

CUSTOMER EXPERIENCE



Customer experience has always been one of the main pillars of Garanti's strategy. Garanti strongly believes that companies delivering compelling experience are and will become the most successful ones in their industries. Customer experience is even more important in today's hyper changing environment accelerated by technology. Boundaries between industries have already blurred, and digital business models create the new norms for all business areas. Solutions that delight customers easily become the standard not for a specific category but for all. Therefore Garanti regards customer experience as the most important element for strengthening its competitiveness and differentiating it in its industry.

Garanti has a solid and long-run strategy built on a combination of technology and human factors, which are the key determinants of our age. The Bank executes its customer experience strategy with the aim of making customers' lives easier, looking after their financial well-being, helping them make informed financial decisions, advising them to grow their businesses in a sustainable manner, and finally, bringing financial services to everyone.

Customers' needs and expectations are continuously evolving and reshaping in line with technological advancements. But common ground stays the same: they want to experience shortened and frictionless journeys saving their time, smarter solutions supporting their well-being and personal connection which they enjoy. This understanding shapes all of Garanti's customer experience management efforts. Garanti wants its customers to be happy for having chosen to work with it. Building a good customer experience is one of the top strategic priorities and indispensable passions for Garanti senior management as well. The Customer Committee established for this purpose convenes under the chairmanship of the CEO to discuss customer experience topics. The Committee defines the Bank's customer experience strategies and it is also responsible for realizing and ensuring continuous effort aimed at enhancing experience at every touch point and improving performance.

In 2018, Garanti continued to receive feedbacks from customers for understanding the status of current customer experience and generating customer insight. Based on these feedbacks, the Bank designed 38 new projects to build on its products and services.

Helping its customers maintain their financial health is a key topic that Garanti puts emphasis on, and works to constantly improve through new ideas, projects and initiatives. Facilitating access to financial services through all its channels, Garanti ensures that its customers are informed about their financial positions, and have full control over their finances. With its segmented approach, Garanti provides consultancy and guidance on financial planning and offers solutions to its customers according to their needs varying from savings to pension.

With its responsible banking approach, Garanti shares advantages and possible risks of products and services. Hence, Garanti communicates with its customers transparently in all sales & marketing activities, and provides all the information they need in a clear and easy to understand way. The Bank offers feasible solutions and seeks to build long-term and sustainable relations that are built on trust.

Garanti's goals include supporting the growth and resilience of SMEs, women, entrepreneurs and farmers, who are key to sustainable development of the economy, and also helping them improve their environmental, social and ethical performance, besides producing solutions for their financial needs.

Through GarantiPartners Acceleration Program, the Bank helps flourish the entrepreneurial ecosystem in Turkey, and aims to support and accelerate early startups and initiatives with the potential to attract investment and grow.

The Bank facilitates women entrepreneurs' access to financing, executes free-of-charge educational collaborations to ensure sustainability such as the Women Entrepreneurs Executive

School, and encourages them to realize their full potentials through Turkey's Woman Entrepreneur Competition. Through Women Entrepreneurs Meetings, the Bank targets to help women entrepreneurs build new collaborations and penetrate new markets through experience and information sharing that they need.

The objectives of Garanti also include provision of innovative solutions and advise the customers to grow their businesses sustainably. The Bank provides its stakeholders such as its customers and non-governmental organizations with

information about the most current topics related to sustainable business models such as innovative environmental, social and governance practices in Turkey, green financing options, risks stemming from digitalization, new trends in relation to transparency and non-financial reporting, and environmental risk perception in the insurance industry.

By focusing on customer experience, Garanti is actively contributing to Sustainable Development Goal 5: Gender Equality, Goal 8: Decent Work and Economic Growth, Goal 9: Industry, Innovation and Infrastructure, Goal 10: Reduced Inequalities.

