



Corporate Governance Compliance Rating Report



Garanti Yatırım Ortaklığı A.Ş.

21 January 2013

Validity Period : 21.01.2013-21.01.2014

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 communique on Dec.2011, Series:IV,No:56 and on Feb.2012, Series IV, No: 57, 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)

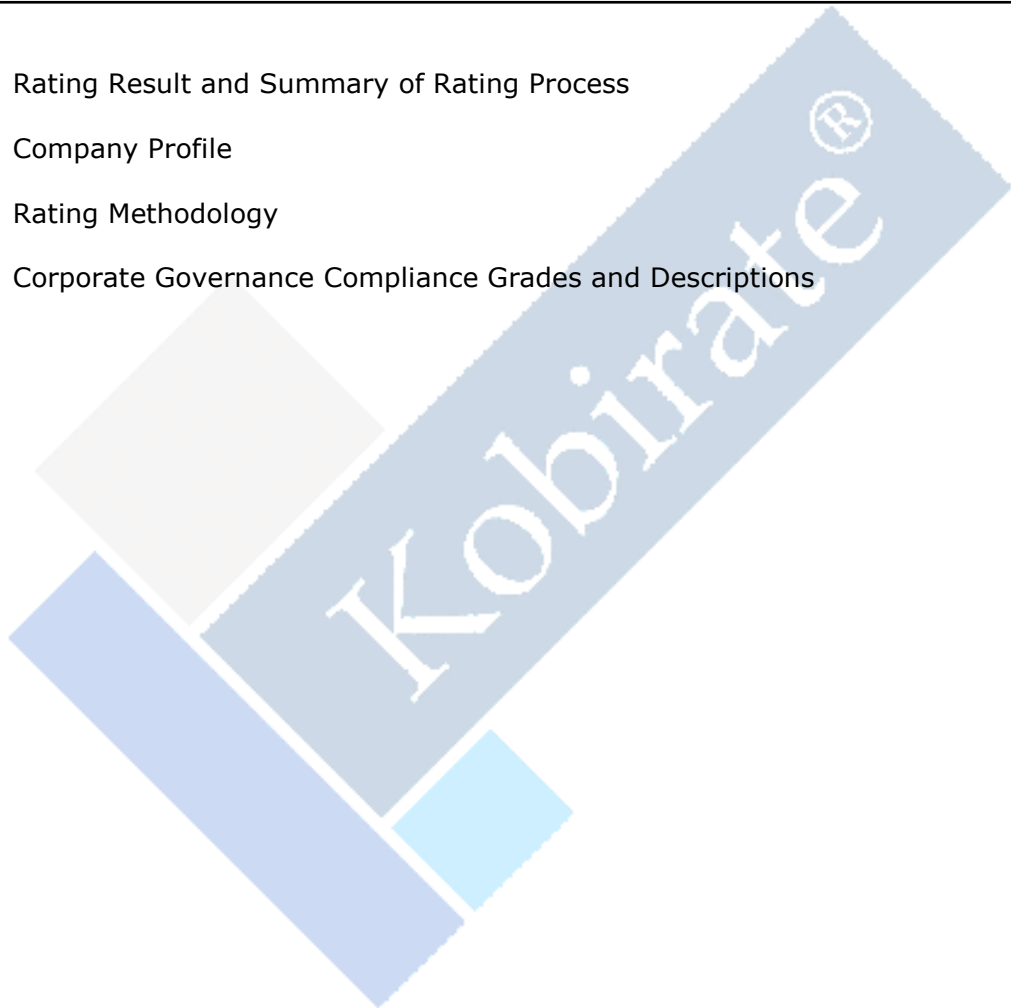
Although rating is an assessment based on numerous data, it is consequently the institutional opinion of Kobirate formed accordingly to the methodology disclosed.

