity and harmony.

Highlights from the corporate responsibility projects which the Bank's employees have participated in and/or supported voluntarily are as follows:

- About 200 Voluntary Clovers participated in the voluntary project called, "Elim Sende" (You've Got My Hand). Within the scope of the project, kindergartens were restored in 1,600 voluntary hours of work, while 1,000 Garanti Bank employees donated toys and 145 Garanti Bank employees donated books.
- About 180 people attended the voluntary activity, "Principals Meeting", held in October 2011.

1,600 hours

Hours of work spent by 200 Voluntary Clovers within the scope of the "Elim Sende" (You've Got My Hand) voluntary project

Social Responsibility and Sustainability

- A total of 280 people from Istanbul, Ankara, Izmir, Çukurova Region and Antalya participated in the Red Crescent Blood Donation campaign held in April 2012 and donated their blood. 840 people (three for each of the 280 donors) were helped by the blood donations from the participants.
- In February 2012, 12 Voluntary Clovers took 65 children – who are victims of the Van earthquake – to the show, "Kıvılcım", performed by the Anatolian Fire.
- In January 2011, 1,400 new pairs of boots and 500 usable jackets were sent to Turkey's seven geographical regions of Turkey within the scope of the campaign, "Artık Çocuklar Üşümeyecek" (Children Will No Longer Feel Cold).

Garanti Bank's Corporate Responsibility Targets

Garanti Bank has allocated TL 15.2 million in funds to corporate responsibility activities in 2011 and a further TL 9.2 million by the end of June 2012.

Garanti Bank views the systematic and long-term efforts which it conducts within the scope of corporate responsibility as an essential element of its sustainability approach.

These efforts, in which the significant portion of the value added to society is created, are implemented in a number of different areas, ranging from education to the culture and arts, from informing the business world to supporting women entrepreneurship, from sports to nature.

Garanti Bank aims to sustainably increase and measure the value that it adds to the community and its stakeholders.

01/2011-06/2012

TL 24.4
million

Total amount of funds extended by Garanti Bank to corporate responsibility activities



Target	Explanation	Date of Realization
Corporate Responsibility Investments	Implementing a new system that will report, assess and evaluate corporate responsibility investments and the social impacts of these investments	December 31st, 2013

UN Global Compact Communication on Progress

Garanti Bank signed the UN Global Compact in 2012, a strategic policy initiative for businesses that are committed to aligning their operations and strategies with 10 universally accepted principles in the areas of human rights, labor, environment and anticorruption.

As part of Garanti Bank's commitment to this initiative, we report on our activities and performance in an annual UN Global Compact Communication on Progress. This report constitutes Garanti Bank's Communication on Progress for the UN Global Compact.

It highlights a number of activities, and provides direction to further information, which shows that we support the 10 Global Compact principles in our everyday business.

Principles	Section	Page Number
Principle 1: Business should support and respect the protection of internationally proclaimed human rights	Human Resources and Sustainability	74
Principle 2: Businesses must ensure their own corporations are not in complicit in human rights abuse	Human Resources and Sustainability	74
Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	Human Resources and Sustainability	74
Principle 4: Business should support the elimination of all forms of forced and compulsory labor	Human Resources and Sustainability	74
Principle 5: Business should support the effective abolition of child labor	Human Resources and Sustainability	74
Principle 6: Business should support the elimination of discrimination in respect of employment and occupation	Human Resources and Sustainability	74
Principle 7: Businesses should support a precautionary approach to environmental challenges	Customers and Sustainability Environment and Sustainability	42 54
Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility	Customers and Sustainability Environment and Sustainability	42 54
Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies	Customers and Sustainability Environment and Sustainability	42 54
Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery	Garanti Bank's Corporate Governance Structure	34

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Statement GRI Application Level Check

GRI hereby states that **Türkiye Garanti Bankası A.Ş.** has presented its report "Sustainability Report" (01/2011 - 06/2012) to GRI's Report Services which have concluded that the report fulfills the requirement of Application Level A.

GRI Application Levels communicate the extent to which the content of the G3.1 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3.1 Guidelines. For methodology, see www.globalreporting.org/SiteCollectionDocuments/ALC-Methodology.pdf

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

Amsterdam, 2 April 2013

Nelmara Arbex
Deputy Chief Executive
Global Reporting Initiative



The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world's most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. www.globalreporting.org

Disclaimer: Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on 14 March 2013. GRI explicitly excludes the statement being applied to any later changes to such material.

GRI G3.1 Content Index

Application Level: A

TÜRKİYE GARANTİ BANKASI A.Ş.

STANDARD DISCLOSURES PART I: PROFILE DISCLOSURES

1. Strategy and Analysis

Profile Disclosure	Description	Reported	Cross-reference/Direct answer
1.1	Statement from the most senior decision-maker of the organization.	Fully	<ul style="list-style-type: none"> Message from the Chairman page 4 Comments of the CEO and Executive Vice President Responsible of Sustainability page 14
1.2	Description of key impacts, risks, and opportunities.	Fully	<ul style="list-style-type: none"> Message from the Chairman page 4 Comments of the CEO and Executive Vice President Responsible of Sustainability page 10 Garanti Bank in Brief page 6 <p>For more information about Garanti Bank's risk management, see pages 111-115 of the 2011 Annual Report at: http://www.garanti.com.tr/en/our_company/investor_relations/financials_and_presentations/annual_reports.page</p>

