


**Corporate Governance
Revised Rating Report**

BANKING

This Report has been prepared by JCR-ER in compliance to the regulations of Capital Market Board of Turkey

 Garanti		9.27 AAATrk/aa (Positive)
Corporate Governance Score & Outlook	Shareholders	9.22 AAATrk/aa (Stable)
	Public Disclosure & Transparency	9.25 AAATrk/aa (Positive)
	Stakeholders	9.23 AAATrk/aa (Positive)
	Board of Directors	9.34 AAATrk/aa (Stable)

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Bank Information	
Trade Name	T. GARANTİ BANKASI A.Ş.
Address	Nispetiye Mah. Aytar Cad. No:2 Beşiktaş/ İSTANBUL
Chairman	Mr. Ferit ŞAHENK
CEO	Mr. Ali Fuat ERBİL
Investor Relations	Phone: +90.212.318.23.52 investorrelations@garanti.com.tr
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Investor Relations (SVP)	Ms. Handan SAYGIN

TÜRKİYE GARANTİ BANKASI A. Ş.						
Financial Data	9M2016	2015*	2014*	2013*	2012*	2011*
Total Assets (USD mn)	97,274	94,511	103,217	102,706	100,852	86,542
Total Assets (TRY mn)	291,043	274,838	237,914	217,736	177,500	161,401
Total Deposit (TRY mn)	167,133	156,114	133,407	119,194	97,775	93,236
Total Net Loans (TRY mn)	190,272	175,682	148,081	131,315	102,260	92,654
Equity (TRY mn)	35,738	32,006	27,290	23,475	21,922	18,150
Net Profit (TRY mn)	4,163	3,807	3,841	3,529	3,393	3,398
Asset Market Share (%)**	11.79	11.94	12.17	12.61	12.84	13.09
ROAA (%)	N.A.	1.86	2.16	2.28	2.52	2.87
ROAE (%)	N.A.	16.06	19.16	19.61	21.37	24.40
Equity/Assets (%)	12.28	11.65	11.47	10.78	12.35	11.25
CAR-Capital Adequacy Ratio (%)**	16.39	15.03	15.23	14.42	18.09	16.89
Asset Growth Rate (%)	5.90	15.52	9.27	22.67	9.97	18.85

Based on IFRS financials *End of year ** Based on BRSA unconsolidated financials, market shares among deposit banks

Overview

Türkiye Garanti Bankası A.Ş. (Garanti or Bank), {credit ratings by JCR Eurasia Rating on April 06, 2016: [FC: BBB/BBB+ Stable, LC: AAA(Trk)/(A-1+)] (Trk Stable)} was established in 1946. A large-scale deposit bank, Garanti carries out activities in every segment of the banking sector, including corporate, commercial, SME, payment systems, retail, private and investment banking services. In addition to its major fields of activity, through its numerous subsidiaries the Bank provides related non-banking financial services in the field of factoring, leasing, pensions, insurance, brokerage and asset management. Alongside its nationwide coverage network of 967 branches, the Bank has 7 foreign branches in Cyprus, one in Luxembourg and one in Malta as well as 3 international representative offices located in London, Düsseldorf and Shanghai.

As of September 2016, Garanti's ownership structure was comprised of two majority shareholders, the Dogus Group with a share of 10.0002% and BBVA (Banco Bilbao Vizcaya Argentaria S.A) with a share of 39.9000%. The remaining 50.0998% of shares are held by a variety of investors that includes domestic and foreign retail along with foreign institutional investors across the globe. Bank shares have been traded on the Borsa Istanbul (BIST) since 1990 and the actual free float rate is 50.07% as of September 30, 2016.

The Board of the Bank consists of 11 members, only the CEO pursues an executive position. 3 board members are in the independent status. Audit, Corporate Governance, Risk and Remuneration Committees were established within the scope of the Board of Directors.

Strengths

- Having the "Garanti IR" (Investors Relations) tablet application for Android and iOS platform
- Having a comprehensive and effective risk management system
- The only company in the Dow Jones Sustainability Index from Turkey
- Presence of two functional departments to inform present and potential shareholders and to facilitate the use of shareholder rights
- Annual General Meetings (AGM) conducted with a high level of Compliance with the Code and substantial rates of attendance
- Utilization of the Bank website as an effective transparency platform in Turkish and English
- Effective Board of Directors comprised of highly qualified, educated and experienced members

Constraints

- Absence of any clauses in the articles of association of the Bank to broaden the exercise of minority rights beyond the current legislation for shareholders holding less than 5% of the share capital.
- Lack of disclosure of the per-person remuneration of the top managers and the board members

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