



## INTERVIEW

# EVERY CHALLENGE IS AN OPPORTUNITY, A CHANCE TO GROW

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**1.** You took over the leadership of Garanti BBVA in Romania last year. What are your first year impressions of the local business environment?

First, I must emphasize that I came to Romania with positive expectations, as my Romanian colleagues had consistently told me many good things about this country, and I am glad to confirm that the feedback I had before is true.

When I settled here, as CEO of Garanti BBVA Romania, the stronger coronavirus waves had ended and I could see how the Romanian business environment had demonstrated its, resilience and ability to adapt to the challenges and changes imposed by the pandemic. Most of the companies that carry out their activities on Romania's territory have managed to get out of the pandemic without being strongly affected, have reinvented themselves with the help of innovation and their loyal teams, and have kept the client in the centre of their attention, despite the countless challenges.

As for the Romanian banking system, I believe it is solid, and although it has gone through many crises, it has successfully overcome them, including the one generated by the COVID-19 pandemic. As for the current inflationary wave, I am confident that the system as a whole and Garanti in particular will emerge stronger and better suited to meet our client's needs

**2.** As an experienced specialist, what risks do you foresee for Romanian companies from these overlapping crises that affect the economy? What are the key points the managers should pay special attention to?

2022 has been very challenging year for businesses and 2023 will be the same. Any business must factor in their business plans the increasing interest rates and the current inflationary trend. More expensive financing is something that will be around for a while and this will impact growth plans. They will also have to take into account that in order to fight inflation, interest rates might go higher and there is a real possibility that Romania will continue to be effected as EU might experience a hard landing or even a technical recession.

Inflation and recession fears are present in other economies as well. This is impacting us as well and any shocks in the US or in one of Romania's large trading partners can drag the local economy down as well. Of special interest is the German economy as approximately 27% of Romania's exports and 25.5% of imports are with this country. Local industrial supply chain chains are also linked with the German ones, so any slowdown there will have noticeable effects locally.

The war in Ukraine and the current energy crisis in Europe is something that we must take into account as well. While energy prices on the international



market seem to have stabilized and the forecasted mild winter works in our favour, we must be aware that the continuation of the war in 2023 will continue to inject uncertainty in the European markets.

We should be weary of China as well. Fear of a slowdown, the difficult real estate situation, its zero COVID policy and perpetual supply chains problems are only of the few of the elements in PRC that concern economists. Of course, any slowdown in the world second largest economy will have ripple effects that will reach us as well.

### **3. What are the bank's priorities in helping its corporate clients navigate this period of uncertainty?**

Garanti BBVA is present in the Romanian market for more than two decades, and we will continue to be a long-term partner for our corporate and retail clients. We are committed to promoting the best support for our customers, always at their disposal, especially in challenging times for them and the entire economy. As I mentioned before, the Romanian business environment is strong and resilient, and I expect the organizations to find at any time the right solutions to continue their activity, and in us, Garanti BBVA, a reliable and always available partner.

More precisely, we are here to provide the finances that companies need in these challenging times. For corporations, our offer includes tailor-made financing products for investments or working capital, payment and cash management solutions, off-balance sheet commitments of various types, as well as treasury services.

Of course, in 2022 and in years to come, we will be here to meet all the specific needs that may appear, and we will certainly find the best solutions.

### **4. Fintech accelerates the process of innovation and transformation. Which are the top priorities on your CEO agenda? What is the news for your clients in this regard?**

I strongly believe that Fintech is the natural reflection in the banking sector of the global digitalization wave that encompasses many aspects of our daily lives. The disruptive trend had been initiated by start-ups and to respond to the needs in the market, many banks developed fintech units. I believe that in the past few years, the fintech industry has raised the standard in the financial sector overall and stimulated banks to increase investment in digitization, which further improves customer experience.

The banks need to learn from the innovativeness and agility of fintech companies for the benefit of their customers.