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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**GARANTI YATIRIM
ORTAKLIĞI A.Ş.**

**CORPORATE GOVERNANCE
PRINCIPLES COMPLIANCE GRADE**

8.39

Kobirate A.Ş. Contact Name :

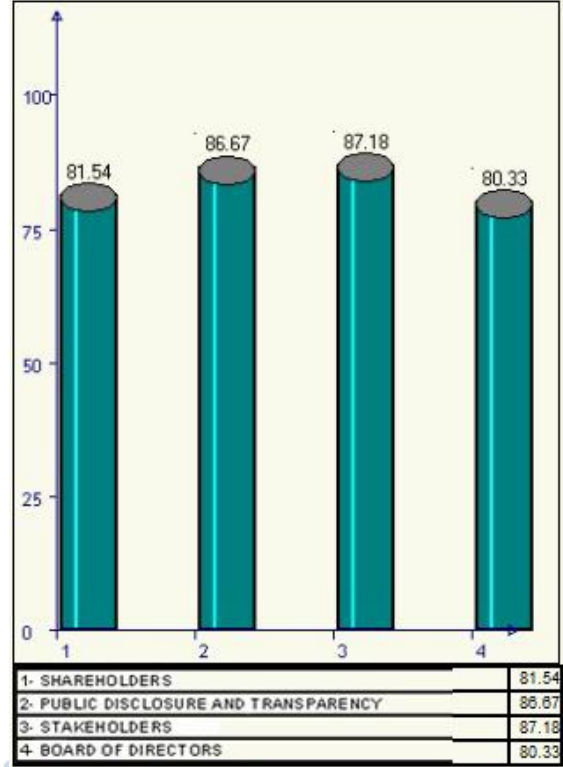
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1. RATING RESULT AND SUMMARY OF RATING PROCESS

At the end of on site examinations of the documents, interviews held with executives and persons involved, and of other reviews, the process of rating of compliance of **GARANTI YATIRIM ORTAKLIĞI A.Ş.** with the Corporate Governance Principles is concluded in accordance with the Corporate Governance Principles Compliance Rating Methodology developed by Kobirate Uluslararası Kredi Derecelendirme ve Yönetim Hizmetleri A.Ş. according to the Corporate Governance Principles issued and approved by the R.T.Prime Ministry, Capital Market Board of Turkey. Examinations were based on the modifications made on the Capital Market Board's Corporate Governance Principles by the Communiqué Series IV, No:56 in December 2011.

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.Ş., developed for "Third Group Companies of the ISE/Investment Partnership" the Corporate Governance Compliance Rating Grade of GARANTI YATIRIM ORTAKLIĞI A.Ş. is determined as **8,39**. This result signifies that the company has achieved a considerable compliance with the CMB's Corporate Governance Principles and it expresses a need for some improvements while it doesn't pose major risks. The company deserves to be included in the ISE Corporate Governance Index at high level.

In view of rating process under main headings in brief;

It is observed that **GARANTI YATIRIM** has obtained a grade of **81,54** in respect of Shareholders' Section.

In this section, it is confirmed that the company in general has achieved a good

level of compliance with the CMB Corporate Governance Principles. The salient positive achievements are; the existence of Shareholders Relation Department, properly and publicly held general assemblies including its invitation, income appropriation policy being submitted to the approval of general assembly and being no restriction in transfer of shares . It has been observed that relevant items required to be complied with the CMB Communique Series:IV, No. 56 have been respected and necessary amendments are made to the Articles.

It has been appreciated that **GARANTI YATTIRIM** who has gained **86,67** for Public Disclosure and Transparency has developed its disclosure policy and shared with public, have access to several current data on the Internet website, which are specified in the principles and might be needed by the investors. Likewise; The Board of Directors have prepared the annual report in sufficient detail to inform public on company activities which is a correct practice in terms of compliance with the principles.

It's observed that the company reached the grade of **87,18** for the Stakeholders' Section.

