

Earnings Presentation

BRSA Bank-Only 3Q 2011

November 2, 2011



Macro Highlights

- ▮ Turkish economy had a bright outlook with 8.8% GDP growth in 2Q 2011. Strong GDP growth performance resulted in 10.2% in 1H 2011, highest growth rate in the world.
- ▮ Monthly CPI increased 0.75% in September. Annual CPI rose 6.15% by the end of 3Q11. CBRT updated its year end expectation as 8.3%.
- ▮ Among 5 pillars of action, depreciation of TL is no longer more crucial than others for CBRT.
- ▮ Interest rate widened to 5,75-12,50% corridor through O/N lending in order to control price stability. CBRT will provide funding to banks at the benchmark rate of 5.75% unless TRY depreciates more than anticipation.
- ▮ By reducing TL RRR by an average 210 bps last week of October, CBRT will provide 11 billion TL to the market. Also, it paved the way for Banks to hold up to 40% of their TL reserves in FX and up to 10% in gold.
- ▮ In the second half of 2011, initial macro economic data reflects that CAD/GDP ratio will go down to much more sustainable level.
- ▮ Strong fiscal stance; Budget deficit/GDP Ratio expectation for 2011 is at historically low level of 2%, even better than Maastricht prerequisite level of 3%.
- ▮ Unemployment rate still continued to improve, is down by 1,5 pps to 9,1% YoY.

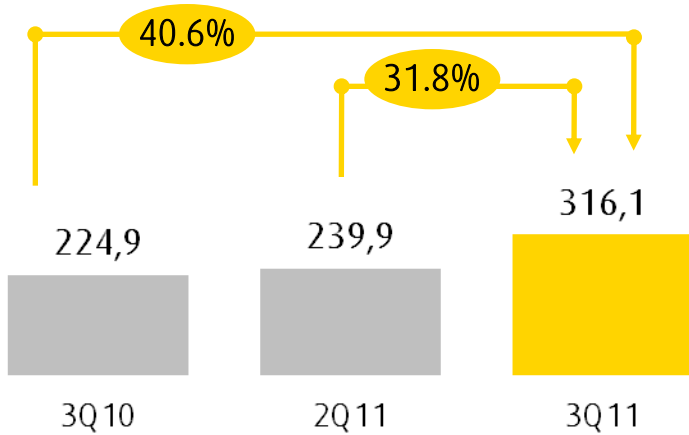
| | 2010 | 1Q11 | 2Q11 | 3Q11 | 2011 YE * |
|-------------------|-------|-------|-------|-------|-----------|
| GDP Growth (YoY) | 8,9% | 11% | 8,8% | N.A | 7,3% |
| Inflation (YoY) | 6,40% | 3,99% | 6,24% | 6,15% | 8,6% |
| CBRT Policy Rate | 6,50% | 6,25% | 6,25% | 5,75% | 5,75% |
| Unemployment Rate | 11,9% | 10,8% | 9,2% | N.A | 10% |
| CAD/GDP | 6,6% | 7,5% | 9,2% | N.A | 9,2% |

3Q 2011 VakifBank Highlights

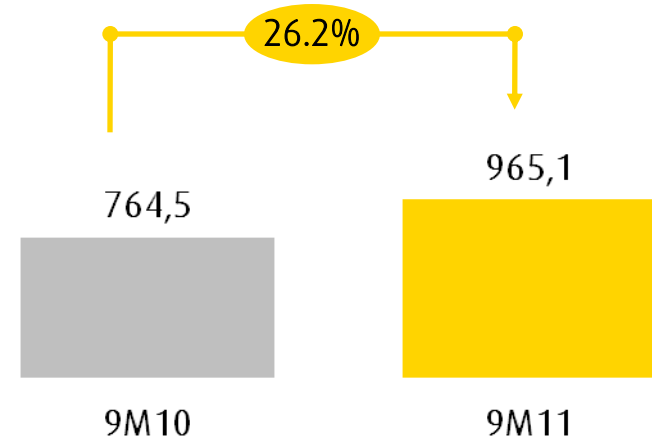
- ✔ 3Q 2011 Bank-Only net income is 965,1 mio TL, up by 26.2% YoY; quarterly net income is 316,1 mio TL, up by 31.8% QoQ.
- ✔ Operating income increased by 11.7% YoY, 7.3% QoQ.
- ✔ NIM has improved; up by 8 bps QoQ to 3,87%.
- ✔ Total assets are up by 23.8% YoY, 20.7% Ytd and 3.4% QoQ; reaching 89.3 billion TL.
- ✔ Asset mix remained in favor of lending; Loans/Assets are 61.5%.
- ✔ Lending growth continued in key retail segments;
 - ✔ General purpose consumer loans are up by 6.2% QoQ, 34.2% Ytd.
 - ✔ Residential mortgage loans are up by 6.2% QoQ, 43.2 Ytd.
 - ✔ SME loans are up by 7.2% QoQ, 39.6% Ytd.
- ✔ Total deposits increased by 4.4% QoQ, 16.5% Ytd; TL deposits are up by 15% YoY, 12.7% Ytd.
- ✔ Strong retail deposit growth; 28.3% YoY, 15.3% Ytd.
- ✔ Share of retail deposits in total deposits is up by 3 pps from 31.3% to 34.3% YoY.
- ✔ Improvement in asset quality, NPL ratio is down by 26 bps QoQ to 3.63% without any asset sale and write off.
- ✔ Strong collections performance; collections are up by 8.6%, new NPL generation is down by 49.7% YoY as of 3Q 2011 compared to 3Q 2010.
- ✔ Cost of risk is down to 59 bps, net CoR is again negative thanks to strong collections.

3Q 2011 Earnings and Ratios

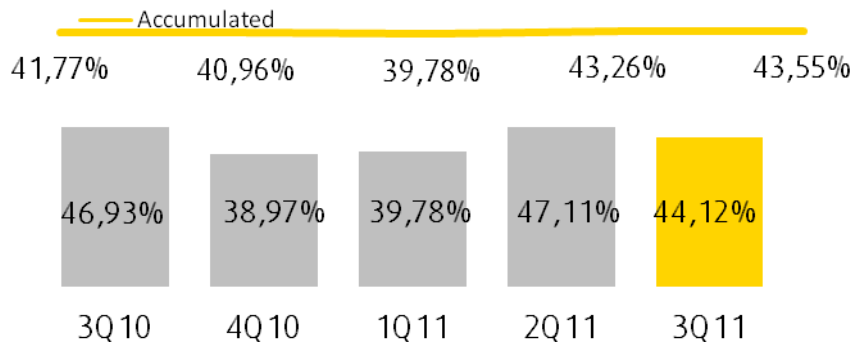
Quarterly Net Income (Mio TL)



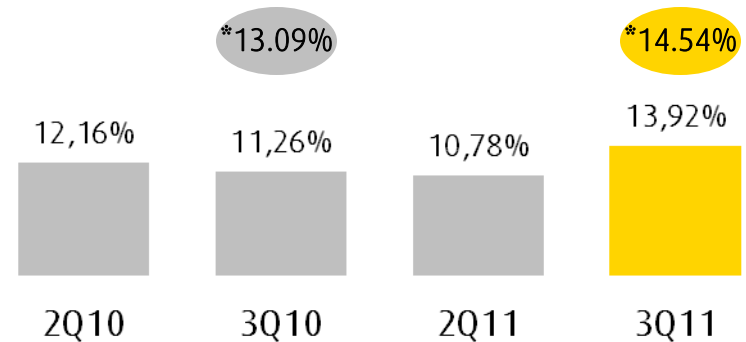
Net Income (Mio TL)



