

# OUR 2020 MATERIAL ISSUE: COVID-19

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## CREATING RESPONSIBLE AND SUSTAINABLE VALUE FOR ALL STAKEHOLDERS IN UNCERTAIN AND DIRE TIMES

*Looking Out for Our Employees' Health*

*Standing by Our Customers*

*Providing for the Benefit of Society*

Considering the health of its employees, customers and the society as its topmost priority during the pandemic, Garanti BBVA, as always, focused on taking responsible and sustainable actions through these times. The Bank maximized its precautions against the extremely rapidly spreading Coronavirus pandemic that took hold of Turkey along with the whole world. As the impact and status of the pandemic fluctuated, the Bank reviewed and reshaped its efforts and initiatives with measures classified as to be suspended, updated, strengthened and initiated. One of the strongest muscle of the Bank in this period has been its organizational agility, which provided the ability to rapidly shift its focus for redefining its priorities, fulfill the society's, customers' and employees' needs uninterrupted and rapidly while protecting their health, and consequently to deliver good experiences.

### *Looking Out for Our Employees' Health*

Having spelled out its primary responsibility as delivering uninterrupted service to the society, stakeholders and customers being Turkey's leading financial institution, Garanti BBVA defined its employees' health as its topmost priority.

To this end, each step taken was built, first and foremost, on the basis protecting employee and customer health and managing this strategy in a balanced manner. The steps taken and precautions adopted are addressed under the headings monitoring the current situation and health processes, physical environment, hygiene and employee services, and finally, technology and data.

#### MONITORING THE CURRENT SITUATION AND HEALTH PROCESSES

Close follow-up of the current status of employees' health and management of health processes

#### PHYSICAL ENVIRONMENT

Arrangement of physical working environments and facility services in accordance with the conditions dictated by the pandemic

#### HYGIENIC MEASURES AND EMPLOYEE SERVICES

Providing the hygienic working environment needed by employees and adoption of all necessary hygienic precautions

#### TECHNOLOGY AND DATA

Utilizing the means and possibilities offered by technology, integration of robust data infrastructures and data within decision-making processes

In doing so, Garanti BBVA took utmost care to achieve complete alignment with the instructions and guidance of local and international health authorities.



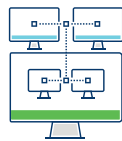
## Transition to remote working infrastructure within 2 weeks in March

As one of the most vital steps of preventing the spread of the pandemic, all employees falling under the “vulnerable group” as defined by local health authorities are kept away from working environments. All events, trainings and foreign trips were canceled. A broader group of employees began working from home under the remote access model from March 17th onwards. Garanti BBVA was fast to adapt to this situation that obligated a shift in the working model of the financial services sector at a highly unforeseen time. At the same time, rotating working model of home-based working and in-office presence was introduced in regional offices and branches. Working hours were modified in line with the decisions made by the authorities. Flexibility was provided in the dress code to allow employees to work more comfortably and to facilitate their adherence to hygiene guidelines.

In order to guarantee no setbacks in their work and to sustain service availability, the Bank focused on constantly supporting and upgrading the technological infrastructure and capabilities made available to its employees.

Investments in robust technological infrastructure which was existing before the pandemic, provision of hardware aimed at mobilizing employees that was already initiated, digital business processes and agile working methods adopted allowed Garanti BBVA to quickly adapt to teleworking, and to work in the most productive manner during the pandemic.

## Remote access model, Full provision of hardware with enterprise devices



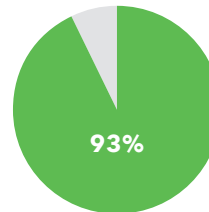
To secure business continuity and service excellence in certain work areas, role-specific hardware was set up in designated

teleworking locations. All employees were given remote access authorization to their work computers. Laptops were procured for 1,735 employees in total, whose roles are appropriate for teleworking to enable them to work from home.

