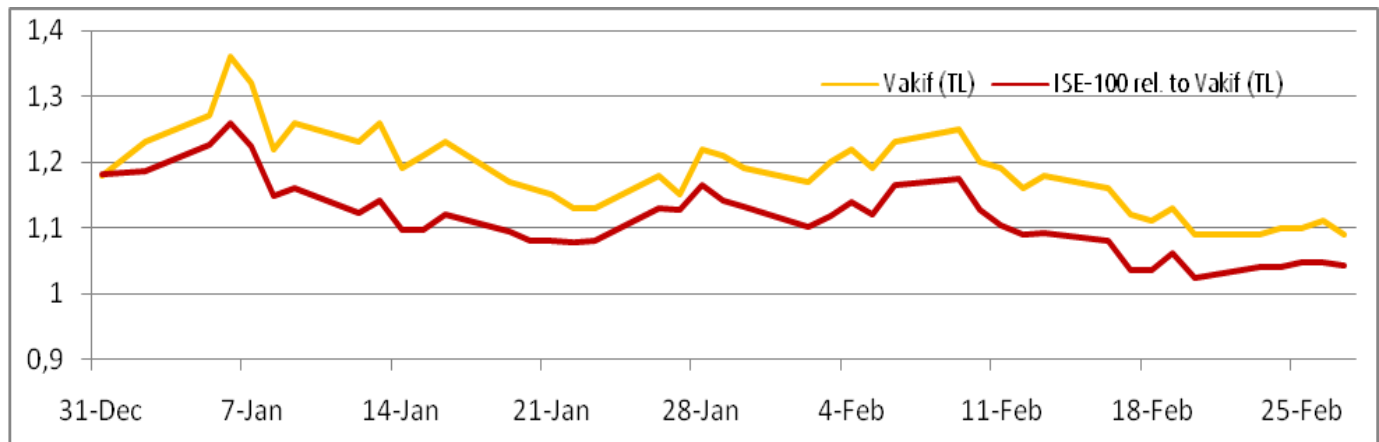
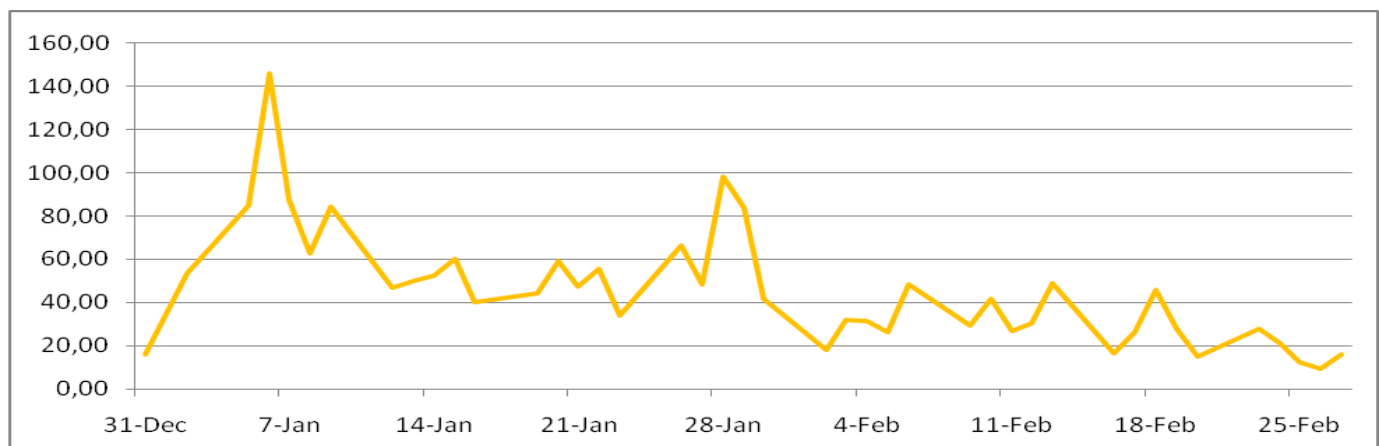


Vakifbank Stock Price Relative to ISE-100



Vakifbank Stock Volume (TRY-Mio)



Stock Market Indicators (February 27, 2009)

	Min Price (TRY)	Max Price (TRY)	Last Price (TRY)	M.Cap (TRY-bio)	P / B Ratio	P / E Ratio	Return in Last Week	Return in Last Month
Vakifbank	1,09	1,36	1,09	2,73	0,48	3,62	0,0%	-8,4%
Akbank	3,68	5,15	3,94	11,21	1,05	6,93	7,1%	-17,6%
Garanti	2,02	2,78	2,07	8,69	0,92	4,97	2,5%	-7,6%
Halkbank	3,46	4,84	3,56	4,45	1,03	3,63	1,7%	-17,2%
Isbank	3,24	4,32	3,26	8,99	0,95	5,95	0,6%	-10,9%
YKB	1,60	2,17	1,65	7,17	1,22	6,63	2,5%	-7,8%

While Citibank asked for another government intervention and US markets saw new lows; concerns regarding economies in Eastern Europe increased sharply as EU rejected an economic package proposal put forward by Hungary. In parallel to bad news flow, ISE-100 and Banking Index were down by 7.3% and 11.4% respectively last month. With its relatively stable price, Vakif share outperformed the index since the beginning of the year.

The Monetary Policy Committee continues to cut policy rates aggressively. Following its surprising 200 bps rate cut in January, the Committee decided to lower policy rates by 150 bps at its February meeting. Overnight borrowing and lending rates were decreased from 13% and 15.50% to 11.5% and 14% respectively. Pointing out the slowdown in economic activity and downward pressure on inflation, CBRT signalled further rate cuts if necessary, depending on economic conditions in coming days.

Vakifbank announced YE 2008 BRSA bank-only results. According to the financials for Jan1 – Dec 31, the Bank's net profits after tax & provisions reached TRY 753 million with a 92.4% QoQ increase. While total loans were up by 29.6%; the growth rate of total deposits was 28.6%, a figure above the sector average. Improving NIM, QoQ increase in Net Fee & Commissions income, asset quality deterioration less than banking sector average were eye-catching details. Last but not least, The Bank beat the consensus profit estimate of TRY 738 million.

On February 20, BRSA reported that Turkish banking sector recorded -0.40% YtD loan growth. Up by 0.45% YtD, the total deposits are expected to grow more than total loans in 2009. While retail loans contracted by 1.1% during the same period, credit card loans were also down by 0.43% similar to sector total loans. On the asset quality front; respective increases of 19.8% and 11.9% in SME and credit card NPLs since YE 2008 were noteworthy.