We are already doing all these things. Garanti BBVA has an increased emphasis on digital acceleration, respectively on our channels - Garanti BBVA Online and Garanti BBVA Mobile, as we feel that our clients strongly favour the digital environment.

### **5. So, where are you now in terms of digitization?**

Garanti BBVA has always been a visionary player, and we have always deployed our resources to innovate and bring added value to our customers' lifestyles.

Therefore, it's been many years since our digital channel have been providing real value to our business. Our channels have become the link between the bank and our clients in the period of social distancing, but not only then.

Of course, as I mentioned, we will continue to invest in these channels and started a project to transform and upgrade our existing infrastructure with an aim to develop further since our clients show an increasing preference for remote solutions, and we want to meet all our customers' expectations.

### **6. Sustainability is a very "hot" topic these days. How should companies approach sustainability while still having a focus on financial results? How do you support your clients in addressing ESG transformational challenges and requirements?**

Indeed, sustainability issues are gaining importance within Romanian society and are increasingly impacting the banking sector. We, in Garanti BBVA, are very concerned about this aspect and we took several measures, to tackle that what is the world's greatest security threat - climate change.

I want to underline that in Garanti BBVA we define sustainability as a commitment to building a strong and successful business for the future while minimizing negative environmental and social externalities and sharing long-term values with our customers, staff, shareholders, and the communities we operate in.

As a result, sustainability has become one of our strategic priorities, in line with our assumed role of significant contributor to inclusive, environmental care, economic and social development. As a bank, we can act as a financier for a greener economy, but also share our knowledge, foster cooperation with

external stakeholders, and use our influence in society to increase awareness and achieve results in promoting sustainable development.

Moreover, everyone has a moral obligation towards others and the next generations and must be aware that their healthy and sustainable choices are small steps but with a significant impact.

### **7. Which is the most important lesson you think we all should learn from this challenging period?**

Indeed, the last few years have been characterized by a series of challenges, which started with the coronavirus outbreak, followed by the war in Ukraine, the energy crisis, the global inflation and locally, the increase of the ROBOR index.

Despite the constant concerns and ambiguity that have arisen from the pandemic, it has also taught us some important lessons about work, communication, and many other things. We have learned to embrace the unknown and spend less time trying to predict what is going to happen to make important decisions quickly and adapt to the radical changes that have taken place in our work and life.

The COVID-19 pandemic highlighted the business need for agility and speed, which means finding innovative ways to build resilience, future-proof revenue streams, improve operations, and ensure employees are well-managed and supported. We have learned that we must focus our efforts and investments on digital transformation, and thus create solutions to constantly support our customers and employees. These lessons are being reinforced by the current crisis, when it's more important than ever to think carefully ahead and have sound business practices.

Furthermore, we learned to put the needs of others first and to help without second thoughts. We also adapted to the challenges and learned to carefully plan our expenses and financial resources to be more attentive to the planet's resources.

As they say, every challenge is an opportunity, a chance to grow, a lesson to learn, a part of life.

### **8. How do you see the Romanian economy's evolution in 2022?**

After almost 11 months, we can say that this year there had no shortage of challenges, both at the national and international level, one of the most important being the armed conflict on the Romanian border.

Many of the risks and negative scenarios that financial forecasters pointed out across the year have materialized in terms of rising interest rates, inflation and possibly even recession. We all see that Russia's invasion of Ukraine has put additional pressure on an already stressed system.

Moreover, the evolution of energy prices has generated an inflationary shock that has rippled across the entire economy. Therefore, we expect to end the year with very high inflation that will persist for much of 2023.

All the factors mentioned above are eroding the purchasing power of households and will lead to a sharp decrease in consumption and investment rates. However, against the background of a good performance in the first half of 2022, when the Romanian economy surprised with a strong upward trend, I believe that the country will perform better than the region this year but we have to be prepared for a more difficult year in 2023.