



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

 **Vakıf Yatırım Ortaklığı**

*Vakıf Menkul Kıymetler  
Yatırım Ortaklığı A.Ş.*

19 January 2011

Validity Period : 19.01.2011-19.01.2012

## LIMITATIONS

This Corporate Governance Rating Report issued by Kobirate International Credit Rating and Corporate Governance Services Inc. (herein after called "KOBIRATE") for Vakıf Menkul Kıymetler 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, 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 Company 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 are 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 in accordance with the methodology disclosed.

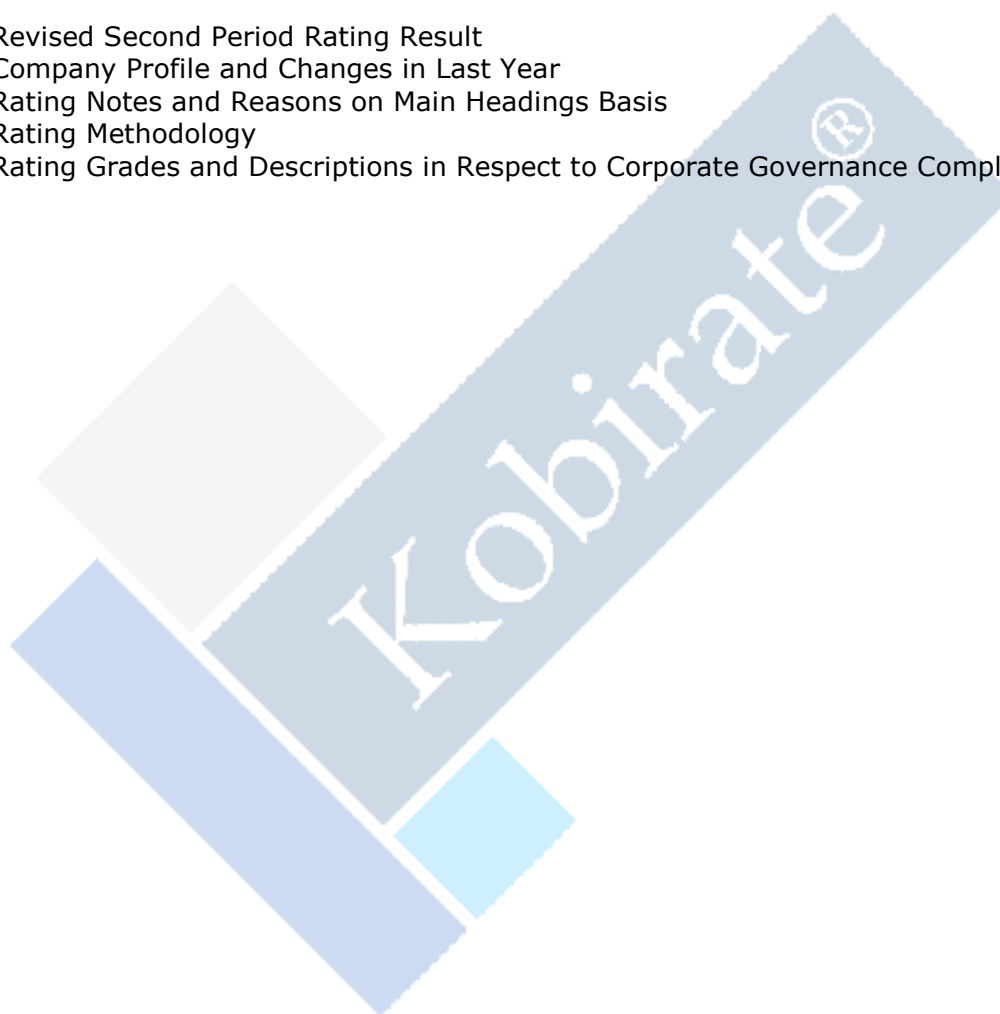
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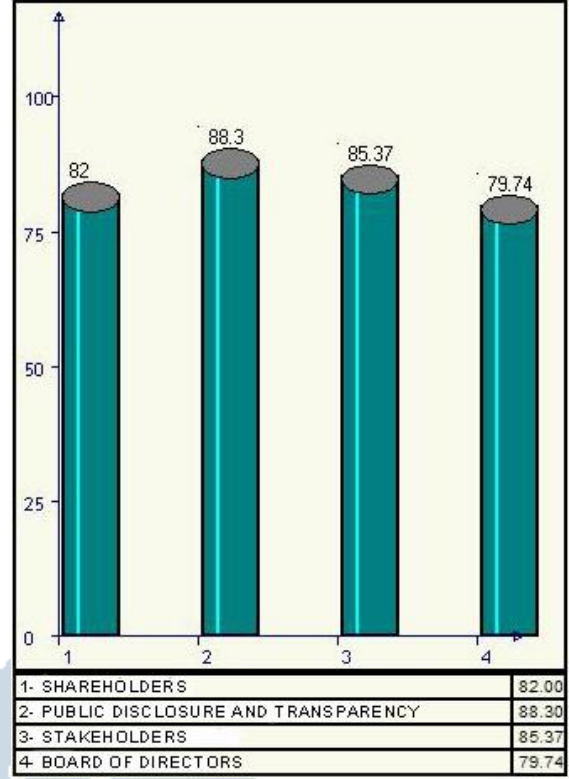
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**Kobirate A.Ş. Contact Name :**