Cost / Income (%)

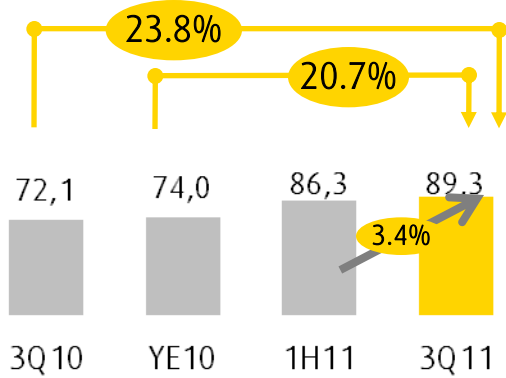


ROAE (%)

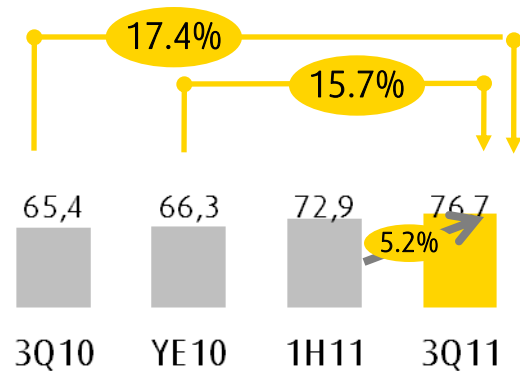


Total Assets

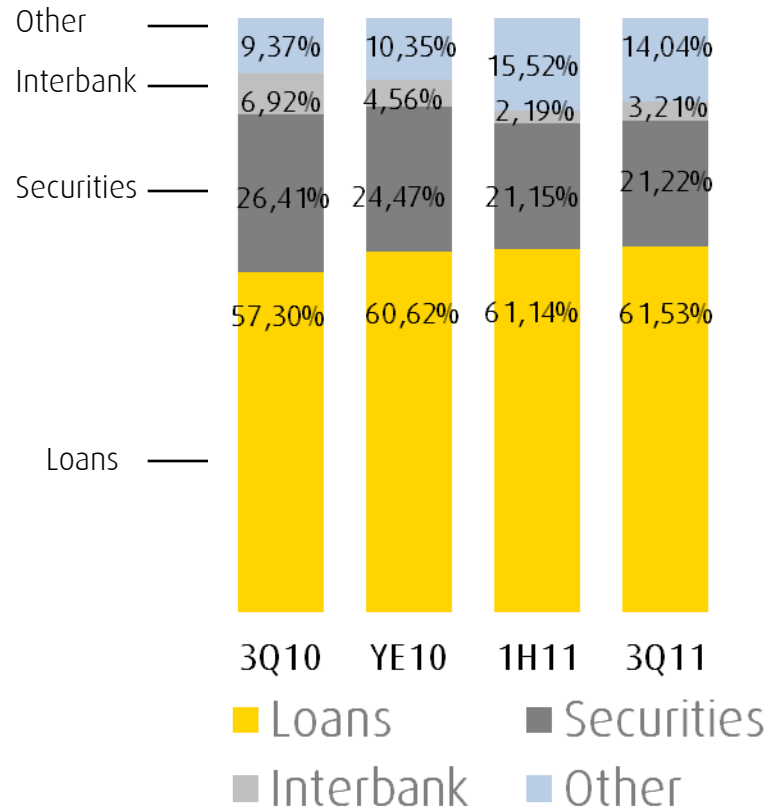
Total Assets (TL bio)



Interest Earning Assets (TL bio)



Breakdown of Assets (%)



Asset Growth; YoY

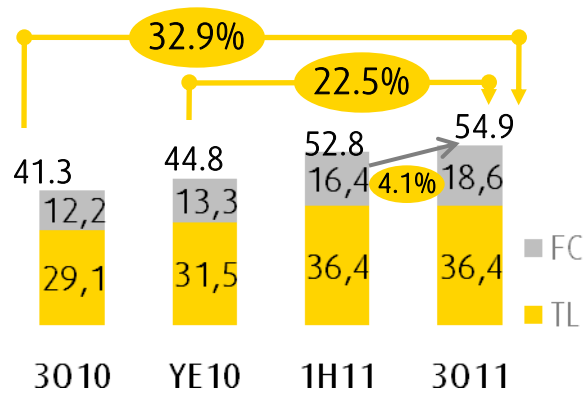
23.8%
Reshuffling from securities to loans; securities share in assets decreased YoY ;

5.2 pps to 21.2%

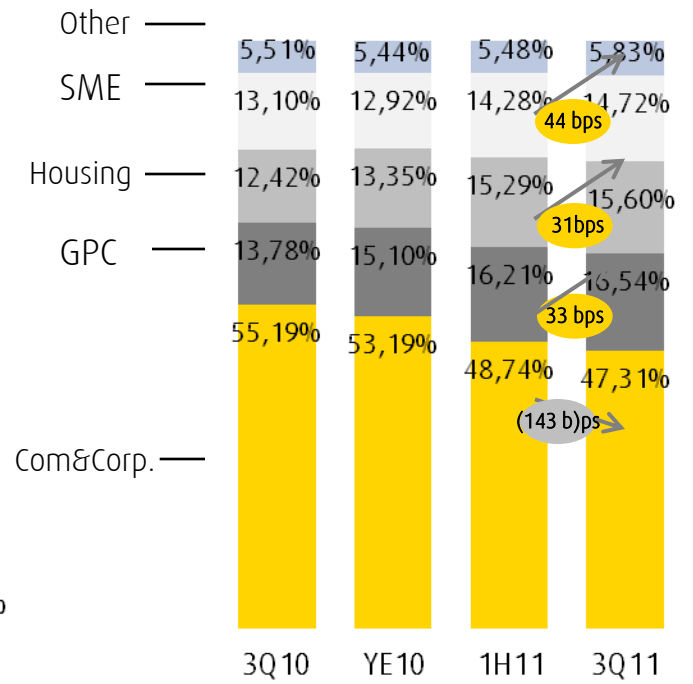
Loans' share increased YoY; **4.2 pps to 61.5%**

Lending growth especially in high yielding key segments

Total Loans (TL bio)

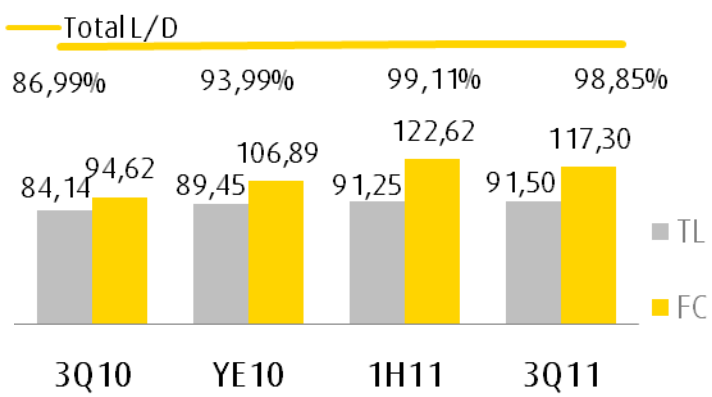


Breakdown of Loans (TL bio)

