

# Turkiye Vakiflar Bankasi T.A.O.

## Full Rating Report

### Ratings

#### Foreign Currency

Long-Term IDR	BB+
Short-Term IDR	B

#### Local Currency

Long-Term IDR	BB+
Short-Term IDR	B

#### National

Long-Term Rating	AA+(tur)
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Viability Rating	bb+
Individual Rating	C/D
Support Rating	3
Support Rating Floor	BB+

#### Sovereign Risk

Long-Term Foreign-Currency IDR	BB+
Long-Term Local-Currency IDR	BB+
Country Ceiling	BBB-

### Outlooks

Long-Term Foreign-Currency IDR	Stable
Long-Term Local-Currency IDR	Stable
National Long-Term Rating	Stable
Sovereign Long-Term	Stable
Foreign-Currency IDR	
Sovereign Long-Term	Stable
Local-Currency IDR	

### Financial Data

#### Turkiye Vakiflar Bankasi T.A.O.

	30 Sep 11	31 Dec 10
Total assets (USDm)	50,319.6	49,850.7
Total assets (TRYm)	93,242.2	76,834.9
Total equity (TRYm)	9,385.9	8,579.1
Operating profit (TRYm)	1,307.7	1,492.9
Published net income (TRYm)	1,061.0	1,133.4
Operating ROAA (%)	2.06	2.08
Operating ROAE (%)	19.46	18.48
Comprehensive income (TRYm)	816.3	1,091.1
Fitch core capital/weighted risks (%)	12.59	14.37

### Key Rating Drivers

**Sovereign Support-Driven Ratings:** Türkiye Vakıflar Bankası T.A.O.'s (Vakıfbank) Long-Term IDRs reflect the support, if needed, from its 58.45% shareholder, the General Directorate of Foundations (GDF), which is fully controlled and managed by the Turkish state. Its Viability Rating (VR) takes into account the bank's strong deposit franchise and good liquidity, but also risks from above-market growth in higher-risk SME segments, and an operating environment exposed to adverse global economic conditions.

**Consistent Operating Performance:** Vakıfbank's operating performance partly resisted system-wide erosion of net interest margins, benefiting from the controlled funding costs of its stable deposit base. Improving net fees and commissions from a more retail-oriented loan portfolio, combined with better cost control, should support the bank's performance, enabling it to achieve yoy higher operating profitability indicators for 2011.

**Asset Quality Reflects Policy:** The bank's historically higher impaired ratios (3.6% at end-Q311) than those of peers and the sector average, are due to its long-standing policy of not writing off old, fully reserved impaired loans. Excluding these "legacy" impaired loans (dating from before 2003) the NPL ratio would have been 2.9%, in line with the sector average.

**Strong Deposit Funding:** Vakıfbank is predominantly deposit funded. Customer deposits from state-owned entities and its good relationships with state-owned companies are helping increase its penetration into the public-sector employee customer base. These customers (2.2 million) represent both a good source of retail funding and strong cross-selling opportunities.

**Lower Capitalisation Than Peers:** Fitch Ratings considers the bank's capital ratios stretched in view of the turbulence in operating conditions. In light of the bank's strategy to continue opening branches, particularly in Istanbul and other major cities, a larger capital base would provide comfort in competing with larger state-owned and private-sector peers.

**Alignment With Sovereign Ratings:** Vakıfbank's IDRs and Support Rating Floor are equalised with the Turkish sovereign's Long-Term IDRs. This reflects Fitch's view that the state authorities would seek to support the bank if required. This is based on the state's majority control of the bank.

### What Could Trigger a Rating Action

**Sovereign Rating Movement:** Fitch regards Vakıfbank in the same light as other state-owned banks. As long as Vakıfbank is majority controlled by the Turkish state, its IDRs will move in line with those of the Turkish sovereign. Upside to the Viability Rating is limited and is contingent on sustained improvements in the bank's asset quality and operating environment. Downward pressure would arise from a prolonged weakening in internal capital generation.

### Related Research

[Turkish Banks: Proving Resilient \(November 2011\)](#)

[Turkey \(November 2011\)](#)

### Analysts

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- State-oriented board structure
- Seventh-largest bank in Turkey by unconsolidated asset size and a major player in several banking segments

**Profile**

Vakifbank was established in 1954 under a special law to administer the revenue and expenditure of GDF’s charitable foundations. It has since developed into a fully fledged retail and commercial bank, and management of GDF’s assets represents only a small part of its overall activity. GDF is an entity fully controlled and managed by the Turkish state, reporting to the prime minister and operating within its own specific budget. Its mission is to ensure that the assets of the country’s foundations are well protected. These are mainly real estate assets (with historical and commercial interest), owned either by GDF or privately owned foundations.

The bank’s legal and operating form is that of a private entity. However, the board structure is state oriented. Of the nine board members, one is directly appointed by the prime minister, as is the chief executive, who is also a board member. Four board members are nominated by the GDF, of which one is independent. Two members are appointed by the bank’s pension fund, one of which is independent, and one member is nominated by free float shareholders and elected by the General Assembly. The bank benefits from its links to the state. It provides cash management, collection and trade finance services to state enterprises.

Vakifbank is the seventh-largest bank in Turkey, commanding respectable market shares according to non-consolidated Q311 bank data, in total assets (7.7%), loans (8.5%) and deposits (8.1%). The bank was an early entrant into retail banking and is one of the leading banks handling salary payments of public-sector employees. Of its 11.3 million total customers, 2.2 million are payroll retail customers, most of whom are employees of state-owned companies or pensioners.

The bank undertook thorough restructuring throughout the 2000s in conjunction with external consultants: its credit operations were completely overhauled, IT systems modernised, back-office procedures streamlined and the customer base segmented. The bank has grown rapidly since then and provides corporate, commercial, retail and investment banking services. It also extends project finance and syndicated loans, and loans funded mostly by international financial institutions.

At end-Q311 the bank had 678 branches and a network of ATMs across the country. The bank’s headquarters has moved to Istanbul from Ankara. Overseas operations consist of one branch in each of New York, Bahrain and Iraq. The bank has 24 subsidiaries and affiliates in financial and nonfinancial activities. The nonfinancial subsidiaries’ total assets represented 3% of the bank’s unconsolidated equity at end-Q311.

**Strategy**

Vakifbank has switched to profitability oriented operating targets in parallel to focusing on higher penetration in retail and SME segments, where above-market growth rates were achieved yoy from Q311. As much as supporting profitability, this focus reflects the transformation of the loan book from a corporate orientation to a retail one. The bank lags behind its larger peers in credit cards, where it intends to achieve higher market shares.

In its drive to shift its portfolio the bank benefits from its streamlined administrative and back-office procedures. Its strategic shift will involve increasing cross-selling, where it is raising the number of products per retail customer, and additional cost savings. It will continue its network expansion, aimed at 1,000 branches by end-2015, with an emphasis on Turkey’s three largest cities, where it is relatively under-represented.

**Presentation of Accounts**

Unless otherwise stated, Fitch’s analysis is based on Vakifbank’s consolidated financial statements, which are prepared in accordance with Banking Regulation and Supervision Agency (BRSA) reporting principles and are mainly in line with IFRS.

