



Investor Presentation

BRSA figures as of September 30, 2005

January 2006

Following successful IPO in November 2005, c. 25% of Vakifbank of is now listed

Main Shareholders

■ General Directorate of Foundations

The GDF manages foundations owning 58.45% of the shares in the Bank (43.0% in the form of Class A shares and 15.45% in the form of Class B shares). The GDF was established in 1924 to administer and regulate existing and future Turkish charitable foundations as a state entity directly reporting to the Prime Minister.

■ Non-Affiliated Foundations

The non-affiliated foundations are independent foundations with separate boards of trustees. They currently hold Class B shares, constituting 0.19% of the Bank's equity.

■ Vakifbank Pension Fund

The Vakifbank Pension Fund has a 16.10% stake in the Bank's capital as a Class C shareholder. The Bank's employees contribute to the Vakifbank Pension Fund as opposed to the mandatory social security coverage provided by the state Social Insurance Institution.

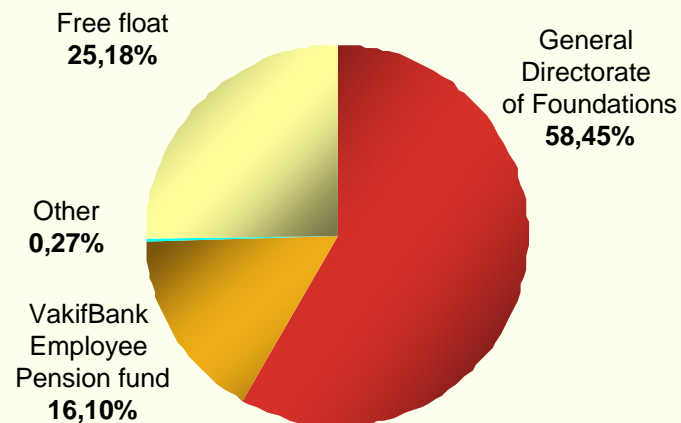
■ Other Shareholders

The other shareholders consist of individual or legal entities that together own 0.08% of the Bank's equity as Class C Shareholders.

■ Free Float

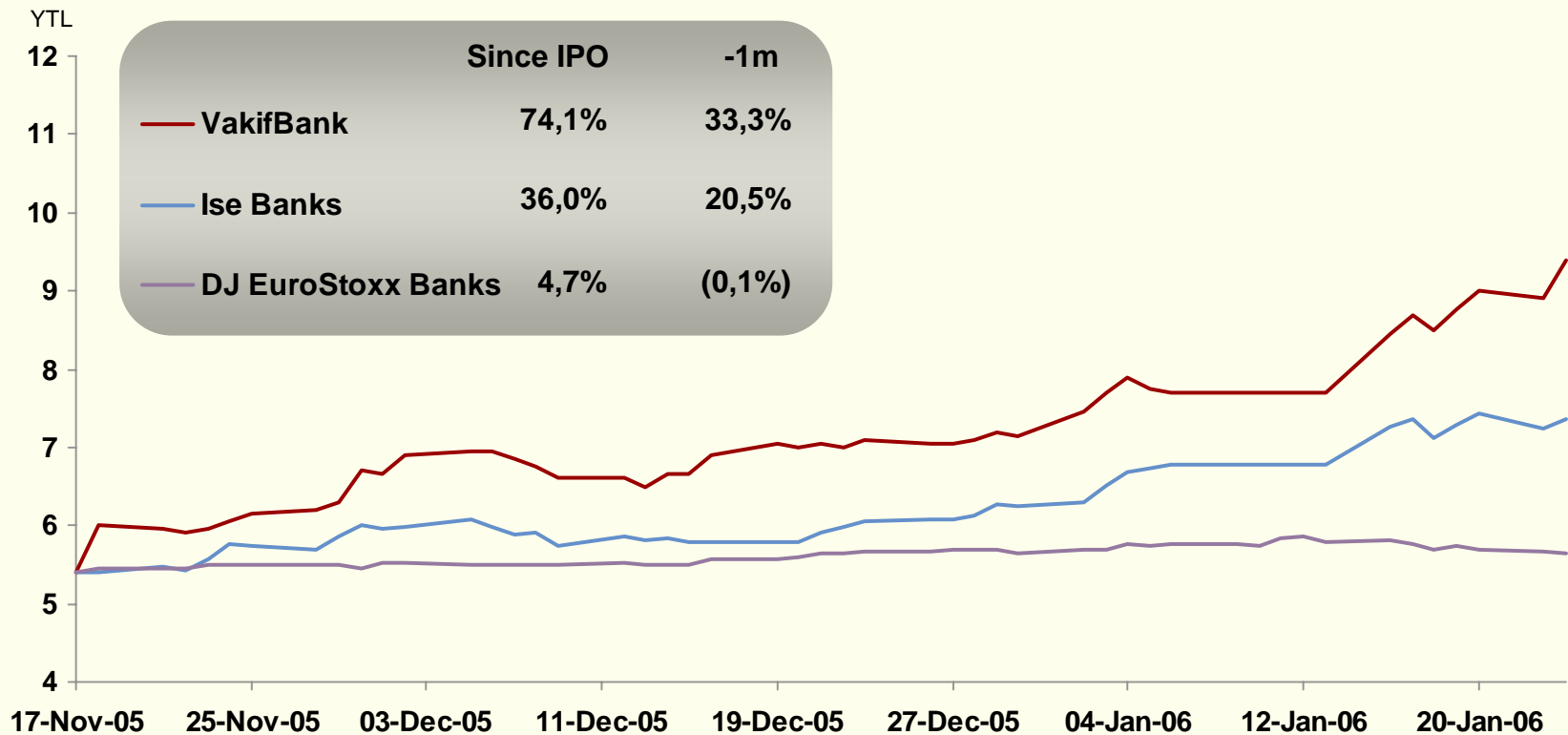
Public domestic and international shareholders.