2. Organizational Profile

Profile Disclosure	Description	Reported	Cross-reference/Direct answer
2.1	Name of the organization.	Fully	T.C. Garanti Bankası A.Ş.
2.2	Primary brands, products, and/or services.	Fully	<ul style="list-style-type: none"> Garanti Bank in Brief page 6 Please also see: http://www.garanti.com.tr/en/our_company/about_us.page?
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	Fully	<ul style="list-style-type: none"> Garanti Bank in Brief page 6 Please also see: http://www.garanti.com.tr/en/our_company/investor_relations/corporate_information.page?
2.4	Location of organization's headquarters.	Fully	Nispetiye Mah. Aytar Cad. No: 2 34340 Levent-Istanbul
2.5	Location of organization's headquarters.	Fully	<p>Nispetiye Mah. Aytar Cad. No: 2 34340 Levent-İstanbul/Turkey Garanti Bank operates in Turkey and serves through international subsidiaries in the Netherlands, Russia and Romania.</p> <ul style="list-style-type: none"> Garanti Bank in Brief page 6 Please also see: http://www.garanti.com.tr/en/our_company/investor_relations/corporate_information/subsidiaries.page?
2.6	Nature of ownership and legal form.	Fully	<p>Türkiye Garanti Bankası Anonim Şirketi was established in Turkey by the decree of Council of Ministers numbered 3/4010 dated 11 April 1946 and its "Articles of Association" was issued in the Official Gazette dated 25 April 1946. With a free float ratio of around 50%, Garanti Bank's shares are traded on the Istanbul Stock Exchange (ISE) under the "GARAN" ticker.</p> <ul style="list-style-type: none"> Garanti Bank in Brief page 6
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	Fully	<ul style="list-style-type: none"> Garanti Bank in Brief page 6 http://www.garanti.com.tr/en/our_company/about_us.page?
2.8	Scale of the reporting organization.	Fully	<ul style="list-style-type: none"> Garanti Bank in Brief page 6 For more information about Garanti Bank's financial and operational performance, see pages 22-26 of the 2011 Annual Report at: http://www.garanti.com.tr/en/our_company/investor_relations/financials_and_presentations/annual_reports.page?
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	Fully	There has not been any significant change during the reporting period.
2.10	Awards received in the reporting period.	Fully	Please see pages 32-34 of the 2011 Annual Report at: http://www.garanti.com.tr/en/our_company/investor_relations/financials_and_presentations/annual_reports.page?

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3. Report Parameters

Profile Disclosure	Description	Reported	Cross-reference/Direct answer
3.1	Reporting period (e.g., fiscal /calendar year) for information provided.	Fully	This report covers 01 January 2011 - 30 June 2012 performance.
3.2	Date of most recent previous report (if any).	Fully	This is the first report published by the Bank.
3.3	Reporting cycle (annual, biennial, etc.)	Fully	18 months
3.4	Contact point for questions regarding the report or its contents.	Fully	Project and Acquisition Finance Department, Sustainability Team, Ms Derya Özet Yalgı, Phone: +90 212 318 13 87, e-mail: DeryaO@garanti.com.tr
3.5	Process for defining report content.	Fully	• Prioritization Analysis and the Scope of the Report page 32
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.	Fully	• Prioritization Analysis and the Scope of the Report page 32
3.7	State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope).	Fully	The contents of this report are limited to Garanti Bank's own activities within Turkey and do not cover the Bank's subsidiaries, affiliates and branches outside of Turkey unless otherwise indicated.
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	Fully	The contents of this report are limited to Garanti Bank's own activities within Turkey and do not cover the Bank's subsidiaries, affiliates and branches outside of Turkey unless otherwise indicated.
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols.	Fully	Garanti Bank uses a variety of internal standards and data collection systems, as well as a rigorous internal and external audit process. In addition, the Bank conforms to external data reporting standards, such as the Carbon Disclosure Project, and complies with government statutes currently in force in Turkey.
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	Fully	This is the first sustainability report published by Garanti Bank according to GRI Guidelines.
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	Fully	This is the first sustainability report published by Garanti Bank according to GRI Guidelines. Please visit the below link for the Sustainability Review which covers 2010. http://www.garanti.com.tr/en/our_company/sustainability/reports.page?
3.12	Table identifying the location of the Standard Disclosures in the report.	Fully	GRI 3.1 Content Index
3.13	Policy and current practice with regard to seeking external assurance for the report.	Fully	Garanti Bank aims data assurance for all significant sustainability data reported in the forthcoming years. In addition to our comprehensive internal metrics systems, we employ a variety of internal and external processes to bring assurance that our operations are transparent and the information we report is accurate and truly reflective of our actual results. Garanti Bank's financial performance is independently audited and some of the indicators presented in this report are checked by periodical audits.

