

How is Digitalization Transferred on Experience?

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Click/scan to watch the video and for information about our strategy, actions and contribution to Sustainable Development Goals.



Efficiency

97.7% share of digital channels in non-cash financial transactions (retail)

Digitalization



Transformation

780 million annual transactions through internet and mobile banking channels

Digitalization



Convenience

Set of more than 500 functions on mobile banking

Digitalization



Support

Employee chatbots Bilge and Kobilge answered 484 thousand questions

Digitalization

Reaching More Customers

5,644 23 min 10 customers

Material Topics	Value Drivers	Indicators	2020	2021
BUSINESS ETHICS, CULTURE AND CUSTOMER PROTECTION EASY, FAST & DIY	BE WHEREVER OUR CUSTOMER ARE, EFFECTIVELY USE NEW CHANNELS SUCH AS DIGITAL ONBOARDING AND PARTNERSHIPS EXPAND OUR CUSTOMER BASE AND DEEPEN OUR CUSTOMERS' RELATIONS WITH OUR BANK GROW IN AREAS OF FOCUS WHILE KEEPING AN EYE ON RISK AND COST	Customers*	18.8 million	20.3 million
		Digital Banking Customers	9.6 million	11 million
		Mobile Banking Customers	9.1 million	10.6 million
		Yearly Transactions Performed through Internet and Mobile Banking Channels	580 million	780 million
		Number of Garanti BBVA Logins	2 billion	2,7 billion
		% of Active Digital Customers	79.2%	83%
		Branches*	894	872
		ATMs*	5,309	5,401
		Number of Cardless Transactions via Garanti BBVA ATMs**	59 million	82 million
		Market share in transactions performed with QR***	34%	36%
		POS Terminals	684,896	700,616
		Number of Member Merchants	406,258	432,143
Credit Cards	10,308,368	10,992,736		

* The data do not include companies subject to consolidation.

**Performance indicators for cardless transactions passing through Garanti BBVA ATMs will continue to be made only with the number of transactions within the scope of improving data and performance tracking.

*** The indicator has been changed to market share within the scope of improving data and performance tracking.

Contributed Sustainable Development Goals



As **digitalization** changes the way companies do business, it is also rapidly transforming customer demands and consumption model. The fact that people spend most of their time on mobile platforms paves the way for companies to scheme their businesses on an **exclusively mobile format**. Therefore, **mobile banking platforms** come to the fore as the **key channel** of customer interaction for banks. **As the way of doing business and products are digitalized, the resulting customer experience is also completely digitalized.**

Strictly focused on offering a **better experience** on digital channels **at all times** and a follower of **omni-channel strategy**, Garanti BBVA aims to reach the users **at the right time with the right message**. Since the banking business requires an intensive set of functions, it becomes more and more important to balance it with an **effortless, simple user experience**. Garanti BBVA puts emphasis on creating **unrivalled user experience through thorough analysis of data**, and determines any deficiencies by way of regular **usability surveys**, thus **ensuring sustainability of perfect experience**. The Bank acts with the consciousness that **"human" is at the center of each and every product, service or design**.

Smart decision techniques are employed to approach customers through the **best-fitting channel**. Technology is utilized to upgrade customer experience; developments continue on every possible platform based on the Bank's vision of being accessible by customers **anywhere they need banking services**.

Furthermore, the Bank **transforms digital channels into an environment where customers can receive financial advisory**. The Bank also contributes to its customers' preparation for the digital future by **developing financial tools supporting digital transformation**. Taking digital channels way beyond being merely a platform for transacting and product applications, the Bank acts with the vision of delivering an **experience that interacts smartly** with the customers at every touchpoint and **establishes a true bond of trust**.

