

Customer Experience

We are deepening relationships with our stakeholders by offering **personalized solutions** that cater to customer needs **at the right time, through the right channels**.

RELATED INDICATOR	2021	2022	Audited
Customers	20,4 million	23,2 million	✓
Digital Banking Customers	11 million	13,4 million	✓
Mobile Banking Customers	10.6 million	13 million	✓
Yearly Transactions Performed through Internet and Mobile Banking Channels	780 million	1,1 billion	
Number of Garanti BBVA Logins	2,7 billion	3,7 billion	
% of Active Digital Customers	83%	85%	
Branches	872	838	
ATMs	5,401	5,450	
Number of Cardless Transactions via Garanti BBVA ATMs	82 million	119 million	✓
Market share in QR transactions***	36%	37%	
POS Terminals	700,616	777,497	
Member Merchants	432,143	455,119	
Credit Cards	10,992,736	12,893,009	
Digital transactions in non-cash financial transactions (Retail)	92.2%	97.6%	
Digital sales (share in total sales) (Retail)	84%	86%	
"Smart Transactions" that provide customers with awareness of financial management and facilitates planning and saving.	5	5	
The rate of interaction with the mobile banking "My Status" area, which focuses on financial health*	37%	36%	

RELATED INDICATOR	2021	2022	Audited
Accessible Garanti BBVA ATMs	5,381	5,431	
Products or services modified and developed according to customer feedback	16	16	
Individual Net Promoter Score** (Ranking)	#2	#2	
SME Net Promoter Score** (Ranking)	#1	#1	
Commercial Net Promoter Score*** (Ranking)	-	#1	
Mobile Net Promoter Score**(Ranking)	#1	#1	
Net TCR Score****	62%	61%	
Target customers surveyed	20%	16%	
Feedbacks received	3 million	3,5 million	
Change in customer complaints*****	-27%	3%	✓
Proactive actions against potential situations likely to cause customer dissatisfaction	15	10	
Number of Contacts handled by the Customer Contact Center (CCC) (million)	60,6	65,3	
CCC Service Level	84.6%	82.3%	
CCC Call Response Rate	98.9%	98.7%	
CCC Financial Product Range (units)	27	32	

*Financial Health engagement rate, customers who visited the mobile banking "My Status" area; the metric represents the ratio of mobile customers interacting with tips display, spending limit setting, saving target opening and Smart Transactions areas to customers with active log-in.

**Net Promoter Score study was conducted by independent research firm Ipsos for Garanti BBVA. Competitors are İşbank, Akbank, Yapı Kredi Bank and QNB Finansbank. The research was conducted in the period of January-December 2022 with the customers who described the relevant bank as their parent bank and contacted their bank in the last 3 months, using online panel and telephone techniques, with quota sampling method. The research conducted by telephone techniques was based on the Garanti BBVA customer list. The Mobile Banking Net Promoter Score study was conducted by the independent research firm Ipsos for Garanti BBVA. Competitors are İşbank, Akbank, Yapı Kredi Bank and QNB Finansbank. The research was conducted in the period of October-November 2022, with customers who described the relevant bank as their main or second bank, through the online panel.

*** The Commercial Net Promoter Score study was conducted by the independent research firm Ipsos for Garanti BBVA. Competitors are İşbank, Akbank, Yapı Kredi Bank, Ziraat Bank, Vakıfbank and Halkbank. The research was conducted in the period of July-December 2022 with past customers who described the relevant bank as their main or second bank, using telephone techniques, based on the Garanti BBVA customer list.

**** Net TCR (Transparent, Clear and Responsible Banking) Score measures how complete and clear the customers regard the information provided by the bank. It is calculated like Net Promoter Score.

*****Represents the change in the number of complaints per 1,000 active customers.

Guided in its actions by its value “Customer comes first”, Garanti BBVA takes a customer-driven approach when shaping its products and services. Underlining the Bank’s customer-centric approach, this value identifies empathizing with the customer as the top priority of employees, describes the necessity to disclose all kinds of information when responding to customer needs within the frame of responsible business principles, and calls for a result-oriented approach.

Garanti BBVA’s consistent performance in customer experience relies on four key competencies that it embraced in the execution of its strategy:

- customer understanding capacity further strengthened by technological means,
- ability to be wherever the customer may be thanks effective channel usage and design,
- empathetic culture espoused by each member of the organization, and
- advanced measurement systems allowing constant control of processes and services rendered.