4. Governance, Commitments, and Engagement

Profile Disclosure	Description	Reported	Cross-reference/Direct answer
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	Fully	• Garanti Bank's Corporate Governance Structure page 34 Please also see pages 103-115 of the 2011 Annual Report at: http://www.garanti.com.tr/en/our_company/investor_relations/financials_and_presentations/annual_reports.page? http://www.garanti.com.tr/en/our_company/investor_relations/corporate_governance.page?
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	Fully	The Chairman of the Board of Directors does not carry any executive duties. Please also see page 128 of the 2011 Annual Report at: http://www.garanti.com.tr/en/our_company/investor_relations/financials_and_presentations/annual_reports.page
4.3	For organizations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members.	Fully	• Garanti Bank's Corporate Governance Structure page 34 Please also see page 128 of the 2011 Annual Report at: http://www.garanti.com.tr/en/our_company/investor_relations/financials_and_presentations/annual_reports.page
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	Fully	• Garanti Bank's Corporate Governance Structure page 34

Profile Disclosure	Description	Reported	Cross-reference/Direct answer
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).	Fully	<ul style="list-style-type: none"> Human Resources and Sustainability page 74 <p>Please also see page 131 of the 2011 Annual Report at: http://www.garanti.com.tr/en/our_company/investor_relations/financials_and_presentations/annual_reports.page?</p>
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	Fully	<ul style="list-style-type: none"> Garanti Bank's Corporate Governance Structure page 34 <p>Please also see page 131 of the 2011 Annual Report at: http://www.garanti.com.tr/en/our_company/investor_relations/financials_and_presentations/annual_reports.page</p>
4.7	Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity.	Fully	<ul style="list-style-type: none"> Garanti Bank's Corporate Governance Structure page 34 <p>Please also see pages 121-131 of the 2011 Annual Report at: http://www.garanti.com.tr/en/our_company/investor_relations/financials_and_presentations/annual_reports.page?</p>
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	Fully	<ul style="list-style-type: none"> Garanti Bank in Brief page 6 <p>Please also see pages 9-11 of the 2011 Annual Report at: http://www.garanti.com.tr/en/our_company/investor_relations/financials_and_presentations/annual_reports.page?</p> <p>http://www.garanti.com.tr/en/our_company/about_garanti/vision_mission_values.page?</p>
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	Fully	<ul style="list-style-type: none"> Garanti Bank's Corporate Governance Structure page 34
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	Fully	<p>Please see pages 130-131 of the 2011 Annual Report at: http://www.garanti.com.tr/en/our_company/investor_relations/financials_and_presentations/annual_reports.page?</p>
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	Fully	<ul style="list-style-type: none"> Garanti Bank's Corporate Governance Structure page 34 <p>Please also see pages 111-115 of the 2011 Annual Report at: http://www.garanti.com.tr/en/our_company/investor_relations/financials_and_presentations/annual_reports.page?</p> <p>Additionally, the pre-cautionary principle applies in all our business operations. Garanti Bank supports the precautionary principle under the UN Global Compact. Consistent with that principle, Garanti Bank implements a risk-based approach to its operations through extensive management systems.</p>
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	Fully	<p>Garanti Bank adopts various reporting initiatives and works in cooperation a number of organizations with the aim of improving the reporting of the environmental and the social impacts of its activities, and to promote communication with other stakeholders.</p> <ul style="list-style-type: none"> Stakeholder Engagement at Garanti Bank page 24
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: <ul style="list-style-type: none"> Has positions in governance bodies; Participates in projects or committees; Provides substantive funding beyond routine membership dues; or Views membership as strategic. 	Fully	<p>Initiatives Adopted and Supported by Garanti Bank:</p> <ul style="list-style-type: none"> The Global Reporting Initiative (GRI) Carbon Disclosure Project (CDP) United Nations Environment Programme Finance Initiative (UNEP FI) United Nations Global Compact Turkish Business Council for Sustainable Development (TBCSD) The Banks Association of Turkey, Role of the Financial Sector in Sustainable Growth Workgroup WWF Green Office Program
4.14	List of stakeholder groups engaged by the organization.	Fully	<ul style="list-style-type: none"> Stakeholder Engagement at Garanti Bank page 24
4.15	Basis for identification and selection of stakeholders with whom to engage.	Fully	<ul style="list-style-type: none"> Stakeholder Engagement at Garanti Bank page 24
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	Fully	<ul style="list-style-type: none"> Stakeholder Engagement at Garanti Bank page 24
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	Fully	<p>In engagements with Garanti Bank's stakeholders issues such as corporate governance, climate change, training human resources, access to financial services and responsible banking products have been raised, which the Bank tries to address in this report.</p> <ul style="list-style-type: none"> Stakeholder Engagement at Garanti Bank page 24

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STANDARD DISCLOSURES PART II: DISCLOSURES ON MANAGEMENT APPROACH (DMAs)

