

Corporate Governance Rating Report

**Revised Report
Brokerage House**

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

		8.91 AAA(Trk)/a (Stable)
Corporate Governance Score & Outlook	Shareholders	8.83 AAA(Trk)/a (Stable)
	Public Disclosure & Transparency	9.04 AAA(Trk)/aa (Stable)
	Stakeholders	8.51 AAA(Trk)/a (Stable)
	Board of Directors	9.05 AAA(Trk)/aa (Stable)

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Company Information	
Trade Name	İŞ YATIRIM MENKUL DEĞERLER A.Ş.
Address	İş Kuleleri-2 Kat: 12 4. Levent 34330 Beşiktaş/İSTANBUL
Chairman	Mr. İlhami KOÇ
CEO	Mr. A. Erdal ARAL
Investor Relations	Deputy CEO, Ms. Çağlan Mursaloğlu Head of IR, Mr. Ozan Altan IR Specialist, Mr. Alper Alkan Phone: +90.212.350.28.72 yatirimciliskileri@isyatirim.com.tr
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İŞ YATIRIM MENKUL DEĞERLER A.Ş.					
Financial Data	2013*	2012*	2011*	2010*	2009*
Total Assets (000 USD)	2,316,544	2,343,855	1,621,751	1,746,684	1,706,961
Total Assets (000 TRY)	4,935,166	4,166,436	3,063,325	2,685,702	2,538,764
Equity (000 TRY)	917,223	853,622	687,521	650,022	597,464
Net Profit (000 TRY)	125,312	137,364	84,893	98,191	114,131
Sales (000 TRY)	344,656	311,928	230,669	209,805	214,829
Net Profit Margin (%)	36.36	44.04	36.80	46.80	53.13
ROAA (%)	3.01	4.26	3.44	4.31	10.03
ROAE (%)	15.49	19.96	14.79	18.07	42.63
Equity / Total Assets (%)	18.59	20.49	22.44	24.20	23.53
Net Working Capital / T. Assets (%)	17.77	18.65	19.80	20.19	20.39
Debt Ratio (%)	81.41	79.51	77.56	75.80	76.47
Asset Growth Rate (%)	18.45	36.01	14.06	5.79	71.21

*end of year

Overview

İş Yatırım Menkul Değerler A.Ş. (referred hereinafter as İş Yatırım or the Company), established by T. İş Bankası A.Ş. in 1996, is an investment company which offers the services of local and international brokerage, investment advisory, portfolio management and corporate finance. Beginning trading on the BIST (Borsa İstanbul) in 2007, 29.32% of the Company's shares are publicly traded while the remaining shares are owned by T. İş Bankası A.Ş. and its subsidiaries. The Company has 6 subsidiaries, two of which operate abroad and two are traded on the BIST.

The Company, having a widespread service network of 11 branches, 5 representative offices and T. İş Bankası A.Ş. branches utilized as its agencies, employs a staff force of 406. As a leading institution in terms of both market share and transaction volume for years, İş Yatırım is the market's leader with market share of 8.4% in terms of transaction volume of equity market as of the end of 2013.

Board of Directors consists of 9 members, two of them are independent, and two of them women and 7 of the members are determined by İşbank and elected from among the experienced managers working in the relevant capital market departments of the Bank. The audit, Risk and Corporate Governance committees exist within scope of the board.

Strengths

- Board members and top managers were provided assurance with liability insurance
- Well organized the Investors Relation Department and sufficient activities
- Utilization of Company website as an effective transparency platform in Turkish and English
- Exiting the sufficient risk management system
- High qualifications of the Board members and senior management in terms of education and track record

Constraints

- A group share privilege to determine majority of the Board members
- Absence of internal regulations to broaden the exercise of minority rights beyond the current legislation,
- Lack of disclosure of senior management's remunerations per person
- Absence of an objective performance evaluation method for the Board members

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