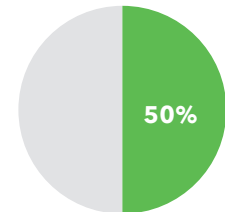
To guarantee business continuity, transactions especially carried out at branches and are fit for digitalization were centralized and necessary procedures were created. The Operation Center was particularly critical at this point. Garanti BBVA rendered 80% of the Operation Center capable of teleworking. In addition, teleworking was initiated also for Customer Contact Center and banking service. For delivering the best service quality in work areas that saw significant increase in customer demands during the pandemic, employees possessing the appropriate capabilities were rapidly identified, a quick transformation was secured in this context thanks to the flexible organizational structure of Garanti BBVA, and competencies of employees falling in this category were strengthened with necessary training programs. With an agile approach, finding solutions to suddenly arising customer needs was successfully managed with a much-faster-than-expected approach.

## Transition to Remote Work

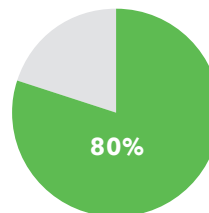
Headquarters



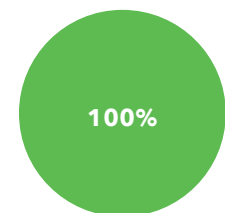
Branches and Regional Offices



Operation Center

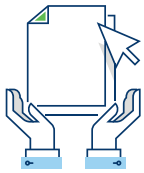


Customer Contact Center



Plexiglass separators were installed in branches in order to protect the health of customers and branch employees contacting the customers. All branches and buildings were disinfected. Masks, disinfectants, gloves and similar protective products continue to be supplied on an ongoing basis to all the employees in work locations. Besides all these measures and efforts, work continues uninterrupted for rendering the working environments healthier.

Given the conditions that the employees are in, the performance system covering sales targets was reviewed and revised when necessary, in an effort to minimize lengthy contact that might increase the risk of infection.



## Daily inventories to follow-up the the health of employees and their families

Through the inventory that was created to follow-up the health of employees and also their families, which can be easily reached through digital platforms, the Bank enabled all of its employees to report illness and suspected cases for themselves and their families on a daily basis. In line with the information gathered from the inventory, Occupational Health and Safety Team made the necessary medical assessments and followed up employees' isolation processes. Contact was established with all employees reporting a suspicious case within 24 hours. Employees who are confirmed or highly suspected COVID-19 cases were followed up closely through their recovery. Adherence to the Bank's corporate policies and practices not just by Garanti BBVA employees but also by 3rd party service providers was monitored closely.

Infrastructures capable of tracking the course and impact of the pandemic and of strengthening data-driven decision-making were developed; regular analysis of data using the pandemic-linked comprehensive, up-to-date database backed proactive action plans. In principle, the Bank closely followed the course

of the pandemic around the world, and its evolution across the country, along with certain high-risk hinterlands. Accordingly, proactive measures for the days ahead were adopted, rather than reactive ones for today. In addition, available data were monitored constantly; decisions were updated as and when necessary, and needs were fulfilled with an employee-centric flexible structure. Along this line, data from the COVID-19 Assessment survey that collected employee opinions measured the Bank 4% above the Turkey benchmark score in terms of the top management's suitable response to the crisis and attentiveness, closely dealing with the health of employees. In general, employees think that technological infrastructure and equipment needs were procured rapidly, adaptation to teleworking arrangements was quick during the pandemic, and with the intensive and inclusive occupational health and safety practices introduced, holistic practices were more successful and employee-centric as compared to those in other companies.

The course of the pandemic across the country was regularly monitored, as a result of which protective measures were developed tailored to high-risk or projected high-risk regions, and ratios of office- or home-based working were dynamically arranged. Social distancing and close contact tracking processes in buildings were backed by technological infrastructure and mobile applications, and steps were taken as necessary.