VALUE DRIVER	INDICATOR	PERFORMANCE	
		2018	2017
- OFFER CUSTOMERS AN EXCELLENT CUSTOMER EXPERIENCE BY PLACING THEM AT THE CENTER OF ALL ACTIVITIES AND EFFORTS - DESIGN PROCESSES FROM THE CUSTOMERS' PERSPECTIVE, VESTING THEM IN A SWIFT, EASY AND PLAIN FORMAT - HAVE LONG-LIVED RELATIONSHIPS WITH CUSTOMERS THAT ARE BUILT ON TRUST BY EXCEEDING THEIR EXPECTATIONS AND ENHANCING THEIR SATISFACTION	Customers ¹	16,378,165	15,143,270
	Target Customers Surveyed ²	7.87%	7.35%
	Feedback Received ³	942,000	864,000
	Products or services that are changed & developed through customer feedback	38	24
	Net Promoter Score ⁴ (Ranking)	#1	#1
ALWAYS BE TRANSPARENT, CLEAR AND RESPONSIBLE TOWARDS THE CUSTOMERS	New & upgraded products, services and channels that aim to support the customers in terms of managing their financials	3	3
	Customers informed about their financial positions	85%	83%
HELP THE CUSTOMERS IN MAKING INFORMED DECISIONS THROUGH SUPPORTING FINANCIAL LITERACY, HEALTH AND INCLUSION IN THE SOLUTIONS OFFERED	Disabled-friendly ATMs	5,210	3,824
	Women who attended Women Entrepreneurship events and Garanti has helped to enhance financial awareness (cumulative)	9,720	9,100
	Customers that started using saving products	850,000	809,397
OFFER INNOVATIVE SOLUTIONS AND ADVISE THE CUSTOMERS TO GROW THEIR BUSINESSES IN A SUSTAINABLE MANNER	Site visits on Environmental & Social issues to customers	37	28
	Environmental and Social workshops and conferences	3	4
	SME initiatives (incl. apps and events)	6	7
	Environmental & Social issues addressed in workshops and conferences	29	11
	Woman Entrepreneurs encouraged to apply WE Awards (Cumulative)	36,908	34,384
	Customers and financial institutions informed on Environmental & Social issues ⁵	33	29

¹ Excludes customers with inadequate documentation. ² Represents percentage of target customers surveyed at least once during the year. ³ Represents customer feedbacks received through customer hotline and after-service surveys conducted for the journeys in branches, call center and customer hotline and other surveys. ⁴ Net Promoter Score research is conducted by independent research agency Ipsos for Garanti Bank. According to the research results, Garanti has the highest Net Promoter Score, among retail customers representing its own profile, compared to the peer group, which consists of Garanti Bank, İşbank, Akbank, Yapı Kredi Bank, QNB Finansbank and Denizbank. Research was conducted between May 2018 and December 2018. Main bank customers, who have communicated with the banks over the last 3 months, were surveyed face to face in the cities of İstanbul, Ankara, İzmir, Kocaeli, Bursa, Antalya and Adana by quota sampling. Score is calculated as a weighted average of retail segments' scores. ⁵ Customers and financial institutions informed through E&S workshops or through meetings/calls.



Garanti's consistent performance in customer experience rely on four key competencies that it embraced in the execution of its strategy: Customer Understanding Capacity, Design Philosophy adopted, Empathetic Culture espoused by each member of the organization and advanced Measurement Systems allowing constant self-control.

1 - CUSTOMER UNDERSTANDING CAPACITY

In 2018, as it did in 2017, Garanti kept generating insights providing a better understanding of its customers through regular feedback directly from its customers and also from its employees. In 2018, the Bank contacted nearly 733 thousand customers and received their feedbacks concerning their needs and expectations, brand perception and their journeys. In addition, employees conveyed more than 1,000 opinions through the Önersen suggestion platform and supported development of services.

All insights that become a part of Garanti's corporate intellectual capital have been regularly utilized by employees also in 2018. The design teams, in particular, made use of customers' and employees' opinions throughout the entire process from problem identification to solution generation.

2 - DESIGN PHILOSOPHY

In order to deliver a good customer experience, the experience at all digital and physical touch points, in other words the entire journey needs to be designed carefully end-to-end. The 'Customer Journey' methodology adopted by Garanti has become a powerful tool in creating a consistent and seamless experience, and guided the development activities also in 2018.