Figure 1  
**Ownership as of Q311**

	(%)
GDF	58.45
Vakifbank pension fund	16.10
Free float	25.18
Other	0.27
<b>Total</b>	<b>100.0</b>

Source: Vakifbank

**Related Criteria**

[Global Financial Institutions Rating Criteria \(August 2011\)](#)

[National Ratings Criteria \(January 2011\)](#)

## Performance

### Operating Environment

The medium-term macroeconomic and credit outlook for Turkey is favourable, helped by good growth prospects, a robust banking sector and a declining government debt-to-GDP ratio. However, in the short term there is significant uncertainty about whether Turkey can achieve a soft landing, reduce inflation and narrow the current account deficit, particularly in view of the adverse global environment.

GDP growth was an unsustainable 10.2% yoy in H111, and is likely to slow in H211. Fitch forecasts growth of 2.2% in 2012. CPI remains relatively high (9.5% at end-November 2011) and is set to exceed the central bank's end-year target of 5.5% by a large margin. Fitch expects the current account deficit/GDP to be a high 9.8% in 2011. This leads to uncertainty about whether Turkey can grow robustly without generating significant imbalances. Turkey's well-capitalised and retail deposit-funded banking system remains largely under-penetrated in terms of loans/GDP, which was 52% at end-H111. Asset quality deterioration as a result of economic contraction remained limited and the NPL ratio was 2.9% at end-H111, mainly aided by the contribution of strong recoveries, and by strong loan growth.

### Healthy Margins and Expanding Portfolio Underpin Profitability

During 2010 and 9M11 Turkey's banks faced net interest margin (NIM) compression from declining interest rates and shifting interest rate and reserve requirement ratio policies. Vakifbank's loan yields reflected this trend, but its deposit base helped to defend its NIM through relatively better controlled deposit funding costs. Improved net fees and commissions from a more retail-oriented loan portfolio, combined with better cost control, should support the bank's performance, enabling it to achieve higher yoy operating profitability indicators in 2011.

At end-Q311 lending continued to drive interest income, making up about two-thirds of the total with the contribution from securities getting lower. Loan yields started to rise in Q311, in line with heightened risk perception. Fitch projects the bank's interest earnings to benefit from rising rates in the last quarter of 2011, and for them to finish the year with a NIM above 4%. Line 9 of the income statement in the attached spreadsheet reflects net capital markets, derivative transactions, and foreign exchange gains and losses, which would give a slightly lower adjusted NIM for 9M11.

Expanding volumes in small loans have meant improved fee income generation for Vakifbank. Net fees and commissions were up by 27% yoy in Q311, contributing to a higher 14.4% of operating income in 9M11 (2010:11.2%) and covering 25.7% of total non-interest expenses.

Vakifbank's efficiency indicators lag behind its similarly sized and larger peers, reflecting its

- Margin compression combated with increased penetration in higher-yielding SME and retail segments
- Fees and commissions a stable source of income with improving operating cost coverage

Figure 2

### Comparative Financial Indicators

Viability Rating (%)	Vakifbank 'bb+'			T.C Ziraat Bankasi A.S. 'bb+'		Turkiye Halk Bankasi A.S. 'bb+'	
	Q311	H111	2010	Q311	2010	Q311	2010
Operating profit/average total assets	2.06	2.08	2.08	1.63	3.22	2.98	3.51
Operating profit/average equity	19.46	19.76	18.48	19.27	37.27	31.54	35.69
Net interest income/average earning assets	3.95	4.01	4.40	3.50	4.23	4.39	5.29
Non-interest expense/gross revenues	56.46	54.13	57.65	47.08	37.59	43.20	39.92
Non-interest expense/average assets	2.52	3.00	3.46	1.67	1.63	2.38	2.49
Growth of total assets	21.35	17.04	14.66	8.68	21.39	25.74	20.14
Growth of gross loans	23.26	18.39	28.04	22.00	55.09	25.20	35.32
Impaired loans (NPLs)/gross loans	3.64	3.92	4.91	1.24	1.47	2.88	3.84
Reserves for impaired loans/impaird loans	97.17	99.53	98.84	68.37	67.01	83.92	83.32
Loans/customer deposits	112.42	111.93	103.48	60.48	47.04	99.24	89.15
Customer deposits/total non-equity liabilities	62.36	62.43	67.53	77.44	89.56	69.06	78.18
Equity/total assets	10.07	10.14	11.17	8.00	8.90	8.96	10.10
Fitch core capital/weighted risks	12.59	13.18	14.37	15.03	22.93	12.96	15.18

Source: Bank data, adapted by Fitch

more aggressive branch expansion and recruiting policy. This largely reflects Vakifbank's drive to catch up with its peers' more established networks and the requirements of its increasingly retail- and SME-oriented business model. In light of the targets for expansion and high competition, the bank will remain under operating cost pressure.

The bank's policy to set aside an additional 50 percentage points provision for loans classified in group 4 (more than 180 days overdue) has helped smooth earnings volatility since 2008. Vakifbank recorded large recoveries in 9M11 (TRY537m) because its loan impairment charges exceeded the charges for the period due low new impairments. This yielded a negative number at 0.18% of average gross loans. With recoveries normalising at lower levels and additions of new impaired loans due to seasoning of portfolios in 2012 this should rise towards 1%.

### Loan Portfolio Shift Presents Difficulties While Supporting Prospects

In 2011 Vakifbank was able to back its loan growth with its deposit expansion to a greater extent than most of the large Turkish banks. It remains focused on its medium-term objective of boosting profitability through gaining market share in SME lending and developing additional products for the retail segments in particular.

The portfolio shift and network expansion are progressing as planned. Nevertheless, the projected slowing of the economy in 2012 and increasing competition for customers appear to be major difficulties. The business plan may put asset quality and efficiency under pressure if there is a weaker-than-expected credit environment. This risks weakening the bank's ability to withstand volatility compared with larger peers due to its stretched capital levels.

### Risk Management

Vakifbank's risk committee directorate reports directly to the audit committee. It comprises market, credit and operational risk divisions. The bank risk committee directorate sets, measures and monitors risk-management policies. It has had an internal credit rating system for evaluating corporate risk since 2002. Project finance and retail loans are subject to a separate risk rating systems that are constantly updated. There has been a scoring system for SME loans in all branches since October 2008. The bank is upgrading this in light of these loans' increasing presence in the portfolio.

At end-Q311, 84.3% of Vakifbank's total on- and off-balance-sheet non-retail credit exposures had been assigned internal scores on an 11-notch grading system. Ninety-two percent of the rated exposures' credit risks were classified in the highest four rating levels (fully performing and/or with no requirement for special monitoring).

### Loan Loss Experience Data Reflects Legacy Loans

Turkish lira-denominated loans made up 64% of the total, excluding foreign currency-indexed loans, which totalled around TRY1bn at end-Q311. Loans in foreign currency reflect the traditionally high proportion of corporate and commercial customers in the portfolio, although this is shifting towards local-currency loans through SME and retail customers.

The bank mainly lends at variable rates to corporate and commercial customers, while retail loans are mostly fixed rate, in line with local legislation. SME loans in general, and commercial loans according to their risk profiles, are collateralised with mortgages. Most of Vakifbank's general-purpose (unsecured) consumer loans are to public-sector employees. It regards these as low risk, due to their job stability. There was no large borrower concentration in the total on- and off-balance-sheet portfolio, with the top 20 exposures (on a risk group basis) representing less than 20% of total exposures, split across a wide range of sector categories, and from leading state and privately owned entities.