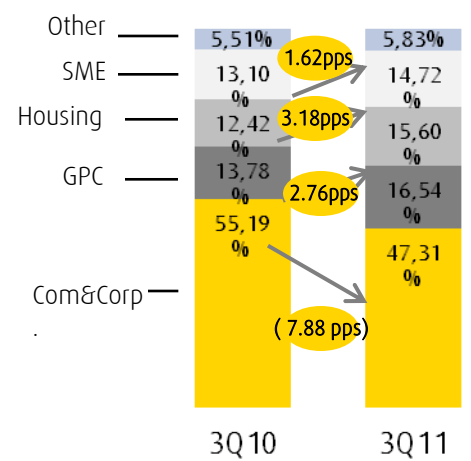


Loan Growth; Ytd; **22.5%**
 TL Ytd; 15.3%
 FC Ytd; 39.6%

Loans/Deposits (%)

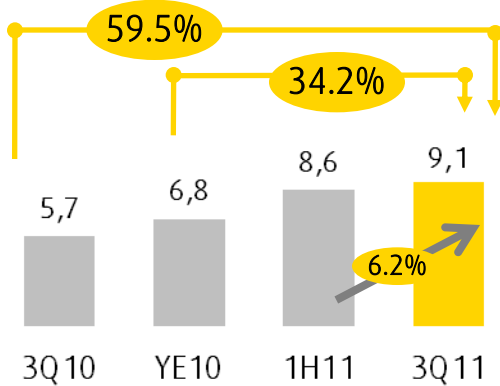


Portfolio Shift

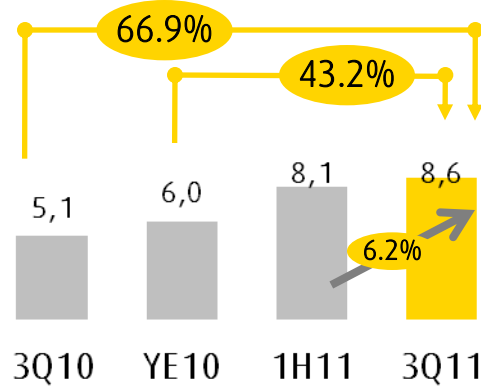


Continued growth in retail lending

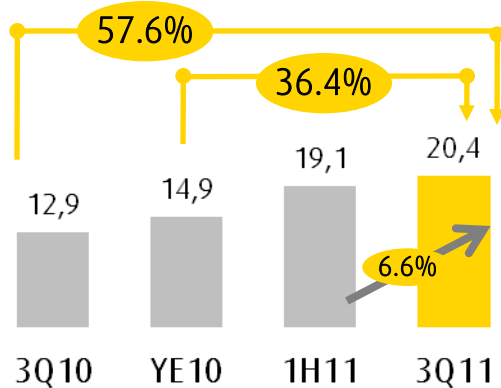
General Purpose Consumer (TL bio)



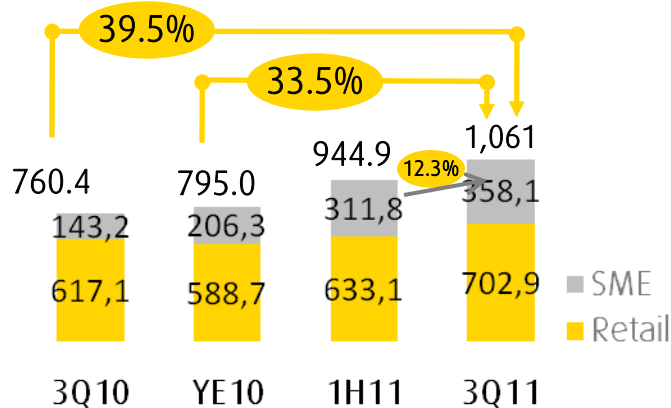
Residential Mortgages¹ (TL bio)



Total Retail (TL bio)



Total Overdraft (TL mio)



YoY market share gains; GPC up by 92 bps to

10.9%

Mortgage up by 244 bps to

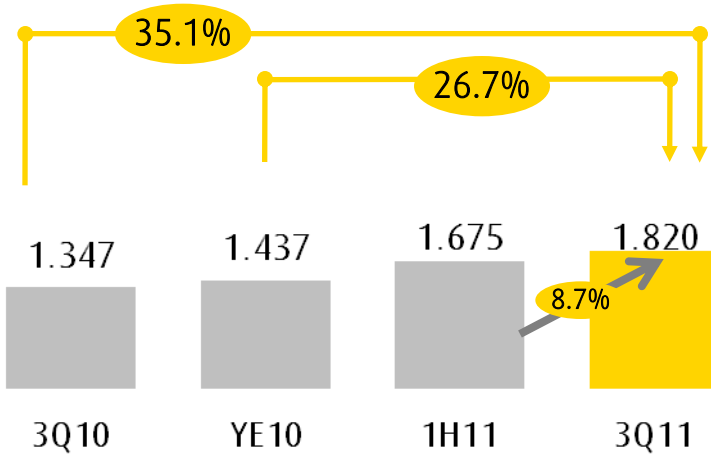
11.8%

Total retail up by 130 bps to

9.5%

Consistent growth in credit cards

Credit Card Loans (TL mio)



Credit Card Loans growth Ytd;

26.7%

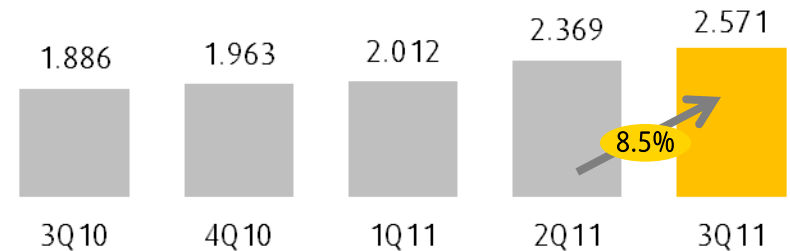
Sector growth Ytd;

21.5%

Market share* (%)

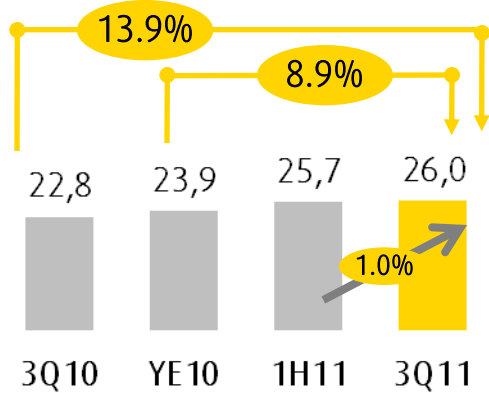


Average Quarterly Issuing Volume (TL mio)