The efforts in 2018 concentrated on critical journeys most frequently experienced by customers, such as credit cards, loans, onboarding, and complaints. Customers' journeys on digital channels have also been analyzed utilizing advanced data modeling, and actions have been identified.

3 - EMPATHIC CULTURE

Garanti employees are the key actors when designing new products and services, and when implementing designs. To deliver a good customer experience, the atmosphere, mood

and understanding dominating the organization should also be conducive.

Initiated to constantly nurture and maintain the customer-centric culture, "Garanti Empathy" program left its second year behind in 2018. Also this year, Garanti Empathy continued to provide a platform for all Garanti employees to stay informed about the Bank-wide customer experience projects, learn about best practices both internally and worldwide, access tools such as guidelines, tips and trainings for self-improvement, and share their empathy stories with others to inspire new ones.

2018 marked the inception of a ritual where branches that make a difference in customer experience with all their employees are rewarded within the scope of Garanti Empathy activities. Each year, the most successful branch team in terms of customer experience in the preceding year will be presented with various surprises, and will also display the designed award in the branch throughout the year. The award will be circulated by being handed over to the most successful branch every year, and will become a deep-seated sign of Garanti's aspiration to create unparalleled customer experience.

4 - MEASUREMENT SYSTEMS

In 2018, Garanti carried on with regular measurements on the basis of channels and products to see its position in customer experience and understand the impact of its activities and efforts. All branch employees can monitor customer feedback regarding the customer experience they have delivered on a daily basis through after-service surveys. Branch managers contact the surveyed customers and turn the feedback received into necessary actions.

The Bank began employing mobile channels in addition to branches and the call center for gathering customer feedback on their digital experiences. Nearly 100 thousand customers using Garanti Mobile Banking application, GarantiOne and BonusFlaş shared their opinions regarding the application they have used right after their transactions. These customers' scores are monitored on a daily basis and the Customer Experience Support Team contacts those assigning low scores, seeking their feedbacks and orienting them to relevant solutions.

The positive outcomes of efforts carried out based on the four key competencies mentioned above and aimed at continuously

leveraging customer experience were reflected in various indicators also this year:

- Garanti reproduced the same successful result of 2017, and has become the bank to receive the highest NPS from retail customers in 2018¹;
- Garanti has taken the top rank both in banking and credit card categories at the A.L.F.A. Awards 2018 with its success in customer experience management²;
- The number of complaints by the Bank's 1.000 active customers went down by 16% as compared with the previous year;
- During 2018 that proved to be a trying year for the Turkish economy and financial markets, after-service surveys revealed that the Bank preserved its NPS;
- Garanti was named the Best Cash Management Bank in Turkey at the Global Finance awards for the third consecutive year. At the Stevie Awards, the Bank earned Bronze in the Best Cash Management Team about Customer Service category. At the Best in Biz awards, the Bank received the silver medal in the best Business Development Team category.

WHAT WE DID IN 2018

Garanti places accurate identification and fulfillment of customer needs and expectations in the focal point of its product, service and infrastructure conception and development process.

In 2018, detailed and regular Net Promoter Score (NPS) studies continued for customers in the Retail, SME and Commercial segments and those using Digital Channels in order to gain a better understanding of customers. This year an NPS study was conducted for the first time to explore the experiences of customers using their credit cards. Advertising research measuring the performances of advertisements, brand surveys measuring the brand's share on the minds, and corporate reputation surveys measuring the reputation of an organization were among other regular surveys conducted. In addition, the annual jazz and basketball sponsorship surveys were carried out, which measure the effects of sponsorships.

Garanti continued to take actions regularly in order to prevent recurrence of dissatisfaction with the help of root cause analyses performed based on customer feedback also in 2018. Actions taken in this context served to preclude 4.1% of dissatisfactions that arose in the previous year. Furthermore, customers' experiences were prevented from being negatively affected through 13 proactive actions taken before the dissatisfaction occurred. Feedbacks concerning new products, services and implementations introduced were also watched closely and their impact on customer experience was observed, followed by changes to the designs as necessary.

The Bank's activities and efforts are erected on the pursuit of fulfilling customer needs easily and plainly through branches and all digital channels, responding to all requests emerging in connection with the changing market conditions, and presenting custom-tailored solutions.