As one of its strategic priorities, **‘Financial Health’** for Garanti BBVA means financial advisory to help its customers **make the right/healthy financial decisions**, offering them **solutions and suggestions that cater to their needs** so as to help them attain their goals, **delivering an excellent customer experience** by placing its customers at the center of all its activities, **building long-lasting relationships** with its customers and being their **trusted partner**.

At the end of 2022, we exceeded 23 million customers in total; more importantly, we had a record rise in the number of customers in the reporting year with an annual increase of 2,8 million. Main contributors to this result include smart, right and timely solutions that meet customer needs alongside the omni-channel seamless service quality. Regular surveys are conducted to measure customer expectations fulfillment performance and to identify improvement areas. Regular surveys include experience surveys for users of digital channels and various critical products with customers in retail, SME,

commercial and corporate segments to measure its performance in fulfillment of customer expectations and reveal improvement areas; after-service questionnaires with customers receiving service from various channels; brand and reputation surveys measuring brand equity and corporate reputation dynamics, and advertising research determining advertising performance.

Having achieved a Net TCR Score of 61% in 2022, Garanti BBVA had the second highest NPS among retail customers representing its own profile and the highest one among SME and Commercial customers, in both cases compared to its competition, according to the results of the Net Promoter Score research conducted with Retail, SME, Commercial and Mobile customers.

2022 Highlights

CUSTOMER CONTACT CENTER

Ranked **first** in the **“Best Digital Solution”** category at the Turkey Call Center Awards organized by IMI Conferences as part of the 18th Turkey Call Center Days, Garanti BBVA Customer Contact Center continues to offer services focused on first-contact resolution by instantly and correctly analyzing customer needs in keeping with its commitment to deliver high quality and consistent service to customers.

Target

Fast and seamless service experience with the Customer Contact Center

Action Taken

- Garanti BBVA Customer Contact Center handled **65,3 million customer contacts** in total in 2022 by its **qualified team of 1,069 agents** and ended the year once again as the **sector’s leader** with **13.7% share of total calls** in the sector.
- Offering customers fast and seamless experience with a call response rate of **98.7%** in main service lines, Garanti BBVA Customer Contact Center captured a **high service level** by servicing **82.3%** of its customers in and under **30 seconds**.
- Predicting the transactions of callers thanks to the **Artificial Intelligence Project**, the Customer Contact Center expanded the project to cover all agents and reached **85%** in accurate prediction ratio.
- With the improvements in the Interactive Voice Response (IVR) System in 2022, the Center **increased its productivity** and also continued to deliver **easy-to-reach service** to customers. By punching in the **“Turkish ID Number or the PIN for any active card”**, customers were instantly and **easily** directed to the point they wished to receive service for.
- Efficient informative recordings on the IVR served to redirect **10%** of customers to digital channels which they actively used.
- Delivered by the Customer Contact Center, the “Live Support” communication channel featured within Garanti BBVA Mobile started offering service **7 days a week**.
- Instantly fulfilling customer demands for **credit card application without visiting a branch**, the Customer Contact Center single-handedly carried out the retention efforts for all Garanti BBVA credit cards and **retained more than 1,2 million cards**.

CUSTOMER COMPLAINTS

Target

Reduce and resolve customer complaints

Action Taken

- Regular root cause analyses of customer complaints were used for corrective and improvement actions. 16 actions were taken in 2022, which helped preclude 3% of situations giving rise to customer dissatisfaction. Furthermore, thanks to 10 proactive actions taken, potential situations likely to cause customer dissatisfaction were also prevented.
- Monthly average complaints were up by 19% in 2022 as compared to 2021. Despite the said increase, the rise in the number of complaints per 1,000 customers was registered as 3%, which is well below the said average. The main reason behind the increase was the fact that some customers who were unable to reach our unit previously are now able to do so thanks to a rearrangement in our customer complaint handling processes.

DIGITAL EXPERIENCE AND TRANSFORMATION

Garanti BBVA enriches the products and services delivered through digital channels with **financial advisory** and suggestions. Carrying digital channels way **beyond being a mere platform for transacting and product applications**, the Bank acts with the vision of **smartly interacting** with customers at all touchpoints and delivering them an experience that truly creates a **bond of trust**.