## COVID-19 Hotline for employees

Believing in the high value of information provision and transparent communication in every step along the way, Garanti BBVA keeps its employees informed about the evolution of the situation through live streams. Bringing its employees together with occupational physicians and subject matter experts on respective fields, as well as the senior management, the Bank facilitates access of its employees to the most accurate and quality information needed. The COVID-19 Hotline was set up to give all employees fastest access possible to information from the most reliable sources. The information page created on the

intranet lets all employees instantly track the implementations and developments.

## Psychological Support

*Employee Support Hotline*

*Seminars*

*Monthly Bulletins*

Putting emphasis and dwelling also on its employees' psychological well-being since 2010, Garanti BBVA incorporated additional psychological support service for the negative effects of the pandemic to its existing "Employee Support Hotline" service. In this context, employees who feel the need benefit from the online psychological support service on this line. Additionally, monthly interactive seminars were organized whereby expert psychologists gave information about the different aspects of the pandemic. Moreover, in September the Bank began publishing monthly bulletins covering suggestions to increase the wellbeing of employees.



## Training Modules on Health and Safety in Home-Based Working

Numerous training programs were designed within the scope of COVID-19, protection measures, and alignment with new working arrangements. Two training modules were offered to employees, which were titled "Health and Safety in Home-Based Working" aimed at helping establish healthier and more secure settings at home, and "Return-to-Office Plan and the Measures Adopted", describing the precautions for when in-office presence is required. Other Occupational Health and

Safety Training Programs were designed and made available to employees in formats compatible with the conditions inflicted by the pandemic, and as online programs whenever possible.

While all efforts within this scope helped employees feel secure, they also constituted an element strengthening the employee-centric HR strategy of Garanti BBVA. They also served to complete fulfillment of the employees' responsibilities towards customers, stakeholders and the society.

### Standing by Our Customers

The pandemic deeply impacted customers' lifestyles. Changes occurred in many aspects of life including social distancing, new health and hygiene routines, homes converted into offices, or going to work under abnormal conditions and embracing digital services. Garanti BBVA included its customers within its top priorities also in these challenging times as it always does, and worked to stand by its customers and to take the actions that will create value for them at all times.



## Custom-tailored solutions to +65 customers

The Bank continued with its investments to solidify its technology with the aim of increasing the speed and success of its past and future steps. Thanks to its robust infrastructure, no system failures occurred despite the record number of daily active user logins; nearly 16 thousand employees that were referred to working from their homes within a very short period of time, including Customer Contact Center employees, were able to access all banking platforms through their company equipment, and instantly reach the necessary information and announcements. The Bank was able to respond to customer needs independently from location through the online banking platform installed to tablets. Despite the doubled number of incoming calls to the Customer Contact Center, customer demands were satisfied easily and rapidly.



In this period, Garanti BBVA more tightly embraced its goal of being more than a bank for its customers and being positioned in their lives as a solution partner; the Bank relentlessly carried on with its surveys to hear its customers, and to gain insight into their changing behaviors and needs.

With the emergence of the pandemic, Garanti BBVA has seen that its relationship with its customers acquired a new dimension; the customers no longer regarded the Bank just as a financial advisor, but expected the Bank to adopt all hygienic measures being a healthcare expert at the same time. The Bank took actions to prevent density in branches; it did not apply any amount limitations for its +65 retail upscale customers' cash withdrawals via order Again for +65 customers, the Bank destroyed credit cards, which were to be received in branches, had them re-issued and delivered to their addresses. Some customers wishing to open a salary account were extended support by Head Office teams, without being referred to a branch. For protecting its employees' and customers' health, the Bank lifted the mandatory use of the G-Matik device used for arranging the lobby traffic in branches because of its touchscreen, and admitted a limited number of customers, one by one. Also, plexiglass separators were fitted on customer advisor desks. By means of the measures implemented, 95% of the customers visiting branches between April and September commented that they were very satisfied with branch services and precautions.

The Bank took care to maintain a clear and open communication with its customers regarding the decisions and implementations enforced in response to the pandemic; information was provided for 17 different situations by email, SMS, push notifications, social networks and the website. Precautions implemented in branches were announced with notices posted on branch entrances and monitors. Customers were kept constantly informed about new measures and practices. Hence, the Bank successfully maintained a high 78% satisfaction score with its COVID-19-related communication in April and May, when changes were the most intense.