In order to provide a better digital experience to its customers, the Bank upgraded its existing capabilities on digital channels and also added new solutions. Hence, the Bank enabled an easier, faster and more convenient customer experience and introduced a number of exemplary digital products. Garanti espouses it as a main principle of design to give its customers easy access to solutions for whatever financial need they may have from wherever they may be. To this end, perhaps the most significant innovation developed in 2018 was the capability that allows customers to have a video chat with customer representatives through Garanti Mobile Banking. Thanks to this feature, customers are able to have face-to-face contact with the agents without having to go to the branch. The developments made on digital channels in 2018 have been instrumental in the following:

- Through Garanti Mobile Banking application, customers can now deposit/withdraw cash in/from their accounts, and even perform money transfer, via QR code without the need for a card.
- Customers can quickly and conveniently log in to Garanti Mobile Banking app with the eye recognition capability.

¹ Net Promoter Score research was conducted by independent research agency Ipsos for Garanti Bank. According to the research results, Garanti has the highest Net Promoter Score, among retail customers representing its own profile, compared to the peer group, which consists of Garanti Bank, İşbank, Akbank, Yapı Kredi Bank, QNB Finansbank and Denizbank. Research was conducted between May 2018 and December 2018. Main bank customers, who have communicated with their respective banks over the last 3 months, were surveyed face to face in the cities of İstanbul, Ankara, İzmir, Kocaeli, Bursa, Antalya ve Adana by quota sampling. Score is calculated as a weighted average of retail segments' scores.

² Organized since 2015 by Marketing Türkiye and recognizing brands that make a difference in their respective sectors with the experience delivered to customers, A.L.F.A. Awards winners are determined by customers.

- Customers can perform their banking transactions just talking to Ugi, the AI assistant in Garanti Mobile Banking app.
- Customers can execute their transactions easily with the revamped money transfer experience.
- “Remember Me” feature allows customers using Garanti Internet Banking to log in just by entering their password.
- SME customers can monitor their cash flows much more easily, access important information regarding frequently needed products such as POS, cheques and credit cards, and view their financial status at a glance on the customized home page.
- Customers become aware of digital products/services and campaigns, and receive informative and instructive messages specific to their needs through the ‘Garanti Stories’ in Garanti Mobile Banking.

For Garanti, 2018 was a year of maintained focus on customers and reengineering of the Bank’s deposit management. Major operational improvements were executed in line with customer needs. Provision of transparent and operationally easy new solutions through branches and digital channels under the guarantee of Garanti’s expertise maximized existing customer loyalty and increased the number of new customers.

Initiatives continued to offer the best services, advantageous offers and conveniences to retirees that are traditionally considered as a special customer group at Garanti. Retired customers are now able to easily and quickly transfer their pension account to Garanti through Paramatik, Garanti Internet, call center or şubeden sesli satış without going to a branch.

The new service launched in October lets customers perform a number of transactions by placing a phone call to their branches, including new limit creation and limit increase for the overdraft account -Avans Account-, password setting for Internet banking, opening and extending time deposits, credit card reopening and limit increase applications, predefined bill payment entry and life insurance.

In this context, customers can place FC and gold buy/sell orders at the specified exchange rate through Garanti Internet and Mobile Banking, using the FC order function developed in 2018 to invest in gold or foreign currency, and navigate conjunctural volatilities in line with their own predictions without making a trip to the branch. The orders are executed automatically when the defined exchange rate level occurs.

Under another development, a structure has been created enabling approval through digital channels for transactions such as consumer loans, PPS and insurance, without requiring the customers to go to the branch.

The activities aimed at understanding the customers improve and expand constantly. In this context, the service model offered to SME customers was redesigned in 2018 based on big data studies in order to better fulfill their needs in line with customer feedback. With the new service model, Garanti aims to deliver excellent customer experience and provide efficient financial advisory to its SME customers. SME Banking, which will be servicing customers with a turnover/asset size of 2.5 million to 40 million on the basis of relationship management, began providing its services in two sub-segments defined as Medium and Large-Sized Enterprises, and Small Enterprises. The business unit pursues an in-depth growth strategy in the Medium and Large-Sized Enterprises segment, while adopting a broad-based growth strategy in the Small Enterprises segment.