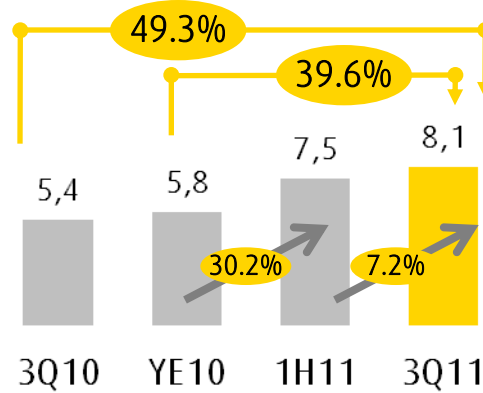


High yielding SME lending growth continued

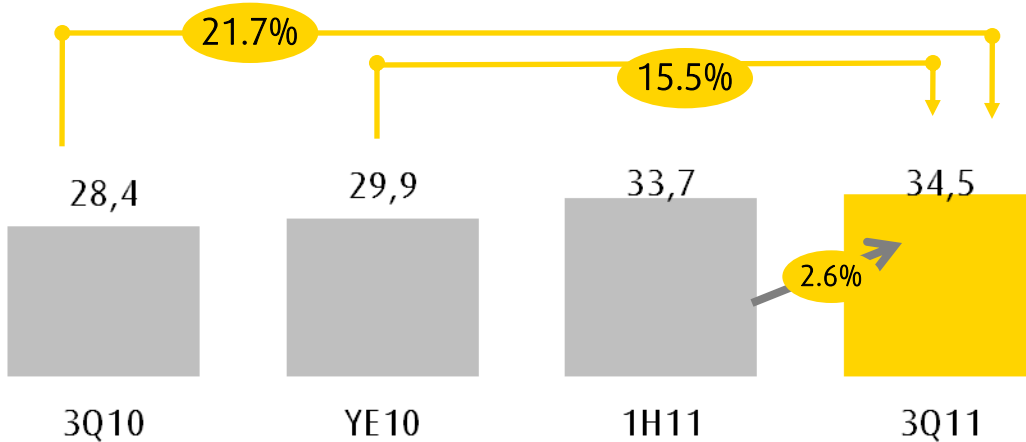
Corporate & Commercial (TL bio)



SME (Com. Inst.) (TL bio)



Total Commercial Loans* (TL bio)

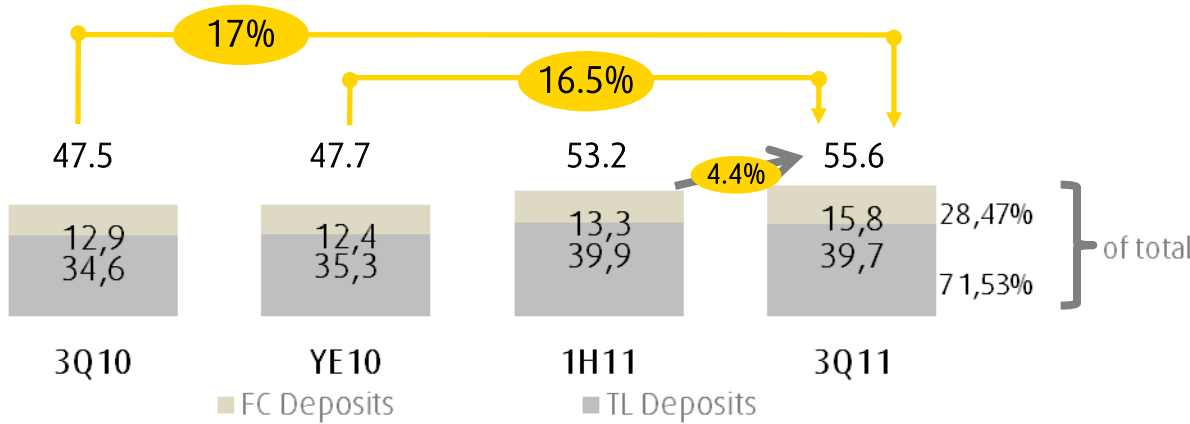


Highly collateralized & high yielding SME lending Ytd growth;

39.6%

Expanding deposit base with retail deposits growth

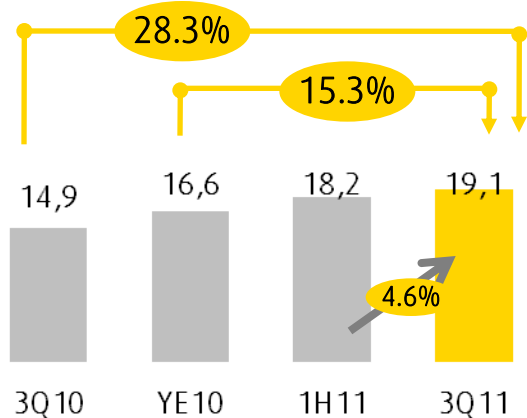
Total Deposits (TL bio)



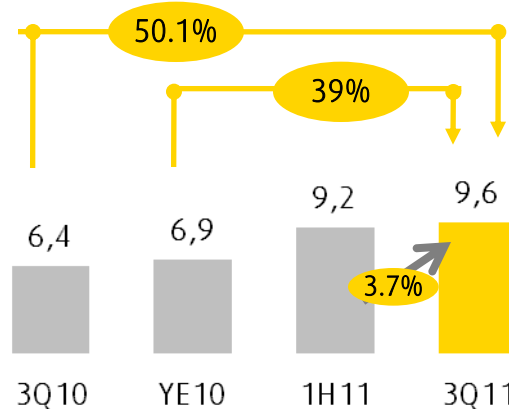
Deposit growth;
Ytd

16.5%

Total Retail Deposits (TL bio)



Core State Deposits (TL mio)*

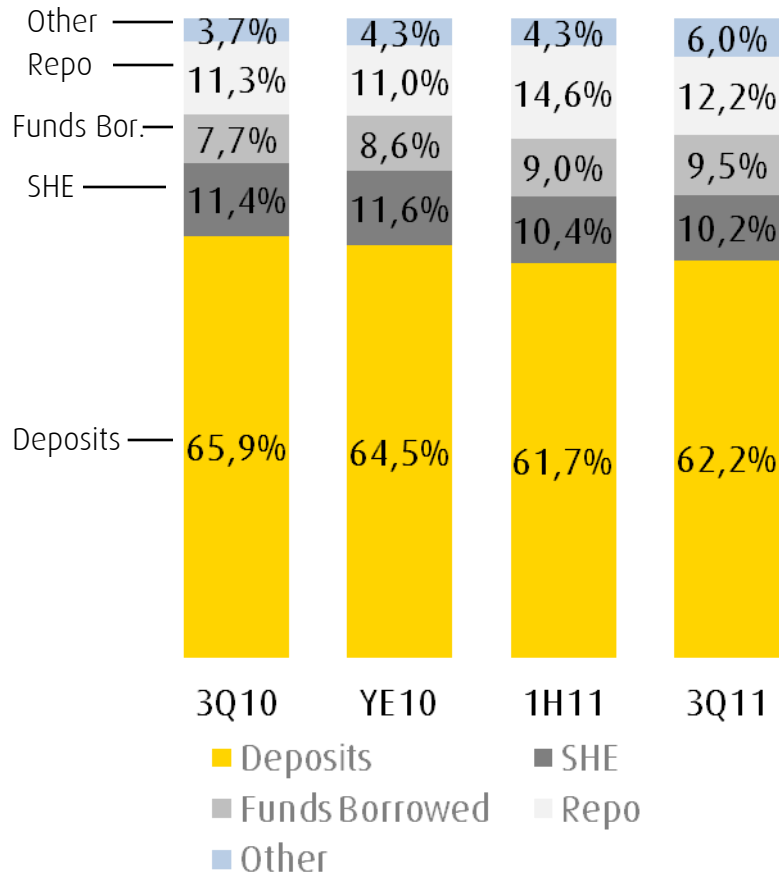


Outperforming sector
average growth Ytd;

