

# OUR MATERIAL MATTERS

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With this integrated report we aim to provide a coherent story of our activities. The basis of this story is the materiality analysis which enables us to identify the most relevant and important topics for Garanti BBVA and its stakeholders, the material issues. Material issues are mainly determined based on stakeholder dialogue and are plotted in the materiality matrix. The topics defined within the materiality matrix form the basis of this report, as described in the 'About This Report' section.

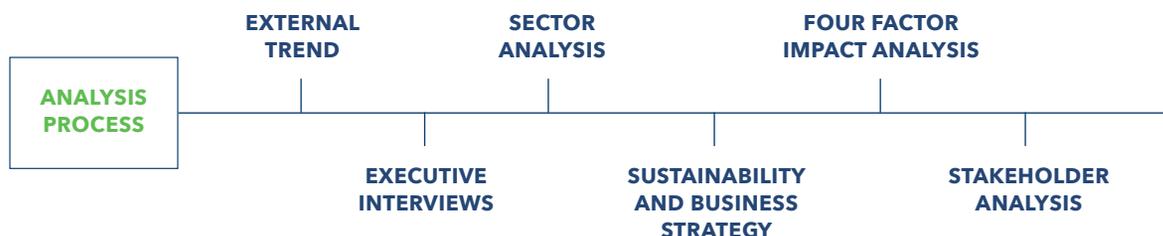
We performed our first materiality analysis in 2013. As we want to make sure that we are always in line with the needs of our stakeholders and that the identified material issues are still the most important, we perform an update of our materiality analysis approximately once in every two years. The revision in the first quarter of 2017 formed the basis for our 2017 and 2018 reports. The last revision was finalized in 2019. As we brought our new analysis to completion, we once again listened to

our internal and external stakeholders, and reviewed the connection between our corporate strategy and global trends which impact the banking sector.

As Garanti BBVA, we carried out a desk study where we gathered the available information shaped by the opinions of all our key internal and external stakeholders, and studied the trends, sectoral reports, reports of global banks, and advice by international professional organizations such as the UN Environment Program Finance Initiative (UNEP FI), Global Reporting Initiative (GRI) and Sustainability Accounting Standards Board (SASB). On another front, we identified the topics taking into consideration the outputs from the task force that included the Strategic Planning and Responsible Banking Unit at the BBVA Group. Then, we conducted a comprehensive stakeholder analysis by reaching all key stakeholder groups via questionnaires and phone calls to gather their opinion. In the external

trend analysis, we reviewed the priorities of initiatives which guide the business world and financial sector, such as the UN Sustainable Development Goals, UN Principles for Responsible Investments, the World Economic Forum's Global Risks Report, Presidency of the Republic of Turkey Department of Strategy and 11<sup>th</sup> Development Plan, and UNEP FI Principles for Responsible Banking. Our external stakeholder analysis also incorporated reports issued by organizations active in the same sector, printed media and social media feedbacks to gain an insight into the perspective of the society and the sector, as well.

We included the view of a senior executive who is directly reporting to our Board of Directors and the CEO. The senior executive evaluated the topics according to the five-year corporate strategy and topics' risk and opportunity areas as well as their operational, reputational, strategic, legal and financial impact. In addition, we



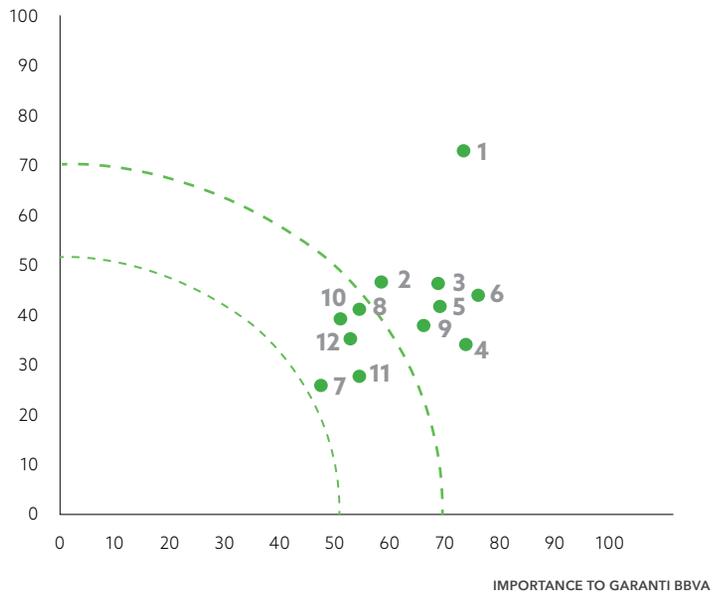
evaluated the topics through a four-step assessment called “Four Factor Impact Analysis”. In the assessment, we ranked each topic according to the magnitude of impact, likelihood of impact and time frame (short, middle, long) in terms of;