Also revamped are lending processes, which now enable much faster and easier assessment of its SME customers’ requests for installment loans below a certain amount, overdraft accounts and commercial credit cards. The simplification of required information and documents as compared with the current requirements allowed much higher productivity in the operation of branches. As a result, the Bank now gets back to customers much more quickly.

In 2018, Garanti worked on the credit card journey, which is one of the critical journeys most frequently experienced by customers. As an output of these efforts, customers are now able to trace the card from the time of application until delivery, and to track the assessment stages in case of a change in the limit. As a result, all users, Garanti customers and non-customers alike, are able to use any channel to follow up the current status of their applications pertaining to their debit cards and commercial credit cards, in addition to individual credit cards. Under another aspect of the work on credit card journey, the process of customers’ objection to expenses was vested in a more practical format both on digital channels and in branches to ensure easier conveyance of these objections. All these initiatives produced 17% decrease year-over-year in the number of credit card complaints per 1,000 active customers received in 2018.

As a first in Turkey, GPI service was offered, which enables tracking the status of the crossborder payment transactions within the scope of the SWIFT system. There was a 181% increase in the annual number of investigation requests following the transition to SWIFT GPI. By further increasing the speed and efficiency of the status tracking, the operational costs were reduced.

End-to-end online application system has been developed which will ensure much faster conclusion of customers' member merchant applications. This way, Garanti is able to offer the optimum quotations to customers at the time of application, fulfill their requests as quickly as possible, and inform them on the result of their applications.

In order to enhance customer experience, enrich the services on digital channels, and offer faster and more efficient service to customers, new functions were added to BonusFlaş as well. The application now features the capabilities for 24-hour temporary suspension and renewal of the card especially in the event of suspected theft or loss so that customers will feel safer, the control over authorizing or blocking overseas transactions, and notification of overseas expenses. Account statements can now be requested and tracked digitally, in addition to their mailing in hard or soft copy. Notifications in all stages of credit card campaigns from participation, prizes, and cancellation have been reviewed and revised as necessary. In addition, customers can give an automatic payment order with a single click after listing their manually paid bills on BonusFlaş.

Being the bank pioneering digital transformation for the past 20 years, Garanti launched a new business model in its branches.

The Bank focused on three main objectives, with the aim of leveraging its branches to the future now by integrating the benefits of the emerging digital world into the branch service model:

- improve customer experience,
- increase digital migration,
- upgrade employees' capabilities to boost their product delivery skills and improve operational efficiency.

Under the project whose pilot was initiated in May 2017, an average of 10 to 15 branches made their transition to the new service model every week during 2018.

In order to free up more time for interaction with the customers, product and service delivery capacity has been increased in the new service model. The tools necessary to enable servicing customers at any place of their choice, besides in branches, have been developed. The Bank's key orthodoxies were challenged, and new posts and responsibilities were created to improve sales/operational efficiency. Processes were re-designed and digitized to promote digital migration and to create seamless, omni-channel experience. Finally, branch layout was re-designed in accordance with the new service model concept, and teller desks were removed. New desks were put in where all customers are sitting while served and digital screens were installed for displaying information.

The "Empathy Assistant", a smart platform introduced in 2017 to help and guide branch employees while resolving customer issues, kept contributing positively to the branch experience throughout 2018. Actively used at 96% of branches, the platform supported the resolution of more than 5,000 issues per month.

The chatbot named "Bilge" went live by early 2018 to enhance the quality of the service provided by the Customer Care Line team that handles customer complaints and to ensure faster resolution of the complaints received. Bilge quickly understands all information and needs necessary to resolve customer complaints, and provides the solutions that respond to those needs to the complaint handling teams in a practical manner. The chatbot responds to over 10,000 queries per month, and shortened the average duration of service rendered to customers on the phone by more than half a minute.