Ownership structure



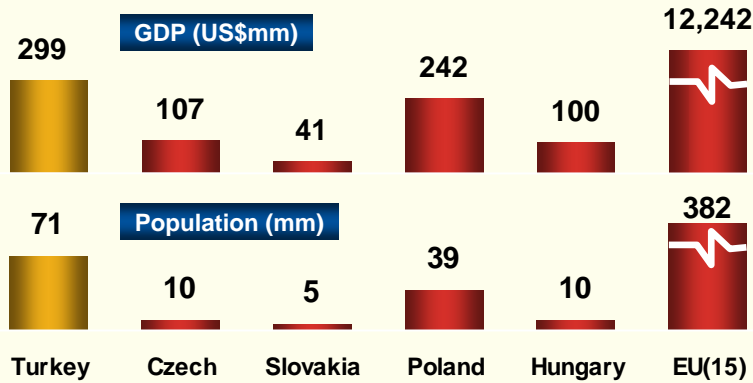
VakifBank share price has performed strongly since the IPO

VakifBank share price performance since IPO vs. Indices



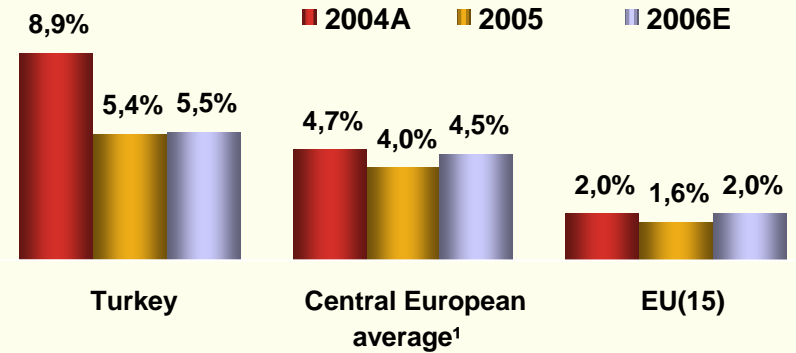
Turkey: strong macro economic outlook

Largest emerging European market



Source: Global Insight. Note: GDP reported at constant 2000 US\$ prices

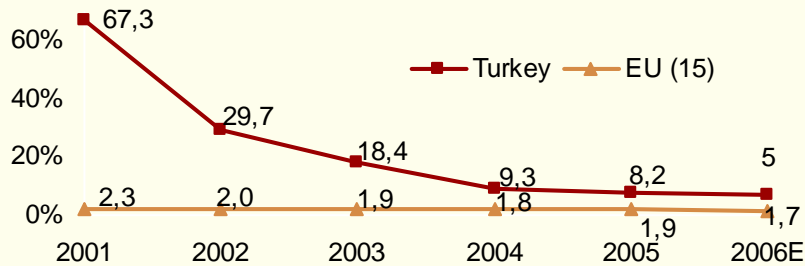
Fastest growing economy



Source: Global Insight

¹ Average of Hungary, Poland, Czech Republic, Slovakia

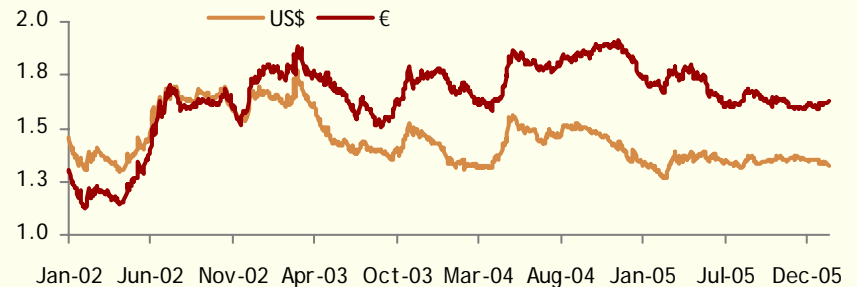
Steadily declining inflation



Source: Global Insight, State Statistical Institute of Turkey

Stable exchange rates

Exchange rate of US\$ and € to Turkish Lira



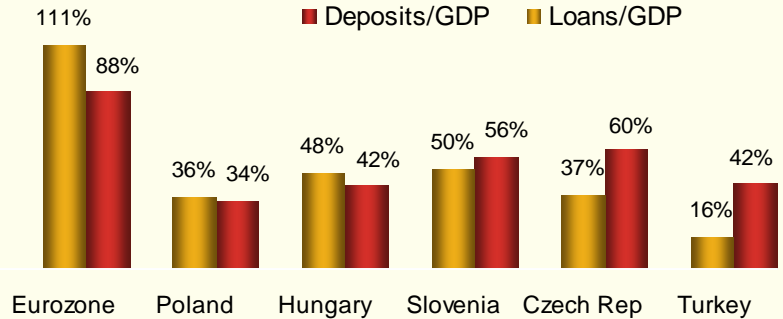
Source: Bloomberg, Datastream

Banking sector: rapid and profitable growth

Strong recovery following 2001

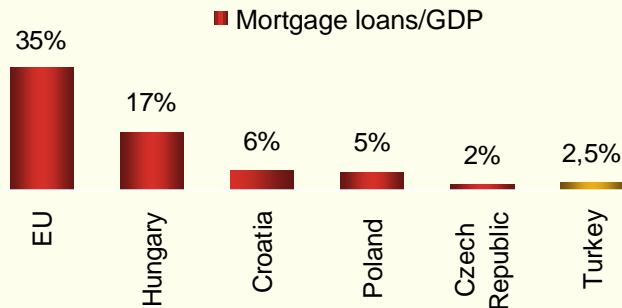
- Strong lending and deposit growth
- Good regulatory environment and reporting standards
- Good asset quality
- Still high interest margins, though declining trend
- Strong capitalization
- High foreign strategic investor interest