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 identifies any deficiencies by way of regular usability surveys, thus ensuring sustainability of the perfect experience.

Making utmost use of the technological conveniences, Garanti BBVA focuses on a service model in which Mobile is the first point of contact with customers where all solutions can be offered. Garanti BBVA is working to **position Mobile as the first point of contact for fulfillment of any need** with solutions such as AI-based smart assistant Ugi, receiving live support by exchanging written messages with customer representatives when necessary, and connecting to the customer representative and even the branch contact with video call at any point customers seek assistance.

Introduced in 2021, **end-to-end digital onboarding** provides individuals wishing to become Garanti BBVA customers the chance to do so all year round from wherever they may be.

This development continued to significantly support **digitalization**

and increase **financial inclusiveness** throughout 2022.

- Garanti BBVA has the largest **digital and mobile customer base** among private banks. The Bank services 13,4 million active digital customers, 10,6 million of which are mobile-only users.
- Number of yearly transactions performed on Internet and Mobile Banking channels reached 1,1 billion, up by 41% year on year.
- With its set of 500+ functions, Garanti BBVA Mobile facilitates transacting for customers independent from time and location. The Bank controls 20% market share in mobile financial transactions as of 2022 year end. The number of monthly Garanti BBVA Mobile logins continues to increase on a monthly basis. The number of logins reached 3,7 billion in total in 2022, up by 37%.

Facilitate customers' digital transformation

- Remote onboarding experience is offered not just to retail customers, but also to sole proprietorship customers.
- End-to-end digital application flow for enterprise clients and sole proprietorships having physical workplaces was also designed for legal entities; hence, legal entities can now acquire POS devices using end-to-end digital application flow via Garanti BBVA Mobile Banking in addition to Garanti BBVA Internet.
- With Open Banking service that eliminates limits in banking and introduced at the end of 2022 as an important turning point in digital transformation, "merge accounts" and "initiate payment" features were made available on Garanti BBVA Mobile and Internet Banking.
- Being among the first practitioners of open banking service, Garanti BBVA digital customers captured the opportunity to access their account data with other banks and to make money transfers therefrom via Garanti BBVA platforms.
- Within the scope of open banking, the Bank's POS customers are able to view member merchant/POS movements with other banks and the amounts to be received in their accounts on the basis of member merchant/POS on Garanti BBVA Mobile and Internet banking. Customers can access accounting data using the POS service and get all transaction summaries. This feature allows time-saving, more efficient management of their cash flows, and effortless tracking of their finances on a single screen.
- The transaction set available on mobile banking channel was expanded: Çocuklara Dijital BES (DigiPPS for Kids), Complementary Health Insurance, Foreign Currency Protected TL Time Deposit, Foreign Currency Protected FC/Gold Converted TL Time Deposit accounts, SWIFT Go service, commercial card application, and many other new products and services were offered to customers via Garanti BBVA Mobile.
- Another tool backing digital transformation is commercial lending through digital channels. For sole proprietorships and enterprise clients, Discounts, Interbank-Indexed Credit and Installment Commercial Loan products were also made available on digital channels in 2022 following the SPOT and bank overdraft loans made available in 2021. Another project of the Bank supporting digital transformation for enterprise customers is the production of the Certificate of Acceptance for Export Price that is mandatory for exporter customers on digital channels. This allowed generation of these certificates of our sole proprietorship and enterprise customers in singular or multiple copies on Internet banking, automated sales and transfer of the legally required minimum amount to the CBRT and viewing the certificates on digital channels.
- The set of transactions enterprise customers can perform digitally was expanded. On the sustainability front, sole proprietorship and enterprise customers are now able to calculate their carbon footprint and show the sectoral impact analysis on the Internet banking channel. Under other new capabilities, incoming SWIFT data can be tracked in SWIFT GPI, and POS contracts and Salary Paying Institution Description and Revision forms can be approved on Mobile and Internet channels within the frame of digital approval.