The Company has achieved considerable compliance with the CMB's Corporate Governance Principles in respect to this section. Human resources policy, recruitment, performance appraisal, promotion, awarding, leave and social benefits has been set forth by means of internal arrangements and regulations and disclosed to the employees.

Job processes and standards are formulated. Necessary information has been given on Ethical Codes to all the employees to obey with and behave accordingly.

As for the Board of Directors Section, it is found that the Company's grade amounts to **80,33**, representing a good level of compliance with the CMB's Corporate Governance Principles.

It is confirmed that the Board has set company's strategic targets, audited the management performance of the company management, attention is paid to the company affairs to be in compliance with the legislation, the Articles and internal regulations.

Although the posts of Chairman of the Board and Chief Executive Officer are held by the same individual and reasons has been informed to the shareholders at the general assembly and the same information is also indicated in the annual report.

It has been observed that the Audit and Corporate Governance Committees referred to in the Principles have been formed, whose working principles appear in written documents.

On the other hand, it appears as important indications of compliance with the Principles such as the Board comprises of non-executives members as well as independent members, guidelines for remuneration of top executives are set forth and have been presented to the attention of the shareholders at the general assembly as a separate item.

2. COMPANY PROFILE



Company Title	: Garanti Yatırım Ortaklığı Anonim Şirketi
Company Address	: Doğuş Grubu Merkez Binası, Huzur Mahallesi Maslak Ayazağa Cad. No: 2 34396 Şişli İSTANBUL
Company Phone	: (0212) 3353095-97
Company Faksimile	: (0212) 3353230
Company website	: www.gyo.com.tr
Date of Incorporation	: 09.07.1996
Register Number	: 349050-260631
Paid-Up Capital	: 30.000.000.-TL
Line of Business	: Asset management of Capital Market Tools
Sector in which it operates	: Security Investment Trust

Company's representative in Charge of Rating:

Ali Akın Ekmekçi

Director of Finance

e-mail: aekmekci@gyo.com.tr

0 212 3353095-97

Shareholders' Structure (As of Report Date)

Shareholder	Share(TL)	%
Garanti Yatırım Menkul Kıymetler A.Ş.	63.790,99	0,2126
Doğuş Holding A.Ş.	9.113,02	0,0304
Doğuş Otomotiv Servis ve Ticaret A.Ş.	9.113,00	0,0304
Şadan Gürtaş	9.113,01	0,0304
Publicly held shares	29.908.869,98	99,696
Total	30.000.000,00	100,00

Source: www.gyo.com.tr

Board of Directors

Name/Surname	Title	Executive/Non Executive
Mehmet Reha TANÖR	Chairman / CEO	Executive
Ekrem Nevzat ÖZTANGUT	Deputy Chairman	Non Executive
Hasan Hüsnu GÜZELÖZ	Member	Executive
Mustafa Sabri DOĞRUSOY	Independent Member	Non Executive
Remzi Murat RENA	Independent Member	Non Executive

Top Management

Name/Surname	Title
Mehmet Reha TANÖR	CEO
Ali Akın EKMEKÇİ	Director of Finance
İdil ÇEBİ	Shareholders' Relations Unit Manager

Committees Within The Board Of Directors

AUDIT COMMITTEE

Remzi Murat RENA
Mustafa Sabri DOĞRUSOY

CORPORATE GOVERNANCE COMMITTEE

Mustafa Sabri DOĞRUSOY
Remzi Murat RENA
Hasan Hüsnu GÜZELÖZ

Balance Sheet Comparison of the Company's Certain Selected Items as of 3rd Half of the last Two Years

	2011/09	2012/09	Change %
Current Assets	31.699.044	34.028.596	7,35
Fixed Assets	271.313	220.874	-18,59
Total Assets	31.970.357	34.249.470	7,13
Short Term Liabilities	140.734	358.751	154,91
Long Term Liabilities	56.799	70.867	19,85
Equity	31.772.824	33.819.852	6,44