- Direct financial impact and risk,
- Legal, regulatory and policy drivers,
- Opportunities for innovation,
- Industry norms, best practices and competitive advantage.

In an integrated governance approach, we finalized the analysis considering the alignment of topics with our integrated business strategy. According to the analysis, the following were assigned over 70% importance and were highlighted within 12 material topics: Solvency and sustainable results, corporate governance, ethical behavior and consumer protection, easy, fast and DIY, adequate and timely advice to customers, cybersecurity and responsible use of data, and environmental and climate change impact. These were clustered under 6 main topics in our analysis: Customer Experience, Financial Performance, Digital Transformation, Corporate Governance and Risk Management, Investing in Human Capital, Responsible and Sustainable Development.

### MATERIAL ISSUES FOR GARANTI BBVA AND ITS STAKEHOLDERS

IMPORTANCE TO STAKEHOLDERS



1	<b>Solvency and Sustainable Results</b>
2	<b>Corporate Governance</b>
3	<b>Ethical Behavior &amp; Consumer Protection</b>
4	<b>Adequate and Timely Advice to Customers</b>
5	<b>Easy, Fast and DIY</b>
6	<b>Cybersecurity &amp; Responsible Use of Data</b>
7	Talent Attraction, Development and Retention
8	Diversity and Conciliation
9	<b>Environmental and Climate Change Impact</b>
10	Human Rights
11	Financial Education & Inclusion
12	Contribution to Societies' Development

**SUSTAINABLE DEVELOPMENT GOALS AND GARANTI BBVA**

On 1 January 2016, the Sustainable Development Goals (SDGs) of the 2030 Agenda for Sustainable Development officially came into force. SDGs, adopted by the United Nations, guide the business world in terms of contributing to social development.

To ensure an inclusive, strong and stable economy for all individuals and to achieve social welfare in the world, the financial services sector should also adopt the SDGs in various ways, including, for example, by reshaping market opportunities in line with society's needs. The actions we undertake to address the material issues contribute to the SDGs and are explained in the Performance Section of this report.

CUSTOMER EXPERIENCE	4	Adequate and Timely Advice to Customers		
	11	Financial Education & Inclusion		
FINANCIAL PERFORMANCE	1	Solvency and Sustainable Results		
CORPORATE GOVERNANCE & RISK MANAGEMENT	2	Corporate Governance		
	9	Environmental and Climate Change Impact		
	3	Ethical Behavior & Consumer Protection		
DIGITAL TRANSFORMATION	5	Easy, Fast & DIY		
	6	Cybersecurity & Responsible Use of Data		
INVESTING IN HUMAN CAPITAL	7	Talent Attraction, Development and Retention		
	8	Diversity and Conciliation		
RESPONSIBLE & SUSTAINABLE DEVELOPMENT	9	Environmental and Climate Change Impact		
	10	Human Rights		
	11	Financial Education & Inclusion		
	12	Contribution to Societies' Development		

# STAKEHOLDER ENGAGEMENT

 3,101  14.57 min  9  customers

Because of the great importance we attach to them, regular communication with our stakeholders and hearing their opinions give us the opportunity to be a more inclusive Bank in every aspect. Continuous feedback from our stakeholders allows us not only to understand stakeholder expectations and meet their needs more sensitively, but also presents us with a great opportunity to determine risks and opportunities, and set our priorities and strategy more comprehensively.