Profile Disclosure	Description	Reported	Cross-reference/Direct answer
Disclosure on Management Approach PS			
Aspects	Product Portfolio	Fully	<p>Garanti Bank operates in every segment of the banking sector including corporate, commercial, SME, retail, private and investment banking. For more details about the Bank's product portfolio please see www.garanti.com</p> <p>Please also see page 4, note 1.5 of our 2012 Unconsolidated Financial Report available for download at http://www.garanti.com.tr/en/our_company/investor_relations/financials_and_presentations/annual_and_interim_reports/annual_and_interim_reports_brsa.page?</p>
FS1	Policies with specific environmental and social components applied to business lines.	Fully	<ul style="list-style-type: none"> The Environment and Sustainability page 54
FS2	Procedures for assessing and screening environmental and social risks in business lines.	Fully	<ul style="list-style-type: none"> The Environment and Sustainability page 54
FS3	Processes for monitoring clients' implementation of and compliance with environmental and social requirements included in agreements or transactions.	Fully	<ul style="list-style-type: none"> The Environment and Sustainability page 54
FS4	Process(es) for improving staff competency to implement the environmental and social policies and procedures as applied to business lines.	Fully	<p>Garanti Bank improves staff competency to implement the environmental and social policies and procedures by e-learning programs, trainings, workshops, intranet and e mail communication. For instance, the Bank has built capacity of Project and Acquisition Finance Department staff through trainings received from an independent consultant firm for the implementation of the ESLP (Environmental and Social Loan Policies) and ESIAP (Environmental and Social Impact Assessment Procedure). Following the establishment of the Sustainability Team in 2012, the trainings for the ESLP and ESIAP was delivered to Loans Department by the Environmental and Social Impact Assessment Supervisor within the Sustainability Team.</p> <p>In addition to the capacity building activities related to ESLP and ESIAP, Garanti Bank organized trainings about the EMS (Environmental Management System) for the Sustainability Representatives within each department, regional directorate and branch that are subject to EMS. The representatives were also supported by the Sustainability Team through face-to-face meetings, e mail communication and phone calls about the establishment and implementation of the EMS.</p> <p>Garanti Bank also designed a Sustainability E Learning Programme, in order to enhance its employees' awareness and knowledge about the Bank's approach to environmental and social issues. Garanti Bank also added its view of the concept of sustainability to its orientation training, spelling out its expectations of employees on this issue.</p>
FS5	Interactions with clients/investees/business partners regarding environmental and social risks and opportunities.	Fully	<ul style="list-style-type: none"> The Environment and Sustainability page 54
	Audits	Fully	<p>Garanti Bank pays attention to ensuring that the projects that it finances satisfy the social and environmental standards required by the local legislation and the Bank's own policies. E&S Loan Policies and E&S Impact Assessment System is covered by the Environmental Management System that was certified to ISO 14001 in 2012. The audits to ensure that the EMS is implemented properly are conducted by both the Bank itself (internal audits) and a third party regularly.</p> <ul style="list-style-type: none"> The Environment and Sustainability page 54.
	Active Ownership	Fully	<p>During the reporting period, there was not any important matter that would require Garanti Bank to develop a policy for shares over which it holds the right to vote shares or advises on voting.</p>

Profile Disclosure	Description	Reported	Cross-reference/Direct answer
Disclosure on Management Approach EC			
Aspects	Economic performance	Fully	<ul style="list-style-type: none"> Garanti Bank in Brief page 6 <p>Please also see pages 22-26 of the 2011 Annual Report at: http://www.garanti.com.tr/en/our_company/investor_relations/financials_and_presentations/annual_reports.page?</p>
	Market presence	Fully	<ul style="list-style-type: none"> Garanti Bank in Brief page 6 <p>Please also see pages 22-26 of the 2011 Annual Report at: http://www.garanti.com.tr/en/our_company/investor_relations/financials_and_presentations/annual_reports.page?</p>
	Indirect economic impacts	Fully	<ul style="list-style-type: none"> Message from the Chairman page 4 Comments of the CEO and Executive Vice President Responsible of Sustainability page 14
Disclosure on Management Approach EN			
Aspects	Materials	Fully	<ul style="list-style-type: none"> The Environment and Sustainability page 54
	Energy	Fully	<ul style="list-style-type: none"> The Environment and Sustainability page 54
	Water	Fully	<ul style="list-style-type: none"> The Environment and Sustainability page 54
	Biodiversity	-	Not applicable
	Emissions, effluents and waste	Fully	<ul style="list-style-type: none"> The Environment and Sustainability page 54
	Products and services	Fully	<ul style="list-style-type: none"> The Environment and Sustainability page 54
	Compliance	Fully	<ul style="list-style-type: none"> Garanti Bank's Corporate Governance Structure page 34
	Transport	Fully	<ul style="list-style-type: none"> The Environment and Sustainability page 54
	Overall	Fully	<ul style="list-style-type: none"> The Environment and Sustainability page 54
Disclosure on Management Approach LA			
Aspects	Employment	Fully	<ul style="list-style-type: none"> Human Resources and Sustainability page 74
	Labor/management relations	Fully	<ul style="list-style-type: none"> Human Resources and Sustainability page 74
	Occupational health and safety	Fully	<ul style="list-style-type: none"> Human Resources and Sustainability page 74
	Training and education	Fully	<ul style="list-style-type: none"> Human Resources and Sustainability page 74
	Diversity and equal opportunity	Fully	<ul style="list-style-type: none"> Human Resources and Sustainability page 74
	Equal remuneration for women and men	Fully	<ul style="list-style-type: none"> Human Resources and Sustainability page 74
Disclosure on Management Approach HR			
Aspects	Investment and procurement practices	Fully	<ul style="list-style-type: none"> Human Resources and Sustainability page 74
	Non-discrimination	Fully	There were not any incidents of discrimination in Garanti Bank during the reporting period.
	Freedom of association and collective bargaining	Fully	<ul style="list-style-type: none"> Human Resources and Sustainability page 74
	Child labor	Fully	Garanti Bank does not tolerate the use of child labour in its own business. Additionally, according to the ESLP, companies which employ child labor will not be financed at all, whenever identified.
	Prevention of forced and compulsory labor	Fully	Garanti Bank does not tolerate or support the use of forced or compulsory labour, including through the practices of its customers, suppliers and business partners.
	Security practices	Fully	<ul style="list-style-type: none"> Human Resources and Sustainability page 74
	Indigenous rights		Garanti Bank does not report on this indicator as the disclosure is not applicable to its area of business.
	Assessment	Fully	<ul style="list-style-type: none"> Human Resources and Sustainability page 74
	Remediation	Fully	<ul style="list-style-type: none"> Human Resources and Sustainability page 74