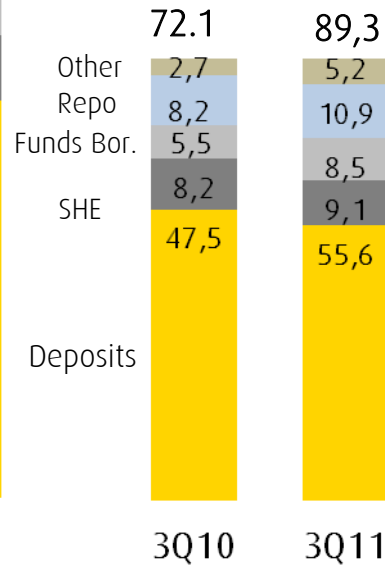
10.8 %

Deposits Heavy Funding Structure

Breakdown of Liabilities (%)



Total Liabilities (TL bio)



Conservative Wholesale Borrowing

Funds Borrowed / Liabilities

9.5%

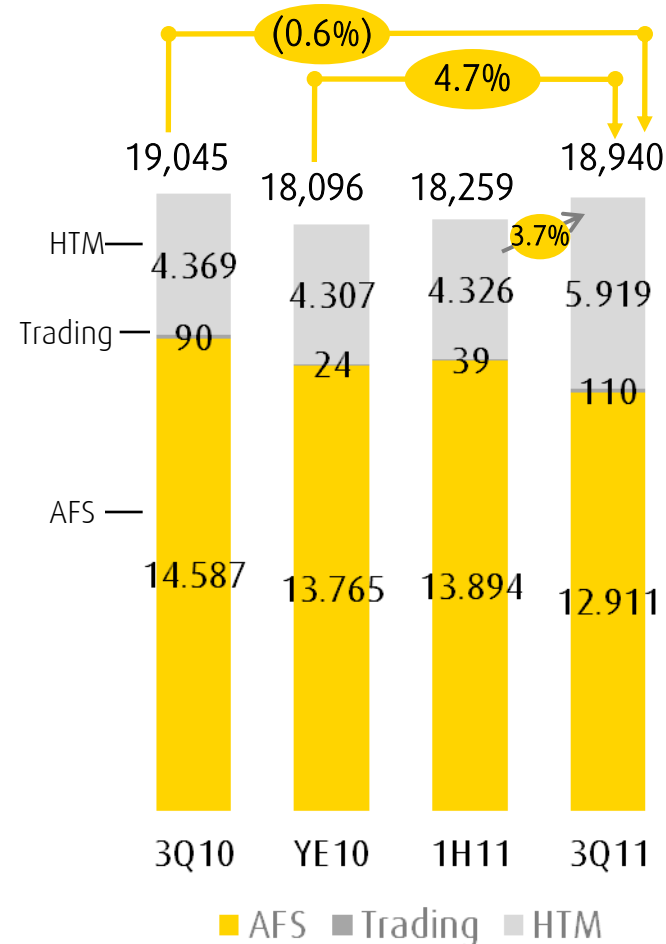
Deposits Heavy Funding Structure

Total Deposits / Total Funding

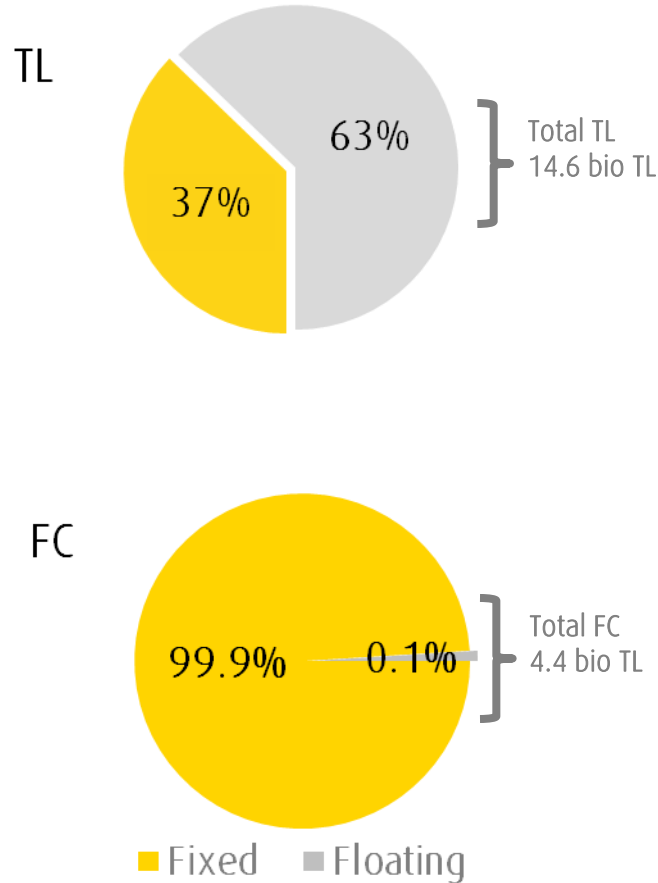
62.2%

Securities portfolio mix

Total Securities (TL mio)



Portfolio Structure

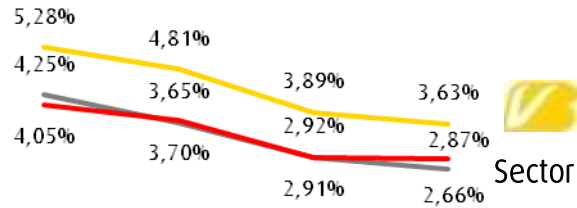


63%
of TL securities
are floating.

CPI Linkers'
share in total;
9%

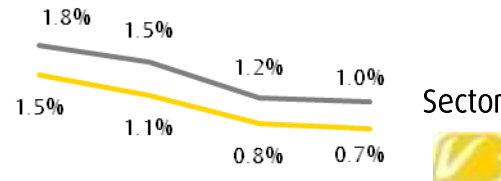
NPL Ratios

Overall NPL Ratio* (%)

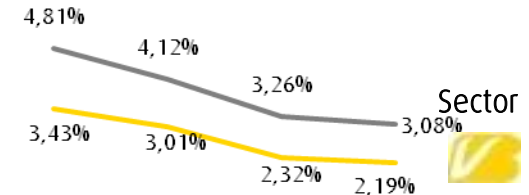


W/O Legacy NPL**

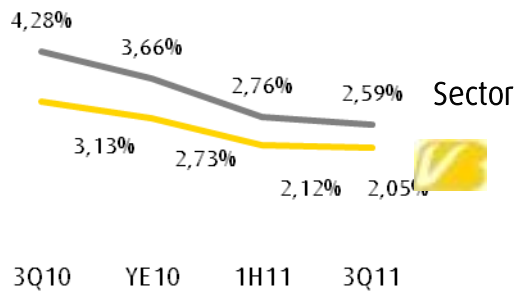
Mortgages NPL (%)



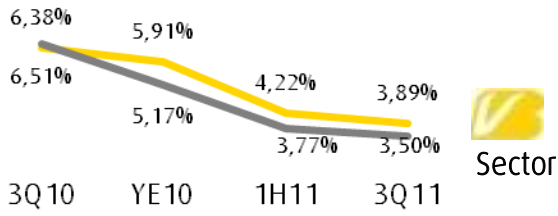
Total Retail NPL (%)



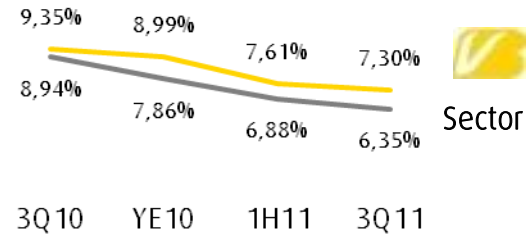
General Purpose Consumer NPL (%)