Serap Çembertaş (0216) 3305620  
[serapcembertas@kobirate.com.tr](mailto:serapcembertas@kobirate.com.tr)

[www.kobirate.com.tr](http://www.kobirate.com.tr)



## 1. REVISED SECOND PERIOD RATING RESULT

At the end of examining relevant documents, interviews held with management and related parties including other reviews, rating compliance of Vakıf Menkul Kıymetler Yatırım Ortaklığı A.Ş. with Corporate Governance Principles is revised in accordance with the Corporate Governance Principles Compliance Rating Methodology developed by Kobirate in accordance with Corporate Governance Principles issued and also approved by CMB.

At the end of examining 388 criteria, data and documents under the headings of Shareholders, Public Disclosure and Transparency, Stakeholders and the

Board of Directors as specified in the CMB's Corporate Governance Principles and methodology of Kobirate, the revised Corporate Governance Compliance Rating of Vakıf Menkul Kıymetler Yatırım Ortaklığı A.Ş. is **8,41**

This result indicates that the Company has ensured substantial compliance with the Corporate Governance Principles issued by the CMB and that it is entitled to continue to be traded on the ISE's Corporate Governance Index at high level.

By internalizing Corporate Governance Principles in compliance with the mentioned issues within the last year including willingness and steady approach to produce solutions to areas that require improvement of both Board of Directors and top management side has been the biggest factor in achieving the revised note.

This result refers to a substantial compliance of **Vakif Menkul Kıymetler Yatırım Ortaklığı A.Ş.** with CMB's published Corporate Governance Principles. Internal control systems have been established and in force, although a few improvement is needed. 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.

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## 2. COMPANY PROFILE AND CHANGES IN LAST YEAR



**Name of the Company** : Vakıf Menkul Kıymetler Yatırım Ortaklığı Anonim Şirketi  
**Company Address** : Ebulula Mardin Caddesi Park Maya Sitesi F2/A Blok Levent  
İstanbul  
**Company Telephone** : (0212) 3523560 (8 Hat)  
**Company Facsimile** : (0212) 3523559  
**Company Web Site** : [www.vakifyatirimortakligi.com.tr](http://www.vakifyatirimortakligi.com.tr)  
**Company E-Mail Address** : [vyo@vakifyatirimortakligi.com.tr](mailto:vyo@vakifyatirimortakligi.com.tr)

**Time of Incorporation** : 13.06.1991  
**Trade Registry Number** : 275459-2230741  
**Scope of Business** : To manage portfolio of capital market instruments  
**Company's Sector** : Securities Investment Company

### **Company Representative for rating:**

A. Sunay Gürsu  
Head of Shareholders Relations Department

### **Shareholding Profile of the Company**

Name of Shareholder	Shared Capital TL	Share %
Vakıfbank Pers.Priv.Soc.Sec.Serv.Foundation	1.166.238,20	15,55 %
T. Vakıflar Bankası TAO	881.549,20	11,75%
Güneş Sigorta A.Ş.	824.999,95	11,00%
T. Vakıflar Bankası TAO Employees Pension and Health Assistance Fund Foundation	605.243,87	8,07%
Vakıf Emeklilik A.Ş.	599.995,48	8,00%
Shares held by the public	3.421.973,31	45,63%
TOPLAM	7.500.000,00	100,00%

### **Board of Directors**

<b>Name</b>	<b>Title</b>
Serdar Tunçbilek	Chairman
Ramazan Gündüz	Vice-Chairman
Serhad Satoğlu	Member / General Manager
Rıfki Durgun	Member
Ramazan Can	Member

The firm operates in the field of Securities Investment business. It is traded in the ISE's Corporate Governance Index since 2009.