Source: www.kap.gov.tr

Income Statement Comparison of the Company's Certain Items as of 3rd Half of the last Two Years

	2011/09	2012/09	Change %
Sales Income	55.752.500	78.861.181	41,45
Cost of Sales (-)	(56.981.551)	(75.990.026)	33,36
Other Operating Income/ Expense (Net)	3.240.922	2.069.939	-36,13
Gross Operating Profit/Loss	2.011.871	4.941.094	145,60
Operating Profit/Loss	868.478	3.553.057	309,11
Pre-Tax Profit/Loss	868.478	3.553.057	309,11
Net Profit/Loss	868.478	3.553.057	309,11

Source: www.kap.gov.tr

The Bottom and Peak Closing Values of Company's Shares Traded on the ISE During Last Year

Bottom (TL)	Peak(TL)
0.54 (09.01.2012)	0,74 (04.04.2012)

Source: Garanti Yatırım Ortaklığı A.Ş.

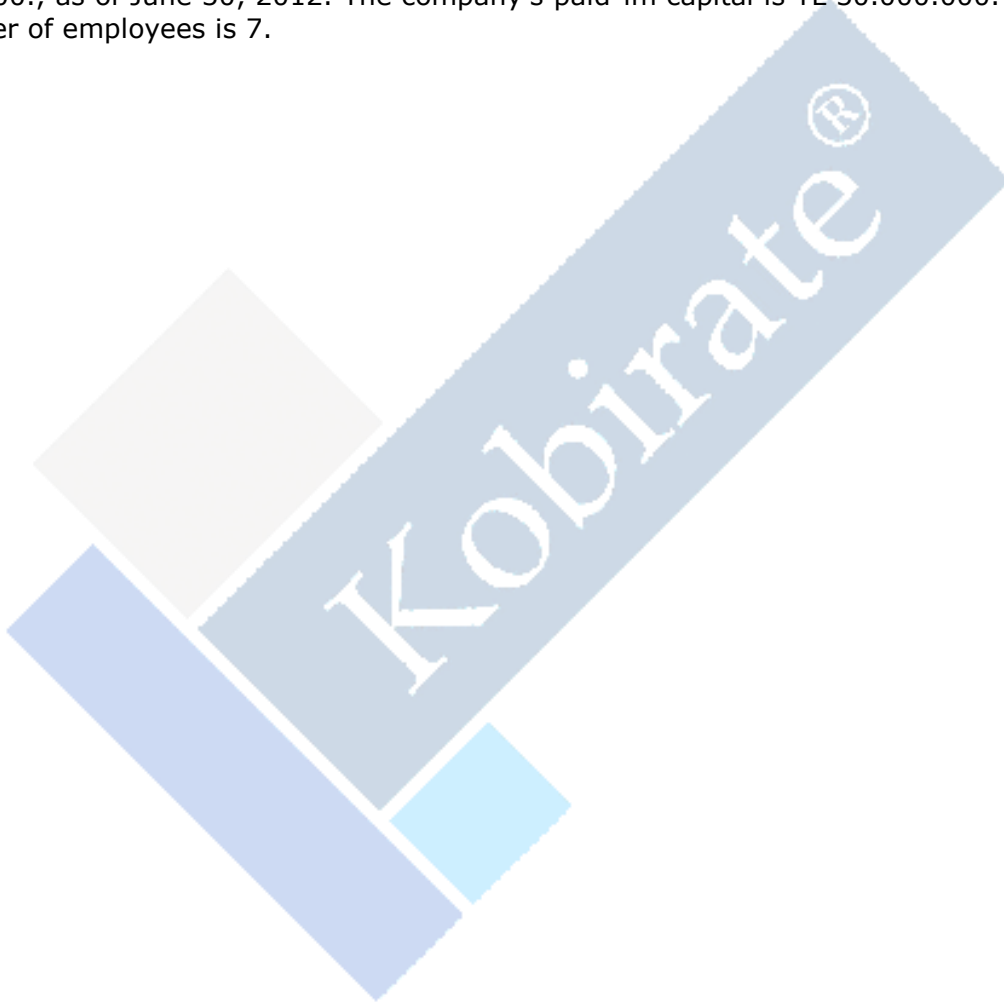
Company's Brief History

The company is established in Istanbul on July 9, 1996 with a capital of TL 250.000.-