SME NPL (%)

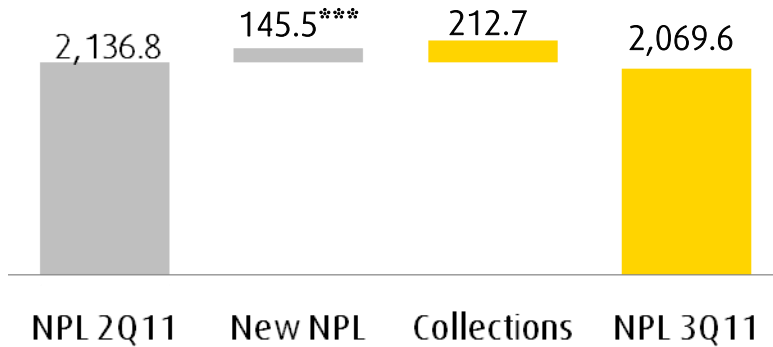


Credit Cards NPL (%)

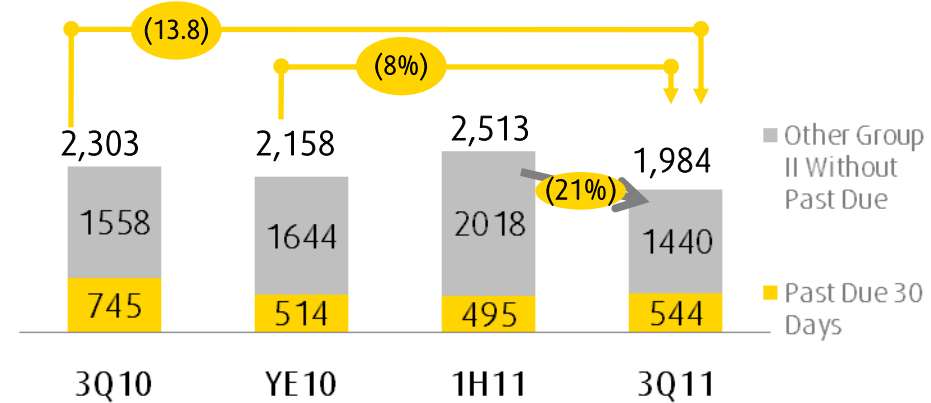


Continuing asset quality improvement with a 146% collection coverage of new NPL

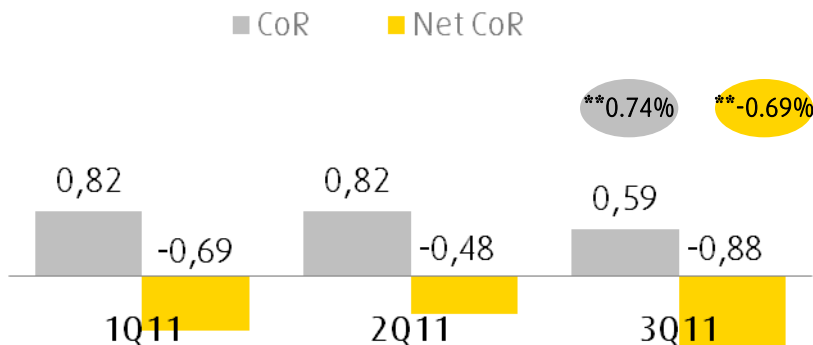
NPL (mio TL) *



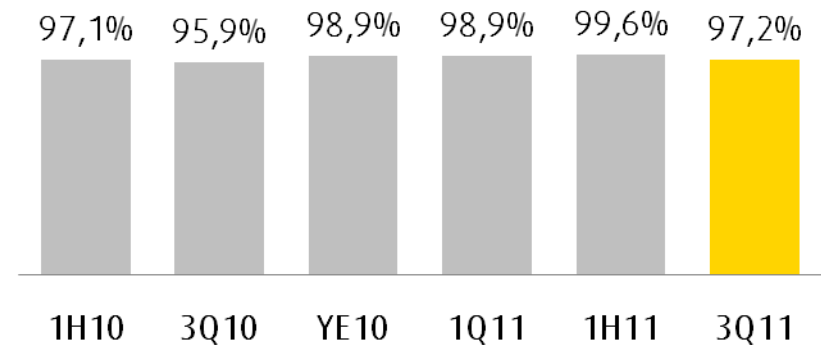
Group II Loans



Cost of Risk (%)

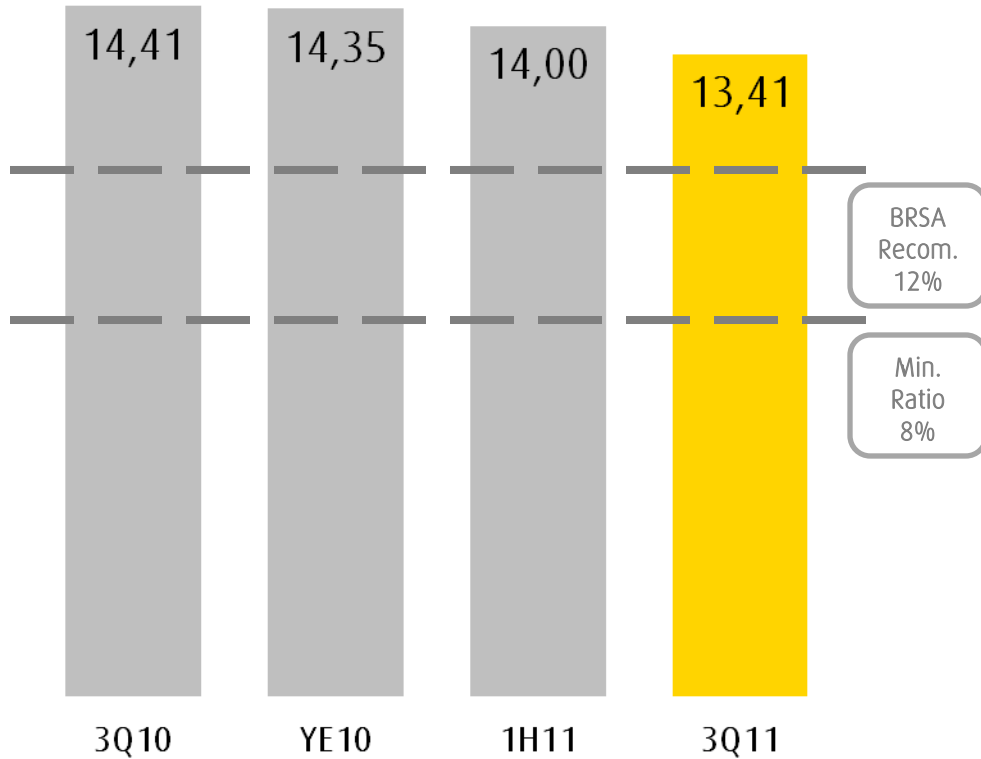


Cash Coverage Ratio of NPL (%)



Capital Structure

Capital Adequacy Ratio (%)