Improving asset quality trends in Turkey's banking sector in general are reflected in Vakifbank's declining impaired loans ratio of 3.6% at end-Q311. The bank's historically higher impaired

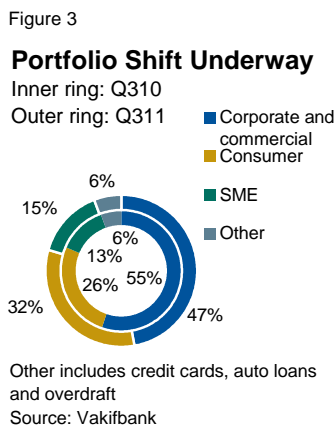


Figure 4  
Segment Impaired Loan  
Information Q311

	(%)
Consumer	2.19
Credit cards	7.30
SME	3.89
Corporate and commercial <sup>a</sup>	3.90

<sup>a</sup> Bank's estimation including legacy loan portfolio and is otherwise 2.1%  
Source: Vakifbank

- Stable and well diversified deposit base
- Limited reliance on borrowed funds
- Capitalisation lower than peers and sector average

ratios than those of peers and the sector average are due to its long-standing policy of not writing off old, fully reserved impaired loans. Excluding these legacy impaired loans (from before 2003) the NPL ratio would have been 2.9% at end-Q311, in line with the sector average. The bank's impaired loans had strong specific coverage of 97% at end-Q311 and at well above 100% including general reserves. Restructured loans were very low at less than 1% of gross lending.

### Market Risk: Exposure to Persistent Volatility

Vakifbank's market risk policy guidelines were approved by the board of directors in June 2009 and comprise risk limits for position, department and trading desks. It runs stress scenarios on the securities portfolio and monitors value-at-risk (VaR) calculations with daily back-testing. In 2011 the bank started using a new market risk model with modified assumptions. It aims to keep its net foreign currency position after hedging to limited amounts. This has been maintained between 1% and 3% of total equity since 2008.

Vakifbank has an on-balance-sheet interest rate pricing period mismatch due to its contractually shorter-term liabilities. This is partly mitigated by a stable deposit base that limits sensitivity to interest rate changes. More than half (56.7%) of Vakifbank's loan portfolio is contractually variable rate, with fixed-rate exposures concentrated in the retail segment. The banks have pricing flexibility in their fixed rate exposures in turbulent market conditions, as demonstrated in late 2008. Nevertheless, exposure may arise from persistent FX volatility and shock interest rate rises that impair the credit quality of SME and middle-market commercial customers.

In line with the rise in lending activity since 2009 Vakifbank's government securities declined to a historically low 20% of total assets at end-Q311, lower than that of state-owned peers and the sector average of 23.8%. The securities books (68% classified as available for sale) were dominated by Turkish lira bonds (77% of the total portfolio), mainly at floating rates (63%). These reduce volatility as they reprice quarterly and semiannually.

## Funding and Capital

### Deposit Franchise Backed by Core State-Related Accounts

At end-Q311 Vakifbank had expanded its deposit base by 17% yoy, slightly above the sector average of about 16.3%. Deposit growth was mainly driven by newly acquired retail and SME customers in new branches. The retail deposit increase was 28% yoy, while the bank's core state deposits had increased by 50%. Turkish public-sector entities are not obliged to deposit their liquidity with state-owned banks, but in practice many do. Part of their term deposits need to be placed with state-owned banks ("core state deposits"), while the rest are open to competition. Vakifbank classifies them as commercial. At end-Q311 the bank had TRY9.6bn of core state deposits, equating to 17.5% of total customer deposits.

At end-September 2011 a high 45% of savings deposits were covered under the Savings Deposits Insurance Fund guarantee, although this was a little below other leading state-owned retail bank peers at around 50%. The threshold for insurance under this scheme is TRY50,000. Deposit growth trends have been positive and the bank expects this to continue in line with any rise in interest rates. They provide good cross-selling opportunities, in light of their job stability.

Vakifbank's reliance on funds borrowed for funding is not significant (9.5% of liabilities at end-Q311). Most such borrowings had original maturities of one-year. Leading Turkish banks have not had any difficulties in refinancing their facilities with international banks in the turbulent market conditions since 2008, although they have experienced higher interest rates recently. Vakifbank has complemented its funding with international financial institutions (primarily European Investment Bank, World Bank and European Bank of Reconstruction and Development) under various loan facilities aimed at SMEs and energy finance.

Liquidity risk is mitigated by a stable core deposit base. The bank estimates the actual average maturity of its deposits at about 13 months, based on historical deposit roll-over ratios. In light of its relatively high loan/assets ratio, the bank's liquidity management relies on it matching its cash flow and maintaining strong asset liquidity. Readily available liquid assets (including cash and bank placements up to one month) covered an average of 23% of customer deposits over the four quarters to end-Q311. The bank's liquidity ratios comfortably satisfied FX and total balance-sheet regulatory liquidity requirements. The stock liquidity ratio of 13.2% at end-Q311 was close to double the required minimum of 7%.

### Lower Capitalisation Than Peers

Vakifbank's capital adequacy ratios are lower than those reported by Turkey's leading banks. The bank aims to make more efficient use of its capital with increased penetration into housing and SME loans (requiring less capital charge under the upcoming Basel II). However, in view of globally turbulent credit and market conditions a larger capital base would provide more buffer and comfort compared with larger peers. The bank's internal capital generation has been consistent and dividend distributions are subject to regulatory control.

The Fitch core capital/weighted risks ratio was 12.6% at end-Q311, reflecting deductions from the net asset value of the consolidated insurance subsidiaries. In line with the sector, Vakifbank's total capital mainly consisted of Tier 1 capital. The Turkish banking system began an undisclosed parallel run for regulatory capital reporting under Basel II in July 2011. The impact on the indicative Basel II ratio will mainly come from the classification of risk-weighted assets in the corporate/commercial portfolio in Vakifbank's case, but will be relatively less affected by the bank's low balance of FX-denominated government securities.