In 2019, as Garanti BBVA we maintained the dialogue with all our internal and external key stakeholders through various channels all year round. Based on the feedback from these dialogues and the outputs from the task group at BBVA Group in which our Strategic Planning and Responsible Banking Unit participated, we identified our material issues. In view of these issues, we updated our materiality analysis and revealed how they are prioritized by our internal and external stakeholders and which issues need to be given the forefront depending on the materiality of the determined issues. In this process, we used the AA1000SE Stakeholder Engagement Standard (2015) as a reference to conduct the stakeholder engagement process in a more strategic and comprehensive way.

Firstly, we grouped our stakeholders according to three criteria as directly impacting Garanti BBVA, indirectly impacting Garanti BBVA, and bringing in new opportunities, insights and approaches.

Based on this analysis, Garanti BBVA's key stakeholder groups are determined as customers, employees, shareholders and investors, NGOs, international organizations and associations, government agencies & regulatory bodies, and international financial institutions. In addition to these stakeholder groups, case studies from the banking sector, current international trends, printed broadcast sources and social media feedbacks made a part of our materiality analysis together with the stakeholder groups in order to capture the viewpoint of the society and the sector regarding these issues. Then, we evaluated our stakeholders according to the criteria of dependency, influence, proximity, representation, policy, strategic intent and responsibility, and calculated the weighted score for each stakeholder group.

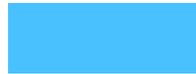
We reached most of the prioritized stakeholders via surveys. With a 100% response rate, we collected the opinion of approximately 1,500 people through the survey carried out by an independent company and the relevant teams within

the Bank. We conducted an interview with a senior manager responsible for strategy and directly reporting to the Board and the CEO. We asked our stakeholders to prioritize the 12 topics identified in terms of the ones they deem important and wish to highlight, and share their perception of important trends with their opinions and expectations about Garanti BBVA's practices.

Within the topics we have identified as Garanti BBVA, the issues assigned with above 70% importance and highlighted by our internal and/or external stakeholders were Solvency and Sustainable Results, Corporate Governance, Ethical Behavior and Consumer Protection, Easy, Fast and DIY Options, Environmental and Climate Change Impact, Adequate and Timely Advice to Customers, Cyber Security and Responsible Use of Personal Data.

**MOST OF OUR STAKEHOLDERS EXPECT GARANTI BBVA TO MAINTAIN ITS PIONEERING POSITION IN SUSTAINABLE FINANCE, RAISE AWARENESS OF THIS TOPIC AMONG ITS CUSTOMERS AND DELIVER SUSTAINABLE FINANCIAL PRODUCTS.**

