


**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

 <b>Garanti</b>		<b>9.51</b> AAATrk)/aaa (Positive)
Corporate Governance Score & Outlook	Shareholders	<b>9.22</b> AAA(Trk)/aa (Stable)
	Public Disclosure & Transparency	<b>9.40</b> AAA(Trk)/aa (Positive)
	Stakeholders	<b>9.57</b> AAA(Trk)/aaa (Positive)
	Board of Directors	<b>9.66</b> AAA(Trk)/aaa (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. Süleyman SÖZEN
CEO	Mr. Ali Fuat ERBİL
Investor Relations	Phone: +90.212.318.23.52 <a href="mailto:investorrelations@garanti.com.tr">investorrelations@garanti.com.tr</a>
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Investor Relations (SVP)	Ms. Handan SAYGIN

TÜRKİYE GARANTİ BANKASI A. Ş.						
Financial Data	9M2017	2016*	2015*	2014*	2013*	2012*
Total Assets (USD mn)	94,766	87,765	94,511	103,217	102,706	100,852
Total Assets (TRY mn)	336,617	308,319	274,838	237,914	217,736	177,500
Total Deposit (TRY mn)	195,156	178,644	156,114	133,407	119,194	97,775
Total Net Loans (TRY mn)	224,596	205,989	175,682	148,081	131,315	102,260
Equity (TRY mn)	40,817	36,438	32,006	27,290	23,475	21,922
Net Profit (TRY mn)	5,063	5,052	3,807	3,841	3,529	3,390
Asset Market Share (%)**	11.35	11.57	11.94	12.17	12.61	12.84
ROAA (%)	N.A.	2.17	1.86	2.16	2.28	2.52
ROAE (%)	N.A.	18.52	16.06	19.16	19.61	21.37
Equity/Assets (%)	12.13	11.82	11.65	11.47	10.78	12.35
CAR-Capital Adequacy Ratio (%)**	17.10	16.21	15.03	15.23	14.42	18.09
Asset Growth Rate (%)	9.18	12.18	15.52	11.41	22.67	9.47

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 20, 2017: [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 942 branches, the Bank has 7 foreign branches in Cyprus and one in Malta as well as 3 international representative offices located in London, Düsseldorf and Shanghai.

Banco Bilbao Vizcaya Argentaria S.A (BBVA), one of the leading banking groups in Europe has become the sole major shareholder of the Bank through the share transfer between Doğuş Group and BBVA disclosed on February 21, 2017 raising the BBVA's stake to 49.85% from 39.90% and finalized on March 22, 2017. The remaining 50.15% 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 İstanbul (BIST) since 1990 and the actual free float rate is 50.07% as of September 30, 2017.

The Board of the Bank consists of 10 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**

- High level of effectiveness in internal audit activities
- High quality service provision for customers
- Having the "Garanti IR" (Investors Relations) tablet application for Android and iOS platform
- Having a comprehensive and effective risk management system
- Inclusion in the Dow Jones Sustainability Index
- 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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