The company's objective is to work within the framework of the principles and rules set forth by legislation on operating portfolio of gold and other precious metals which are traded in national and international stock Exchange markets or off-exchange organized markets without dominating equity and management on partnership of purchased securities

% 80 of company shares are offered to public in November 1996 and % 99,70 are traded on Istanbul Stock Exchange as of June 30, 2012.

The company's headquarter is in Istanbul. The registered capital was increased to TL 100.000., as of June 30, 2012. The company's paid-in capital is TL 30.000.000.- and the number of employees is 7.



3. 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 Serial: IV No: 57 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 (SPKKYI - 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).

Kobirate achieves the Corporate Governance Rating of the Banks by a system based on CGPCMB as well as on the BRSA's Regulations Relating to Corporate Governance Principles for Banks. In this analysis, the full compliance of work flow and analysis technique with Kobirate Inc's Ethical Rules is considered.

In this analysis, 286 different criteria are considered to measure the compliance of firms whose shares are traded on ISE 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 reexamined by the rating experts and analysts, reexamined 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 are applied;

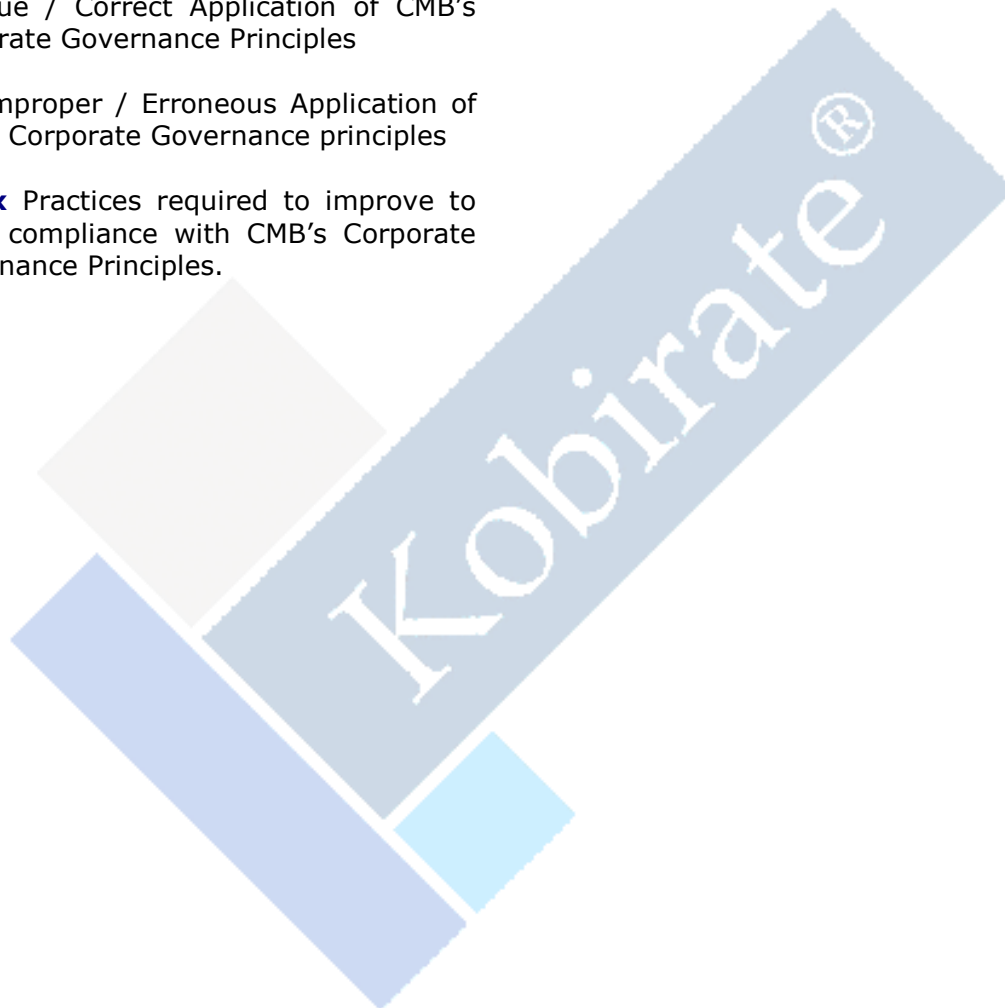
- Shareholders 25%
- Public Disclosure and Transparency 35%
- Stakeholders 15%
- Board of Directors 25%.