Garanti BBVA keeps developing solutions for its customers to deliver an **omni-channel banking** experience. With the mobile application, the Bank lets its customers transact **without needing any assistance** thanks to the **effortless, simple experience**

offered. At any point customers need assistance, solutions are presented using the appropriate technology via such services as **chatbots, video calls** and the like, and the Bank **stands by its customers**. Developed to **respond faster** to identified needs, **WhatsApp chatbot and the smart assistant UGI** experience continue to provide answers easily according to the changing needs of users and the current day. Garanti BBVA Corporate WhatsApp line, which runs on AI-based smart bot technology, can be reached 24/7 by saving the phone number **+90 444 0 333** or from the **"Contact Us"** page on Garanti BBVA Mobile. Facebook Messenger chatbot offers a **stronger understanding capacity** with its new infrastructure.

While furnishing all these services, Garanti BBVA recognizes the importance of adding the **human touch** wherever needed. The Bank offers solutions allowing users to **receive customer representative support without logging out of Mobile** when additional support is needed while talking to the virtual assistant. Hence, the Bank is working towards making Garanti BBVA Mobile the main center of customer experience. Put into use for all customers with the guidance provided by Garanti BBVA Mobile's smart assistant UGI, **Live Chat** channel lets customers receive banking support and perform their transactions within the mobile app by reaching **live support assistants from within the mobile app**.

Garanti BBVA takes care to **listen to the needs** of its customers on **every channel they are present** and to develop fitting **solutions**. With **"Garanti BBVA'ya Sor"** (Ask Garanti BBVA), which is the **first 24/7 social media customer satisfaction channel** in the Turkish banking sector, the Bank offers an efficient customer satisfaction service. Products and services are described also on social network platforms, which contributes to business results. Through contents in **financial and digital literacy, creative initiatives** are introduced that are **intended to make customers' lives easier**, which are at the same time aligned with the entertaining and dynamic nature of social networks.

While **social platforms had 7.6% share within total complaints** received by the Bank in 2015, this ratio is around **16%** today. **Rapid responses** provided to customer suggestions, comments and complaints contribute to **customer satisfaction**.

Considering the number of social media outlets it receives, Garanti BBVA is in the position of the most comprehensive complaint management institution in the financial sector.

In view of the number of platforms it uses for social network interactions, Garanti BBVA boasts the **most comprehensive complaint handling capability in the financial services sector.**

The **Executive Vice President of Client Solutions** responsible for digital channels, customer contact center, customer analytics, open banking and entrepreneurship, customer experience and satisfaction, together with the **Executive Vice President of Engineering and Data** responsible for technology, corporate security, operations, organization and process development, leads digital transformation within the Bank in collaboration with the senior management team. Furthermore, **the Board of Directors closely monitors the progress and the performance.**

Garanti BBVA **analyzes customer behavior** with a **data-driven** approach and develops its platforms according to **customers' needs** along the way. For these developments, the Bank undertakes **detailed customer life cycle analyses.**

Garanti BBVA aims to maintain its **leadership in digital channels** by way of continued monitoring and implementation of new technologies putting mobile channels at the heart of this experience.

WHAT WE DID IN 2021

Digitalization for unrivaled customer experience and value creation through digitalization

- Managing the **largest digital customer base among the private banks in Türkiye**, Garanti BBVA Retail Digital Solutions enables **11 million digitally active customers** to execute any banking transaction anytime, anywhere, with **5,401 Garanti BBVA ATMs, an award-winning Customer Contact Center, Garanti BBVA Mobile and Internet** that have been leading novelties. About 10.6 million of these customers actively use mobile banking, whereas **8.5 million are mobile-only customers.**

Garanti BBVA Mobile and Internet offers **11 million active digital customers** the opportunity to perform their banking transactions whenever and wherever they want. The annual number of transactions made through Internet and Mobile Banking channels is approximately **780 million.**

- The **yearly number of transactions performed through Internet and Mobile banking channels reached approximately 780 million** at the end of 2021. At Garanti BBVA that utilizes digital channels effectively, **97.2% of all non-cash financial transactions go through digital channels.** The number of monthly logins to Garanti BBVA Mobile also increases regularly. **The number of logins reached 2.7 billion in total** in 2021. Aiming to offer its customers an **instant, convenient and seamless** experience, Garanti BBVA remains the leader of digital banking year after year.