78%

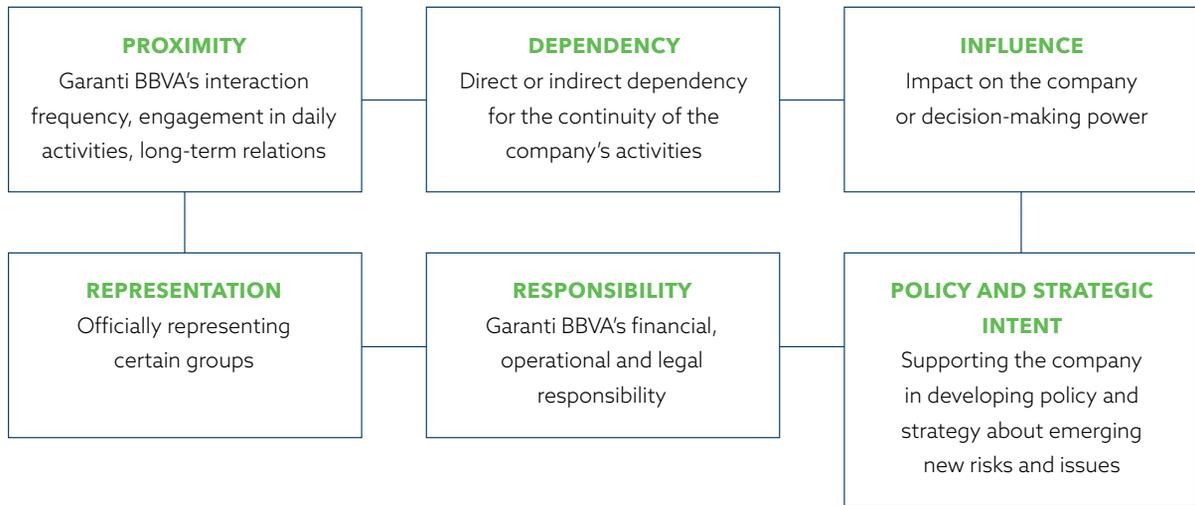


Customers and employees find sustainable financial products are important for managing environmental impact and battling climate change.

83%



Customers and employees find management of digital risks is important.



STAKEHOLDER GROUP	ISSUE	MATERIAL ISSUE RELEVANCY	WHAT DO WE DO ABOUT IT?
<p><b>CUSTOMERS</b></p>	<ul style="list-style-type: none"> <li>→ Increasing expectations on faster service, less waiting time and better experience especially in branches</li> <li>→ New demands in line with new technologies and digitalization</li> <li>→ Increasing need for being informed about the regulatory changes surrounding FX loans and foreign trade</li> <li>→ SME customers' need to personally get acquainted with all contacts in the Bank, and to see and feel them as their advisor or their company's representative at the Bank</li> </ul>	<ul style="list-style-type: none"> <li>→ Cyber Security and Responsible Use of Data</li> <li>→ Easy, Fast &amp; DIY</li> <li>→ Solvency and Sustainable Results</li> <li>→ Ethical Behavior &amp; Consumer Protection</li> <li>→ Human Rights</li> <li>→ Adequate and Timely Advice to Customers</li> </ul>	<ul style="list-style-type: none"> <li>→ In 2019, Garanti BBVA kept offering new channels as part of complaint handling digitalization. Accordingly, customers began communicating their complaints by leaving "voice messages" via the Customer Communication Center. We will keep enriching the digital channels to offer an even better experience in this regard in 2020.</li> <li>→ Under the Central Customer Services Representative (CSR) Project, operational transactions are being performed by a central team, thus alleviating the operational workload on SME portfolios in branches. Thus, portfolios were supported to allocate more time to customer relationship management.</li> <li>→ In 2019, Garanti BBVA completed the transformation of branches into the new service model. The new model captures the benefits of the emerging digital world to offer an all-around excellent banking experience.</li> <li>→ The usage scope of the chatbot Bilge (the Wise) launched in 2018 in order to improve the customer service quality by the Customer Experience Support team was expanded in 2019. The chatbot was made available for use by new teams, thus bringing the total number of users to more than 1,000. Bilge now answers over 30,000 queries per month.</li> <li>→ The customer experience in digital channels have been further improved with the releases of;             <ul style="list-style-type: none"> <li>→ QR code based transaction options,</li> <li>→ Video call authentication for transactions that needed to be performed through branches or Customer Contact Center before</li> <li>→ Integrated in-app search engine for Garanti BBVA Mobile App, displaying specific functions, recent transactions and suggestions</li> <li>→ Launched credit card application and limit increase tracking - from initial evaluation to delivery status in BonusFlas</li> <li>→ Added card blockage functions - 24 hours temporary &amp; international blockage and international transactions notifications</li> <li>→ Service provision also via WhatsApp, and</li> <li>→ Istanbulkart top-up and balance viewing capability via Garanti BBVA Mobile.</li> </ul> </li> <li>→ With the "Smart Transactions" recently added to Garanti BBVA Mobile, a service was offered intended to enhance customer experience by reducing the time and effort customers spend for performing their daily financial transactions.</li> <li>→ Onboarding process can be initiated through Garanti BBVA Mobile and completed by just executing a signature at the branch to become a Garanti BBVA customer. It is targeted to turn this into an end-to-end digital experience following the regulatory changes to be made.</li> <li>→ Garanti BBVA also redesigned mobile and online services for SME customers to enable them to easily monitor critical products and accounts as well as their cash flow and account summaries.</li> <li>→ Informative foreign trade seminars were organized for customers whereby they were updated about the regulatory changes.</li> <li>→ Visits were planned for all SME customers, and customer relations were deepened through emphatic visits. The Bank worked on training programs that will help all employees to deliver a better customer experience, as well as sector-related specific content, and authorization packages that will help them find solutions to customer needs more quickly. My Empathy Assistant platform supporting resolution of customers' issues at first contact by our employees is made available to all employees servicing SME customers. The content of the platform was improved and enriched accordingly.</li> </ul>