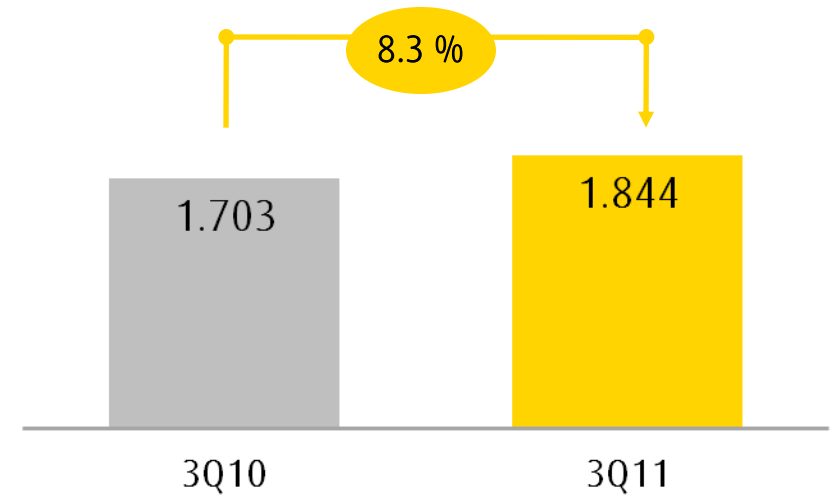
Conservative leverage

$$\frac{(\text{Liabilities} - \text{SHE})}{\text{SHE}} = 8.8$$

Earnings Summary

| (TL-mio, %) | 3Q2010 | 3Q2011 | Growth |
|-------------------------------|----------------|----------------|--------------|
| Net Interest Income | 2,023.9 | 2,085.7 | 3.1% |
| Net F&C Income | 308.7 | 412.7 | 33.7% |
| Net Trading Income | 159.8 | 15.6 | (90.2%) |
| Dividend Income | 35.1 | 44.5 | 26.7% |
| Other Operating Income | 397.6 | 707.9 | 78.1% |
| Total Operating Income | 2,925.2 | 3,266.4 | 11.7% |
| Total Operating Expenses (-) | 1,221.9 | 1,422.5 | 16.4% |
| Operating Profit | 1,703.3 | 1,843.9 | 8.3% |
| Provisions (-) | 740.4 | 608.8 | (17.8%) |
| Tax Provisions (-) | 198.3 | 269.9 | 36.1% |
| Income from investments | 0 | 0 | n.a. |
| Net Monetary Gain/Loss | 0 | 0 | n.a. |
| Net Income | 764.5 | 965.1 | 26.2% |

Operating Profit (TL mio)

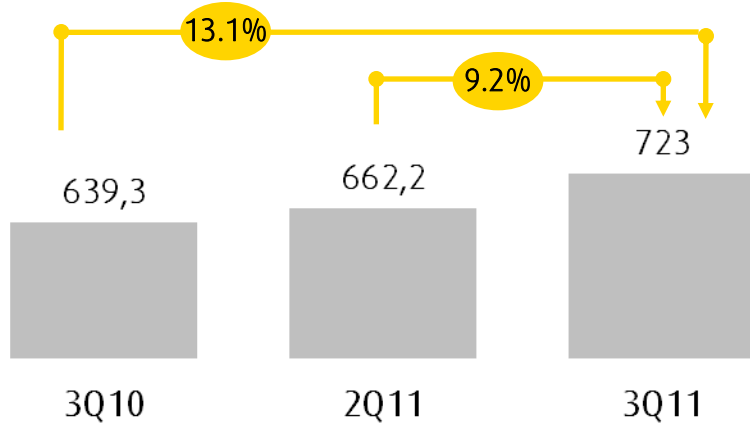


F&C/Operating Income
3Q10 3Q11

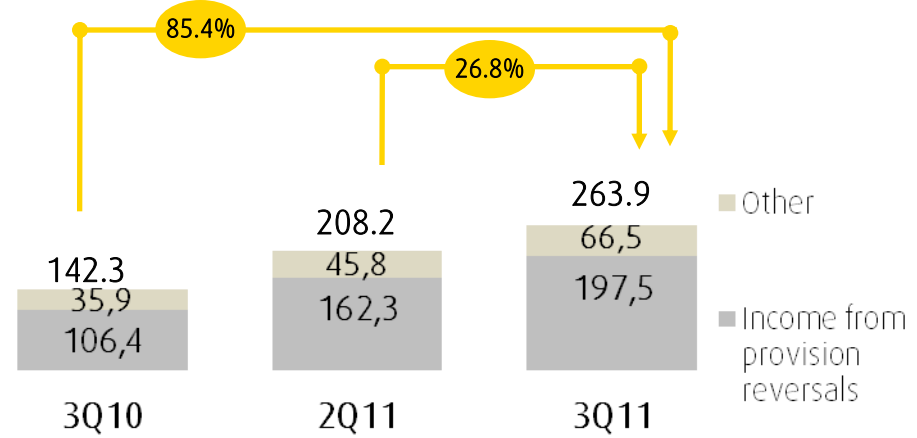
10.5% 12.9%

P & L Participants

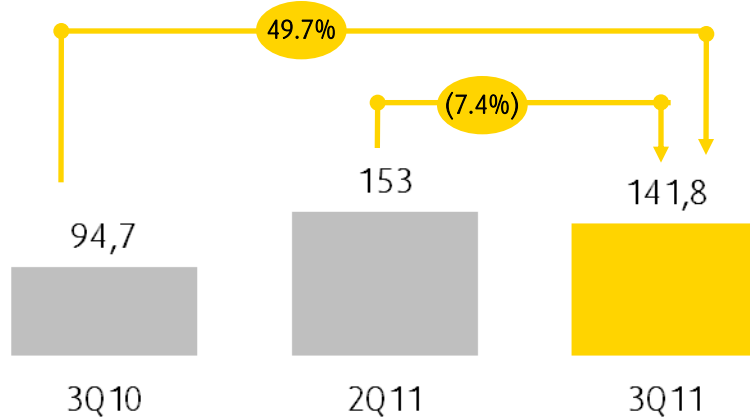
Net Interest Income (TL mio)



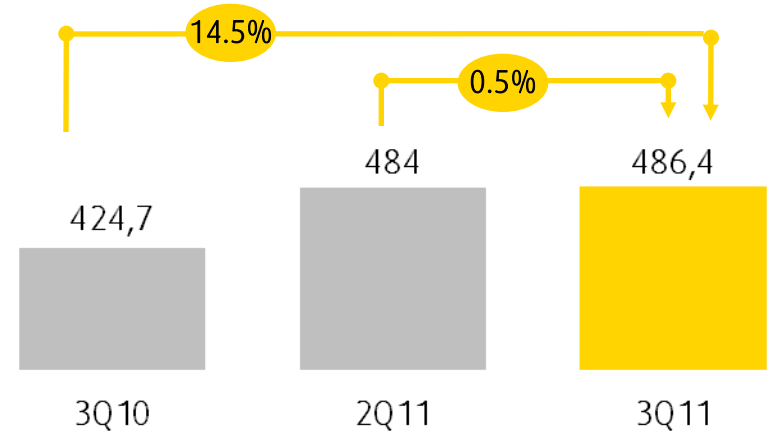
Other Income (TL mio)



Net F & C Income (TL mio)



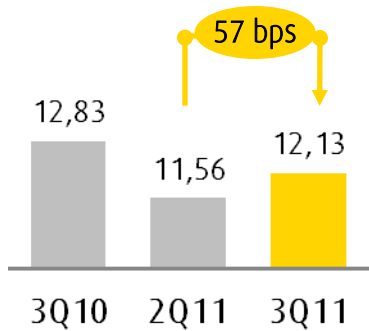
Operating Expenses (TL mio)