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Profile Disclosure	Description	Reported	Cross-reference/Direct answer
Disclosure on Management Approach SO			
Aspects	Local communities	Fully	Garanti Bank supports the development of local communities through a number of corporate social responsibility projects it carries out and generates added value.
	Corruption	Fully	Garanti Bank does not tolerate bribery of or by any business partner, government agency or public authority and maintain honest and fair relationships with government agencies and public authorities.
	Public policy	Fully	Please see GRI Content Index 4.13, Initiatives Adopted and Supported by Garanti Bank
	Anti-competitive behavior	Fully	Garanti Bank maintains fair and free competition in accordance with the letter and spirit of Turkey's competition laws.
	Compliance	Fully	<ul style="list-style-type: none"> Garanti Bank's Corporate Governance Structure page 34
Disclosure on Management Approach PR			
Aspects	Customer health and safety	Fully	<ul style="list-style-type: none"> Garanti Bank's Corporate Governance Structure page 34
	Product and service labelling	Fully	<ul style="list-style-type: none"> Garanti Bank's Corporate Governance Structure page 34
FS15	Policies for the fair design and sale of financial products and services.	Fully	<ul style="list-style-type: none"> Garanti Bank's Corporate Governance Structure page 34
	Marketing communications	Fully	<ul style="list-style-type: none"> Garanti Bank's Corporate Governance Structure page 34
	Customer privacy	Fully	<ul style="list-style-type: none"> Garanti Bank's Corporate Governance Structure page 34
	Compliance	Fully	<ul style="list-style-type: none"> Garanti Bank's Corporate Governance Structure page 34

STANDARD DISCLOSURES PART III: PERFORMANCE INDICATORS

Product and Service Impact

Profile Disclosure	Description	Reported	Cross-reference/Direct answer
Product portfolio			
FS6	Percentage of the portfolio for business lines by specific region, size (e.g. micro/SME/large) and by sector.	Fully	Please see page 32, note 4.2.2 of our 2012 Unconsolidated Financial Report available for download at http://www.garanti.com.tr/en/our_company/investor_relations/financials_and_presentations/annual_and_interim_reports/annual_and_interim_reports_brsa.page?
FS7	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose.	Fully	<ul style="list-style-type: none"> Customers and Sustainability page 42
FS8	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose.	Fully	<ul style="list-style-type: none"> Customers and Sustainability page 42 The Environment and Sustainability 54
Audit			
FS9	Coverage and frequency of audits to assess implementation of environmental and social policies and risk assessment procedures.	Fully	<p>The ESLP and ESIAP, which were designed to control the indirect impacts of the Bank arising from the loans extended, are also a part of the EMS (Environmental Management System). As part of the "Internal Audit Procedure" of the EMS, the internal auditors check the implementation of the procedures at least once a year in every department, regional directorate and branch which are covered by EMS. After the internal audits are completed, the implementation of the EMS is verified by a third party.</p> <p>The audits are covering the operations of a total of 23 centers, including all the departments in Zincirlikuyu Head Office.</p>
Active ownership			
FS10	Percentage and number of companies held in the institution's portfolio with which the reporting organization has interacted on environmental or social issues.	Fully	<p>The ESLP is applied to 100% of the companies in Garanti Bank's portfolio. Additionally, Garanti Bank applies ESIAM to projects with an investment amount of more than 20 million USD.</p> <ul style="list-style-type: none"> The Environment and Sustainability 54
FS11	Percentage of assets subject to positive and negative environmental or social screening.	Fully	No asset has been subject to positive or negative environmental or social screening during the reporting period.
FS12	Voting polic(ies) applied to environmental or social issues for shares over which the reporting organization holds the right to vote shares or advises on voting.	Fully	During the reporting period, there was not any condition which required Garanti Bank to develop voting policies for shares over which the Bank holds the right to vote or advises on voting for environmental or social issues.