STAKEHOLDER GROUP	ISSUE	MATERIAL ISSUE RELEVANCY	WHAT DO WE DO ABOUT IT?
<p><b>EMPLOYEES</b></p>	<p>Increasing the employees focus and satisfaction with the Bank practices; ensuring employee representation in HR processes and decision mechanisms existing within the employee journey.</p>	<ul style="list-style-type: none"> <li>→ Solvency and Sustainable Results</li> <li>→ Cyber Security and Responsible Use of Personal Data</li> <li>→ Easy, Fast &amp; DIY</li> <li>→ Adequate and Timely Advice to Customers</li> <li>→ Corporate Governance</li> <li>→ Ethical Behavior and Consumer Protection</li> </ul>	<ul style="list-style-type: none"> <li>→ Garanti BBVA makes available structured training for idea conception with its employees, while offering them the necessary infrastructure and technical capabilities for developing feasible ideas and for thinking big and taking innovative steps.</li> <li>→ In 2019, a wide variety of topics were addressed on idea and opinion development platforms, Önersen, GONG, Atölye and Ask/Share. While 230 ideas and opinions were shared via GONG, 922 were conveyed through the Önersen platform (more than 24,000 since 2007).</li> <li>→ During the idea workshop intended to build on corporate values in the last quarter of 2019, 120 employees developed ideas that will more efficiently capture the values in daily life, employing the design thinking technique.</li> <li>→ In 2019, agile project methodologies launched in Head Office units contributed to business development by employees based on shared wisdom in improvement areas and to presentation of their projects to the committees.</li> <li>→ In 2019, existing coaching and mentoring practices began to be reshaped based on employee suggestions and demands.</li> <li>→ With the guidance of women employees contacted to get their ideas within the scope of practices observing equality in employee journeys of women and men employees, the Paternal Experience Project was initiated in 2019, similarly to the Maternal Experience Project launched in the previous year.</li> </ul>