97.2% of all financial transactions excluding cash are **via digital channels**

- End-to-end digital onboarding** launched in 2021 enables people wishing to **become Garanti BBVA customers** to do so from wherever they may be **all around the year.** This development significantly supports digitalization and also facilitates **broad-based** delivery of digital banking service by **increasing financial inclusion.**
- Remote onboarding** experience is offered not just to retail customers, but also to **sole proprietorship** customers. Making it possible to **become a Garanti BBVA customer independent from time and place,** this experience began contributing significantly to total customer acquisition already from **May 2021** while still in its debut year, and it is anticipated to increase its share rapidly in the coming years. **During 2021, approximately 300 thousand enterprise clients logged into digital channels and monitored and performed their financial transactions via Garanti BBVA. 43 thousand enterprise clients became first-time digital customers.**

- Continuous developments are in progress to become digitally accessible by a larger group of enterprise clients and to present them with **more secure and faster** ways to log in to digital channels and access their personal accounts. Customers having a commercial presence embodying several companies or those managing both their own personal accounts and company accounts naturally need to **switch between accounts,** and logging-out just to re-log-in wasted time. **"Switch User"** feature among digital channels provided a faster transition between a customer's own accounts.

Standing by the customers with omni-channel banking

- During 2021, Garanti BBVA introduced **solutions that create value** for its customers, once again concentrating on **AI and big data** applications. Throughout the year, various teams developed life-easing applications in light of better data management and AI. The effect of the 2020 major upgrade to the interface and infrastructure of **UGI, Türkiye's first AI-based smart assistant** that was launched in 2016, was manifested this year. With its continuously expanded transaction set and gradually improved understanding capacity, UGI went beyond extending **support for banking transactions,** and started **offering insights proactively** to customers. Having rapidly kept abreast with the changing current topics and extended support to users during the pandemic thanks to its revamped infrastructure, **UGI is now much more flexible and compatible with the fast pace of the current events and technological trends. Since 2016, UGI had more than 66 million interactions with 6.3 million customers.** With its use increasing by the year thanks to its natural conversation language understanding capabilities, UGI increased the **number of unique users by more than 60%** in 2021.

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assistants from within the mobile app.

- Quick Loan** is another feature aimed at **being there for the customers at the time of need.** Using this function, every user, **whether or not a Garanti BBVA customer,** can find out about the amount of loan they can get with a brief journey using the form **"How much can I borrow?"** available on **garantibbva.com.tr,** and have the loan deposited in his/her account instantly. After filling in the "How much can I borrow?" form, non-customers are referred to the onboarding process, and then **complete the borrowing transaction with a frictionless process experience.**
- Another tool backing digital transformation is **Salary Company Acquisition;** enterprises can easily complete Non-Promotion Salary Agreements, Salary Agreements with Promotional Banking Products and Institution Code creation processes via Garanti BBVA **Mobile, without going to a branch.**
- From 2021, customers wishing to easily manage their investments digitally can **perform their share IPO book building and apply for a share-secured loan** via mobile banking channel, besides the Internet banking channel.
- The need for **contactless transacting** that boosted in the wake of the pandemic to become a habit sparked an increased interest in QR transactions. Garanti BBVA Mobile customers can easily **withdraw/deposit cash, transfer money, pay for their credit card debts or loan repayments with QR via ATMs** without having to go to a branch. In this period, the **ratio of retail customers withdrawing cash with QR went up to the order of 34%, and Garanti BBVA remained the sector's leader with 36% market share in QR transactions.**
- Garanti BBVA carries on with life-easing innovations for customers with QR transactions. The **common QR code** project allowed **customers of any bank including enterprise clients** to **withdraw and deposit cash with QR** from Garanti BBVA ATMs. Another capability added in money transfers allows **sending cash to the QRs of customers of any bank,** which is also enabled by the **common QR code.**
- QR usage substantially reshaped also payment solutions in 2021. Under the common QR Code project, **payment with QR from account and credit card** function from all POS devices went live. This capability is offered both in BonusFlas and Garanti BBVA Mobile app.
- In 2021, Garanti BBVA introduced its life-easing products

for companies through digital channels. The **Single Screen** technology launched in March allows companies to view their accounts with all banks through **Garanti BBVA Corporate Internet** banking channel. Thus, companies can **follow up their cash flows on a single platform** without having to recall the login information necessary for different banks and to log in to separate banking applications.

