



## ***Corporate Governance Compliance Rating Report***



***Garanti Yatırım Ortaklığı A.Ş.***

31 December 2013

Validity Period 31.12.2013-31.12.2014

## LIMITATIONS

This Corporate Governance Rating Report issued by Kobirate International Credit Rating and Corporate Governance Services Inc (herein after called "KOBIRATE") for Garanti Yatırım Ortaklığı A.Ş. (herein after called "Company") is compiled in accordance with the Corporate Governance Principles Compliance Rating Methodology prepared by Kobirate on the basis of the Corporate Governance Principles issued by the CMB in 2005 and modified with a communiqué on Dec.2011, Series:IV,No:56, on Feb.2012, Series IV, No: 57 and Feb.2013 Series: IV, No:63, which are approved by the CMB with its letter of 24.04.2009, no. 5347.

The Rating Report issued by Kobirate International Credit Rating and Corporate Governance Services Inc is based on 67 copies of documents, data, files transmitted by the concerned firm electronically, including data open to general public and examinations made by our rating experts on site.

Kobirate has formulated its Ethical Rules according to the Banking Act, the CMB and BRSA Directives on the Operations of Rating Firms, generally accepted ethical rules of the IOSCO and OECD including generally accepted ethical customs, which is shared with the public through its Internet website ([www.kobirate.com.tr](http://www.kobirate.com.tr))

Although rating is an assessment based on numerous data, it is consequently the institutional opinion of Kobirate formed accordingly to the methodology disclosed.

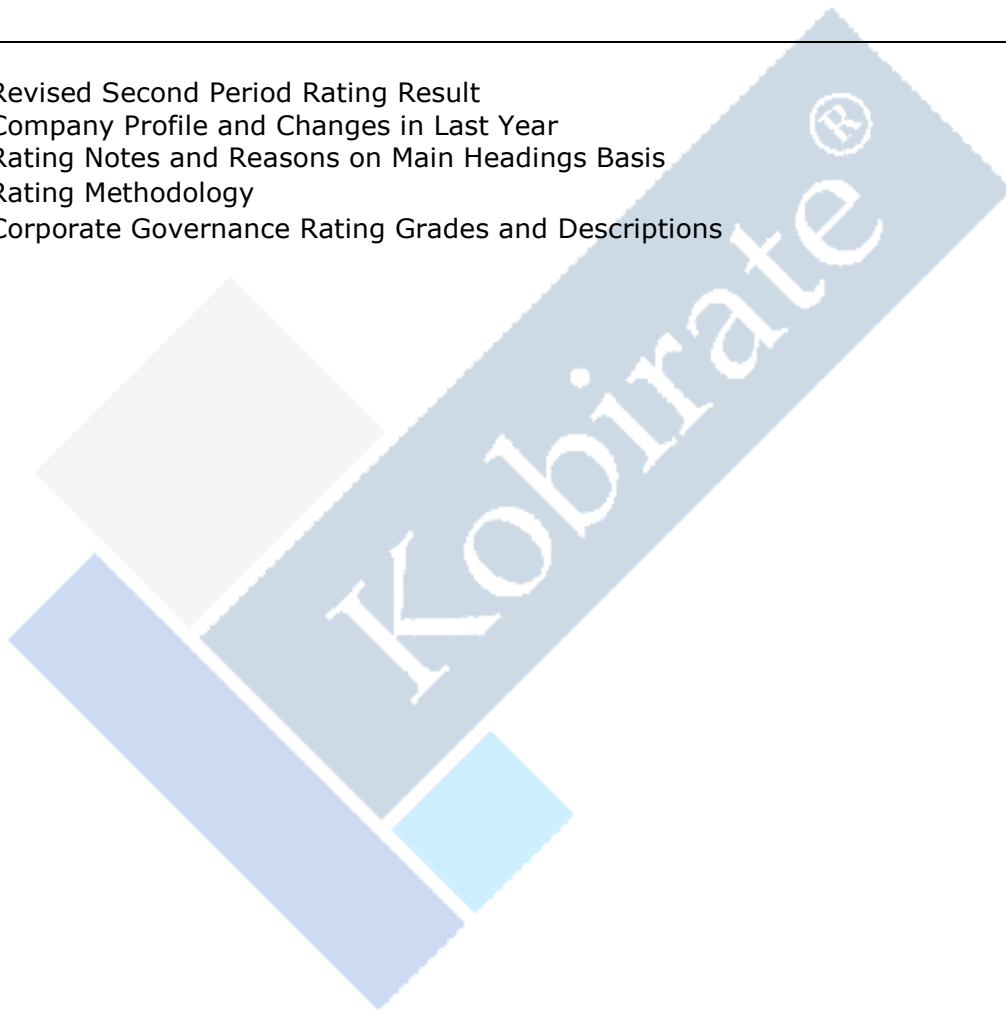
The rating grade does not constitute a recommendation to purchase, to hold or to dispose any kind of borrowing instrument. KOBIRATE may not be held liable for any losses incurred or investments made to the company referring to this report.

