

GARANTI BBVA INTEGRATED ANNUAL REPORT 2019

NEXT
DECADE

Emre Hatem, Director of Investment Banking and Finance, talks about transition to a low-carbon economy and the rise of renewables.

Environmental risks due to climate change continue to dominate the top ten risks in the World Economic Forum Global Risk Report 2019.

Now, if we do not tread carefully and take additional measures, the global temperature increase will not be limited 1.5 degrees.

Worldwide, industrial emissions are on track to rise in 2019. This increase is a considerably slower pace compared to previous years.

Global emissions from coal declined in 2019. However that drop was more than offset by strong growth in the use of oil and natural gas.

Divestment from fossil fuels is a growing trend in all sectors, especially in the finance sector.

We continued to prioritize renewable energy investments in 2019 as we declared in our Climate Change Action Plan.

The renewable energy share in electricity generation in Turkey reached to 50%. As a bank, we are aware of our role in all renewable energy investments, especially in wind projects.

Being the largest lender for wind projects in Turkey, our entire greenfield energy generation projects in the project finance portfolio consisted of renewable investments for the last 6 years.

Additionally, we have an extensive risk management process in line with international standards in order to minimize the environmental and social impacts of the projects that we finance.

We not only provide financing, but also support these processes with green loans to strengthen companies' environmental and social risk management policies.

With this approach, we signed Turkey's first two Green Loan agreements where the loan margin is directly linked to the sustainability performance.

Likewise on the debt financing side, in the transition to a low-carbon economy, we try to increase renewable investments through green bonds.

In the future, the renewable energy investments will replace the conventional energy investments.

As Garanti BBVA, we believe that long-term business opportunities for the future will be supported with the increase of renewable and environmentally-friendly energy investments.