Türkiye Vakıflar Bankası T.A.O.  
Income Statement

	30 Sep 2011			31 Dec 2010		31 Dec 2009		31 Dec 2008		31 Dec 2007	
	9 Months - 3rd Quarter	9 Months - 3rd Quarter	As % of	Year End	As % of	Year End	As % of	Year End	As % of	Year End	As % of
	USDm	TRYth	Earning	TRYth	Earning	TRYth	Earning	TRYth	Earning	TRYth	Earning
	Unqualified	Unqualified	Assets	Unqualified	Assets	Unqualified	Assets	Unqualified	Assets	Unqualified	Assets
1. Interest Income on Loans	1,925.1	3,567,258.0	5.96	4,127,766.0	6.03	4,514,534.0	7.10	4,387,918.0	8.51	3,302,839.0	7.92
2. Other Interest Income	666.9	1,235,737.0	2.06	1,900,119.0	2.77	2,038,161.0	3.20	2,170,752.0	4.21	2,172,738.0	5.21
3. Dividend Income	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
<b>4. Gross Interest and Dividend Income</b>	<b>2,592.0</b>	<b>4,802,995.0</b>	<b>8.03</b>	<b>6,027,885.0</b>	<b>8.80</b>	<b>6,552,695.0</b>	<b>10.30</b>	<b>6,558,670.0</b>	<b>12.72</b>	<b>5,475,577.0</b>	<b>13.13</b>
5. Interest Expense on Customer Deposits	1,128.9	2,091,790.0	3.50	2,627,930.0	3.84	2,916,306.0	4.59	3,923,223.0	7.61	3,251,444.0	7.80
6. Other Interest Expense	279.0	517,050.0	0.86	544,820.0	0.80	450,213.0	0.71	555,301.0	1.08	458,881.0	1.10
<b>7. Total Interest Expense</b>	<b>1,407.9</b>	<b>2,608,840.0</b>	<b>4.36</b>	<b>3,172,750.0</b>	<b>4.63</b>	<b>3,366,519.0</b>	<b>5.29</b>	<b>4,478,524.0</b>	<b>8.68</b>	<b>3,710,325.0</b>	<b>8.90</b>
<b>8. Net Interest Income</b>	<b>1,184.1</b>	<b>2,194,155.0</b>	<b>3.67</b>	<b>2,855,135.0</b>	<b>4.17</b>	<b>3,186,176.0</b>	<b>5.01</b>	<b>2,080,146.0</b>	<b>4.03</b>	<b>1,765,252.0</b>	<b>4.23</b>
9. Net Gains (Losses) on Trading and Derivatives	-15.7	-29,057.0	-0.05	310,298.0	0.45	193,309.0	0.30	121,621.0	0.24	179,410.0	0.43
10. Net Gains (Losses) on Other Securities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
11. Net Gains (Losses) on Assets at FV through Income Statement	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
12. Net Insurance Income	46.1	85,372.0	0.14	70,231.0	0.10	12,540.0	0.02	60,959.0	0.12	80,186.0	0.19
13. Net Fees and Commissions	219.0	405,818.0	0.68	447,099.0	0.65	432,710.0	0.68	468,475.0	0.91	360,414.0	0.86
14. Other Operating Income	84.5	156,537.0	0.26	302,196.0	0.44	203,255.0	0.32	137,021.0	0.27	606,405.0	1.45
<b>15. Total Non-Interest Operating Income</b>	<b>333.9</b>	<b>618,670.0</b>	<b>1.03</b>	<b>1,129,824.0</b>	<b>1.65</b>	<b>841,814.0</b>	<b>1.32</b>	<b>788,076.0</b>	<b>1.53</b>	<b>1,226,415.0</b>	<b>2.94</b>
16. Personnel Expenses	385.2	713,855.0	1.19	798,224.0	1.17	715,727.0	1.13	658,174.0	1.28	537,674.0	1.29
17. Other Operating Expenses	466.2	863,863.0	1.44	1,358,892.0	1.98	1,104,339.0	1.74	928,038.0	1.80	822,513.0	1.97
<b>18. Total Non-Interest Expenses</b>	<b>851.4</b>	<b>1,577,718.0</b>	<b>2.64</b>	<b>2,157,116.0</b>	<b>3.15</b>	<b>1,820,066.0</b>	<b>2.86</b>	<b>1,586,212.0</b>	<b>3.08</b>	<b>1,360,187.0</b>	<b>3.26</b>
19. Equity-accounted Profit/ Loss - Operating	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
<b>20. Pre-Impairment Operating Profit</b>	<b>666.5</b>	<b>1,235,107.0</b>	<b>2.06</b>	<b>1,827,843.0</b>	<b>2.67</b>	<b>2,207,924.0</b>	<b>3.47</b>	<b>1,282,010.0</b>	<b>2.49</b>	<b>1,631,480.0</b>	<b>3.91</b>
21. Loan Impairment Charge	-39.2	-72,634.0	-0.12	334,957.0	0.49	681,230.0	1.07	316,896.0	0.61	158,483.0	0.38
22. Securities and Other Credit Impairment Charges	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
<b>23. Operating Profit</b>	<b>705.7</b>	<b>1,307,741.0</b>	<b>2.19</b>	<b>1,492,886.0</b>	<b>2.18</b>	<b>1,526,694.0</b>	<b>2.40</b>	<b>965,114.0</b>	<b>1.87</b>	<b>1,472,997.0</b>	<b>3.53</b>
24. Equity-accounted Profit/ Loss - Non-operating	10.3	19,038.0	0.03	24,216.0	0.04	35,576.0	0.06	18,072.0	0.04	39,404.0	0.09
25. Non-recurring Income	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
26. Non-recurring Expense	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
27. Change in Fair Value of Own Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
28. Other Non-operating Income and Expenses	-0.4	-713.0	0.00	-70,588.0	-0.10	-256.0	0.00	11,348.0	0.02	-243,502.0	-0.58
<b>29. Pre-tax Profit</b>	<b>715.6</b>	<b>1,326,066.0</b>	<b>2.22</b>	<b>1,446,514.0</b>	<b>2.11</b>	<b>1,562,014.0</b>	<b>2.46</b>	<b>994,534.0</b>	<b>1.93</b>	<b>1,268,899.0</b>	<b>3.04</b>
30. Tax expense	143.0	265,029.0	0.44	313,152.0	0.46	267,280.0	0.42	184,930.0	0.36	235,062.0	0.56
31. Profit/Loss from Discontinued Operations	0.0	0.0	0.00	0.0	0.00	0.0	0.00	n.a.	-	n.a.	-
<b>32. Net Income</b>	<b>572.6</b>	<b>1,061,037.0</b>	<b>1.77</b>	<b>1,133,362.0</b>	<b>1.65</b>	<b>1,294,734.0</b>	<b>2.04</b>	<b>809,604.0</b>	<b>1.57</b>	<b>1,033,837.0</b>	<b>2.48</b>
33. Change in Value of AFS Investments	-136.9	-253,750.0	-0.42	-33,672.0	-0.05	344,930.0	0.54	-128.9	0.00	81.4	0.00
34. Revaluation of Fixed Assets	4.8	8,977.0	0.01	-8,606.0	-0.01	1,113.0	0.00	2,377.0	0.00	-2,607.0	-0.01
35. Currency Translation Differences	0.0	0.0	0.00	0.0	0.00	0.0	0.00	n.a.	-	n.a.	-
36. Remaining OCI Gains/(losses)	0.0	0.0	0.00	0.0	0.00	0.0	0.00	-9.7	0.00	-28.1	0.00
<b>37. Fitch Comprehensive Income</b>	<b>440.5</b>	<b>816,264.0</b>	<b>1.36</b>	<b>1,091,084.0</b>	<b>1.59</b>	<b>1,640,777.0</b>	<b>2.58</b>	<b>811,842.4</b>	<b>1.57</b>	<b>1,031,283.3</b>	<b>2.47</b>
38. Memo: Profit Allocation to Non-controlling Interests	23.9	44,228.0	0.07	-30,935.0	-0.05	n.a.	-	18.3	0.00	3.3	0.00
39. Memo: Net Income after Allocation to Non-controlling Interests	548.7	1,016,809.0	1.70	1,164,297.0	1.70	1,294,734.0	2.04	809,585.7	1.57	1,033,833.7	2.48
40. Memo: Common Dividends Relating to the Period	65.4	121,094.0	0.20	121,094.0	0.18	121,094.0	0.19	147,470.0	0.29	2,838.0	0.01
41. Memo: Preferred Dividends Related to the Period	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-

Exchange rate USD1 = TRY 1.85300 USD1 = TRY 1.54130 USD1 = TRY 1.49090 USD1 = TRY 1.52545 USD1 = TRY 1.16210