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<p><b>SHAREHOLDERS AND INVESTORS</b></p>	<ul style="list-style-type: none"> <li>→ Following the change in the CEO seat during the reporting period, communication of our new CEO with investors</li> <li>→ Expecting more transparency on the following issues:                             <ul style="list-style-type: none"> <li>- Extent of asset quality deterioration due to rapidly changing market conditions and specific sectors</li> <li>- Possible new regulatory framework affecting the banking sector</li> <li>- Currency Volatility</li> <li>- Interest Rates</li> </ul> </li> <li>→ More detailed disclosure on the carbon intensity of the loan book</li> </ul>	<ul style="list-style-type: none"> <li>→ Solvency and Sustainable Results</li> <li>→ Corporate Governance</li> <li>→ Environmental and Climate Change Impact</li> <li>→ Cyber Security and Responsible Use of Data</li> <li>→ Easy, Fast &amp; DIY</li> <li>→ Ethical Behavior &amp; Consumer Protection</li> <li>→ Financial Education &amp; Inclusion</li> </ul>	<ul style="list-style-type: none"> <li>→ The management interview video of our new CEO broadcast on Garanti BBVA TV increased his visibility by the investors and the media.</li> <li>→ Our new CEO got together with shareholders and potential investors at the London investor conference.</li> <li>→ Increased transparency in the financial result presentations : detailed sectoral breakdown of the loan book.</li> <li>→ Detailed explanation about the differentiated and prudent staging as well as the coverage details.</li> <li>→ Additional free provisions were set aside in 1Q19 &amp; 4Q19 for any negative circumstances that may arise. Total free provisions in the balance sheet reached TL 2.5 billion.</li> <li>→ In 2019 characterized by rapidly changing market dynamics, Garanti BBVA IR team increased engagement via conferences, roadshows and conference calls. IR team reached 667 investment firms in 2019.</li> <li>→ Provisions due to currency depreciation are 100% hedged.</li> <li>→ High share of CPI-linkers (share in the TL securities: 73%) serves as a hedge against volatility in interest rates &amp; inflation.</li> <li>→ Information was provided about the high margin and profitability that the Bank successfully preserved over the years despite volatile macro indicators.</li> <li>→ Information was shared regarding the Bank's action plans against actual and potential regulatory implications.</li> <li>→ Lunch meetings were organized with stock analysts and stock sales departments for more effectively telling about the story of Garanti BBVA stock.</li> <li>→ Garanti BBVA has been responding to CDP Climate Change since 2009 and CDP Water since 2015. The Bank makes all of its reports public on its website. The Bank is also among the first supporters of TCFD Recommendations, and is part of the core team of the UN Principles for Responsible Banking developed by the UNEP-FI. In this year's Integrated Annual Report, as it does every year, the Bank disclosed the ratio of its loans extended to companies with carbon-related risks and total financing mobilized to low-carbon investments.</li> </ul>

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<p><b>FINANCIAL INSTITUTIONS</b></p>	<p>Credit ratings of debt instruments were lowered by some rating agencies during the year</p>	<ul style="list-style-type: none"> <li>→ Solvency and Sustainable Results</li> <li>→ Human Rights</li> <li>→ Ethical Behavior and Consumer Protection</li> <li>→ Environmental and Climate Change Impact</li> <li>→ Diversity and Conciliation</li> <li>→ Corporate Governance</li> </ul>	<ul style="list-style-type: none"> <li>→ Negotiations and amendments to relevant clauses in existing and new agreements have been made throughout the year.</li> <li>→ The Global Compact Sustainable Finance WG headed by the Bank expanded the scope of Sustainable Finance Declaration to include a decrease in investment amount limit and some provisions to ensure better control of banks on the impact of projects financed by them, and provide guidance for the management of environmental and social risks.</li> <li>→ A series of stakeholder feedback meetings were organized with other banks and international financial institutions for the final version of the UNEP FI Principles for Responsible Banking. The Principles were launched on 22 September 2019 during the UN General Assembly meeting in New York City. Garanti BBVA was among the banks pledging to implement the UN Principles for Responsible Banking, together with five other banks from Turkey.</li> <li>→ UNEP FI Impact Analysis WG organized a series of meetings to work on the portfolio impact analysis methodology in the finance sector.</li> </ul>

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<p><b>NON-GOVERNMENTAL ORGANIZATIONS AND ASSOCIATIONS</b></p>	<ul style="list-style-type: none"> <li>→ Sharing our know-how and in-depth experience in ESG Management and Sustainable Finance</li> <li>→ Aligning our portfolios with low carbon pathways</li> </ul>	<ul style="list-style-type: none"> <li>→ Diversity and Conciliation</li> <li>→ Corporate Governance</li> <li>→ Contribution to societies' Development</li> <li>→ Solvency and Sustainable Results</li> <li>→ Human Rights</li> <li>→ Ethical Behavior and Consumer Protection</li> </ul>	<ul style="list-style-type: none"> <li>→ Garanti BBVA transformed its Sustainability Website launched in May 2018 into a living platform in 2019 within the frame of stakeholders' best practices, global trends and developments.</li> <li>→ Garanti BBVA, being the only founding member bank from Turkey in the UNEP FI's Principles for Responsible Banking Core Group, became a signatory of the Principles in 2019. The Principles, aimed at aligning the banking sector with the UN Sustainable Development Goals (SDGs), will provide substantial contribution to these goals along with the Paris Agreement by setting the roadmap for the banking sector. Defining the new role of the banking in the 21st century society and economy, they aim to maximize the impact of the banking sector on achieving a sustainable, equal and prosperous future.</li> <li>→ Beginning from 2014, 100% of the total amount of financing to greenfield electricity production investments in project finance activities has been provided to renewable investments.</li> <li>→ Owing to the importance it attaches to gender equality and diversity and to the steps it has taken in this area, Garanti BBVA qualified to be included once again in 2019 in the Bloomberg Gender Equality Index as the only company from Turkey. The Bank continued to convey its initiatives and experiences in this area to all of its stakeholders via associations it chairs or belongs to.</li> </ul>