Target

Action Taken

Contribute to physical and financial freedom of customers with disabilities with Accessible Banking Services

- The Bank continued to make life easier for its customers by doubling the **time allowed for punching** in the numbers on the IVR system, and connecting hearing-impaired clients to the Live Support Assistant **effortlessly and quickly** within the scope of "**Live Support**" service, the written communication channel available on Garanti BBVA Mobile.
- Under the partnership established with **BlindLook**, Garanti BBVA 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. By virtue of this collaboration, Garanti BBVA remained a part of BlindLook's EyeBrand (in Turkish: Görme Engelsiz Marka) network.
- Delighted that more than 10 thousand employees completed the web-based sign language training developed to provide better service to customers with disabilities, Garanti BBVA increased the number of its ATMs accessible by visually impaired individuals from 5,156 to 5,431 and ATMs accessible by individuals with orthopedic disabilities from 225 to 243 in 2022.
- Under its collaboration with Engelsiz Çeviri, Garanti BBVA started posting sign language and spoken versions of its banking agreements



Sadriye Görece was selected as Turkey's Female Social Entrepreneur in the 14th of Turkey's Women Entrepreneurs competition for her startup BlindLook and with our partnership with the company, we offer voice guidance for our visually impaired customers on the Garanti BBVA Mobile application and internet banking.



Scan the QR code to watch the video of BlindLook co-founder Sadriye Görece.

Enhance customer experience by utilizing the conveniences offered by new generation technology

Türkiye's first AI-based smart assistant that was launched in 2016, Ugi had more than 53 million interactions with 5,1 million customers in 2022. 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 29% in 2022.

As developments continue in a bid to position Garanti BBVA Mobile as the main customer interaction channel and respond to all customer needs with the smart assistant Ugi, Ugi's understanding capacity improved to 90%.

Having preserved its top place in NPS once again in 2022, **BonusFlas** continued to respond to users' all needs associated with campaigns, debit and credit cards as it continues to put into broader use technological solutions allowing payments without the need for plastic cards and wallets.

Number of transactions with **GarantiPay**, which enables **fast and secure payment at more than 3,000 e-commerce businesses** without sharing card data rose to 5 million in 2022. The volume of GarantiPay also enlarged by 78% to exceed TL 3 billion.

POS devices used at member merchants were replaced with terminals with contactless capability allowing execution of payment without touching the device. **Number of contactless transactions doubled on an annual basis.**

Allowing SMEs and micro businesses to receive payments quickly and securely through mobile phones, **Garanti BBVA CepPOS** product was upgraded in **2022**. The renewed CepPOS became a full-scale business application for all physical, virtual and CepPOS business places.

Furthermore, payments can also be received with the recently added Payment with QR and Collection by Code payment methods in addition to contactless payments.

Garanti BBVA increased the number of QR-enabled devices in order to generalize the use of **payment with QR code**. Following all these initiatives, the **number of QR transactions tripled.**

Garanti BBVA Mobile customers can easily withdraw/deposit/transfer cash, pay their credit card debts or make loan repayments with QR code from ATMs without going to a branch. In this period, ratio of retail customers withdrawing cash with QR reached 35%.

Bonus Flaş product, a first in the sector, the **Digital Slip** feature that offers the option to be issued a digital slip instead of a printed one in contactless transactions below TL 750 not only eliminated the obligation to retain slips for users but also supported our sustainability vision as endorsed by numerous domestic and international awards granted.

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 their devices.

FINANCIAL ADVISORY

Garanti BBVA keeps working towards providing each customer with customized, timely and accurate advice in relation to Financial Health, making use of big data and AI, and places "financial health" at the epicenter of its strategy. The Bank believes that investing in personalized customer experience has

become much more important in today's world packed with digital conveniences. Garanti BBVA backs its suggestion systems that help its customers make the best financial decisions with smart solutions integrated with new generation payment technologies.

To help its customers easily manage and keep under control their budgets, and

plan an independent and secure life in the future, Garanti BBVA offers customized smart suggestions, information and reminders. **As the first step, the customer's finances are accurately pictured, followed by an analysis of spending habits and financial behaviors, and formulation of suggestions, which are maintained constantly dynamic**