## Referral to Digital Channels

*Uninterrupted service despite a record number of daily active user logins*

*Increase in digital and ATM money transfer limits*

*Fees and commission exemptions*

*Nearly 500 transaction sets on mobile banking app*

*Enhanced customer experience through new mobile banking functions*

To guarantee service continuity, the Bank took important steps to enrich functionality on digital channels, and reached nearly 500 transaction sets on its mobile banking app, and informed its customers about how they can perform these transactions. To incite its customers to perform their transactions digitally, the Bank applied no fees for digital money transfers, organized new campaigns, updated existing ones, and increased money transfer limits on digital channels.

## Robust Growth in Digital Customer Base



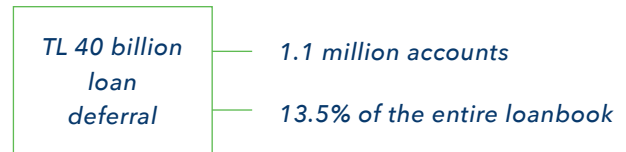
**9.3 million active digital customers with the highest increase in digital customer base in March**

To allow its customers to transact more conveniently using ATMs, daily cash withdrawal limits and automatic refund limits for cash that get stuck in ATMs was increased, while hourly transaction limits were doubled. In order to remove all the obstacles concerning digital transacting during the pandemic, "obtain and renew password for digital channels through video call" function was added to the mobile banking app within a short period of time. The Bank attained the highest-ever rise in digital customer base in March and reached 9.3 million active customers. At the same time, 69% of customers are stating that they are using digital channels at a higher extent and 54% are saying that they are going to the branches less frequently.

To protect customers' financial health in this period, the Bank offered the chance to defer and restructure the debts on its loan products. The Bank extended the deadlines for prizes earned in campaigns. Credit card payment limits were increased to facilitate spending for retail customers. Limit increase campaign was initiated to help commercial credit card holders to sustain their businesses and ease their product purchases. Credit card due deferral offer was launched for customers financially distressed because of the pandemic. The Bank also suspended the closure of credit cards to cash advance during the course of the pandemic, and allowed existing ones to be used for cash advance. Additional conveniences included 3 month postponement and a 6-installment repayment plan for easy repayment of total debt resulting at the end of this period. With this solution, the Bank stood by its customers in several respects including temporary payment difficulties of customers

during the pandemic, preserving their cash assets amid the uncertainty environment, postponing their card debts while continuing to use their cards, and preventing downgrading of their credit scores.

## Deferrals & Restructuring



## Support Packages



The Bank put its visionary investments and leadership in payment systems to use for sustainable economic development and contributing value to its customers during the pandemic. The Bank engaged in intense information campaign regarding contactless shopping solutions such as Payment with QR, Mobile Payment and GarantiPay. The Bank replaced POS devices used in member merchants with contactless terminals enabling payment without touching the POS device, and offered PIN pad devices with contactless capability. The Bank quickly adjusted itself to contactless transaction limits being increased to TL 250 by the Interbank Card Center (in Turkish: BKM). While the number of annual contactless transactions tripled, the Bank kept standing by its customers owing to its operational excellence prioritization. In a similar move, the Bank increased the number of QR-enabled devices to promote payment with QR. To facilitate customers' shopping without leaving their homes, the Bank established cooperation with a

number of e-commerce companies. Garanti BBVA invested in its remote payment infrastructure so that commercial activity of physical business places would not be hurt, and end users would be able to make their payments without leaving home, and thus launched Collection by Code. At its own discretion and also in accordance with the decisions of regulatory agencies, Garanti BBVA suspended interests and fees charged to a variety of transactions including cash-to-account money transfer, cash deposit from a different bank's ATM, postpone transaction, money withdrawal, as well as commissions charged to restructured loans. The Bank lengthened the time stipulated for classification of customer loans in non-performing loan category by two.