### **Balance Sheet Comparison of Company's Selected Items as of Third Quarters of the Last Two Years**

	<b>2009/09</b>	<b>2010/09</b>	<b>( % )</b>
Current Assets	14,710,054	16,005,871	8.81
Fixed Assets	51,751	31,849	-38.46
Total Assets	14,761,805	16,037,720	8.64
Short Term Liabilities	899,063	847,375	5.75
Long Term Liabilities	40,490	51,342	26.80
Shareholders' Equity(Inc. Minority Shares)	13,822,252	15,139,003	9.53
Shareholders' Equity (Owned by the Parent Co.)	13,822,252	15.139.003	9.53

Source : Vakıf Menkul Kıymetler Yatırım Ortaklığı A.Ş. Web Site

### **Comparison of Certain Items in Company's Income Statement as of Third Quarters of the Last Two Years**

	<b>2009/09</b>	<b>2010/09</b>	<b>( % )</b>
Sales Revenues	64,724,208	85,810,576	32.58
Cost of Sales (-)	61,528,265	84,039,478	36.59
Gross Main Operating Profit/Loss	3,195,943	1,771,098	-44.58
Operating Expenses (-)	920,746	1,018,363	10.60
Net Main Operating Profit/Loss	2,275,197	752,735	-66.92
Operations Profit/Loss	2,275,179	822,675	-63.84
Before Tax Profit/Loss	2,275,179	822,675	-63.84
Net Profit/Loss for the Period	2,275,179	819,111	-64.00

Source : Vakıf Menkul Kıymetler Yatırım Ortaklığı A.Ş. Web Site

**Comparison of Company's Certain Financial Ratios as of Third Quarters of the Last Two Years**

	2009/09	2010/09
Asset Growth Ratio (%)	4.13	8.64
Assets Turnover Rate	4.38	5.35
Assets Profitability (%)	15.41	5.11
Price/Earnings Ratio	20.03	13.27
Earnings Per Share	0.30	0.11
Net Profit Growth (%)	185.21	-64.00
Net sales Growth (%)	6.50	32.58
Net Capital Growth(%)	3.19	9.53
Net Capital Turnover Rate	4.68	5.67
Net Capital Profitability (%)	16.46	5.41

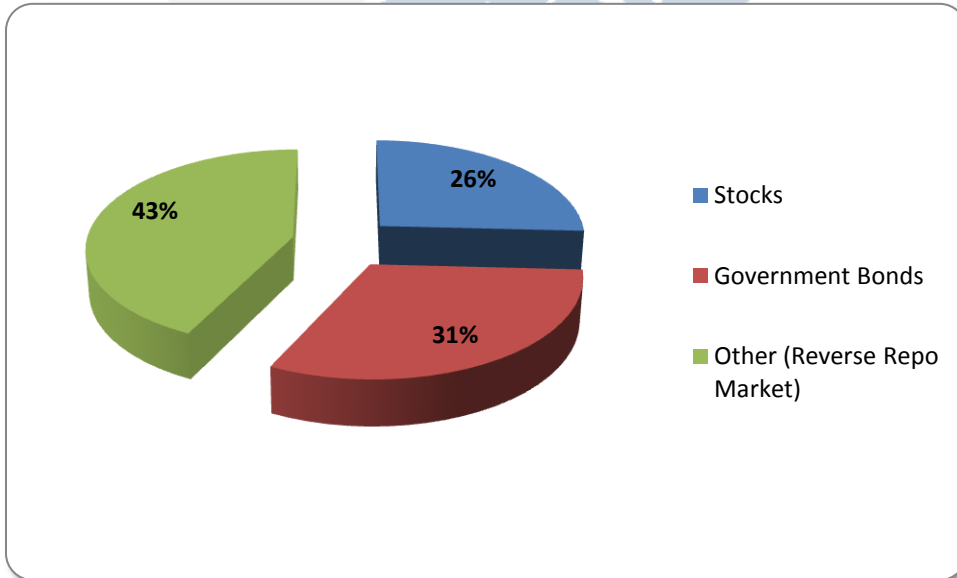
Source : Vakıf Menkul Kıymetler Yatırım Ortaklığı A.Ş. Web Site

**The Closing Top and Bottom Values of Company Shares in ISE During Last Year Day Ends**

Bottom	Top
1.29	3.50

Source : Vakıf Menkul Kıymetler Yatırım Ortaklığı A.Ş.