The New Customer Management Model was introduced in June 2018, which is aimed at consolidating holistic approaches to customers during complaint handling by Customer Care Line agents and at upgrading the complaint handling concept. The new management model focuses on understanding the situation customers are experiencing, together with their emotional expectations. Following extensive probing, possible initiatives are determined, solution options are considered jointly, and consultancy is provided to customers. The new model produced its improvement effect on customer experience quickly. As of November 2018, there was a 5% decrease year-over-year in the rate of customers' multiple contacts with the Bank for the same complaint and 5.5% rise year-over-year in the score they assigned in the surveys regarding the service they received from the Bank.

In 2018, Garanti also embarked on its transition to agile working. In this context, teams formed of employees take full responsibility for the entirety of tasks they are performing, and construct the products and services according to customer feedback. This allows Garanti to focus on offering solutions that optimally fulfill current and future customer needs. In this new business model, employees are inspired by a single target and are motivated to reach that target.

Agile working means adopting a new mindset and corporate culture that rely on agile methods. In this model where strict organizational and functional structures are abandoned in favor of a more collaborative working style, the main goal is to increase the speed and quality of operating.

Agility allows gaining insight into customers and taking each and every step with the perspective of "our priority is our customers". It promotes collaboration to a brand new level with the "we are one team" point of view. Dominated by an inspiring and innovative mindset that exceeds expectations, this model supports fulfillment of customer demands in the fastest manner possible through consolidated teams that can take action.

OUTLOOK

Customer needs and expectations will evolve and take shape substantially according to digital developments in the coming years, as they did this year. Also in the year ahead, Garanti will work towards delivering a better customer experience by bringing the current capabilities of the age to our customers.

As always, the Bank will continue to place its customers' voices at the heart of all of its designs. Customer insight drawn up both from internal data by making use of its analytical capabilities and directly from customers will serve as a guide in all products and services.

In line with the direction provided by the Innovation Committee set up in 2018, work was commenced to enhance the customers' experience with the Bank through Artificial Intelligence. Within the frame of these activities, Garanti intends to make projections using the big data volume available to it and thus understand customer needs at an as early stage as possible. The Bank foresees that use of Artificial Intelligence, where business rules or models are restrained, will take the Bank one step ahead in terms of knowing and understanding customers,

and thereby, enabling it to deliver an experience with much higher added-value to customers.

The Bank will continue to re-design and simplify experiences at all touch points through the customers' eyes in a bid to provide an omni-channel experience that is seamless, integrated and personalized. This way, the Bank will minimize the operational workload on its employees, freeing up their time to be allocated to tasks with higher added-value.

"Transition between channels", which is targeted at seamless service from one channel to the other in time deposits, is on the agenda as a project aiming to enhance customer satisfaction through supporting similar experience delivery in branches and on digital channels.

In the next version of its investment application, Garanti plans to shift to a more user-friendly front end design, to add new order types, and to improve notification and alert structures in line with customer feedback. The Bank also intends to enable customers to reach the Call Center more quickly and let them realize orders, in addition to getting information. Following the social media research completed very recently, the Bank will set up a new working group and focus on such topics as personalization of the service delivered and increased human touch in communication, which are outputs from the research.

Driven by the desire to be accessible and to reach the customers through their top-choice channels, the Bank targets to create new channels for its customers by integrating various communication applications into banking applications. In view of increased usage of video and digital content by customers, the Bank will begin using these channels more often for conveying the solutions to their financial needs.

The Bank will be able to manage branch densities more efficiently through smart platforms in development and the prioritization mechanism that puts customers in the center. It will also be able to allocate more time to coach its employees, and thus continue to enhance the service quality offered at branches.

Garanti targets to provide new offers and solutions to its customers through the Digital Customer Journey. In order to decrease complaints regarding card deliveries, the customers will be instantly given their cards at branches, and they will be able to use their cards immediately.

With the aim of supporting customers in their cash management, Garanti plans to sustain the same performance by creating new products and services along with pricing strategies also in 2019. Following user demands, development began for the Direct Collection System product that offers collection guarantee to vendors. As at year-end 2019, a system will be introduced allowing customers to monitor their cash flows in an even more transparent fashion, which will be more user-friendly thanks to new features to be added.

In 2019, developments for tracking SWIFT transactions will be ongoing. The service will be made available also through digital channels. Additional goals include incoming money transfer tracking and transfer cancellation (Stop&Recall) features.