Target

Help customers make right/healthy financial decisions

Offering financial solutions with a Responsible Banking focus

Action Taken

- My Status section introduced in 2021 within mobile banking with a focus on financial health provides alerts on customers' major expenses, steers them to save up easily and perform controlled spending. **My Status** section generated different **financial suggestions and action plans** and was visited by a monthly average of **4 million customers** during 2022.
- Financial health advice started to be offered in diverse areas within the Mobile app in addition to the My Status section.
- Always attaching particular importance to customers' financial health, Garanti BBVA introduced the Card Checkup step for customers whose credit card applications are declined. In such cases, customers are transparently informed about the reason of non-approval and can reach customized advice for possibly increasing the probability of having their applications approved.
- **Our SME customers** need our expertise and advisory for the protection of their financial health more than ever before. Hence, we **devised a new education path of 85 training programs to equip our portfolios with expertise in financial advisory**. As such, we keep standing by them via our portfolios who achieve constant self-development.
- We introduced the Single Screen technology that lets SMEs view their accounts and POS movements with other banks collectively. Thus, SME customers can view their finances and follow-up their income/expenses and cash flow on a single platform, without having to recall the login information necessary for different banks.
- "Your Subscriptions" function introduced in **BonusFlas** enabling tracking cards registered in overseas digital platform subscription payments on a single platform was expanded in the reporting period with the addition of domestic digital platforms, which lets **users control their expenses on a broader network in a more transparent manner.**

- Garanti BBVA launched My Ecological Status feature on Garanti BBVA Mobile, which will increase customers' awareness of the combat against climate crisis. On My Ecological Status page, customers can view their carbon footprint and suggested ways to reduce it. When they take sustainable steps such as digital onboarding, digital account statement preference and the like, Garanti BBVA shoots seed balls in hard-to-reach places on their behalf with ecoDrone, aiming to contribute to their combat against climate crisis.
- Within the scope of our collaboration with Ecoding, over 350 flights were performed over hard-to-reach areas and 2.6 million seed ball shootings were made. With this initiative, we also created an alternative income source for seven women who are disadvantaged due to climate crisis through the production of the seed balls. Hence, besides contributing to reforestation and biodiversity with the help of ecoDrones, we have strengthened the sustainability journey towards reduced inequalities.



In cooperation with ecoding, one of our Garanti BBVA Partners Acceleration Program entrepreneurs, as Garanti BBVA, for environmentally friendly actions taken by our customers on mobile;

- Through ecoDrones, 2.6 million seed balls were incorporated with the soil, in priority to hard-to-reach areas.
- An alternative income source was created for 7 women for the production of these seed balls.



Scan the QR code to watch the video of ecoding founder Mert Karslıoğlu.

INCLUSIVE GROWTH

Within the framework of inclusive growth, the other main topic of its sustainability strategy, Garanti BBVA has been treating vulnerable groups and entrepreneurs with low access to finance and other services as a separate customer group for many years. The main goal is to create cooperation opportunities with entrepreneurs for the healthy growth of the entrepreneurship ecosystem and the spread of the entrepreneurship culture

in our country. The Bank carries out activities on various platforms to support them with products and services tailored for them, for entrepreneurs ranging from women's entrepreneurship to impact entrepreneurship and technology-oriented entrepreneurs who are important players in economic growth. Garanti BBVA supports the entrepreneurial ecosystem with:

- **Women Entrepreneurs Program** launched in 2006,
- **Türkiye's Woman Entrepreneur**

Competition that celebrates its 16th year and helps encourage women entrepreneurs and unveil role models,

- Türkiye Women Entrepreneur Academy that provides educational support,
- **Garanti BBVA Partners Accelerator Program** that contributes to the sustainability of early startups of any scale and sector, the SMEs and growing entrepreneurs.
- Trade of Women platform that supports women entrepreneurs to open up to new markets

