



MODULE 3

CONTENT ELEMENTS OF IR FOR SMEs

Part 3

AGENDA

Basis of preparation & presentation

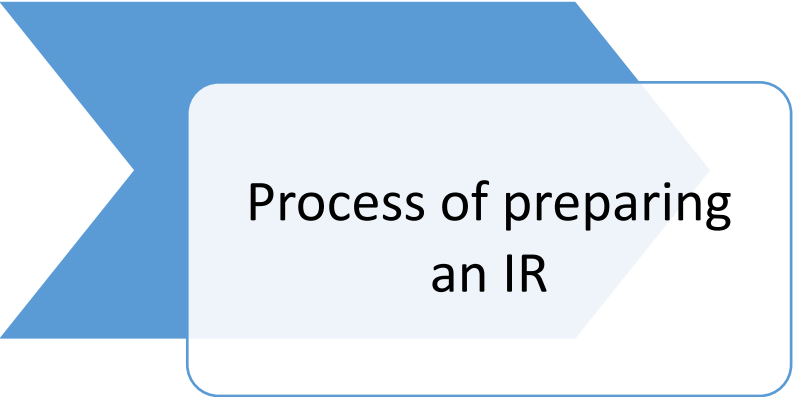
1. What should be included in the "Basis of preparation & presentation"?
2. Basis of Preparation & Presentation Example
3. Test Questions



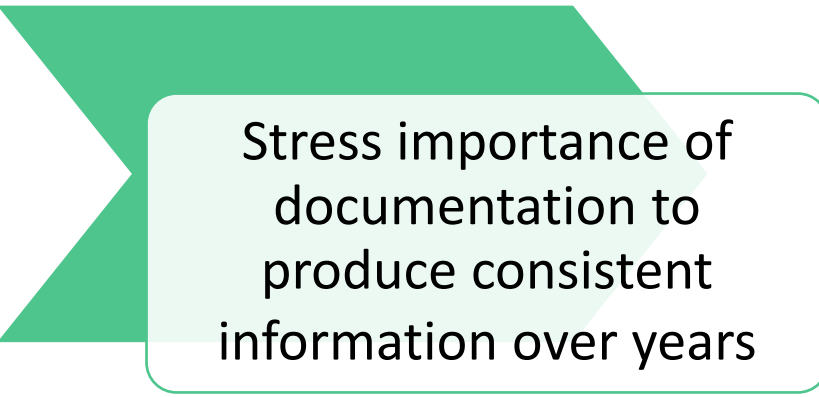


Basis of Preparation & Presentation

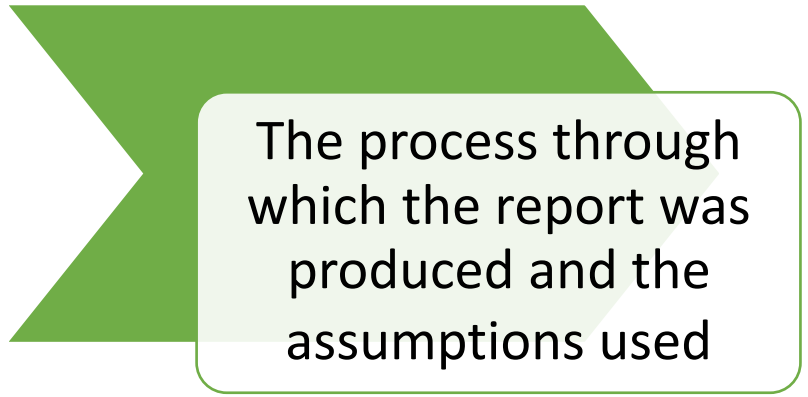
1. What should be included in the "Basis of preparation & presentation"?



Process of preparing an IR



Stress importance of documentation to produce consistent information over years



The process through which the report was produced and the assumptions used

2. Basis of Preparation & Presentation: The example of *Garanti BBVA*

ABOUT THE REPORT



We are pleased to present our second Integrated Report, which makes a holistic assessment of the financial and non-financial performance of T. Garanti Bankası A.Ş. ('Garanti BBVA'), as well as conveying its forward looking strategy.