PRODUCTS AND SERVICES FOR CUSTOMERS' FINANCIAL HEALTH AND INCLUSION

Protecting its customers' financial health is a key topic that Garanti places emphasis on, and works to achieve constant self-development in through new ideas, projects and initiatives.

According to the World Bank Global Financial Inclusion data, 2 billion people in the world do not have access to financial services offered by financial institutions. For this reason, Garanti works towards improving access to financial services in our country. Facilitating access through all its channels in Turkey, where 43% of the adult population lacks access, Garanti ensures that its customers are informed about their financial positions, and are on top of their financials. With its segmented approach Garanti provides consultancy and guidance on financial planning and offers solutions to its customers according to their needs varying from savings to pension.

Garanti provides guidance to its customers for a more balanced budget management, and aims to have a positive impact on their lives by offering financial planning services and products that encourage savings such as 'NET Savings Account' and 'Spend and Save'.

With its responsible banking approach, Garanti shares advantages and possible risks of products and services. In this context, Garanti communicates with its customers

transparently in all sales & marketing activities, and provides all the information they need in a clear and easy to understand way. It offers feasible solutions and aims to build long term and sustainable relations that are built on trust.

WHAT WE DID IN 2018

Three exploratory researches conducted in order to shed light on studies about financial health and inclusion. The first one of these researches was intended to shape the principles and design of a new service developed to facilitate money management and achievement of personal goals of customers. Another research was the mortgage survey aimed at identifying the emotional states customers went through during the home buying process and the financial factors they considered for making a decision. The last survey, Financial Health, was conducted to gain an insight into people's relationship with money and how they manage their money when considering universal values.

Garanti has 18 products and services available designed to support its customers in terms of managing their financials and improve access to financial services in Turkey. Within the scope of products and services under this topic that can be broken down into different groups, Garanti;

- Enables transactions such as bill payments, money withdrawals/deposits/transfers by/to people who do not have a bank account via branches, Paramatiks and mobile banking,
- Enables women to use their gold savings for loans and deposit accounts through depositing physical gold in terms of grams via branches and gold service point jewelers,
- Is instrumental in instilling a habit of saving up in 400 thousand customers with its NET Saving Account product, a first in the sector. Garanti also offers the Government Incentivized Marriage&Housing Accumulating Accounts to encourage Turkish citizens to save up money,
- Offers segment specific programs, products and service for customers of all ages such as Garantili Gelecek (Guaranteed Future), Bonus Genç (Bonus Young), and Retirement Banking Program,
- Conducts initiatives that contribute to physical and financial freedom of disabled customers and facilitate their access to service from branches and Paramatiks through Disabled-Friendly Banking. By the end of 2018, over 10 thousand employees completed the web-based Sign Language training

to provide better service to disabled customers. Garanti is happy with this result, as 65% of the assigned employees completed this optional training. In 2018, Garanti served through 5,210 disabled friendly Paramatiks, which corresponds to a 36% increase on an annual basis. The accessibility of Paramatiks for visually impaired customers was enhanced, and credit card debt payments can now be done from the visually impaired menu.

Also in 2018, Garanti framed all communications according to the principles of "Transparent, Clear and Responsible Banking", and carried out new initiatives directed towards the dissemination of these principles. Accordingly, general purpose loan, auto loan and overdraft account agreements were rewritten in a simplified and more intelligible fashion. "Product Summary Pages" were designed, which provide an outline of important information about credit card and loan products. All employees watched the training videos that are intended to help them talk about all necessary information in an understandable manner in their centralized, face-to-face contacts with customers.

With the Garanti Discount (Supplier Finance System) product updated on the basis of customer and sector demands, Garanti remains the pioneering bank of the sector. The Bank targets to touch more customers with the Garanti Discount relaunched with new functions in 2018, and offer them solutions for achieving greater efficiency in the utilization of their working capitals. The Bank continues to support customers' cash flows through its discount products that provide financing without furnishing extra collateral, and fulfills their short-term funding needs.

The Direct Collection System contributes to customers' performance of their commercial operations with healthy financials.

