

Corporate Credit Rating

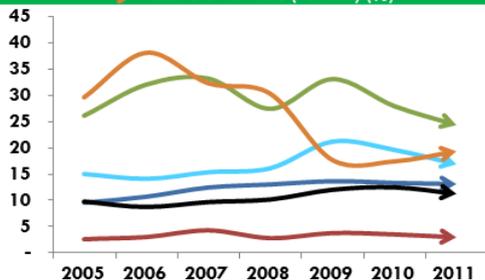
Banking

Updated

		Long Term	Short Term
International	Foreign Currency	BBB-	A-3
	Local Currency	BBB	A-3
	Outlook	Stable	Stable
National	Local Rating	AAA(Trk)	A-1+(Trk)
	Outlook	Stable	Stable
Sponsor Support		1	-
Stand Alone		A	-
Sovereign*	Foreign Currency	BB	B
	Local Currency	BB	B
	Outlook	Stable	Stable

*Affirmed by Japan Credit Rating Agency, JCR on February 21, 2011

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Strengths

- Adequacy in internal fund generation capacity needed to truss progressive growth trend through resiliency in its revenue streams
- Diversified and integrated business mix of financial services underpinned by its franchise strength and innovative organizational structure
- Capitalization level adequate to absorb incidental losses
- The Turkish financial system having decoupled from EU financial crisis thus far through its sturdiness
- Anticipated improvement in the financialization level of the real sector promising further room for growth given the still low penetration level of the Turkish financial system
- Improving maturity structure of the deposit base
- Well-established managerial practices and advanced risk measurement system
- Improvement in NPL figures, even in absolute terms
- High level of transparency regarding corporate governance best practices

Constraints

- Adverse effects of continuing interest rate corridor policy of CBRT on the banks' interest margins and growth potential
- Downside pressure trend in recent years on the Turkish banking sector's NIM
- Prevalent sector-wide structural maturity mismatches, though in a period of extension trend, exerting adversities on the liquidity management of the Banks

TÜRKİYE GARANTİ BANKASI A.Ş.							
Financial Data	2011*	2010*	2009*	2008*	2007*	2006*	2005*
Total Assets (USD mn)	86,938	89,344	77,589	64,598	64,935	40,799	30,883
Total Assets (TL mn)	162,139	135,803	115,608	98,188	75,325	56,914	41,198
Equity (TL mn)	18,150	16,873	13,836	9,904	7,228	4,933	3,989
Net Profit (TL mn)	3,398	3,432	3,095	1,926	2,435	1,150	698
Market Share (%)**	13.09	13.30	13.64	13.01	12.44	10.68	9.48
ROAA (%)	2.87	3.42	3.68	2.72	4.20	2.92	2.60
ROAE (%)	24.40	27.99	33.11	27.54	33.30	32.13	26.14
Equity/Assets (%)	11.19	12.42	11.97	10.09	9.60	8.67	9.68
CAR-Capital Adequacy Ratio (%)**	16.89	19.62	21.20	16.14	15.38	14.12	15.10
Asset Growth Rate (Annual) (%)	19.39	17.47	17.74	30.35	32.35	38.15	29.71

*End of year **On solo basis among the deposit banks

Overview

Türkiye Garanti Bankası A.Ş. (hereinafter referred to as "Garanti" or the "Bank") is a national private bank and one of the market leaders in Turkish financial system through its diversified and integrated business mix in the fields of corporate, private, commercial, SME, investment and retail banking. Major shareholders of the Bank are Banco Bilbao Vizcaya Argentaria S.A (BBVA, 25.01%) – one of the leading banking groups in Europe with an asset size of EUR598 bn (with a rating of AA+ assigned by JCR on Sep.29, 2010 on the foreign currency long-term senior debts) and Dogus Grubu (DOGUS – the Group, 24.23%). Garanti's shares have been traded on the Istanbul Stock Exchange (ISE) since 1990.

Garanti's widespread distribution network of 918 branches and offices, 16,775 employees, comprehensive infrastructure of its alternative delivery channels and its affiliates bolster the franchise strength of the Bank.

The Bank's growth rates have been in such a progressive trend as to outperform the Turkish banking sector by 1.54 times during the period of previous seven years – marked by a cumulative growth rate of 458%. This, considered together with above-the-sector profitability indicators, resiliency of the Bank's revenues and below-the-sector NPL ratios, underpinned the current ratings of Garanti.

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