Target

Action Taken

Support startups within the framework of inclusive growth	<ul style="list-style-type: none"> • Contributing to the sustainability of early startups of any scale and sector, the SMEs and growing ventures, Garanti BBVA Partners Accelerator Program hosted 6 new startups in 2022. Total amount of investments granted to startups included in the Program reached TL 63 million. • "Technology Entrepreneurs Service Model", a brand new service model, was developed which is designed to drive the improvement of the entrepreneurial world and its dynamics, and to speak the same language with entrepreneurs to understand them.
Support women entrepreneurs within the frame of the commitment to ensure gender equality	<ul style="list-style-type: none"> • Garanti BBVA launched the Women Entrepreneur Program in 2006. The Bank's activities in the field of empowering women entrepreneurs are grouped under 4 headings: "financing", "encouraging", "education" and "access to new markets". • As of the end of 2022, the amount of TL loans provided to female entrepreneurial customers, who are classified as a special customer group under financial support, exceeded 14 billion TL in all segments. • Within the framework of its foreign borrowing program, Garanti BBVA issued US\$ 75 million social bonds with a maturity of 6 years to be used in the financing of women entrepreneur projects with the World Bank group member IFC (International Finance Corporation). The Bank continued to benefit women entrepreneurs in 2022 from this resource, which is the first social bond issued by a private bank among developing countries. • Türkiye's Women Entrepreneurs Competition, which celebrates its 15th anniversary this year, contributed to the encouragement of women entrepreneurs and the emergence of role models, and a total of 42,000 applications were reached. The number of applications received for the 2022 competition exceeded 1,800. • Continuing uninterruptedly for 10 years, contributing to the capacity increase of women entrepreneurs and supporting their development, Türkiye Women Entrepreneur Academy trainings were held online across Türkiye in order to reach more women entrepreneurs and increase access, and reached nearly 800 women entrepreneurs in 2022. • Garanti BBVA became the main supporter of the "Trade of Women" platform, which was launched under the leadership of KAGIDER, to strengthen cooperation between women entrepreneurs with each other and with institutions, and to meet new opportunities within the scope of its mission to open up to new markets. The platform will develop cooperation with relevant institutions that will support the participation of women entrepreneurs in procurement processes and tenders.
Empower customers through payment system products	<ul style="list-style-type: none"> • Garanti BBVA automatized the Collateralized Card project at branches as of March 2022; the project is developed for customers wanting to have a credit card, but who are declined due to their credit scores. Collateralized Card is suggested to customers, for whom it is instantly established upon their application for a credit card via Garanti BBVA mobile and Internet banking that they will be declined for insufficient credit score for being issued a credit card, and the application process proceeds for the collateralized card. • In 2022, 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.



We strengthened the ecosystem of women entrepreneurs with Turkey's Women Entrepreneurs competition, which will be held for the 16th year in 2023. The more women inspire each other, the more they encourage and learn from each other.



Scan the QR code to watch the video of KAGIDER President Emine Erdem.

2023 PRIORITIES

Customer Experience

- In 2022, an artificial intelligence-supported analytical model was developed that aims to automatically categorize customer feedback received via the internet branch and website, so that complaint resolution teams spend less time on categorization and focus on complaint resolution. The effects of the model put into practice as of 2023 will be monitored.
- As the IVR upgrades and AI Project are carried to the next level, the technological innovations derived therefrom will continue to be used for producing customer-focused solutions and facilitating customers' financial lives.

Inclusive Growth

- Garanti BBVA will continue its efforts to support individuals who are not included in the banking system to participate in the banking system in

a way that will improve their financial health, and to strengthen them both socially and economically.

- It will contribute to encouraging women entrepreneurs, increasing their capacities and supporting their development by offering opportunities for them to open up to new markets and reach new customers, together with competitions, trainings and events.
- As a bank that has contributed to the entrepreneurship ecosystem for many years, the Bank will provide holistic support to technology startups that will shape the future, from financing to training, meeting and collaborations that will contribute to their development, with its new service model.

Digital Transformation

- The Bank continues to work for enhancing and improving the "digital onboarding" process. It will remain a main agenda item in 2023 for the Bank to increase the diversity of

digital products and transactions so as to deliver an end-to-end seamless experience so that all its customers can access banking transactions and products digitally.

- By the end of 2022, Garanti BBVA started offering its customers various functions such as initiating payments from different entities and track accounts with different entities from a single point within the scope of open banking. The Bank is targeting to proceed with its open banking initiatives towards a broader perspective by making other financial product and transaction sets available to its customers within an effortless and secure experience in the coming years in parallel with the widening scope of the open banking legislation.
- Garanti BBVA is planning to digitalize product applications for the direct debit system, bulk money transfer/ EFT and supplier finance in 2023 under its digitalization strategy.
- In addition, the Bank will upgrade product service infrastructures for

Bulk Money Transfer/EFT and Direct Debit System in line with customer needs and develop API services for both products.

- E-receipt development will be brought to completion and receipts bearing e-signatures will start to be provided to customers that serve as receipts bearing wet signature.