**Distribution of the Company's Portfolio as of 10.01.2011;**



Source : www.kap.gov.tr



### **Changes Experienced Within The Last Year In The Company:**

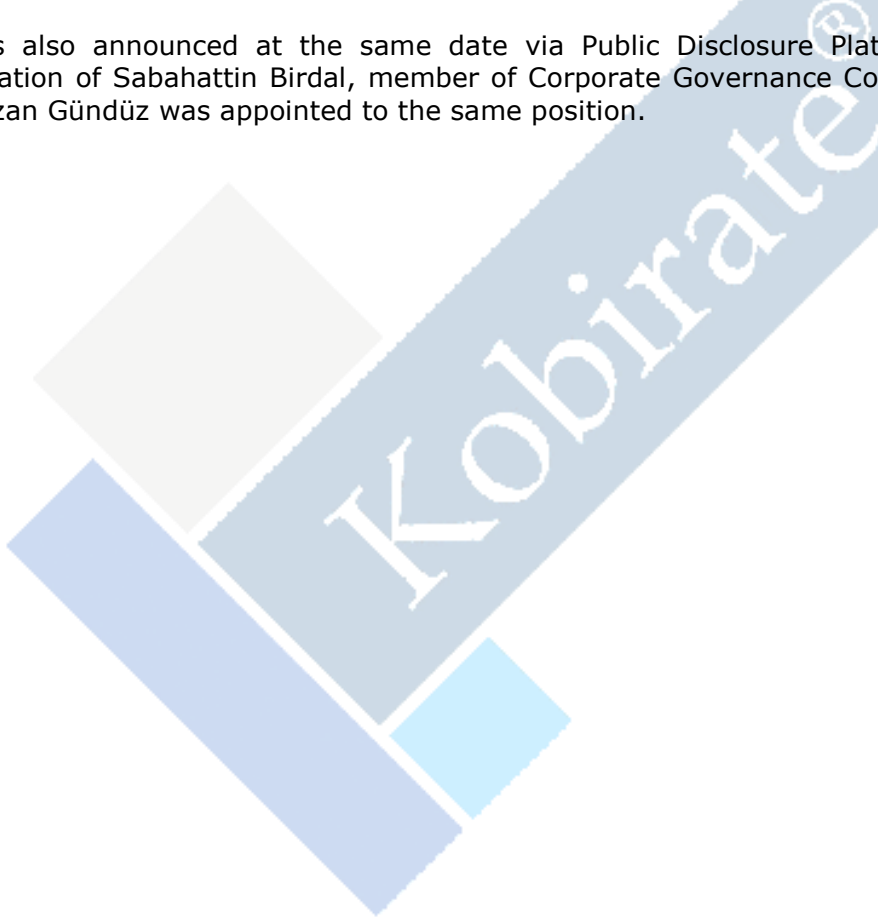
According to the CMB's profit distribution decision No: 02/51 dated 27.01.2010 in respect of 2009, due to absence of disputable profit after deducting previous years losses from 2009 year profit, profit distribution couldn't be done and this issue was submitted to shareholders at the general meeting held on 16.03.2010.

Public Disclosure of the company is changed due to CMB announcement of Series VIII No: 54 and was submitted to shareholders at the general meeting held on 16.03.2010.

At the same general meeting two members of the Board of Directors and A.Sunay Gürsu, Shareholders Relation Department Manager, are appointed as members of Corporate Governance Committee.

According to announcement of the company on Public Disclosure Platform as of 03.01.2011, Sabahattin Birdal, member of Board of Directors, has resigned and Ramazan Gündüz was appointed as Vice Chairman in the Board of Directors.

It was also announced at the same date via Public Disclosure Platform that by the resignation of Sabahattin Birdal, member of Corporate Governance Committee member, Ramazan Gündüz was appointed to the same position.



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

It's seen that Vakif Menkul Kıymetler Yatırım Ortaklığı A.Ş. has reached **82.00** points from **Shareholders** section.

Just like in the previous period, Shareholders Relations Dept. has fulfilled its tasks effectively, preparation and announcements relating to general meeting are timely and accurate and results are shared with public. Minority shares are defined as CMB's criteria in the Articles, no restriction on voting rights or privileges on voting share of a group are found in the Articles. A detailed dividend distribution policy was prepared and shared with public, necessary arrangements were made in the Articles on interim dividends. There isn't any practice to make difficult the transfer of shares.

General meeting was held on 16.03.2010 with calls 3 weeks prior. Our specialists also attended to the meeting and observed that the meeting is held according to legislation and questions forwarded to Board of Directors and auditors are answered. General meeting invitation, meeting minutes, list of attendants, voting method and proxy examples are published on the website of the company.