Garanti BBVA aligns its thinking and its approach to long-term value creation to the principles of Integrated Reporting and aims to communicate its total value creation story in a clear and comprehensive way to all its stakeholders.

While providing an overview to the basis of its total value creation, its strategy and long-term sustainable value creation capability in the document titled "2019 Integrated Annual Review", Garanti BBVA provides a thorough account of its annual activities, detailed financial and non-financial performance including value drivers and indicators, and its approach to corporate governance and risk management in the document titled "2019 Integrated Annual Report".

The content of the Report is identified in line with the material issues, which are determined as an intersection of issues raised by our stakeholders and topics that are significant to Garanti BBVA. The information presented in this Report covers the 12-month period ending 31

December 2019, and unless otherwise specified, includes information on Garanti BBVA's operations in Turkey as well as the international subsidiaries in the Netherlands and Romania, foreign branches in Cyprus and in Malta, and two international representative offices in Dusseldorf and Shanghai. Where relevant, the information is supported by historical data.

The connection between the material issues, business strategy and performance in 2019 is clearly established, as suggested in the Integrated Reporting framework published by the International Integrated Reporting Council ('IIRC'). Garanti BBVA is a member of IIRC's Global <IR> Network and <IR> Banking Network and is a founding member of Integrated Reporting Turkey Network (Entegre Raporlama Türkiye Ağı "ERTA").

This report has been prepared in accordance with the GRI Standards: Core option. The Report covers six main chapters called "Introduction", "About Garanti BBVA", "Our Value Creation", "2019 Performance & Outlook", "Corporate Governance & Risk Management" and "Financial Reports". It also includes the GRI Financial Services Sector disclosures, United Nations Global Compact ('UNGC') and Women's Empowerment Principles ('WEPs') Progress Report, and a summary table of climate

related disclosures in accordance with the Task Force on Climate-Related Financial Disclosures ('TCFD') recommendations. Sustainability Accounting Standards Board ('SASB') Provisional Standard for Commercial Banks has also been used. Garanti BBVA's 2019 Integrated Annual Report will be presented at the Ordinary General Shareholders' Meeting of Garanti BBVA.

KPMG provided reasonable assurance on the financial information, and limited assurance on selective non-financial information defined in detail in the auditor's report.

INTRODUCTION

The first chapter provides a foreword on the reflection of Garanti BBVA's value creation story on this year's annual report, keynote messages by Mervyn E. King (Chair Emeritus of IIRC), by our Chairman, and by our CEO.

ABOUT GARANTI BBVA

The second chapter covers the operating environment, the positioning of Garanti BBVA, its governance structure and risk management perspective.

Established in 1946, Garanti BBVA is Turkey's second largest private bank and an integrated financial services group operating in every segment of the banking sector including corporate, commercial, SME, payment systems, retail, private and investment banking together with its subsidiaries in pension and life insurance, leasing, factoring, brokerage and asset management, besides international subsidiaries in the Netherlands and Romania.

Garanti BBVA:

- refers to how the content of its integrated report is identified in line with the material issues
- indicates the reporting period and the scope of the report, remarking that it refers to the bank's international subsidiaries and foreign branches
- emphasizes that the connections between the content elements of the report are clearly established following the IIRC framework
- presents the structure of the report shortly
- lists the standards and guidelines that are followed while drawing up the integrated report
- indicates an institution responsible for the assurance of information included in the report

3. Test questions



Q1. What should be included in the “Basis of preparation & presentation” section of an integrated report?

A. An assessment of the external environment of SME

B. A summary of the organization’s materiality determination process

C. A description of the reporting boundary and how it has been determined

D. Explanation of how an SME create value for its stakeholders



This section presents to stakeholder how the organizations has prepared its own report and how it has organized its relevant aspects of the organization. Basically how the report has been drafted.

Glossary

Reporting boundary – The boundary within which matters are considered relevant for inclusion in an organization's integrated report.

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