- The **set of transactions companies can perform without going to a branch** was expanded with **Commercial Borrowing** in 2021. SMEs and commercial companies can apply for a loan 24/7 for **Bank Overdraft Account** and **SPOT loan** within their assigned credit lines, and if approved, they can receive the amount instantly. Besides these transactions, they can digitally perform early repayment and repayment functions for the same loan types.
- On the back of a development launched in 2021, Garanti BBVA customers began digitally viewing the **expense objections to member merchants**. Also, **documents** associated with the objection can be **uploaded via Corporate Internet channel and the process can be tracked on digital channels**.
- In a bid to **provide its customers with a foreseeable cash flow in the face of exchange rate fluctuations**, Garanti BBVA had offered **Forward (FC Buy/Sell at Maturity)** transactions function on the Corporate Internet channel for its enterprise clients in 2020. In 2021, additional features were added to this function on the back of developments made, which included **prepayment or partial prepayment of an open transaction before maturity, change in delivery type and instant profit/loss viewing**.

In brief, Garanti BBVA continues to implement its **strategies for empowering customers** based on its **solutions focused on technology** and customer-oriented perspective.

MOBILE BANKING

With its broad **set of over 500 functions**, Garanti BBVA Mobile lets customers transact easily, **independent from time and place**. The application continues to serve as the main center of customer experience by going beyond delivering products and services to offer **customized financial insights**.

During 2021, number of monthly transactions performed via Garanti BBVA Mobile exceeded 58 million. As the number of active digital customers reached 11 million, the number of mobile-only customers topped 10.6 million. Garanti BBVA Mobile channel got 83% share in non-cash financial transactions.

During 2021, number of monthly transactions performed via Garanti BBVA Mobile exceeded **58 million**. As the number of active digital customers reached **11 million**, the number of mobile-only customers topped **10.6 million**. Garanti BBVA Mobile channel got **83%** share in non-cash financial transactions.

Aiming to enable customers to satisfy all their banking needs on digital channels and deliver a **smooth experience**, Garanti BBVA further improved the available services in 2021, while also enriching its digital channels with **new and innovative solutions**. Highlights of these developments are outlined below:

- Those wishing to become Garanti BBVA customers are now able to do so thanks to the **Contactless Onboarding Technology**, with the **wet signature requirement eradicated** following the introduction of the related regulatory framework. Thus, they can immediately access all products and services offered by Garanti BBVA. As the onboarding process creates a fast and a time- and location-independent experience, it also delivers a highly **secure one** thanks to the robust technology at the disposal of Garanti BBVA. ID card is scanned using the **NFC technology**, which **precludes use of fake IDs** as the data are drawn from the chip embedded in the ID card. Customers who do not have a phone with NFC capabilities are offered authentication through money transfer as a solution for easily completing the onboarding steps. By making the onboarding step available also at product application points, Garanti BBVA aims to **support individuals at the time of need**. In this context, the Bank introduced the **shopping loan** to fulfill

the financing needs of **retail customers**. **Non-customers** are extended support by being provided **the opportunity to utilize a shopping loan at the purchase point**. Garanti BBVA carries on with developments employing **journey analyses** conducted constantly in order to render the onboarding experience frictionless.