## Türkiye Vakıflar Bankası T.A.O.

### Balance Sheet

	30 Sep 2011			31 Dec 2010		31 Dec 2009		31 Dec 2008		31 Dec 2007	
	9 Months - 3rd Quarter USDm	9 Months - 3rd Quarter TRYth	As % of Assets	Year End TRYth	As % of Assets	Year End TRYth	As % of Assets	Year End TRYth	As % of Assets	Year End TRYth	As % of Assets
<b>Assets</b>											
<b>A. Loans</b>											
1. Residential Mortgage Loans	4,608.0	8,538,652.0	9.16	5,938,552.0	7.73	3,954,650.0	5.90	3,072,654.0	5.63	2,404,167.0	5.44
2. Other Mortgage Loans	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Other Consumer/ Retail Loans	6,372.9	11,808,924.0	12.66	8,956,147.0	11.66	6,224,758.0	9.29	5,560,671.0	10.20	4,144,433.0	9.37
4. Corporate & Commercial Loans	19,590.9	36,301,919.0	38.93	30,460,625.0	39.64	24,807,891.0	37.02	22,630,292.0	41.49	17,595,432.0	39.80
5. Other Loans	1,156.0	2,142,009.0	2.30	2,342,977.0	3.05	2,266,470.0	3.38	1,594,489.0	2.92	1,244,131.0	2.81
6. Less: Reserves for Impaired Loans/ NPLs	1,123.2	2,081,329.0	2.23	2,315,706.0	3.01	2,129,421.0	3.18	1,497,375.0	2.75	1,243,662.0	2.81
<b>7. Net Loans</b>	<b>30,604.5</b>	<b>56,710,175.0</b>	<b>60.82</b>	<b>45,382,595.0</b>	<b>59.07</b>	<b>35,124,348.0</b>	<b>52.42</b>	<b>31,360,731.0</b>	<b>57.50</b>	<b>24,144,501.0</b>	<b>54.61</b>
<b>8. Gross Loans</b>	<b>31,727.7</b>	<b>58,791,504.0</b>	<b>63.05</b>	<b>47,698,301.0</b>	<b>62.08</b>	<b>37,253,769.0</b>	<b>55.59</b>	<b>32,858,106.0</b>	<b>60.24</b>	<b>25,388,163.0</b>	<b>57.42</b>
9. Memo: Impaired Loans included above	1,156.0	2,142,009.0	2.30	2,342,977.0	3.05	2,266,470.0	3.38	1,594,489.0	2.92	1,244,131.0	2.81
10. Memo: Loans at Fair Value included above	0.0	0.0	0.00	0.0	0.00	0.0	0.00	n.a.	-	n.a.	-
<b>B. Other Earning Assets</b>											
1. Loans and Advances to Banks	1,739.1	3,222,527.0	3.46	2,170,884.0	2.83	9,153,193.0	13.66	7,702,586.0	14.12	5,652,761.0	12.78
2. Reverse Repos and Cash Collateral	162.2	300,554.0	0.32	2,101,584.0	2.74	n.a.	-	n.a.	-	n.a.	-
3. Trading Securities and at FV through Income	77.0	142,614.0	0.15	193,067.0	0.25	118,796.0	0.18	84,623.0	0.16	417,774.0	0.94
4. Derivatives	59.4	110,070.0	0.12	24,994.0	0.03	21,524.0	0.03	61,043.0	0.11	39,113.0	0.09
5. Available for Sale Securities	7,088.2	13,134,383.0	14.09	13,914,247.0	18.11	15,265,326.0	22.78	8,379,170.0	15.36	9,574,259.0	21.65
6. Held to Maturity Securities	3,198.4	5,926,651.0	6.36	4,362,245.0	5.68	3,578,218.0	5.34	3,683,920.0	6.75	1,664,351.0	3.76
7. At-equity Investments in Associates	167.0	309,447.0	0.33	304,752.0	0.40	280,739.0	0.42	243,442.0	0.45	155,052.0	0.35
8. Other Securities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
<b>9. Total Securities</b>	<b>10,752.1</b>	<b>19,923,719.0</b>	<b>21.37</b>	<b>20,900,889.0</b>	<b>27.20</b>	<b>19,264,603.0</b>	<b>28.75</b>	<b>12,452,198.0</b>	<b>22.83</b>	<b>11,850,549.0</b>	<b>26.80</b>
10. Memo: Government Securities included Above	10,245.9	18,985,720.0	20.36	18,304,521.0	23.82	18,833,470.0	28.11	12,005,959.0	22.01	11,443,515.0	25.88
11. Memo: Total Securities Pledged	7,635.5	14,148,525.0	15.17	11,103,519.0	14.45	n.a.	-	n.a.	-	n.a.	-
12. Investments in Property	85.9	159,172.0	0.17	53,659.0	0.07	55,452.0	0.08	54,119.0	0.10	56,786.0	0.13
13. Insurance Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
14. Other Earning Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
<b>15. Total Earning Assets</b>	<b>43,181.6</b>	<b>80,015,593.0</b>	<b>85.81</b>	<b>68,508,027.0</b>	<b>89.16</b>	<b>63,597,596.0</b>	<b>94.91</b>	<b>51,569,634.0</b>	<b>94.55</b>	<b>41,704,597.0</b>	<b>94.32</b>
<b>C. Non-Earning Assets</b>											
1. Cash and Due From Banks	4,825.4	8,941,540.0	9.59	4,651,033.0	6.05	595,516.0	0.89	443,963.0	0.81	423,055.0	0.96
2. Memo: Mandatory Reserves included above	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Foreclosed Real Estate	1.2	2,159.0	0.00	1,446.0	0.00	3,023.0	0.00	1,558.0	0.00	1,702.0	0.00
4. Fixed Assets	639.8	1,185,523.0	1.27	1,193,718.0	1.55	1,180,891.0	1.76	1,082,945.0	1.99	1,003,206.0	2.27
5. Goodwill	0.0	0.0	0.00	0.0	0.00	0.0	0.00	n.a.	-	n.a.	-
6. Other Intangibles	41.2	76,433.0	0.08	57,253.0	0.07	47,322.0	0.07	33,409.0	0.06	14,900.0	0.03
7. Current Tax Assets	1.0	1,768.0	0.00	4,860.0	0.01	7,534.0	0.01	1,253.0	0.00	1,054.0	0.00
8. Deferred Tax Assets	111.7	206,918.0	0.22	131,143.0	0.17	116,988.0	0.17	86,766.0	0.16	48,484.0	0.11
9. Discontinued Operations	0.0	0.0	0.00	0.0	0.00	n.a.	-	n.a.	-	n.a.	-
10. Other Assets	1,517.7	2,812,308.0	3.02	2,287,422.0	2.98	1,460,968.0	2.18	1,322,079.0	2.42	1,018,061.0	2.30
<b>11. Total Assets</b>	<b>50,319.6</b>	<b>93,242,242.0</b>	<b>100.00</b>	<b>76,834,902.0</b>	<b>100.00</b>	<b>67,009,838.0</b>	<b>100.00</b>	<b>54,541,607.0</b>	<b>100.00</b>	<b>44,215,059.0</b>	<b>100.00</b>