#### **The most important developments to increase the note in this section are;**

- Records of oral requests of information demands are also recorded as written demands in the Shareholders Relations Dept,
- General meeting held in 2010 was open to public with the invited stakeholders and media.

The company reached to **88.30** points from **Public Disclosure and Transparency** Section.

The company realizes Public Disclosure operations via its Disclosure Policy which is approved in the general meeting and disclosed to public. Company website is used as an effective platform on this

subject and contains updated information. It's clearly defined in the Article that none of its Board of Directors, General Manager and other executives can take any action with the company directly or indirectly, on behalf of themselves including on behalf of or on an account of any third parties without prior consent of the general meeting; no evidence contrary to these studies were found by our specialists. The commercial relations of the company with its subsidiaries or parent companies are shared with public in the annual reports and via website. The company's periodic financial statements are prepared in accordance with IFRS and are subject to independent auditing in a regular basis. Annual reports are also prepared according to principles indicated and shared to public. Likewise, the ethical rules and principles, people or organizations that may be subject to insider trading are announced to public through annual reports and website.

#### **The most important developments to increase the note in this section are;**

- The amendments in Disclosure Policy are submitted to shareholders at the general meeting of 2010
- The FAQ section of website is updated and developed with the questions from shareholders and investors.
- The work on English version of the website has started.

The company reached **85.37** points on **Stakeholders** section.

To prevent losses of company assets, many regulations such as Ethical Rules, Business and Internal Control Regulations, Human Relations and Disciplinary regulation including relevant sanctions in case of such situations clearly have been set forth. Necessary rules on Employee recruitment, promotion, job description are set and made written and some of the

arrangements are being reviewed to meet current conditions.

**The most important developments to increase the note in this section are;**

- The rearrangement of many internal regulations to expand stakeholders rights,
- To form an independent training program for the employees, although not submitted to Board of Directors approval yet.

Vakıf Menkul Kıymetler Yatırım Ortaklığı A.Ş. reached **79,74** points on **Board of Directors** section.

The company's mission and vision are determined by the Board of Directors and announced to public. In order to fulfill the duties and responsibilities more healthily Corporate Governance and Audit Committees are formed within the Board of Directors. A detailed regulation on working principles of the Board of Directors is formed. With this regulation, the board members responsibilities to fulfill their duties, prohibitions of transactions and competitions with the company, necessity of adequate time allocations are all connected to written rules. In the last status, 2 of total 5 members of the Board of Directors are independent members which match the independence criteria and have independence declaration. These members are all non executives except one. Committee chairmen are selected within independent members. It is observed that committees gather regularly and the results of decisions taken are reported to the Board of Directors in written. The internal control system has developed and internal auditors report to Auditing Committee regularly.

**The most important developments to increase the note in this section are;**

- According to the Article, the Board of Directors has to gather at least once a month. The meetings are held regularly

and 45 meetings have been done during 2010,

- In the selection of Board Members, people with appropriate knowledge on the company's operations are chosen,
- A comprehensive written compliance program of the Board of Directors has been formed which wasn't written before hand although not yet submitted to the approval of Board of Directors.

## 4. RATING METHODOLOGY

The Corporate Governance Compliance Rating is a system which audits whether or not the management structures of the firms, 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 Organisation (OECD) approved and published the Corporate Governance Principles at the Meeting of Ministers. 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 updated to reflect the requirements of the present day.

In Turkey, the Capital Market Board (CMB) is carrying out the Corporate Governance studies. The CMB established the Corporate Governance Principles first in 2003, later in 2005, it revised and published the principles. 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 Banking Regulation and Supervision Agency (BRSA) introduced the rules required to be complied by Banks.

Kobirate A.Ş. achieves the Corporate Governance Compliance Rating by a system identically based on the Corporate Governance Principles of the CMB (CGPCMB). Through this system, the firms are analyzed under four main headings: Shareholders, Public

Disclosure and Transparency, Stakeholders and the Board of Directors in accordance with 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, 388 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.Ş. unique Corporate Governance Rating Questionnaire and firms' or banks' responses are received electronically. The responses are analyzed and re-examined by the rating experts and analysts and 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 an 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 Corporate Governance Principles of CMB are applied:

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

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

<b>NOT</b>	<b>TANIMLARI</b>
<b>9-10</b>	<p>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 ISE corporate governance index.</p>
<b>7-8,9</b>	<p>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 ISE Corporate Governance Index.</p>
<b>6-6,9</b>	<p>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 eligible for inclusion in the ISE Corporate Governance Index.</p>

<b>NOT</b>	<b>TANIMLARI</b>
<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 ISE 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>