OUTLOOK

Garanti will continue to develop smart solutions to encourage and support its customers to make healthier financial decisions. In this context, the Bank plans to implement more experimental methods and introduce the solutions after testing them in a more interactive manner with customers in alignment with the agile working concept it has adopted.

In the years ahead, the Bank will keep offering services that enhance the access of unbanked and underbanked people to financial services, through a variety of solutions such as expanding the disabled-friendly ATM and branch network.

Garanti's principle of always approaching the customers in a "transparent", "clear" and "responsible" manner will remain as a core element of its strategy to enhance customer experience and help them make informed decisions.

SUPPORTING CUSTOMERS TO GROW THEIR BUSINESSES SUSTAINABLY

In addition to producing solutions that address the specific financial needs of the SME's, women entrepreneurs and entrepreneurs who are key to the sustainable development of the economy, Garanti aims to support their growth and resilience, and to help them improve their environmental, social and ethical performance. To this end, the Bank offers training programs and consultancy services making use of its human and intellectual capital as well, while also making various platforms available to them and establishing collaborations. With its support to the economic sustainability of SMEs, Garanti also creates employment opportunities indirectly and contributes to the sustainable development of Turkey.

Thanks to its robust environmental and social risk assessment process, which is in line with best practices, Garanti supports all its customers, especially in the corporate and commercial segments, in managing their non-financial risks.

WHAT WE DID IN 2018

Various innovative Garanti platforms that aim to support companies in terms of managing their financials and businesses help customers grow their businesses in a sustainable manner and increase their resilience to new developments. The Bank offers information and advisory services that address the specific needs of the SMEs and contribute to their development such as Teşvikbul (Find Incentive), Şirketkur (Establish Your Business) and Garantili İşler (Business@Garanti).

Garanti helps flourish the entrepreneurial ecosystem in Turkey, and targets to support and accelerate early startups and initiatives with the potential to attract investment and grow.

Through GarantiPartners Acceleration Program, the Bank supports early startups of any scale and sector, the SMEs and growing ventures. Garanti creates a holistic support mechanism by providing various and differentiated touch at every stage of entrepreneurial life cycle by providing office space, mentoring, networking, marketing support, training.

Garanti facilitates women entrepreneurs' access to financing, executes free-of-charge educational collaborations to ensure sustainability such as the Women Entrepreneurs Executive School, and encourages them to realize their full potentials through Turkey's Woman Entrepreneur Competition. With the Women Entrepreneurs Meetings, which attracted the participation of 9,720 women to date, the Bank seeks to help women entrepreneurs build new collaborations and penetrate new markets through experience and information sharing that they need. The SROI (Social Return on Investment) value of the Women Entrepreneurs Management School project was estimated as 5.

In 2018, Sustainability and Risk Management Workshop was organized once again, where stakeholders including customers and non-governmental organizations were informed on the most current topics related to sustainable business models, such as innovative environmental, social and governance practices in Turkey, green financing options, risks stemming from digitalization, new trends in relation to transparency and non-financial reporting and environmental risk perception in the insurance industry. In 2018, 33 corporate and commercial customers and financial institutions were informed one-on-one about international best practices in environmental and social risk management. 29 different environmental and social topics were addressed in all these meetings and contacts. 37 visits were paid to corporate and commercial customers to drive them to improve their risk management systems in this respect.

OUTLOOK

In the coming years, capacity building efforts of Garanti will continue to focus on entrepreneurship, digitalization and sustainability issues. Organizing summits and meetings where stakeholders can share experiences and information, and providing informative trainings on emerging issues will be key in supporting the customers.

The new Occupational Health and Safety Risk Management System launched in 2018, which further upgrades the environmental and social risk management system aligned with international practices such as the Equator Principles, is intended to inform corporate and commercial customers on best practices in this area.

Technical and technological support on topics such as digital transformation by creating partnerships and specialized teams will also be part of the roadmap for the coming years. Informing the customers on environmental and social trends will stay as an important topic in the Bank's agenda especially with respect to corporate and commercial customers.

Garanti will make use of the existing channels and platforms such as the United Nations platforms in designing capacity building initiatives.