Economic			
Profile			
Disclosure	Description	Reported	Cross-reference/Direct answer
Economic performance			
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	Fully	<p>Garanti Bank's economic contribution to society is more than financial profits. The Bank creates jobs, pays salaries and invests in the skills of its people and also pays taxes, support business in its supply chain and provides products that satisfy the needs of its customers.</p> <ul style="list-style-type: none"> • Garanti Bank in Brief page 6 <p>Please also see 2011 Annual Report, pages 22-26 and Consolidated Financial Statements starting from page 219 at: http://www.garanti.com.tr/en/our_company/investor_relations/financials_and_presentations/annual_reports.page?</p>
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	Fully	<ul style="list-style-type: none"> • The Environment and Sustainability page 54
EC3	Coverage of the organization's defined benefit plan obligations.	Fully	<p>Detailed information is given at pages 236-237 of the 2011 Annual Report at: http://www.garanti.com.tr/en/our_company/investor_relations/financials_and_presentations/annual_reports.page?</p>
EC4	Significant financial assistance received from government.	Fully	Garanti Bank does not have any government incentives or grants.
Market presence			
EC5	Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.	Fully	<ul style="list-style-type: none"> • Human Resources and Sustainability page 74
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	Fully	<p>Garanti Bank's supply chain is extensive, with a large number of suppliers providing goods and services to keep our operations functioning.</p> <p>Garanti Bank meets the daily needs of its branch network by means of procurements from local suppliers. However, the Bank buys, in bulk purchases, the products and services with price advantage from a single supplier. The Purchasing Department located in Headquarters of Garanti Bank ensures that %95 of the cleaning services and cleaning chemicals is purchased locally.</p>
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	Fully	<p>Garanti Bank is focused on attracting, supporting and retaining local talent, and actively improving the diversity of its team. The senior management including the CEO, EVP's and Coordinators is Turkish. By doing this the Bank is better able to understand and serve an increasingly wide range of customers across Turkey.</p>
Indirect economic impacts			
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	Fully	<p>Garanti Bank engages in many initiatives aimed not only at contributing financial education and providing knowledge transfer but also at creating social value. More detailed information about this may be found in the sections below:</p> <ul style="list-style-type: none"> • Customers and Sustainability 42 • Social Responsibility and Sustainability 88
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	Fully	<ul style="list-style-type: none"> • Social Responsibility and Sustainability 88
Environmental			
Profile			
Disclosure	Description	Reported	Cross-reference/Direct answer
Materials			
EN1	Materials used by weight or volume.	Fully	<ul style="list-style-type: none"> • The Environment and Sustainability page 54
EN2	Percentage of materials used that are recycled input materials.	Fully	<p>Garanti Bank has not used a significant amount of recycled material during the reporting period. However the Bank has started the recycling program to ensure that most of the waste generated during in-house operations is sent to licenced recycling facilities.</p> <ul style="list-style-type: none"> • The Environment and Sustainability page 54
Energy			
EN3	Direct energy consumption by primary energy source.	Fully	<ul style="list-style-type: none"> • The Environment and Sustainability page 54

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Profile Disclosure	Description	Reported	Cross-reference/Direct answer
EN4	Indirect energy consumption by primary source.	Fully	<p>Garanti Bank purchases its electricity from two sources. For financial considerations and according to our purchasing policy, the bulk of the bank's electricity need is usually sourced via an energy supply agreement with one private company. During the reporting period, Garanti Bank used to have an energy supply agreement with a private company that runs thermal coal fired plant. By the time this report was published, Garanti has agreed with a new company, which supplies its electricity from its own hydroelectric power plant, in order to source the same portion of its electricity need. The remaining energy need is bought through the local distribution companies. Notwithstanding the contractual agreements in place, Garanti is linked to the national grid and does not have a direct connection with a given supplier. Subsequently, all of the bank's electricity consumption is transmitted via the national grid. For this reason, we use the grid emission factor (GEF) for calculating our scope 2 GHG emissions as per internationally accepted standards (GHG Protocol).</p> <ul style="list-style-type: none"> • The Environment and Sustainability page 54
EN5	Energy saved due to conservation and efficiency improvements.	Fully	<ul style="list-style-type: none"> • The Environment and Sustainability page 54
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	Fully	<ul style="list-style-type: none"> • The Environment and Sustainability page 54
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	Fully	<ul style="list-style-type: none"> • The Environment and Sustainability page 54
Water			
EN8	Total water withdrawal by source.	Fully	<ul style="list-style-type: none"> • The Environment and Sustainability page 54
EN9	Water sources significantly affected by withdrawal of water.	-	Not applicable
EN10	Percentage and total volume of water recycled and reused.	-	Not applicable
Biodiversity			
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	-	Garanti Bank does not report on this issue as the disclosure is not material to its business because of the nature of its operations. Garanti Bank's property portfolio is located in urban locations or within town centres of rural areas and therefore there is no direct impact on biodiverse habitats. The Bank, however, aims to work with its major clients to reduce any impact that they may have on biodiversity, such as through the application of its ESLP and ESIAP
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	-	As above
EN13	Habitats protected or restored.	-	Not applicable
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	-	Not applicable
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	-	Not applicable
Emissions, effluents and waste			
EN16	Total direct and indirect greenhouse gas emissions by weight.	Fully	<ul style="list-style-type: none"> • The Environment and Sustainability page 54
EN17	Other relevant indirect greenhouse gas emissions by weight.	Fully	<ul style="list-style-type: none"> • The Environment and Sustainability page 54
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	Fully	<ul style="list-style-type: none"> • The Environment and Sustainability page 54
EN19	Emissions of ozone-depleting substances by weight.	Fully	<p>In its recently opened or restored branches, Garanti Bank began to use air-conditioning units which work with R410 gas, which causes less damage to the ozone layer than R22.</p> <ul style="list-style-type: none"> • The Environment and Sustainability page 54
EN20	NOx, SOx, and other significant air emissions by type and weight.	-	Garanti Bank does not report on this indicator as the disclosure is not material to its business because the Bank's business activities/operations do not generate significant emissions of these substances.
EN21	Total water discharge by quality and destination.	-	Garanti Bank does not report on this indicator as the disclosure is not material to its business because all water is discharged to public waste water treatment across its operations.