Financial Advisory

- Believing in the importance of personalized customer experience and a proactive approach, Garanti BBVA aims to pave a much longer distance

in customer experience besides basic banking products and services and to set itself apart by enriching the financial health tools offered.

Sustainability

Believing in the importance of continuing its work towards sustainable development by focusing on combating the climate crisis and inclusive growth in order to support sustainability, Garanti BBVA will continue its efforts in this context. With this motivation, the Bank aims to continue its efforts to create the concept of carbon footprint and

sustainability awareness and to take action on these topics. As a financial institution, the Bank will implement different scenarios in order to encourage its customers to be more conscious and take sustainable steps by raising awareness and offering solutions on environmental issues that concern our planet.

RISKS AND OPPORTUNITIES

Risk

Evolving customer needs due to fast-advancing technology

Our Response

We benefit from the ideas and opinions of our employees in order to understand the changing needs of our customers in terms of financial services, to anticipate their expectations and to create products and services to meet them in the light of new technology/trends. For this, we implement in-house entrepreneurship programs. Final ideas and presentations were evaluated by the Innovation Committee, and ideas to be worked on were selected and the winning teams were rewarded with an international training program.

Opportunity

Open Banking

Our Response

- Open banking services we launched in 2022 will allow all our customers to view their account movements with other banks on Garanti BBVA channels and to make money transfers from those accounts.
- Adapting itself quickly to legislation and becoming a leader in this area, our Bank keeps offering new services to our customers backed by a rich customer experience and platform security.
- Through other services introduced in 2022, the Bank's tradesmen, SME and commercial customers will also be able to view member merchant/POS movements with other banks and the amounts to be received in their accounts on Garanti BBVA Mobile and Internet channels. Customers will be able to access accounting data using the POS service and get all transaction summaries. This will let them save time, manage their cash flows more efficiently, and track their finances effortlessly on a single screen.

Growing Number and Competition of FinTechs

- At Garanti BBVA, we are keeping a close eye on innovative initiatives in the fintech ecosystem.
- Given our Bank's and affiliates' continuous investments in digitalization, actions taken and our agility in technological infrastructure, we consider fintechs not as rivals but as potential partners with whom we can develop complementary or efficiency-focused business models.
- We continue to consider business models and partnerships that will contribute added value to our customers and the ecosystem within the frame of the regulatory framework enforced over the past two years that triggered the emergence of new products and services in digitalization.
- We will keep offering banking services on all channels where our customers are present by integrating Garanti BBVA services in third party platforms and continue to provide third party services fulfilling our customers' needs on our own channels; we will also diversify them through various collaborations and business models.

E-commerce and new payment solutions

- In payment systems, cards and physical POS devices alike are being replaced by mobile wallets and POS applications that run on smart phones in face-to-face payments. This transformation picked up pace due to the pandemic.
- Shopping without plastic cards is becoming an indispensable part of everyday life. With the physical POS devices offered along this line and with the e-commerce payment solutions, BonusFlas is targeting to replace the wallets in the pockets.
- In the short and medium-term, we will be seeing more products that receive payments by eliminating the cash register and do not require a physical POS device at businesses, and new generation POS devices entailing extra functions in addition to receiving payments.
- In this respect, it is targeted to further develop the Garantili İşler (Business@Garanti) web platform reached through www.garantibbvapos.com.tr website and present new solutions responding to needs.
- Virtual POS will also be a top priority for 2023 in the e-commerce universe that gained tremendous momentum during the pandemic. Amid this environment of continued desire to carry business places to online platforms, Garanti BBVA continues to work on rendering fast service to businesses, facilitating integrations, and reducing application times. E-commerce value-added products are being improved based on customer demands, and the e-commerce platform is being expanded with new product services that will generate added value so as to accelerate payment flows.

Technology Startups

- Lately, the future of entrepreneurial ecosystem in Türkiye is being steered by startups engaged in technology-based businesses.
- The agility, quick adaptability and innovative perspectives of these startups made collaboration even more attractive for large organizations.
- Therefore, entrepreneurship has become a key element of our inclusive growth strategy that is part of our sustainability approach.
- In terms of enhancing customer experience and financial health, we included partnering with, and supporting, these startups within our strategic priorities.
- Along this line, we are developing a service model and approach specific to technology startups by broadening the coverage of the support we have been long providing to women entrepreneurial, startup and social entrepreneurial ecosystem.