

Corporate Governance Rating

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

Publication Date: 11/12/2020

Sector: Banking

T. GARANTİ BANKASI A.Ş.

Ratings

Overall Score	9.77	AAA(Trk)/aaa (Stable)
Shareholders	9.67	AAA(Trk)/aaa (Stable)
Public Disclosure & Transparency	9.76	AAA(Trk)/aaa (Stable)
Stakeholders	9.86	AAA(Trk)/aaa (Stable)
Board of Directors	9.81	AAA(Trk)/aaa (Stable)

Company Profile

Trade Name	T. GARANTİ BANKASI A.Ş.
Address	Nispetiye Mah. Aytar Cad. No:2 Beşiktaş/ İSTANBUL
Chairman	Mr. Süleyman SÖZEN
CEO	Mr. Recep BAŞTUĞ
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TÜRKİYE GARANTİ BANKASI A.Ş. Company Overview

Financial Data	3Q2020**	2019*	2018*	2017*	2016*	2015*
Total Assets (USD mn)	68,549	72,253	75,898	93,258	87,765	94,511
Total Assets (TRY mn)	525,909	429,196	399,975	352,122	308,319	274,838
Total Deposit (TRY mn)	345,664	277,139	244,892	200,679	178,644	156,114
Total Net Loans (TRY mn)	345,972	266,293	251,144	233,194	205,989	175,682
Equity (TRY mn)	60,725	54,086	46,895	41,925	36,438	32,006
Net Profit (TRY mn)	5,240	6,263	6,748	6,094	5,052	3,807
Asset Market Share (%) ***	8.00	10.02	10.56	11.13	11.57	11.94
ROAA (%)	n.a	1.98	2.34	2.35	2.17	1.86
ROAE (%)	n.a	16.25	19.83	19.81	18.52	16.06
Equity/Assets (%)	11.55	12.6	11.72	11.91	11.82	11.65
CAR-Capital Adequacy Ratio (%) *	16.88	17.81	16.52	16.79	14.67	13.53
Asset Growth Rate (Annual) (%)	22.53	7.31	13.59	14.21	12.18	15.52

* Based on end-of-year IFRS consolidated financial statement
 ** 3Q2020 based on consolidated BRSA financials
 *** On solo basis and/or among the deposit banks

Bank Overview

Türkiye Garanti Bankası A.Ş. (Garanti BBVA or Bank), {credit ratings by JCR Eurasia Rating on August 26, 2020: [FC: BBB-/BBB Negative, LC: AAA(Trk)/(A-1+) (Trk) Stable]} was established in 1946. A large-scale deposit bank, Garanti BBVA 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 894 branches, the Bank has 7 foreign branches in Cyprus and one in Malta as well as 2 international representative offices located in Düsseldorf and Shanghai as of 3Q2020.

Banco Bilbao Vizcaya Argentaria S.A (BBVA), one of the leading banking groups in Europe is the sole major shareholder of the Bank with 49.85% of shares. 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 Istanbul (BIST) since 1990 and the actual free float rate is 50.07% as of September 30, 2020.

The Board of the Bank consists of 11 members, only the CEO pursues an executive position. 4 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

- Publishing the integrated report including 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
- High level of effectiveness in internal audit activities and closely monitoring new approaches in the field of internal auditing
- 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, compliant with the legislation, Bank strategies and policies
- Inclusion in the Dow Jones Sustainability Index as the only company based in Turkey that is included in the index for six consecutive years.
- Utilization of the Bank IR website as an effective transparency platform in Turkish and English
- Effective and Visionary 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