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## TABLE OF CONTENTS

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1.	Revised Second Period Rating Result	3
2.	Company Profile and Changes in Last Year	5
3.	Rating Notes and Reasons on Main Headings Basis	7
4.	Rating Methodology	8
5.	Corporate Governance Rating Grades and Descriptions	9





**GARANTİ YATIRIM  
ORTAKLIĞI A.Ş.**

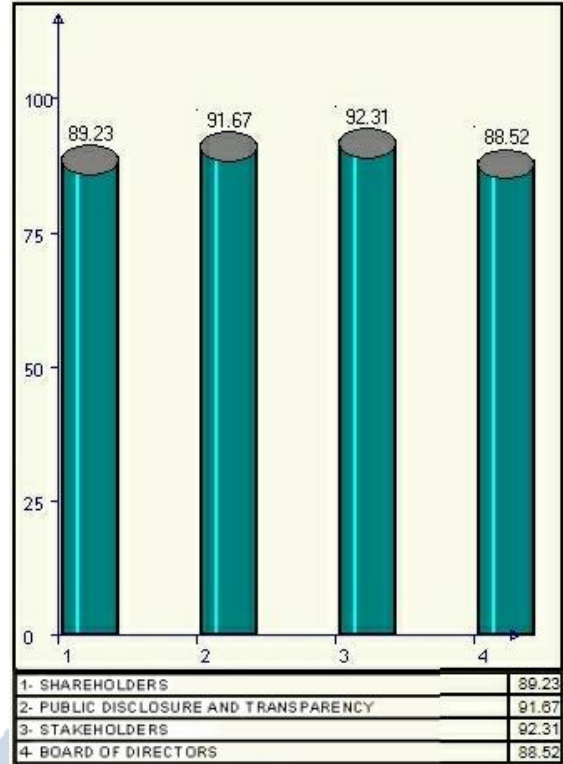
**CMB CORPORATE GOVERNANCE  
PRINCIPLES COMPLIANCE GRADE**

**9.01**

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## 1. REVISED SECOND PERIOD RATING RESULT

At the end of onsite examinations of the documents, interviews held with executives and persons involved, and of other reviews, the process of rating of compliance of **GARANTİ YATIRIM Ortaklığı A.Ş.** with the Corporate Governance Principles is revised in accordance with the Corporate Governance Principles Compliance Rating Methodology developed by Kobirate Uluslararası Kredi Derecelendirme ve Yönetim Hizmetleri A.S. according to the Corporate Governance Principles issued and approved by the R.T.Prime Ministry, Capital Market Board of Turkey

At the end of examination of 286 criteria under the headings of Shareholders, Public Disclosure and Transparency, the

Stakeholders and the Board of Directors as specified in the CMB's Corporate Governance Principles and the methodology of Kobirate A.S., the Corporate Governance Compliance Rating Grade of **GARANTİ YATIRIM Ortaklığı A.Ş.** is determined as **9.01**

This result signifies that **GARANTİ YATIRIM Ortaklığı A.Ş.** has achieved a considerable compliance with the CMB's Corporate Governance Principles and deserves to keep at high level on the BIST Corporate Governance Index.