<b>Liabilities and Equity</b>											
<b>D. Interest-Bearing Liabilities</b>											
1. Customer Deposits - Current	n.a.	n.a.	-	n.a.	-	1,294,734.0	1.93	35,430,883.0	64.96	n.a.	-
2. Customer Deposits - Savings	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Customer Deposits - Term	28,222.4	52,296,126.0	56.09	46,093,041.0	59.99	41,672,017.0	62.19	809,604.0	1.48	28,397,859.0	64.23
<b>4. Total Customer Deposits</b>	<b>28,222.4</b>	<b>52,296,126.0</b>	<b>56.09</b>	<b>46,093,041.0</b>	<b>59.99</b>	<b>42,966,751.0</b>	<b>64.12</b>	<b>36,240,487.0</b>	<b>66.45</b>	<b>28,397,859.0</b>	<b>64.23</b>
5. Deposits from Banks	2,276.6	4,218,608.0	4.52	1,990,343.0	2.59	8,301,499.0	12.39	3,206,442.0	5.88	2,905,001.0	6.57
6. Repos and Cash Collateral	5,934.5	10,996,594.0	11.79	8,213,632.0	10.69	n.a.	-	n.a.	-	n.a.	-
7. Other Deposits and Short-term Borrowings	1,898.3	3,517,623.0	3.77	3,676,446.0	4.78	1,558,318.0	2.33	2,047,165.0	3.75	1,483,411.0	3.35
<b>8. Total Deposits, Money Market and Short-term Funding</b>	<b>38,331.9</b>	<b>71,028,951.0</b>	<b>76.18</b>	<b>59,973,462.0</b>	<b>78.05</b>	<b>52,826,568.0</b>	<b>78.83</b>	<b>41,494,094.0</b>	<b>76.08</b>	<b>32,786,271.0</b>	<b>74.15</b>
9. Senior Debt Maturing after 1 Year	3,248.9	6,020,296.0	6.46	3,010,556.0	3.92	3,054,909.0	4.56	4,056,096.0	7.44	3,554,469.0	8.04
10. Subordinated Borrowing	0.0	0.0	0.00	0.0	0.00	0.0	0.00	n.a.	-	n.a.	-
11. Other Funding	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
<b>12. Total Long Term Funding</b>	<b>3,248.9</b>	<b>6,020,296.0</b>	<b>6.46</b>	<b>3,010,556.0</b>	<b>3.92</b>	<b>3,054,909.0</b>	<b>4.56</b>	<b>4,056,096.0</b>	<b>7.44</b>	<b>3,554,469.0</b>	<b>8.04</b>
13. Derivatives	232.2	430,238.0	0.46	103,367.0	0.13	42,547.0	0.06	27,127.0	0.05	22,290.0	0.05
14. Trading Liabilities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
<b>15. Total Funding</b>	<b>41,813.0</b>	<b>77,479,485.0</b>	<b>83.09</b>	<b>63,087,385.0</b>	<b>82.11</b>	<b>55,924,024.0</b>	<b>83.46</b>	<b>45,577,317.0</b>	<b>83.56</b>	<b>36,363,030.0</b>	<b>82.24</b>
<b>E. Non-Interest Bearing Liabilities</b>											
1. Fair Value Portion of Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
2. Credit impairment reserves	331.5	614,240.0	0.66	427,876.0	0.56	322,989.0	0.48	258,907.0	0.47	173,745.0	0.39
3. Reserves for Pensions and Other	846.6	1,568,667.0	1.68	1,707,440.0	2.22	1,171,584.0	1.75	1,044,820.0	1.92	919,833.0	2.08
4. Current Tax Liabilities	155.8	288,736.0	0.31	208,934.0	0.27	179,983.0	0.27	194,370.0	0.36	178,462.0	0.40
5. Deferred Tax Liabilities	1.8	3,251.0	0.00	3,490.0	0.00	3,784.0	0.01	6,306.0	0.01	5,632.0	0.01
6. Other Deferred Liabilities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
7. Discontinued Operations	0.0	0.0	0.00	0.0	0.00	0.0	0.00	n.a.	-	n.a.	-
8. Insurance Liabilities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
9. Other Liabilities	2,105.7	3,901,912.0	4.18	2,820,694.0	3.67	1,828,895.0	2.73	1,527,659.0	2.80	1,226,044.0	2.77
<b>10. Total Liabilities</b>	<b>45,254.3</b>	<b>83,856,291.0</b>	<b>89.93</b>	<b>68,255,819.0</b>	<b>88.83</b>	<b>59,431,259.0</b>	<b>88.69</b>	<b>48,609,379.0</b>	<b>89.12</b>	<b>38,866,746.0</b>	<b>87.90</b>
<b>F. Hybrid Capital</b>											
1. Pref. Shares and Hybrid Capital accounted for as Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
2. Pref. Shares and Hybrid Capital accounted for as Equity	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
<b>G. Equity</b>											
1. Common Equity	4,874.6	9,032,635.0	9.69	8,030,010.0	10.45	6,989,469.0	10.43	5,694,735.0	10.44	5,009,809.0	11.33
2. Non-controlling Interest	157.5	291,806.0	0.31	242,790.0	0.32	240,549.0	0.36	234,975.0	0.43	209,466.0	0.47
3. Securities Revaluation Reserves	25.6	47,500.0	0.05	301,250.0	0.39	334,922.0	0.50	-10,008.0	-0.02	118,889.0	0.27
4. Foreign Exchange Revaluation Reserves	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
5. Fixed Asset Revaluations and Other Accumulated OCI	7.6	14,010.0	0.02	5,033.0	0.01	13,639.0	0.02	12,526.0	0.02	10,149.0	0.02
<b>6. Total Equity</b>	<b>5,065.3</b>	<b>9,385,951.0</b>	<b>10.07</b>	<b>8,579,083.0</b>	<b>11.17</b>	<b>7,578,579.0</b>	<b>11.31</b>	<b>5,932,228.0</b>	<b>10.88</b>	<b>5,348,313.0</b>	<b>12.10</b>
<b>7. Total Liabilities and Equity</b>	<b>50,319.6</b>	<b>93,242,242.0</b>	<b>100.00</b>	<b>76,834,902.0</b>	<b>100.00</b>	<b>67,009,838.0</b>	<b>100.00</b>	<b>54,541,607.0</b>	<b>100.00</b>	<b>44,215,059.0</b>	<b>100.00</b>
8. Memo: Fitch Core Capital	4,936.3	9,146,974.0	9.81	8,401,731.0	10.93	7,389,860.0	11.03	5,727,983.0	10.50	5,176,728.0	11.71
9. Memo: Fitch Eligible Capital	4,936.3	9,146,974.0	9.81	8,401,731.0	10.93	7,389,860.0	11.03	5,727,983.0	10.50	5,176,728.0	11.71