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<p><b>GOVERNMENT AGENCIES &amp; REGULATORY AUTHORITIES</b></p>	<p>→ Personal Data Protection Board announced the procedures and principles of the Data Controllers Registry. It has also outlined the details about applications and information which must be filled with the registry. The Board also published the dates on which data controllers must register. On 17 February 2020, deadline for registration in the Data Controllers Registration Information System (VERBIS) was extended until 30.06.2020.</p> <p>→ Pursuant to the final action plan updated in the Coordination Council for the Improvement of Investment Environment (in Turkish: YOIKK) meeting held on 8 August 2019 and chaired by Vice President Fuat OKTAY, which is publicly disclosed on YOIKK portal (yoikk.gov.tr), Borsa Istanbul was designated as the entity in charge of the action "Encouraging our companies to get higher share of global sustainable investment flows" covered within the responsibility areas of Tax, Financing and Incentives Working Group.</p> <p>→ The Ministry of Environment &amp; Urbanization asked the banks to provide support on COP Turkey pavilion events and negotiations</p> <p>→ Department of Energy Efficiency and Environment asked for opinions regarding new financing models for funding residential heat insulation projects.</p>	<p>→ Solvency and Sustainable Results</p> <p>→ Environmental and Climate Change Impact</p> <p>→ Talent Attraction, Development and Retention</p> <p>→ Easy, Fast &amp; DIY</p> <p>→ Contribution to societies' development</p> <p>→ Diversity and Conciliation</p>	<p>→ Garanti BBVA initiated an IT project increasing the efficiency of the registration process. As part of this project, the Bank's personal data inventory will be reviewed in light of the regulatory framework. Also, the follow-up structure will be improved to keep the inventory up to date.</p> <p>→ Internal work has been completed for VERBIS registration, however the registry was not entered in the system due to the deadline extension. The IT project mentioned above is ongoing for keeping the personal data inventory up-to-date and to improve the VERBIS registration with the help of the inventory. A personal data exploration tool will be purchased for the project.</p> <p>→ Garanti BBVA has been advising and cooperating with regulatory bodies such as the BRSA, CMB, and Borsa Istanbul regarding non-financial issues to be included in the regulatory framework. Garanti BBVA directly contributed to the memo sent by TUSIAD (Industry and Business Association of Turkey) for contributing to Borsa Istanbul's work associated with YOIKK and participated in meetings via various business associations.</p> <p>→ As part of the side events hosted by the Ministry of Environment &amp; Urbanization at COP25, the panel "10 Years Countdown to 2030: Banks Acting as Influencers to Enhance Common Market Practice" was held in which Garanti BBVA took part. Garanti BBVA is committed to provide support to technical studies and sectoral workshops organized by the Ministry to contribute to climate negotiations.</p> <p>→ In response to the demand from the Department of Energy Efficiency and Environment, Garanti BBVA offered its suggestions regarding new financing models directed at support mechanisms that can be created for residential heat insulation projects. The suggestions include mechanisms that can be easily integrated into systems, for which customers can quickly request and receive service for.</p>