- After giving the necessary approvals, customers can **easily view their account balances and card limits with a single touch on the home page** without logging into Garanti BBVA Mobile.
- On Garanti BBVA Mobile, customers are offered the feature to get a PIN under the **"Contact Us"** and **"Do It Digitally"** pages, using **NFC or OCR** technologies depending on the compatibility of customers' devices.
- Garanti BBVA keeps developing **solutions** for its customers to deliver an **omni-channel banking** experience. With the mobile application, the Bank lets its customers transact without needing any assistance thanks to the **effortless, simple experience** offered. At any point customers need assistance, solutions are presented using the appropriate technology via such services as **chatbots, video calls** and the like, and the Bank stands by its customers at all times. Developed to respond faster to identified needs, **WhatsApp chatbot and the smart assistant UGI** experiences continue to provide answers easily according to the changing needs of users and the current day. **Facebook Messenger chatbot** offers a **stronger understanding capacity** with its new infrastructure. **UGI**, on the other hand, **not only extends support** service to customers but also **offers proactive insights** on the back of its renewed transactions set and increased understanding capability.
- Garanti BBVA signs its name under initiatives that will make its products and services **accessible** so that all its customers can conveniently perform their banking transactions. In this context, under the partnership established with **BlindLook**, the Bank **enables visually impaired customers to freely perform their transactions with the help of voice instructions through Garanti BBVA Mobile and Internet banking**. Visually impaired customers can easily perform many transactions including account opening, money transfers and bill payments with the help of voice instructions without needing anyone else's help. This collaboration also **made Garanti BBVA a part of BlindLook's EyeBrand (in Turkish: Görme Engelsiz Marka) network**.

Garanti BBVA became a part of BlindLook's EyeBrand network.

- The **Smart Transactions** service, featured on Garanti BBVA Mobile app, is intended to let users perform their everyday banking transactions more easily and gain awareness with respect to their money management. **"Virtual Card Auto Top Up"** rule was launched in addition to the **"Regular Deposit Order"**, **"Spend and Save"**, **"Pay Bill"** and **"Regular Gold Saver"** features that were already available within the scope of Smart Transactions. With the **"Virtual Card Auto Top Up"** function, the virtual card limit is topped up to the limit set by the customers every time they make a purchase using the virtual card.
- Targeting to accompany users through their daily needs, Garanti BBVA put an end to "insufficient balance" era in public transportation, the most frequent problem of users, and launched top-up function for **Istanbulkart**, the prepaid transportation card for İstanbul, in addition to **Kentkart**. With İstanbulkart Top-up, the Bank reached **more than 200 thousand customers**, and successfully created a value that **touches customers' lives**.

Further details about the Smart Transactions available under Garanti BBVA Mobile app designed to instill an awareness of money management and Disabled-Friendly Banking ATM services can be found in the Financial Health section.

INTERNET BANKING

Garanti BBVA continues to **touch its customers on all its channels** and to **listen to their voices**.

In 2021, Garanti BBVA launched the development enabling companies to **digitally upload their financial data, undersigning a first** in this regard. **SMEs and commercial companies** can now upload **trial balances, corporate tax returns and advance tax returns** required to be submitted to branches particularly for their borrowing processes via Garanti BBVA Internet, without going to a branch. Work is in progress for **digital uploading of documents that are legally allowed**, paying due regard to customer security.

GARANTİ BBVA ATM

Garanti BBVA ATM network reached **5,401** ATMs in 2021. **367 million transactions** were carried out from the ATMs. While the number of cash withdrawals and deposits with QR surged by **48% on average**, the ratio of money withdrawal with QR approached **34% within all withdrawals**. The Common 2D Code project launched in 2021 enabled **money withdrawal and deposit with QR** from Garanti BBVA ATMs by customers of any bank. This development handed Garanti BBVA ATMs another function besides the cardless transaction under which customers of any bank are served.

By the side of customers with Payment Systems solutions

CREDIT CARDS

Bonus Credit Card

Upon the introduction of the capability allowing approval of credit card agreements via digital channels and the enforcement of the digital customer acquisition regulations, new card applications received from the website were referred to **onboarding** and signing of **digital agreement on the mobile app**, making it possible to **use** the digital or virtual card **instantly**. Hence, users can become customers **without the wet signature process** and without going to a branch and start using their cards for shopping without waiting to receive the physical card. Garanti BBVA has been the **sector's first with this flow that steers the users to digital onboarding following a card application submitted via the website**.

