

CONTENTS

INTRODUCTION

- 8 Message from Mervyn King
- 9 Letter from the Chairman
- 11 Letter from the CEO

ABOUT GARANTI BBVA

- 16 The Environment We Operate In
- 20 Corporate Profile
- 21 Garanti BBVA's Shareholding Structure
- 22 Garanti BBVA's Position in the Business Areas
- 24 Garanti BBVA's Position in the Sector
- 26 Garanti BBVA in Numbers
- 28 Garanti BBVA Share
- 30 Our Governance
- 31 Organizational Structure
- 32 Board of Directors
- 34 Senior Management
- 36 Committees and Policies
- 38 Risk Management Review

OUR VALUE CREATION

- 42 Our Material Matters
- 45 Stakeholder Engagement
- 54 Risks and Opportunities
- 66 Our Values and Our Purpose
- 67 Our Business Model
- 68 Competitive Advantages
- 69 Strategic Priorities
- 72 Our Value Creation
- 76 Summary of the Board of Directors' Annual Report
- 78 2019 Key Performance Indicators

2019 PERFORMANCE AND OUTLOOK

- 82 Financial Performance
- 86 Customer Experience
- 90 Digital Transformation
- 94 Investing in Human Capital
- 98 Responsible and Sustainable Development

CORPORATE GOVERNANCE AND RISK MANAGEMENT

- 102 Corporate Governance Principles Compliance Report

108 CONTACT INFORMATION



Audio section for you to listen



Texts are linked to related website when clicked



Texts are linked to related pages in the report when clicked



Number of words used in the section



Reading time of the section



Number of pages of the section



The most used word in the section

FOREWORD

"THE NEXT DECADE"

In the past decade, technology reshaped our lives at a pace unseen and unmatched ever before. Computers, mobile phones, smart home systems, and automobiles transformed enormously. But the transformation was not restricted to devices; digitalization made an imprint in every aspect of life. Nothing is immune to this change; not our everyday life, not our habits or the way we think and do business.

In the next decade, change will continue at a high speed and momentum. Artificial intelligence, augmented reality and virtual reality will all expand very quickly and become inconspicuous routines. Electric vehicles will be more prominent in traffic. As smart phones have already turned into payment instruments, the inspiration payment systems take from technology and imagination might soon turn the days we carry cash or credit cards into a fading memory.

Customer needs and expectations are also rapidly changing and mutating in parallel with the advancements in technology. While customers prefer simpler and more practical channels they can reach from anywhere to access products and services instead of conventional methods, they want to experience time-saving, short and smooth journeys, smart solutions that make their lives easier and personal touches they find entertaining.

Big data applications, on the other hand, take analyses to a whole new level, and lead to recode decision-making processes and strategies with its holistic perspective. Data analysis enables better insight into choices, and allows satisfaction of needs in a more personalized and mass-oriented manner. Operational excellence and efficiency, automation and robotics began infiltrating all parts of life. Having entered our lives as a learning and information platform, the Internet is rapidly turning into an experience platform. Therefore, it becomes critical to understand technology-backed new experiences and turn them into business models.

As this transition phase continues, planet earth is screaming "climate emergency" to all the individuals and to all the entities on it. In 2019 Global Risks Report by the World Economic Forum, environmental risks due to climate change take the first spot within the top ten major risks in terms of both impact and likelihood.

Garanti BBVA contributes to Turkey's battle against climate change by prioritizing renewable investments, applying detailed environmental & social due diligence, promoting energy efficient buildings and electric & hybrid cars, as well as increasing awareness among its stakeholders.

Having formulated its business model around the goal of "bringing the age of opportunity to everyone", Garanti BBVA

has a long-term and solid strategy that combines human touch and technology, the key determinants of our age.

Garanti BBVA aims to make its customers' lives easier, help them make the right financial decisions, and advise them to grow their businesses sustainably, while delivering its financial services to everyone at the same time.

The founding executive editor of the Wired Magazine, Kevin Kelly says that the greatest products of the next 25 years have not been invented yet, and the biggest innovations are yet to arrive, just like we had no idea about the Internet 25 years ago, the most important invention of our age... Kelly says we should know that we are not racing against the machines or technology, but with them; in order to steer them, we need to embrace them and understand how they think.

While Garanti BBVA's 2019 Integrated Annual Report presents a glance at how Garanti BBVA sees and prepares for the next decade, it gives an account of how the Bank molds its business model in the light of mega trends, how it manages risks and captures opportunities, how it executes transformation and how all of these contribute to its stakeholders' journeys.