Both Board of Directors' and top management's internalization of Corporate Governance Principles in including willingness and steady approach to produce solutions to areas

that require compliance and improvement within the last year has been the biggest factor in achieving the revised note.

This result refers to a considerable compliance of **GARANTİ YATIRIM Ortaklığı A.Ş.** with CMB's published Corporate Governance Principles. Internal control systems have been established and works healthly. The risks that may occur within the company are significantly identified and can be controlled. Rights of shareholders are fairly regarded. Public Disclosure and Transparency activities are at high level. Rights of stakeholders are fairly regarded. The structure and working conditions of Board of Directors are in compliance with the Corporate Governance Principles; but although it doesn't pose great risks within the framework of Corporate Governance Principles, some improvements are needed.



## 2. COMPANY PROFILE AND CHANGES IN LAST YEAR



<b>Company Name</b>	:Garanti Yatırım Ortaklığı Anonim Şirketi
<b>Company Address</b>	:Doğuş Grubu Merkez Binası, Huzur Mah. Maslak Ayazağa Cad. No: 2 34396 Şişli-İstanbul
<b>Company Phone</b>	: (0 212) 335 30 95-96-97
<b>Company Facsimile</b>	: (0212) 335 32 30
<b>Company Website</b>	: <a href="http://www.gyo.com.tr/">http://www.gyo.com.tr/</a>
<b>Company E-Mail Address</b>	: <a href="mailto:yo@gyo.com.tr">yo@gyo.com.tr</a>
<b>Date of Incorporation</b>	: 9 July 1996
<b>Register Number</b>	: 349050-260631
<b>Line of Business</b>	: Asset management of capital market tools
<b>Company's Sector</b>	: Security Investment Trust

### **Company's Representative in Charge of Rating:**

**Ali Akın Ekmekçi**

Director of Finance

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### Shareholders Structure

Shareholder's Name	Share (TL)	%
Garanti Yatırım Menkul Kıymetler A.Ş.	77.764,27-	0,24
Doğuş Holding A.Ş.	9.720,54-	0,03
Doğuş Otomotiv Servis ve Ticaret A.Ş.	9.720,54-	0,03
Garanti Yatırım Menkul Kıymetler A.Ş.	960.000,00-	3,00
Publicly Held	30.942.794,65	96,70
<b>Total</b>	<b>32.000.000,00</b>	<b>100,00</b>

Source : [www.gyo.com.tr](http://www.gyo.com.tr)

### Board of Directors

Name/Surname	Title
Mehmet Reha Tanör	Chairman / CEO
Ekrem Nevzat Öztangut	Deputy Chairman
Hasan Hüsnü Güzelöz	Member
Mustafa Sabri Doğrusoy	Member - Independent Member
Remzi Murat Rena	Member - Independent Member

Source : [www.gyo.com.tr](http://www.gyo.com.tr)

### Balance-Sheet Comparison of Company's Certain Selected Items as of the 3<sup>rd</sup> Period of the Last Two Years

	2012/09 (TL)	2013/09 (TL)	( % )
Current Assets	34.028.596-	35.209.433-	3,47
Fixed Assets	220.874-	176.109-	(-)20,27
Total Assets	34.249.470-	35.385.542-	3,3
Short Term Liabilities	358.751-	633.190-	76,5
Long Term Liabilities	70.867-	104.493-	47,5
Equity	33.819.852-	34.647.859-	2,45

Source : [www.gyo.com.tr](http://www.gyo.com.tr)

### Changes within the company in Last Year

At the general assembly held on 26.04.2013, reserves required by law, taxes, funds and financial payments are deducted from TL 4.101.729,58 profit in the income statement for 01.01.2012-31.12.2012 period. It's decided to distribute TL 1.000.000.- cash and TL 2.000.000.- bonus shares to shareholders from the remaining net distributable profit. Cash dividend is distributed to shareholders on 20.05.2013