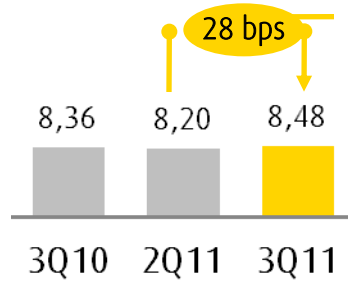
NIM, Spreads and Costs

Yields (%)

TL Loans

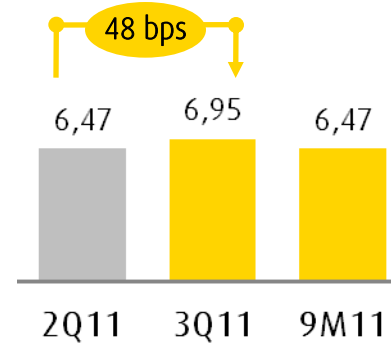


TL Securities

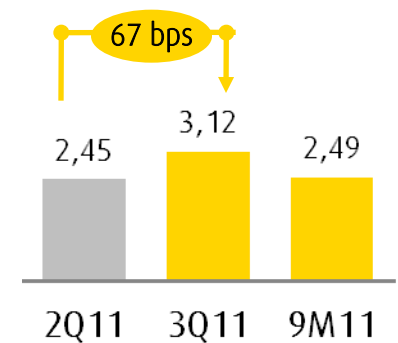


Cost of Deposits (%)

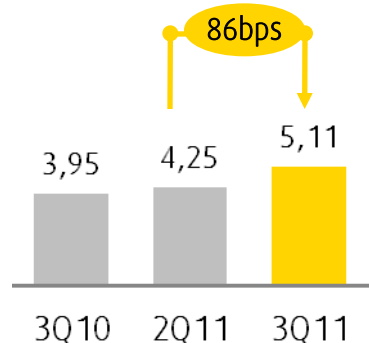
TL Deposits



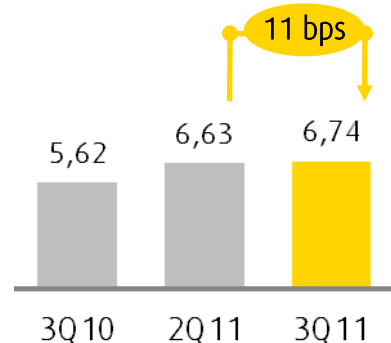
FC Deposits



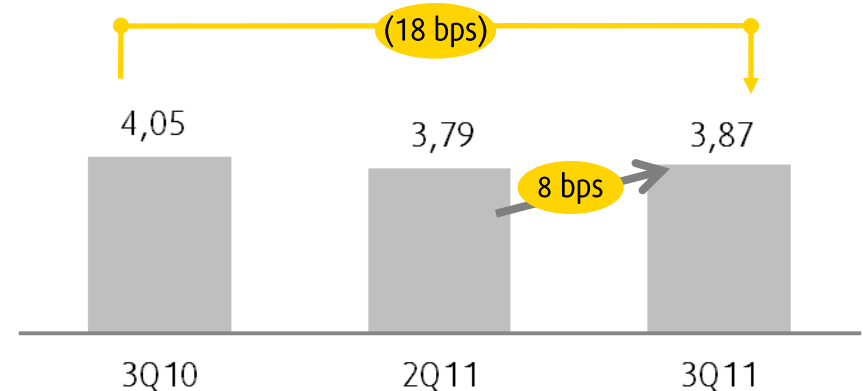
FC Loans



FC Securities



Net Interest Margin (NIM_%)



Vakifbank with numbers

| Distribution Channels & Customer Base (#) | 3Q2011 | Efficiency ('000 TL) | 3Q2011 |
|---|---------|-----------------------|-----------|
| Branches | 678 | Assets per Employee | 7,247.7 |
| ATMs | 2,438 | Assets per Branch | 131,644.3 |
| Personnel | 12,315 | Loans per Employee | 4,459.5 |
| POS Terminals | 81,789 | Loans per Branch | 81,001.1 |
| Outstanding Credit Cards | 2.5 mn | Deposits per Employee | 4,511.6 |
| Debit Cards | 17.2 mn | Deposits per Branch | 81,947.3 |
| Total Customers | 11.3 mn | | |
| Total Payroll Customers | 2.2 mn | | |
| Internet Banking Customers | 1.7 mn | | |
| Active Mutual Fund Customers | 1.1 mn | | |

Strong efficiency ratios continue

Balance Sheet

| | (TL-mio, %) | 3Q2010 | 1H2011 | 3Q2011 | YoY Growth | QoQ Growth |
|-------------------|-----------------------------------|---------------|---------------|---------------|---------------|--------------|
| Assets | Cash & Balances with Central Bank | 3,828 | 10,136 | 8,935 | 133.4% | (11.85)% |
| | Interbank | 4,990 | 1,889 | 2,863 | (42.6%) | 51.54% |
| | Securities | 19,045 | 18,259 | 18,940 | (0.55%) | 3.73% |
| | Loans | 41,321 | 52,773 | 54,919 | 32.91% | 4.07% |
| | Subsidiaries & Investments | 873 | 914 | 819 | (6.1%) | (10.37%) |
| | Property & Equipment | 1,098 | 1,116 | 1,104 | 0.59% | (1,08%) |
| | Other | 955 | 1,232 | 1,675 | 75.34% | 35.98% |
| | Total Assets | 72,110 | 86,319 | 89,255 | 23.78% | 3.40% |
| Liabilities & SHE | Deposits | 47,499 | 53,245 | 55,560 | 16.97% | 4.35% |
| | Funds Borrowed | 5,522 | 7,778 | 8,469 | 53.37% | 8.88% |
| | Other | 9,976 | 15,212 | 14,911 | 49.48% | (1.98%) |
| | Provisions | 916 | 1,071 | 1,167 | 27.33% | 8.99% |
| | Shareholders Equity | 8,196 | 9,013 | 9,148 | 11.60% | 1.49% |
| Off-B.S | Guarantees | 9,747 | 12,293 | 14,433 | 48.08% | 17.41% |
| | Commitments | 9,749 | 12,230 | 12,638 | 29.63% | 3.34% |
| | Derivatives | 6,304 | 9,622 | 10,875 | 72.52% | 13.03% |

Income Statement

| (TL-Thousand, %) | 3Q2010 | 1H2011 | 3Q2011 | $\Delta\{3Q11$ $3Q10\}$ | $\Delta\{3Q11$ $2Q11\}$ |
|-----------------------|------------------|------------------|------------------|----------------------------|----------------------------|
| Net Interest Income | 2,023,883 | 1,362,646 | 2,085,674 | 3.05% | 9.19% |
| Net Fee & Com. Income | 308,744 | 270,931 | 412,693 | 33.67% | (7.35%) |
| Dividend Income | 35,125 | 44,479 | 44,495 | 26.68% | (89.09%) |
| Net Trading Income | 159,846 | 41,845 | 15,625 | (90.22%) | (773.86%) |
| Other Income | 397,584 | 443,968 | 707,904 | 78.05% | 26.79% |
| Total Revenues | 2,925,182 | 2,163,869 | 3,266,391 | 11.66% | 7.31% |
| Operating Expense | (1,221,884) | (936,130) | (1,422,536) | 16.42% | 0.49% |
| Provisions | (740,440) | (404,256) | (608,832) | (17.77%) | (7,92%) |
| Tax Provisions | (198,314) | (174,441) | (269,888) | 36.09% | 17.35% |
| Net Income | 764,544 | 649,042 | 965,135 | 26.24% | 31.79% |



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