

## Bringing Life into the Banking Sector

Interview with **Ufuk Tandoğan**, CEO - Garanti Bank Romania



**Q: Which are the main trends in banking in 2019? Does the economic growth registered in the last few years represent a stimulus for the banking sector?**

**Ufuk Tandoğan:** In the last few years, we have witnessed a record economic growth in Romania. The GDP strong rise translates in higher wages, less unemployment and more business opportunities for all the companies, SMEs and large corporations. It comes as no surprise that the banking activity is also on the rise. People are buying houses, cars and have the long-awaited dream holidays. Therefore, companies are designing and launching more products and services for their clients.

Being a customer oriented bank, at Garanti we position the customers as a building block of our strategy, which means that we put great focus on the ability to empathize with them.

More exactly, for us, empathy means understanding the customers' constantly evolving needs and expectations, offering them timesaving solutions to improve their lives, delivering a swift and smooth experience. It means helping them make the right financial decisions, supporting them to grow their businesses sustainably, and providing the best experience at all digital and physical touch points. We have noticed a new, emerging trend in Romania, where people are not just consuming more, but they are also showing an enhanced savings behavior. Our aim to attract savings, both from individuals and companies, led in 2018 to an important rise of the deposits volume. Deposits grew primarily due to the Retail and SME segments, with a significant 60% increase in the individual deposits and 40% in the ones attracted from SMEs. In 2019, we want to further strengthen our position in the market and attract savings from individuals and businesses alike.

Also, during the first three months of this year, this increasing trend continued both in Retail and SME deposits and Garanti Bank's deposits portfolio reached to a total volume of RON 7.85 billion.

**Q: The banking sector is in the middle of a technological revolution. How is Garanti Bank adapting to the digital transformation?**

**Ufuk Tandoğan:** In the digital era that we are living in, consumer-banking habits evolve at a speed we have never seen before. Digital transactions, specifically those made through credit and debit cards, and internet and mobile banking, have skyrocketed over the last years. We have seen that our customers want the convenience of banking on the go and that they prefer to do banking operations from their smartphones. Due to the rise of digital services, clients have become more independent when they do banking transactions, especially the basic ones.

Garanti Bank is one of the most important players in the Romanian banking system when it comes to digital banking penetration.

In 2018, the value of the transactions performed through our internet-banking platform - Garanti Online, increased by 60%, compared to 2014. In 2018, we registered a volume of mobile banking transactions, operated through our mobile banking application - Mobile ME, higher with 60% compared to the previous year. We believe this trend will maintain its momentum, as banks will rely more and more on digital products, especially for the Retail and SME segments.

In the first quarter of 2019, we have reached over 115,000 customers that are using our internet banking solution - Garanti Online. In addition, we have almost 35,000 customers that are using our mobile banking application, Mobile ME. Our digital

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products are on the right track and we are offering our clients the services they want, the way they want and when they want them.

**Q: Please tell us about the financial results registered by Garanti Bank. Is the business in Romania profitable?**

**Ufuk Tandoğan:** Yes! We have a healthy business. We are one of the top 10 banks, of systemic importance for the Romanian banking sector. Our long-term strategy is to focus on organic, prudent growth. And it is paying off. In 2017 and 2018, Garanti Group Romania reached record profitability levels in the Group's history on the local market, since opening our Romanian business, more than two decades ago. As for the first quarter of 2019, Garanti Bank posted a net profit of RON 31 million and net revenues of RON 99.4 million. The bank's overall loan volume reached RON 7.25 billion, while the deposits portfolio registered a total volume of RON 7.85 billion.

As I mentioned before, we are building a long-term, financially strong, business here in Romania.

We are constantly increasing the operational efficiency of the bank, significantly over the sector average. We are focusing on improving the asset quality of the bank, succeeding in the last 4 years to decrease the NPL level indicator from around 13% to around 4%, which is considerably better than the sector average.

**Q: You are a promoter of a healthy work-life balance, and your employees already feel the benefits of this. How is this working for your company and what are your recommendations for other managers of top companies in Romania?**

**Ufuk Tandoğan:** I encourage my colleagues to have the kind of life they want to and to constantly aim higher, both professionally and personally. I am very proud of the fact that we have built a strong and united team, Garanti family, whose members enjoy

sharing their passions and hobbies with their colleagues. This is why, via our internal blog - Garanti4All, they are speaking about themselves and what they enjoy doing in their free time, so that the likeminded colleagues can organize themselves to join together different competitions, or just to get ideas of how to relax or even how to get involved in volunteering activities. As much as possible, we are also trying to support their personal projects.

I cannot emphasize enough that you do not have an organization without its people believing in its values. People are bringing life into any kind of company. Therefore, we spare no effort to understand their needs and their aspirations and we have dedicated programs and trainings to address these needs.

In conclusion, you need to build, with trust and empathy, a family out of your organization. This is my advice, to build a healthy business with happy, confident colleagues.

**Q: What do you like here in Romania?**

**Ufuk Tandoğan:** I am a strong supporter and admirer of Romania and its country landscapes and culture. Thus, I have written in Hayat Turkish newspaper several articles about different places from Romania, in order to introduce the country's beautiful regions to the Turkish community. Moreover, I have been part of the project "Proud to be Romanian", continuing to promote Romania also in the released catalogues, through articles dedicated to different local areas.

Consequently, I have also embarked upon a personal project in 2018, to promote less known beautiful areas of the country, by writing a book, which is entitled "Discover Romania". In this book, written in three different languages (Romanian, English, and Turkish), my aim was to focus on destinations that I believe are yet to be fully discovered by tourists, both locals and foreigners. In the book's pages are being praised the country's beauties and resources, as well as people's warmth and hospitable spirit.



**Garanti Bank**  
5 Fabrica de Glucoza Rd., 3 Novo Park, Block F, 5th Floor,  
District 2, Bucharest  
Phone: +40 21 208 9260, Fax: +40 21 208 9286  
contact@garantibank.ro  
www.garantibank.ro