Because of increasing company's issued share capital within the registered capital ceiling from TL 30.000.000.- to TL 32.000.000.-, TL 2.000.000.- to be met by dividend, Group A and B shares stock issue document has been approved by CMB's 05.07.2013 date, 717 numbered decision. Within the framework of bonus issue, bonus shares to be given to shareholders are distributed on 09.07.2013

Ali Akın EKMEKÇİ has been appointed to the directorate of Shareholders' Relations Unit which was carried by İdil ÇEBİ in the previous year.

### 3. RATING NOTES AND REASONS ON MAIN HEADINGS BASIS

Taking into consideration, both **Garanti Yatırım Ortaklığı A.Ş.**'s Board of Directors' and top management's internalization of Corporate Governance Principles in including willingness and steady approach to produce solutions to areas that require compliance and improvement within the last year, the company's corporate governance rating grade is revised as follows;

<b>Main Headings</b>	<b>Grade</b>	<b>Weight(%)</b>
<b>Shareholders</b>	89.23	25
<b>Public Disclosure and Transparency</b>	91.67	25
<b>Stakeholders</b>	92.31	15
<b>Board of Directors</b>	88.52	35
<b>TOTAL</b>		<b>9.01</b>

#### **The most important developments are;**

- Amendments are made in the articles to be able to make general assembly open to public including stakeholders and media.
- It's determined that the general assembly held on 26.04.2013 with the participation of our experts to discuss the activities of 2012 complied with the principles at high level.
- The information in the company's corporate website began to be published in English.
- Information on ultimate controlling shareholders and preferred shares are provided in the company's corporate website.
- The deficiencies identified in the annual report in the previous years have been corrected and the content has been equipped in accordance with the principles.
- Internal regulations to regulate relations with stakeholders and employees have been updated and employees are informed.
- Education Policies have been created.
- The effectiveness of the committees formed within the Board are increased.
- Necessary methods on self criticism and performance evaluation of the Board of Directors have been created.



#### 4. THE RATING METHODOLOGY

The Corporate Governance Compliance Rating is a system which audits whether or not the firm's management structures and management styles, the arrangements for shareholders and stakeholders and the process of informing in transparency and accuracy are performed in accordance with the modern corporate governance principles and which assigns a grade corresponding to the existing situation.

In 1999, the Economic Cooperation and Development Organization (OECD) approved at the Meeting of Ministers and published the Corporate Governance Principles, Since then, these principles have been regarded as international references for the decision – makers, investors, shareholders and companies throughout the world. In 2002, these principles were revised and accommodated to the present situation.

As for Turkey, the Capital Market Board (CMB) has undertaken the duties for the Corporate Governance. The CMB established the Corporate Governance Principles first in 2003, later in 2005, it revised and published the principles. The last revisal is done on Dec. 2011 and Feb. 2012 with Communiqué Serial: IV, No: 56 and Feb.2013 Serial: IV No: 63 respectively by the Board. The principles are grouped under four main headings namely: the Shareholders, Public Disclosure and Transparency, Stakeholders and the Board of Directors.

Besides the CMB, by the Directive on Bank's Corporate Governance Principles, promulgated in Official Gazette of 01.11.2006, No: 26333, the BRSA introduced the rules required to be complied with by Banks.

Kobirate International Credit Rating and Corporate Governance Services Inc (Kobirate Inc) achieves the Corporate Governance Compliance Rating by a system identically based on the Corporate Governance Principles of the Capital Market Board (CGPCMB).Through this system, the firms are analyzed

under four main headings of the Public Disclosure and Transparency, Shareholders, Stakeholders and the Board of Directors in accordance with the CGPCMB).

In this analysis, the full compliance of work flow and analysis technique with Kobirate A.Ş.'s Ethical Rules is considered.