Profile Disclosure	Description	Reported	Cross-reference/Direct answer
EN22	Total weight of waste by type and disposal method.	Fully	• The Environment and Sustainability page 54
EN23	Total number and volume of significant spills.	Fully	There have been no significant spills from any Garanti Bank facility in the reporting period. In addition, the Bank's business activities do not have a material risk of significant spills of hazardous substances.
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	-	Not applicable
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	-	Not applicable
Products and services			
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	Fully	• The Environment and Sustainability page 54
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	-	Garanti Bank does not report on this indicator as the disclosure is not applicable to its business because the Bank's products and services are not packaged.
Compliance			
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	Fully	There was not such an incident in Garanti Bank during the reporting period.
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	-	Not applicable
Overall			
EN30	Total environmental protection expenditures and investments by type.	-	Not applicable
Social: Labor Practices and Decent Work			
Profile Disclosure	Description	Reported	Cross-reference/Direct answer
Employment			
LA1	Total workforce by employment type, employment contract, and region, broken down by gender.	Fully	• Human Resources and Sustainability page 74
LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region.	Fully	• Human Resources and Sustainability page 74
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	-	Not applicable
LA15	Return to work and retention rates after parental leave, by gender.	Fully	• Human Resources and Sustainability page 74
Labor/management relations			
LA4	Percentage of employees covered by collective bargaining agreements.	Fully	In Garanti Bank there is no any collective bargaining agreement in place. Employees are hired on an individual basis and rights under the Turkish Labor Law are fully provided.
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	Fully	Garanti Bank makes every effort to avoid redundancies. Whenever restructuring and/or redeployment are unavoidable however, the bank's processes and guidelines seek to minimize the impact on those who may be affected.
Occupational health and safety			
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advice on occupational health and safety programs.	Fully	• Human Resources and Sustainability page 74
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region and by gender.	Fully	In the reporting period, there were not any work-related incidents of death or injury; and diseases. Duration of absenteeism is 32.280 days for women employees and 12.895 days for men.
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	Fully	Our bank's intranet contains readily accessible information that is useful in dealing with a variety of subjects such as how to cope with the flu. During the reporting period, 1,407 employees received training on office ergonomics and 13,265 employees received training on business continuity management.

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Profile			
Disclosure	Description	Reported	Cross-reference/Direct answer
LA9	Health and safety topics covered in formal agreements with trade unions.	-	Not applicable
Training and education			
LA10	Average hours of training per year per employee by gender, and by employee category.	Fully	• Human Resources and Sustainability page 74
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	Fully	• Human Resources and Sustainability page 74
LA12	Percentage of employees receiving regular performance and career development reviews, by gender.	Fully	• Human Resources and Sustainability page 74
Diversity and equal opportunity			
LA13	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	Fully	• Garanti Bank's Corporate Governance Structure page 34
Equal remuneration for women and men			
LA14	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.	Fully	As the salary system is completely based upon performance rather than gender, there is not an application that tracks the difference between male and female employees' salaries at Garanti Bank. • Human Resources and Sustainability page 74
Social: Human Rights			
Profile			
Disclosure	Description	Reported	Cross-reference/Direct answer
Investment and procurement practices			
HR1	Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening.	Fully	Garanti Bank's ESLP requires that our corporate customers be assessed in relation to their activities, practices or any associations that may involve environmental or social risk, including their impact on human rights. So far as the Bank is aware, there were no customers who were being investigated on account of these issues during the reporting period.
HR2	Percentage of significant suppliers, contractors and other business partners that have undergone human rights screening, and actions taken.	Fully	So far as the Bank is aware, there were no suppliers or contractors who were being investigated on account of these issues during the reporting period.
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	Fully	• Human Resources and Sustainability page 74
Non-discrimination			
HR4	Total number of incidents of discrimination and corrective actions taken.	Fully	There were no incidents of discrimination reported during the reporting period.
Freedom of association and collective bargaining			
HR5	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights.	Fully	Garanti Bank respects the constitutionally-protected right of employees to be members of unions. All bank personnel are completely at liberty to join or not to join a union as they may freely decide for themselves. During the reporting period there were no trade or labor union organizational activities at Garanti Bank. As set out in Garanti Bank Personnel Regulations and Ethical Principles, no bank employee may engage in any activity that may be deemed to be of a commercial nature. During the reporting period, Garanti Bank had no dealings with any supplier who, to the bank's knowledge, was in violation of their employees' union rights, which is to say of their employees' right to join or not to join a trade or labor union.
Child labor			
HR6	Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor.	Fully	No risk of child labour has been identified during the reporting period. Garanti Bank complies with all applicable laws in Turkey. Garanti Bank does not tolerate the use of child labour in its own business and suppliers. Additionally, according to the ESLP, companies which employ child labor will not be financed at all, whenever identified.
Prevention of forced and compulsory labor			
HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor.	Fully	Garanti Bank does not tolerate or support the use of forced or compulsory labour, including through the practices of its customers, suppliers and business partners.
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	Fully	Within the framework of Sustainability E-learning Program, by 2012 7612 hours of training have been given to the Bank personnel and it was announced that the people and institutions that had child workers and acted against human rights would not be granted loans by Garanti Bank. The training completion rate is 94% among security personnel in 2012.