## Pioneering solutions in payment systems during the pandemic

Keeping its customers among its priorities in this period, as it always does, Garanti BBVA continued to understand their changing needs and expectations and to offer the solutions aligned with their needs. With its initiatives, the Bank not only keeps pace with the evolution in customer behaviors, but also invites its customers to change and continues to evolve together with them.

### *Providing for the Benefit of Society*

The COVID-19 pandemic, which deeply impacted our country along with the rest of the world and negatively affected every aspect of social life -particularly the economy besides community health-, has been a process that bared the importance of cooperating in the face of changing social needs, taking responsibility by institutions, and undertaking a pioneering role.

In the initial phase when the pandemic spread rapidly, Garanti BBVA has led the first step on behalf of the banking sector within the frame of the nationwide cooperation in response to the urgent needs arising in the healthcare sector and infrastructure. The Bank set aside a TL 10 million-fund for supplying the equipment urgently needed by state university hospitals where the combat against the pandemic was at its most intense in March. The fund was intended to urgently finance technical equipment that was critical for the treatment of the illness, and materials needed in great quantities particularly by doctors and healthcare workers such as masks, face shields, gloves, protective coveralls, scrub caps, watertight aprons and footwear. A critical support of this extent has, in a sense, pioneered the sector as well.

In keeping with the responsibility of being one of the largest banks in our country, Garanti BBVA fulfilled its share economically, while paying attention to the society's sensitivities, closely monitoring and extending support for arising or potential needs, and taking on a pioneering role during the pandemic. In this respect, the Bank took an important step for procurement of ventilators, which was the priority need of ICUs in our hospitals across the country, and fulfilled a vital need by undertaking the procurement of 500 locally-produced ventilators worth approximately TL 30 million under the slogan "Your Breath is Our Breath Turkey", within the frame of the assistance package organized in all BBVA Group countries.

Although a new phase started in the pandemic with the vaccine studies getting underway that gave rise to different expectations, its effects on community life persist. At this point, Garanti BBVA approaches the new needs arising from the process or imminent needs with the same sensitivity, and sustains its contribution to the society in these respects through sustainable projects and programs. One of the most important examples in this regard came to life in education, an area that was worst hit by the pandemic. The Teachers' Academy Foundation (ÖRAV) founded by Garanti BBVA kept



supporting the teachers uninterruptedly from the start of the remote education semester via eKampüs, its remote learning platform the infrastructure of which was constructed eleven years ago and updated last year. Having quickly adapted to the requirements of the digital age with eKampüs, ÖRAV kept a close eye on the emerging needs of teachers and students in this period. Based on these needs, Garanti BBVA, in cooperation with ÖRAV, authored a new educational project launched in September: Teachers Without Distances web seminars series... Web seminars conducted through ÖRAV'S remote learning platform eKampüs will continue to be held across 81 cities in Turkey throughout the year, and will contribute to equipping the teachers with the necessary skills and capabilities that will help them manage the remote education process in the most effective way and to make a difference.

expectations, to cater to them rapidly, to help its employees develop so that they can adapt to new processes while protecting them, and to use its power for the benefit of society.



*Detailed information about the actions taken by Garanti BBVA within the scope of COVID-19 is available in Risk Management, Stakeholder Engagement, Risks and Opportunities, 2020 Performance and Outlook in Strategic Priorities, and Corporate Governance sections of the report.*

## TL 40 Million Donation

**TL 10 MILLION**

*- First donation among banks  
- Technical and protective equipment for state university hospitals*

**TL 30 MILLION**

*Donation of 500 locally-produced respirators to 53 hospitals*

Garanti BBVA aims to keep contributing to our country with its long-term sustainable investments that will support sustainable development goals and respond to the needs in different areas that will move the society forward, as it does in the field of education.

While successfully reshaping its business model recognizing its role and responsibilities during uncertain and dire times, the Bank continues to understand evolving customer needs and