In this analysis, 286 different criteria are considered to measure the compliance of firms whose shares are traded on BIST with the corporate governance principles. Such criteria are translated into the Kobirate A.S.'s unique Corporate Governance Rating Questionnaire and the firms' and banks' responses to which are received electronically. The responses are analyzed and re-examined by the rating experts and analysts, re-examined and turned into a reported with results which is submitted to Kobirate Corporate Governance Rating Committee for final decision.

The grade to be assigned by the Corporate Governance Rating Committee to the firm ranges between 0-10. In this scale of grade, "10" points mean excellent, full compliance with CMB's Corporate Governance Principles while grade "0" means that there is unsatisfactory compliance with CMB's Corporate Governance Principles in the existing structure. On this context, in order to reach the total grade, the following rates as adopted from the Corporate Governance Principles of the Capital Market Board on 01.02.2013 date and 4/105 numbered meeting are applied;

- Shareholders %25
- Public Disclosure and Transparency %25
- Stakeholders %15
- Board of Directors %35

**5. KOBİRATE ULUSLARARASI KREDİ DERCELENDİRME VE  
KURUMSAL YÖNETİM HİZMETLERİ A. Ş. CORPORATE GOVERNANCE  
RATING GRADES AND DESCRIPTIONS**

<b>GRADE</b>	<b>DEFINITIONS</b>
<b>9-10</b>	The Company achieved a substantial compliance with to the Corporate Governance Principles issued by the Capital Market Board. Internal control systems are established and are operational. Any risks to which the Company might be exposed are recognised and controlled effectively. The rights of the shareholders are impartially taken care of. The level of public disclosure and transparency are high. Interests of the stakeholders are fairly considered. The structure and the working conditions of the Board of Directors are in full compliance with the Corporate Governance Principles. The Company is eligible for inclusion in the BIST corporate governance index.
<b>7-8,9</b>	The Company complied considerably with the Corporate Governance Principles issued by the Capital Market Board. Internal control systems are in place, and operational, although some improvements are required. Potential risks, which the Company may be exposed are identified and can be managed. Benefits of the shareholders are fairly taken care of. Public Disclosure and transparency are at high levels. Interests of the stakeholders are equitably considered. Composition and operational conditions of the Board comply with the Corporate Governance Principles. Some improvements are needed in compliance with the Corporate Governance Principles even though they do not constitute serious risks. The company is obviously eligible for inclusion in the BIST Corporate Governance Index.
<b>6-6,9</b>	The Company has moderately complied with the Corporate Governance Principles issued by the Capital Market Board. Internal Control systems at moderate level have been established, and operate, however, improvement is required. Potential risks that the Company may be exposed are identified and can be managed. The interest of the shareholders are taken care of although improvement is needed. Although public disclosure and transparency are taken care of, there is need for improvement. Benefits of the stakeholders are taken care of but improvement is needed. Some improvement is required in the structure and working conditions of the Board. Under these conditions, the Company is not eligible for inclusion in the BIST Corporate Governance Index.

GRADE	DEFINITIONS
<b>4-5,9</b>	<p>The Company has minimum compliance with the Corporate Governance Principles issued by the Capital Market Board. Internal control systems are in place at a minimum level, but are not true and efficient. Potential risks that the company is exposed to are not properly identified and are not under control. Substantial improvements are required to comply with the Corporate Governance Principles in terms of the benefits of both the shareholders and the stakeholders, public disclosure, transparency, the structure and working conditions of the Board. Under the current conditions, the Company is not eligible to be listed in the BIST Corporate Governance Index.</p>
<b>&lt; 4</b>	<p>The Company has failed to comply with the Corporate Governance Principles issued by the Capital Market Board. It also failed to establish its internal control systems. Potential risks that the company might be exposed are not identified and cannot be managed. The company is not responsive to the Corporate Governance Principles at all levels. There are major weaknesses in the interest of the shareholders and the stakeholders, public disclosure, transparency, Structure and working conditions of the Board appears to be at a level that might cause the investor to incur material losses.</p>