Profile Disclosure	Description	Reported	Cross-reference/Direct answer
HR9	Indigenous rights	-	Not applicable
Assessment			
HR10	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments.	Fully	No operations have been subject to human rights reviews and/or impact assessments during the reporting period.
Remediation			
HR11	Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms.	Fully	No complaints were lodged on any matter pertaining to human rights during the reporting period.
Social: Society			
Profile Disclosure	Description	Reported	Cross-reference/Direct answer
Local communities			
SO1 (FSSS)	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.	Fully	Same as below
SO1 (G3.1)	Percentage of operations with implemented local community engagement, impact assessments, and development programs.	Fully	<p>Garanti Bank is committed to treating its customers fairly and recognizes its responsibility to provide responsible financial products and services to its customers and aims to make basic banking services more accessible to all segments of the community.</p> <p>The Bank recognizes its responsibility to maintain strong lending guidelines and procedures to ensure credit is only provided to customers who have the capacity to repay the debt. Garanti Bank aims to provide practical, sensitive and helpful assistance to customers who are having difficulty making repayments on their loan.</p> <p>Garanti Bank's aim is to make balanced, informed and transparent decisions and work with its clients to help them improve their management of business, social and environment risks and to make the most of opportunities. The Bank's approach is supported by clear policies and guidelines, screening tools and resources, and staff training and education and wherever possible, informed by stakeholder engagement.</p> <p>Garanti Bank also contributes to the community through its extensive social responsibility projects.</p> <ul style="list-style-type: none"> • Customers and Sustainability page 42 • The Environment and Sustainability page 54 • Social Responsibility and Sustainability page 88
FS13	Access points in low-populated or economically disadvantaged areas by type.	Fully	Garanti Bank does not have access points in low populated areas.
FS14	Initiatives to improve access to financial services for disadvantaged people.	Fully	<ul style="list-style-type: none"> • Customers and Sustainability page 42
SO9	Operations with significant potential or actual negative impacts on local communities.	Fully	<p>There were not any in-house operations with significant potential or actual negative impacts on local communities during the reporting period.</p> <p>On the other hand, Garanti Bank aims to control its indirect impact on the environment and society through ESLP and ESIAP.</p> <ul style="list-style-type: none"> • The Environment and Sustainability page 54
SO10	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities.	Fully	<p>Garanti Bank aims to control its indirect impact on the environment and society through ESLP and ESIAP. Please see.</p> <ul style="list-style-type: none"> • The Environment and Sustainability page 54
Corruption			
SO2	Percentage and total number of business units analyzed for risks related to corruption.	Fully	Internal control monitoring activities are grounded in predefined fraud scenarios which have been formulated on the basis of early-warning signals that take the entire Bank into account. Virtually every headquarters unit is inspected at regular intervals by the Board of Inspectors. The Bank's Anti-Fraud Unit also continuously develops strategies which are capable of identifying, controlling, and preventing instances of externally-sourced fraud anywhere in the Bank.
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.	Fully	<ul style="list-style-type: none"> • Human Resources and Sustainability page 74
SO4	Actions taken in response to incidents of corruption.	Fully	Investigation activities aim at detecting/preventing fraudulent activities and all applications, transactions and attitudes contrary to policies, procedures and code of ethics of Bank. Investigation reports are evaluated and concluded by Disciplinary Committee. Criminal report is made if necessary.

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Profile Disclosure	Description	Reported	Cross-reference/Direct answer
Public policy			
SO5	Public policy positions and participation in public policy development and lobbying.	Fully	Garanti Bank is not a participant in the political and public policy making process.
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	-	Not applicable
Anti-competitive behavior			
SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	Fully	<ul style="list-style-type: none"> Garanti Bank's Corporate Governance Structure page 34
Compliance			
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	Fully	<p>In the reporting period, there were not any significant non-monetary sanctions for non-compliance with laws and regulations.</p> <p>Please see "Elimination of legal compliance failures and fines" in Garanti Bank's Corporate Governance Structure for monetary fines during the reporting period.</p>
Social: Product Responsibility			
Profile Disclosure	Description	Reported	Cross-reference/Direct answer
Customer health and safety			
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	Fully	<p>In the development of all of Garanti Bank's products and services, priority attention is given to ensuring that they meet the expectations of customers, regulators, and all others concerned.</p> <ul style="list-style-type: none"> Customers and Sustainability page 42
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	-	Not applicable
Product and service labelling			
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	Fully	<p>Garanti Bank complies with laws and regulations pertaining to the disclosure of information about the products and services that it provides. To this end, the bank supplies any and all manner of currently applicable information about the products and services that it offers its customers both as may be required by law and as Garanti Bank believes may be necessary for consumers to make objective decisions.</p> <ul style="list-style-type: none"> Customers and Sustainability page 42
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	-	Not applicable
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	Fully	<ul style="list-style-type: none"> Customers and Sustainability page 42
FS16	Initiatives to enhance financial literacy by type of beneficiary.	Fully	<ul style="list-style-type: none"> Customers and Sustainability page 42
Marketing communications			
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	Fully	Garanti Bank complies with laws and regulations pertaining to the disclosure of information about the products and services that it provides. The bank also diligently strives to be in full compliance with the requirements of applicable laws and regulations in Turkey in the conduct of all of its marketing and communication activities.
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	Fully	With the exception of the TL 8 million in administrative fines handed down by the Competition Authority, the Bank received no fine exceeding TL 3 million during the reporting period.
Customer privacy			
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	Fully	With the exception of the TL 8 million in administrative fines handed down by the Competition Authority, the Bank received no fine exceeding TL 3 million during the reporting period.
Compliance			
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	Fully	<ul style="list-style-type: none"> Garanti Bank's Corporate Governance Structure page 34



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