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<p><b>TOP MANAGEMENT</b></p>	<ul style="list-style-type: none"> <li>→ Efficient management of asset quality and credit risk</li> <li>→ Develop products and services, which will support customers' financial well-being and improve the Bank's "referral" competencies on digital channels using big data analysis and AI in accordance with Transparent, Open, Responsible Banking (TOR) principles</li> <li>→ Developing innovative solutions to support our customers on improving their sustainability performance</li> <li>→ Constantly enhance customer experience and carry on with improvement after the new service model</li> <li>→ Providing a safe, healthy, and happy workplace for employees where their well-being and personal development are fully supported</li> <li>→ Be a data-driven organization and ensuring responsible use of data</li> <li>→ Sustain technology investments at the same speed and effective use of resource</li> </ul>	<ul style="list-style-type: none"> <li>→ Solvency and Sustainable Results</li> <li>→ Adequate and Timely Advice to Customers</li> <li>→ Cyber Security and Responsible Use of Data</li> <li>→ Talent Attraction, Development and Retention</li> <li>→ Environmental and Climate Change Impact</li> <li>→ Corporate Governance</li> <li>→ Ethical Behavior and Consumer Protection</li> <li>→ Easy, Fast &amp; DIY</li> <li>→ Diversity and Conciliation</li> <li>→ Human Rights</li> </ul>	<ul style="list-style-type: none"> <li>→ Market developments were closely watched and asset quality, which was a top agenda item during the year, was managed proactively.</li> <li>→ Customer needs and possible issues were identified asap and action plans were developed, thus observing the health of the balance sheet, and financial well-being of our customers.</li> <li>→ Credit teams and business lines worked in harmony, displayed responsible management, while credit risk was managed with the utmost sensitivity and all stakeholders were kept informed transparently throughout the year. The Bank's provisions were managed prudently and reinforced.</li> <li>→ While aiming to increase financial literacy of its customers and making them aware of their financial status, Garanti BBVA is working on Financial Health function that will be implemented in Garanti BBVA Mobile Banking app, which will show customers their status on savings and expenses. Customers will be able to get information about their financial status around savings-expenses, they will be offered insights and special action plans to improve their Financial Health. Finally, a percentage about the whole process will be shown to customers. Digital Banking teams work with the Analytical Team to cluster Garanti BBVA customers according to their spending/earning behavior based on big data analysis.</li> <li>→ In 2018, Garanti BBVA launched two Green Loan structures where the margin of the loan is directly linked to the sustainability performance of the borrower. The customers' performance evaluations with respect to these loans were completed in 2019. In addition, in 2019, the Bank signed a Gender Loan agreement structured based on its initiatives in gender equality, which supports equal treatment of women and men employees by companies.</li> <li>→ Important agenda items included elaborating on improvement areas in other relevant management meetings where customer feedback received from various channels such as Customer Committee meetings, research, complaint handling platforms and so on is regularly evaluated, and steering projects designed to enhance customer experience. As the continuation of the service model transformation that has been completed in all branches last year, work continued to ensure full adaptation of our branches to the new structure. Efforts for minimizing operational workload on branches, digitalization of processes and constantly improving and accelerating the quality of customer service gained speed.</li> <li>→ The Employee Committee, which is headed by the CEO and has Board and Top Management members as its members, continued to work on enhancing customer satisfaction, and increasing the number of programs balancing work and life and improving employee motivation in 2019. Our Employee Engagement score increased in 2019 on the back of initiatives in this vein.</li> <li>→ Following the introduction of the "Data Governance" and "Data Transformation" projects, increased integration of data in our daily lives and decision-making points, expanding data use in areas that will create positive value for our customers and the Bank, and increasing the prevalence of data projects made the important agenda items of the year.</li> <li>→ Project "ARK", which started by mid-2019, is intended to modernize the entire technology platform. Upon completion of the project, efficiency of software development processes will increase, and in turn, time to market will shorten. Use of state of the art and innovative technology and processes will help overcome the problems experienced in finding the human resource in the technology field. A key output of the project will be increased capability of Garanti BBVA to introduce products depending on new technology (real-time marketing, API market, blockchain etc.).</li> <li>→ In terms of effective use of technology resource and project management, quarterly priority setting meetings (PSM) for the Bank projects and investments continued to be held where strategic priorities, value creation, cost and resource utilization aspects were addressed.</li> </ul>