Collateralized Card

Having made it one of its focus areas to reach more customers and provide **solutions and support for their financial needs**, Garanti BBVA brings a solution-oriented approach for the **needs of customers** wanting to have a credit card, but who are **declined due to their credit scores**. For this need, Garanti BBVA developed the **Collateralized Card** project; under which it developed and automatized the collateralized credit card format issued against the blocked cash amount within the existing structure. With this solution, the Bank offers credit cards to customers who cannot be issued a credit card due to certain risk criteria. The Bank also made

this product **available for foreign customers**, whereby it intends to reach more customers. When customers visit a branch to apply for a credit card, they are issued a credit card assigned with the limit calculated according to certain margins **against the amount to be blocked from the cash in their demand or time deposits**.

Metal The Platinum Card

Making its customers' lives easier with its innovative products and services, Garanti BBVA brings the **credit card usage experience to a whole new level** with the **Metal The Platinum Card** introduced in October 2021. Presenting Türkiye's most prestigious credit card to its customers, Garanti BBVA offers the privileges of Metal The Platinum Card to cardholders. **Garanti BBVA is the only bank representing American Express in Türkiye**.

Garanti BBVA brings the credit card usage experience to a whole new level with the Metal The Platinum Card introduced in October 2021.

Metal The Platinum Card holders seeking a diverse credit card experience can benefit from discounts up to 20% and TL 20 thousand per annum at **American Express Selects Program Partners**. They also earn a **5% discount on all restaurant expenditures**, and a **3% discount on all hotel expenditures** in Türkiye and abroad. They can enjoy the privileges at the participating lounges in **over 700 airports around the world** free-of-charge three times a month. **Membership Rewards points** of Metal The Platinum Card holders are **tripled** when they do their bookings through the American Express **Travel and Concierge Line**, and cardholders can also benefit from customized advantages offered on numerous insurance services from domestic and international travel and health insurance to shopping and rental car insurance.

Commercial Credit Card

Previously, physical applications were accepted through the branch channel for commercial credit cards, whereas it could be done solely on the website, via BonusFlas and phone services on digital platforms. In today's digitalizing online-based world with pandemic-driven increased awareness, a **digital application flow for commercial credit cards** had become a basic need.

Prior to the projects enabling digital applications scheduled for introduction within 2022, **flow via the Internet branch** was launched in December 2021. Applications submitted via the Internet branch are forwarded to the central sales system without being referred to any other platform, and the process is finalized by calling the customer within a short period of time. This flow is intended to get the customers accustomed to the commercial card digital application process. Upon logging into the Internet branch, the appropriate card from amongst the wide range of commercial cards is selected from the application menu for submitting the request, resulting in an improved user experience.

BONUSFLAS

Having ranked first in the Net Promoter Score (NPS) once again in 2021, BonusFlas continued to be the **channel of choice** by Garanti BBVA card customers for all their needs associated with cards and payment solutions with the increased tendency to use digital channels. BonusFlas **made users' lives easier** particularly during the period they stayed home with the solutions it offers for **e-commerce** and **contactless payments**.

With BonusFlas functioning as the **main campaign enrolment channel, campaign enrollments** kept increasing in 2021 to reach **40 million** on the back of campaigns organized with rich contents in view of customer needs. **Payment with QR and Mobile Contactless Payment transactions** increased **by 1.6 folds** as compared to 2020, driven by communications and campaigns.

Number of **transactions with GarantiPay**, which enables **fast and secure payment** at **more than 2,600 e-commerce businesses without sharing card data rose to 4 million in 2021**. The volume of GarantiPay also enlarged by **70%** and captured **TL 2 billion**.

MEMBER MERCHANT SOLUTIONS

As part of the measures against the pandemic in 2021, **POS devices** without contactless payment feature were **replaced** in order to **make customers' lives easier** and to **allow payments without touching** the POS device in the case of face-to-face payments, and payment was facilitated with **contactless PIN**

pads in business places where customer access was restricted. Hence, the **number of contactless transactions in 2021 doubled as compared to 2020**.