In this report the following legends have the following meanings:

✓ Due / Correct Application of CMB's Corporate Governance Principles

✗ Improper / Erroneous Application of CMB's Corporate Governance principles

✓ / ✗ Practices required to improve to be in compliance with CMB's Corporate Governance Principles.



4. KOBIRATE ULUSLARARASI KREDİ DERCELENDİRME VE KURUMSAL YÖNETİM HİZMETLERİ A.Ş. CORPORATE GOVERNANCE RATING GRADES AND DESCRIPTIONS

GRADE	DESCRIPTION
9-10	The Company has achieved a substantial compliance with the Corporate Governance Principles issued by the Capital Market Board. Internal control systems are established and operate. Any risks to which the Company might be exposed are recognized and controlled effectively. The rights of the shareholders are equitably considered. Disclosure and transparency are at high level. Interests of the stakeholders are fairly considered. The composition and conduct conditions of the Board of Directors are in full compliance with the Corporate Governance Principles. The Company is eligible for inclusion in the ISE corporate governance index.
7-8,9	The Company has complied considerably with the Corporate Governance Principles issued by the Capital Market Board. Internal control systems are established, and operate despite need for some improvements. Any risks to which the Company might be exposed are rather identified which are under control. Benefits of the shareholders are fairly considered. Disclosure and transparency are at high level. 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 pose serious risks. The company is obviously eligible for inclusion in the ISE corporate governance index.
6-6,9	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. Risks to which the Company might be exposed are recognized and controllable. The interests of the shareholders are considered though need for improvement. Although disclosure and transparency are considered, there is need for improvement. It requires improving the benefits of stakeholders being considered. Some improvement is required in composition and function conditions of the Board. Under these conditions, the Company is eligible for inclusion in the ISE Corporate Governance index.

GRADE	DESCRIPTION
<p style="text-align: center;">4-5,9</p>	<p>The Company has ensured a minimum compliance with the Corporate Governance Principles issued by the Capital Market Board. Internal control systems of minimum level are established, however, they are not complete and effective. Any Risks that might arise against the company have not been properly identified and are not under control yet. Concrete improvements are required in compliance with the Corporate Governance Principles in terms of the interests of the shareholders and the stakeholders, disclosure, transparency, the composition and operating conditions of the Board. Under the foregoing conditions, the Company is ineligible for incorporation in the ISE Corporate governance index.</p>
<p style="text-align: center;">< 4</p>	<p>The Company has failed to comply with the Corporate Governance Principles issued by the Capital Market Board. It also has failed to establish its internal control systems. Any risks to which the company might be exposed could not have been recognized, which risks can not be managed. The company is indifferent to the Corporate Governance Principles at every level. Major weaknesses are suffered in respect of interest of both the shareholders and the stakeholders, Public Disclosure, Transparency and Composition and operation conditions of the Board and appears at a level that might cause the investor to incur material losses.</p>