Exchange rate USD1 = TRY 1.85300

USD1 = TRY 1.54130

USD1 = TRY 1.49090

USD1 = TRY 1.52545

USD1 = TRY 1.16210

**Türkiye Vakıflar Bankası T.A.O.**  
**Summary Analytics**

	30 Sep 2011	31 Dec 2010	31 Dec 2009	31 Dec 2008	31 Dec 2007
	9 Months - 3rd Quarter	Year End	Year End	Year End	Year End
<b>A. Interest Ratios</b>					
1. Interest Income on Loans/ Average Gross Loans	8.93	9.72	12.92	15.07	14.61
2. Interest Expense on Customer Deposits/ Average Customer Deposits	5.69	5.90	7.27	12.14	12.27
3. Interest Income/ Average Earning Assets	8.65	9.30	11.53	14.06	14.00
4. Interest Expense/ Average Interest-bearing Liabilities	4.96	5.33	6.61	10.93	10.85
5. Net Interest Income/ Average Earning Assets	3.95	4.40	5.61	4.46	4.51
6. Net Int. Inc Less Loan Impairment Charges/ Av. Earning Assets	4.08	3.89	4.41	3.78	4.11
7. Net Interest Inc Less Preferred Stock Dividend/ Average Earning Assets	3.95	4.40	5.61	4.46	4.51
<b>B. Other Operating Profitability Ratios</b>					
1. Non-Interest Income/ Gross Revenues	21.99	28.35	20.90	27.48	40.99
2. Non-Interest Expense/ Gross Revenues	56.09	54.13	45.19	55.30	45.47
3. Non-Interest Expense/ Average Assets	2.48	3.00	2.99	3.21	3.28
4. Pre-impairment Op. Profit/ Average Equity	18.38	22.63	32.77	22.73	32.49
5. Pre-impairment Op. Profit/ Average Total Assets	1.94	2.54	3.63	2.60	3.93
6. Loans and securities impairment charges/ Pre-impairment Op. Profit	-5.88	18.33	30.85	24.72	9.71
7. Operating Profit/ Average Equity	19.46	18.48	22.66	17.11	29.34
8. Operating Profit/ Average Total Assets	2.06	2.08	2.51	1.95	3.55
9. Taxes/ Pre-tax Profit	19.99	21.65	17.11	18.59	18.52
10. Pre-Impairment Operating Profit / Risk Weighted Assets	2.27	3.13	4.78	3.21	4.83
11. Operating Profit / Risk Weighted Assets	2.41	2.55	3.30	2.41	4.36
<b>C. Other Profitability Ratios</b>					
1. Net Income/ Average Total Equity	15.79	14.03	19.21	14.35	20.59
2. Net Income/ Average Total Assets	1.67	1.58	2.13	1.64	2.49
3. Fitch Comprehensive Income/ Average Total Equity	12.15	13.51	24.35	14.39	20.54
4. Fitch Comprehensive Income/ Average Total Assets	1.28	1.52	2.69	1.64	2.49
5. Net Income/ Av. Total Assets plus Av. Managed Securitized Assets	1.67	1.58	2.13	n.a.	n.a.
6. Net Income/ Risk Weighted Assets	1.95	1.94	2.80	2.02	3.06
7. Fitch Comprehensive Income/ Risk Weighted Assets	1.50	1.87	3.55	2.03	3.06
<b>D. Capitalization</b>					
1. Fitch Core Capital/Weighted Risks	12.59	14.37	15.99	14.32	15.34
2. Fitch Eligible Capital/ Weighted Risks	12.59	14.37	15.99	14.32	15.34
3. Tangible Common Equity/ Tangible Assets	9.99	11.10	11.25	10.82	12.07
4. Tier 1 Regulatory Capital Ratio	12.27	12.95	14.15	13.38	14.01
5. Total Regulatory Capital Ratio	13.18	13.94	15.21	14.05	14.74
6. Core Tier 1 Regulatory Capital Ratio	n.a.	n.a.	n.a.	n.a.	n.a.
7. Equity/ Total Assets	10.07	11.17	11.31	10.88	12.10
8. Cash Dividends Paid & Declared/ Net Income	11.41	10.68	9.35	18.22	0.27
9. Cash Dividend Paid & Declared/ Fitch Comprehensive Income	14.84	11.10	7.38	18.16	0.28
10. Cash Dividends & Share Repurchase/Net Income	11.41	10.68	9.35	18.22	0.27
11. Net Income - Cash Dividends/ Total Equity	13.39	11.80	15.49	11.16	19.28
<b>E. Loan Quality</b>					
1. Growth of Total Assets	21.35	14.66	22.86	23.36	14.12
2. Growth of Gross Loans	23.26	28.04	13.38	29.42	28.16
3. Impaired Loans(NPLs)/ Gross Loans	3.64	4.91	6.08	4.85	4.90
4. Reserves for Impaired Loans/ Gross loans	3.54	4.85	5.72	4.56	4.90
5. Reserves for Impaired Loans/ Impaired Loans	97.17	98.84	93.95	93.91	99.96
6. Impaired Loans less Reserves for Imp Loans/ Equity	0.65	0.32	1.81	1.64	0.01
7. Loan Impairment Charges/ Average Gross Loans	-0.18	0.79	1.95	1.09	0.70
8. Net Charge-offs/ Average Gross Loans	0.01	0.16	0.00	n.a.	0.01
9. Impaired Loans + Foreclosed Assets/ Gross Loans + Foreclosed Assets	3.65	4.91	6.09	4.86	4.91
<b>F. Funding</b>					
1. Loans/ Customer Deposits	112.42	103.48	86.70	90.67	89.40
2. Interbank Assets/ Interbank Liabilities	76.39	109.07	110.26	240.22	194.59
3. Customer Deposits/ Total Funding excl Derivatives	67.87	73.18	76.89	79.56	78.14