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In a similar vein, the Bank increased the number of **QR-enabled devices** to encourage payment with QR, and **payment collection from non-Bank cards** was enabled through developments on the part of the POS device in QR transactions. As a result of all these developments, **QR transactions tripled**.

In 2021, a **new loyalty program** was launched specifically for **Garanti BBVA POS holders**. Under this sector-leading program, Garanti BBVA provided bonus points and discounts worth up to TL 3,000 per month for their credits cards within the scope of **20 different campaigns each month** specifically for tradesmen and SME customers owning POS devices, and **free-of-charge and interest-free financial solutions to ease their cash flows**. While presenting its customers with the **opportunities to grow their businesses in e-commerce** in this frame, Garanti BBVA **stood by** its customers also through its customers' **digital transformation processes**.

End-to-end digital onboarding process through Garanti BBVA Mobile Banking and **garantibbvapos.com.tr** is now added among the already-available channels of Customer Contact Center and Garanti BBVA Internet for member merchant applications. The newly added capability for uploading the agreement approvals and necessary documents through digital banking channels **eliminated the need for going to a branch** for customers wishing to become member merchants, as they are now able to finalize their **applications from their homes or workplaces**.

Garantibbvapos.com.tr was revamped, which resulted in the presentation of all services and POS solutions for member merchant needs with an **innovative and customer experience-oriented** interface. Hence, member merchants can find the answers to frequently asked questions and can more easily access campaigns and offers specific to them. **Garantili İşler (Business@Garanti)** Platform was also migrated to the revamped website.

CEPPoS AND ANDROID POS

With the **Garanti BBVA CepPOS** product allowing **SMEs and micro businesses to quickly and securely receive payments through mobile phones**, businesses continue to receive contactless payments with their Android mobile phones.

Member merchants that own the product can log in to the app using their Garanti BBVA Internet passwords and accept **fast and easy payment without a PIN** via contactless cards and mobile wallets up to the contactless transaction limit, making use of the **NFC (mobile payment)** capability of their phones. The **app** also lets **instant tracking of sales** and viewing the amounts received in the account.

During 2021, **PIN transaction** feature was added to the **CepPOS** product for purchases exceeding the contactless payment limit. Hence, payments can be accepted **quickly and securely without an upper limit** thanks to the **PIN transaction** feature using mobile phones and the CepPOS app. When the sales price entered into the mobile phone that has the CepPOS app installed is above the contactless transaction limit, the transaction can be completed by entering the card's PIN into the phone after the card is scanned, just like other contactless POS devices.

In addition, during 2021, the **upper limit for contactless transactions** was increased from **TL 250 to TL 350**, thus allowing transactions up to TL 350 to be performed **without a PIN. Monthly transaction limit for CepPOS was raised to TL 7,500**, allowing transactions worth a higher amount to be processed via the app by member merchants.

Another novelty introduced in 2021 in CepPOS product was the capability for accepting payments from any card type using the CepPOS app. **American Express branded cards have been the first in Türkiye from which payments can be accepted in a secure and fast manner using CepPOS.**

VIRTUAL POS AND E-COMMERCE

Process improvements for Virtual POS applications continued in 2021, resulting in an under-two-day application time.

The first step has been taken for **digitalizing applications**; in 2021, customers were presented with the function to lodge an application demand through the website. At the end of the year, the **flow allowing end-to-end completion of the application** went live.

The **card storage infrastructure** for storing credit and debit card details of cardholders for future purchases to let them do their shopping easily without having to re-enter their card details was broadened in 2021 and started to be used by **24 businesses**.

The **Switch** service, integration of which was completed with 9 banks, lets businesses manage **transactions and reportings from a single portal**.

The **Fraud** product, **allowing businesses to perform 80% of transactions without 3D Secure**, delivers a frictionless customer experience on the back of its constantly learning algorithm. **n11, one of the leading e-commerce sites, has been the first company to use the Fraud product.**

Garanti BBVA kept increasing the use of its Collection by Code product which enables remote payment collection for business places that do not have a website but seek to carry out online sales. Succeeding in involving in e-commerce those companies wishing to collect payments remotely without engaging in the software phase, Garanti BBVA put emphasis on broadening the use of this product in 2021 and made it available to approximately **1,200 businesses**.

OUTLOOK

Open banking services, whose developments are slated for completion in 2022 in line with the regulatory framework published at year-end 2021, will allow customers, upon their request, to access their financial data with other licensed institutions, and thus will have the **convenience to view and manage** their accounts with different institutions, as well. Under the structure that will also include setups such as **initiation of payment instruction and money transfer**, customers will be able to **access the external financial ecosystem again through Garanti BBVA channels**. This will take the **integrated experience** so far offered within Garanti BBVA channels one step further.

Democratization of financial data that entered our lives through open banking arrangements will be turned into an experience that will deliver maximum benefit to customers with maximum security. Use of open banking services entail some critical priorities, which are providing the customers with the right information at every step of the way, ensuring maximum security for them, and guaranteeing responsible use of data. In terms of experience, the Bank's priorities both for retail and enterprise customers include converting customers' financial data into value-added services so as to facilitate their lives, contributing to their improved financials with more data-driven advanced analytical models, and enriching holistic Garanti BBVA experiences.

Through imminent initiatives planned for commercial customers, it is targeted to offer interfaces that will be incorporated within SME customers' business cycles at a much higher degree and will let them view their cash flows in a much better way, along with a number of new payment solutions. With Open Banking services, corporate customers will be able to automatize numerous operational processes through Garanti BBVA Corporate Mobile and Internet channels, and thus achieve increased productivity. The **set of transactions companies can perform without going to a branch** is targeted to be expanded with the migration of commercial loan application and utilization processes to the digital channels in 2022.

Due to the ongoing pandemic, it will still be important in 2022 to facilitate product applications by, and product delivery to, customers through digital banking channels and digital onboarding process in the payment systems as well. On the part of physical POS and e-commerce products enabling face-to-face payment collection, work is ongoing for giving easy access to the product through digital channels. Work for the development and roll-out of the Virtual POS application processes that were digitalized in 2021 is planned to go on. In addition, the importance of contactless payment using the more hygienic cards/mobile wallets instead of cash is ever increasing, and besides physical POS solutions, applications converting smart phones into POS devices keep acquiring wider use in order to enable contactless payment in every environment. The Bank is targeting to retain its pioneering position in this area through options customized according to businesses of any scale, by diversifying the solutions offered in this field.

Besides the payment collection process, diverse commercial credit cards and partnership campaigns customized for member merchants will present the privileges of being a Garanti BBVA member Merchant. Plans will remain in place for gaining increased depth and broader coverage with value-added products that will create a difference in the e-commerce world. The fast and easy payment method of e-commerce, GarantiPay will keep developing through new company integrations. Card Storage and Fraud product that will add momentum to the payment flow are intended to produce improved customer experience. Broad-based presence will be sustained by way of identifying "a strategic partner in each region" for regional cooperation for growth and campaigns.

Garanti BBVA is targeting to further consolidate the leadership it has captured among all banks in card and POS acquiring volume market share in 2021 with its innovative capabilities, digital competencies, powerful brands and operational strength.

On the payment systems front, both cards and physical POS devices are yielding to mobile wallets and POS applications running on smart phones in face-to-face payments. This transformation got even faster with the effect of the pandemic. Shopping without the plastic card is becoming an indispensable part of daily life; with the payment solutions it offers both for physical POS devices and for e-commerce, BonusFlas is targeting to replace the wallets in pockets. In the short- and medium-term products that enable payment collection without going to the cash register and without necessitating a physical POS, and new generation POS devices incorporating different functions besides payment collection will be more and more common. Garanti BBVA is working to accompany its member merchants through this transformation and to expand its product range to offer the solutions befitting every need. In addition to payment solutions, it has become highly critical to digitally follow up the transactions performed with a POS device and receiving the necessary support without going to a branch. The Bank's target in this respect is to further develop the Garantili İşler (Business@Garanti) web platform accessed via www.garantibbvapos.com.tr website for offering new solutions that cater to the needs.