## Turkiye Vakiflar Bankasi T.A.O.

### Reference Data

	30 Sep 2011				31 Dec 2010				31 Dec 2009				31 Dec 2008				31 Dec 2007					
	9 Months - 3rd Quarter		As % of		Year End		As % of		Year End		As % of		Year End		As % of		Year End		As % of			
	USDm		TRYth	Assets	TRYth	Assets	TRYth	Assets	TRYth	Assets	TRYth	Assets	TRYth	Assets	TRYth	Assets	TRYth	Assets	TRYth	Assets		
<b>A. Off-Balance Sheet Items</b>																						
1. Managed Securitised Assets Reported Off-Balance Sheet	n.a.	n.a.	-	n.a.	-	0.0	0.00	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.		
2. Other off-balance sheet exposure to securitizations	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.		
3. Guarantees	5,403.7	10,013,030.0	10.74	8,226,927.0	10.71	9,110,039.0	13.60	8,100,610.0	14.85	5,941,125.0	13.44	2,371.6	4,394,593.0	4.71	3,132,901.0	4.08	2,914,859.0	4.35	2,418,345.0	4.43	1,578,388.0	3.57
4. Acceptances and documentary credits reported off-balance sheet	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	
5. Committed Credit Lines	6,459.5	11,969,441.0	12.84	10,506,738.0	13.67	8,067,614.0	12.04	6,280,010.0	11.51	6,030,242.0	13.64	6,459.5	11,969,441.0	12.84	10,506,738.0	13.67	8,067,614.0	12.04	6,280,010.0	11.51	6,030,242.0	13.64
6. Other Contingent Liabilities	64,554.4	119,619,306.0	128.29	98,701,468.0	128.46	87,102,350.0	129.98	71,340,572.0	130.80	57,764,814.0	130.65	39,211.6	72,659,134.0	77.93	58,461,916.0	76.09	46,208,436.0	68.96	39,988,478.0	73.32	33,756,200.0	76.35
7. Total Business Volume	39,211.6	72,659,134.0	77.93	58,461,916.0	76.09	46,208,436.0	68.96	39,988,478.0	73.32	33,756,200.0	76.35	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
8. Memo: Total Weighted Risks	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	
9. Fitch Adjustments to Weighted Risks	39,211.6	72,659,134.0	77.93	58,461,916.0	76.09	46,208,436.0	68.96	39,988,478.0	73.32	33,756,200.0	76.35	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
10. Fitch Adjusted Weighted Risks	39,211.6	72,659,134.0	77.93	58,461,916.0	76.09	46,208,436.0	68.96	39,988,478.0	73.32	33,756,200.0	76.35	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
<b>B. Average Balance Sheet</b>																						
Average Loans	28,734.4	53,244,903.0	57.10	42,476,035.0	55.28	34,938,658.3	52.14	29,123,134.5	53.40	22,599,209.0	51.11	40,076.5	74,261,810.0	79.64	64,823,886.0	84.37	56,813,810.0	84.78	46,637,115.5	85.51	39,115,948.0	88.47
Average Earning Assets	45,892.4	85,038,572.0	91.20	71,922,370.0	93.61	60,883,681.7	90.86	49,378,333.0	90.53	41,479,859.5	93.81	45,892.4	85,038,572.0	91.20	71,922,370.0	93.61	60,883,681.7	90.86	49,378,333.0	90.53	41,479,859.5	93.81
Average Assets	0.0	0.0	0.00	0.0	0.00	0.0	0.00	n.a.	n.a.	n.a.	-	37,929.5	70,283,435.0	75.38	59,505,705.0	77.45	50,898,347.0	75.96	40,970,173.5	75.12	34,201,860.5	77.35
Average Managed Securitised Assets (OBS)	4,604.1	8,531,323.0	9.15	7,509,740.0	9.77	6,379,534.7	9.52	5,352,272.0	9.81	4,728,358.0	10.69	4,604.1	8,531,323.0	9.15	7,509,740.0	9.77	6,379,534.7	9.52	5,352,272.0	9.81	4,728,358.0	10.69
Average Interest-Bearing Liabilities	4,847.6	8,982,517.0	9.63	8,078,831.0	10.51	6,738,369.0	10.06	5,640,270.5	10.34	5,021,015.5	11.36	26,548.6	49,194,584.0	52.76	44,529,896.0	57.96	40,108,446.0	59.85	32,319,173.0	59.26	26,500,177.0	59.93
Average Common equity	26,548.6	49,194,584.0	52.76	44,529,896.0	57.96	40,108,446.0	59.85	32,319,173.0	59.26	26,500,177.0	59.93	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Average Customer Deposits	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
<b>C. Maturities</b>																						
<b>Asset Maturities:</b>																						
Loans & Advances < 3 months	5,093.3	9,437,901.0	10.12	9,841,941.0	12.81	8,652,960.0	12.91	5,918,596.0	10.85	5,366,590.0	12.14	6,408.3	11,874,645.0	12.74	8,542,575.0	11.12	7,675,883.0	11.45	7,970,326.0	14.61	5,520,802.0	12.49
Loans & Advances 3 - 12 Months	14,922.3	27,651,074.0	29.66	21,325,563.0	27.76	15,485,797.0	23.11	13,450,286.0	24.66	10,634,423.0	24.05	4,147.8	7,685,875.0	8.24	5,645,245.0	7.35	3,172,659.0	4.73	3,924,409.0	7.20	2,610,542.0	5.90
Loans & Advances 1 - 5 Years	4,147.8	7,685,875.0	8.24	5,645,245.0	7.35	3,172,659.0	4.73	3,924,409.0	7.20	2,610,542.0	5.90	57.1	105,876.0	0.11	1,613,321.0	2.10	1,549,141.0	2.31	320,749.0	0.59	258,894.0	0.59
Loans & Advances > 5 years	57.1	105,876.0	0.11	1,613,321.0	2.10	1,549,141.0	2.31	320,749.0	0.59	258,894.0	0.59	417.3	773,198.0	0.83	3,055,218.0	3.98	4,123,264.0	6.15	2,892,817.0	5.30	3,904,027.0	8.83
Debt Securities < 3 Months	5,477.2	10,149,169.0	10.88	7,292,476.0	9.49	10,161,708.0	15.16	6,063,208.0	11.12	5,138,448.0	11.62	4,464.8	8,273,223.0	8.87	6,521,164.0	8.49	3,068,076.0	4.58	2,903,822.0	5.32	2,394,128.0	5.41
Debt Securities 3 - 12 Months	n.a.	n.a.	-	n.a.	-	9,152,298.0	13.66	7,651,241.0	14.03	5,652,761.0	12.78	n.a.	n.a.	-	n.a.	-	895.0	0.00	51,345.0	0.09	n.a.	-
Debt Securities 1 - 5 Years	n.a.	n.a.	-	n.a.	-	895.0	0.00	51,345.0	0.09	n.a.	-	n.a.	n.a.	-	n.a.	-	0.0	0.00	n.a.	-	n.a.	-
Debt Securities > 5 Years	n.a.	n.a.	-	n.a.	-	0.0	0.00	n.a.	-	n.a.	-	n.a.	n.a.	-	n.a.	-	0.0	0.00	n.a.	-	n.a.	-
Interbank < 3 Months	n.a.	n.a.	-	n.a.	-	0.0	0.00	n.a.	-	n.a.	-	n.a.	n.a.	-	n.a.	-	0.0	0.00	n.a.	-	n.a.	-
Interbank 3 - 12 Months	n.a.	n.a.	-	n.a.	-	0.0	0.00	n.a.	-	n.a.	-	n.a.	n.a.	-	n.a.	-	0.0	0.00	n.a.	-	n.a.	-
Interbank 1 - 5 Years	n.a.	n.a.	-	n.a.	-	0.0	0.00	n.a.	-	n.a.	-	n.a.	n.a.	-	n.a.	-	0.0	0.00	n.a.	-	n.a.	-
Interbank > 5 Years	n.a.	n.a.	-	n.a.	-	0.0	0.00	n.a.	-	n.a.	-	n.a.	n.a.	-	n.a.	-	0.0	0.00	n.a.	-	n.a.	-
<b>Liability Maturities:</b>																						
Retail Deposits < 3 months	26,493.1	49,091,716.0	52.65	43,095,757.0	56.09	40,878,324.0	61.00	33,714,157.0	61.81	26,213,707.0	59.29	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Retail Deposits 3 - 12 Months	1,534.2	2,842,959.0	3.05	2,633,710.0	3.43	1,888,579.0	2.82	1,609,370.0	2.95	1,461,965.0	3.31	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Retail Deposits 1 - 5 Years	194.2	359,809.0	0.39	363,335.0	0.47	199,820.0	0.30	913,901.0	1.68	722,083.0	1.63	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Retail Deposits > 5 Years	0.9	1,642.0	0.00	239.0	0.00	28.0	0.00	3,059.0	0.01	104.0	0.00	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Other Deposits < 3 Months	7,158.5	13,264,719.0	14.23	8,389,839.0	10.92	6,720,126.0	10.03	1,978,039.0	3.63	1,060,873.0	2.40	450.4	834,589.0	0.90	1,649,745.0	2.15	1,459,362.0	2.18	324,814.0	0.60	756,491.0	1.71
Other Deposits 3 - 12 Months	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.00	0.00	0.00	0.00
Other Deposits 1 - 5 Years	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.00	0.00	0.00	0.00
Other Deposits > 5 Years	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.00	0.00	0.00	0.00
Interbank < 3 Months	450.4	834,589.0	0.90	1,649,745.0	2.15	1,459,362.0	2.18	324,814.0	0.60	756,491.0	1.71	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.00	0.00	0.00	0.00
Interbank 3 - 12 Months	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.00	0.00	0.00	0.00
Interbank 1 - 5 Years	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.00	0.00	0.00	0.00
Interbank > 5 Years	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.00	0.00	0.00	0.00
Senior Debt Maturing < 3 months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	n.a.	-	n.a.	-	1,558,318.0	2.33	2,047,165.0	3.75	1,483,411.0	3.35
Senior Debt Maturing 3-12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	n.a.	-	n.a.	-	3,054,909.0	4.56	4,056,096.0	7.44	3,554,469.0	8.04
Senior Debt Maturing 1- 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Senior Debt Maturing > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Total Senior Debt on Balance Sheet	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	n.a.	-	n.a.	-	4,613,227.0	6.88	6,103,261.0	11.19	5,037,880.0	11.39
Fair Value Portion of Senior Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Covered Bonds	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Subordinated Debt Maturing < 3 months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-

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