Low penetration ratios (2004)



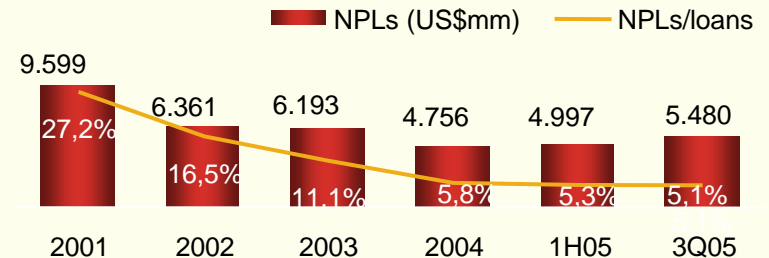
Source: Central Bank of Turkey; Central Banks of respective countries

Untapped mortgage market



Source: Central Banks

Improved loan quality

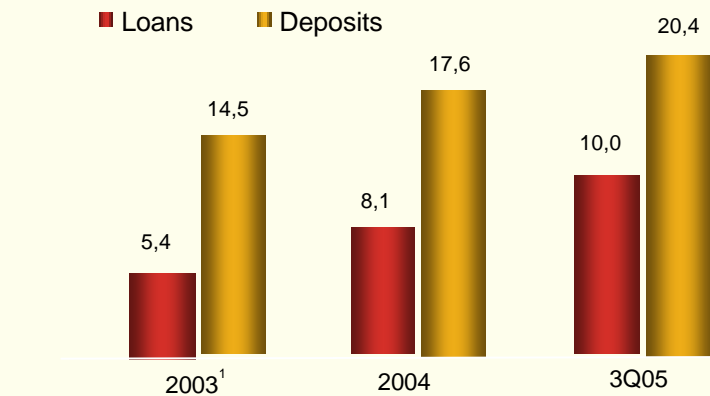


Source: Turkish Banks Association reports under BRSA standards

VakifBank at a glance

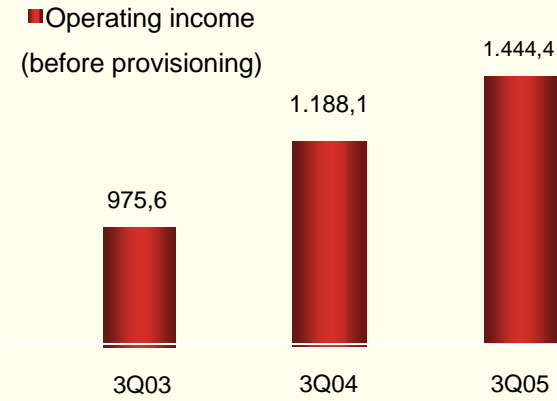
- 7.8% market share in assets with over 5.8mm customers and 10mm debit cards
- 302 branches and 114 satellite branches nationwide
- Strong alternative distribution channels (1,812 ATMs)
- Strong balance sheet growth and profitability

Strong balance sheet growth (YTLbn)



| (YTLmm) | 2003 ¹ | 2004 | 3Q05 |
|----------------------|-------------------|--------|--------|
| Total assets | 19.487 | 24.199 | 28.580 |
| Shareholders' equity | 1.335 | 2.012 | 2.528 |
| CAR | 14,9% | 17,3% | 18,5% |

Impressive profitability (YTLmm)



| | 2003 | 3Q04 | 3Q05 |
|-------------|-------|-------|-------|
| Cost/income | 52,4% | 45,7% | 36,5% |
| RoAE | 19,8% | 27,6% | 21,7% |

Source: Annual and Interim reports, BRSA bank only financials

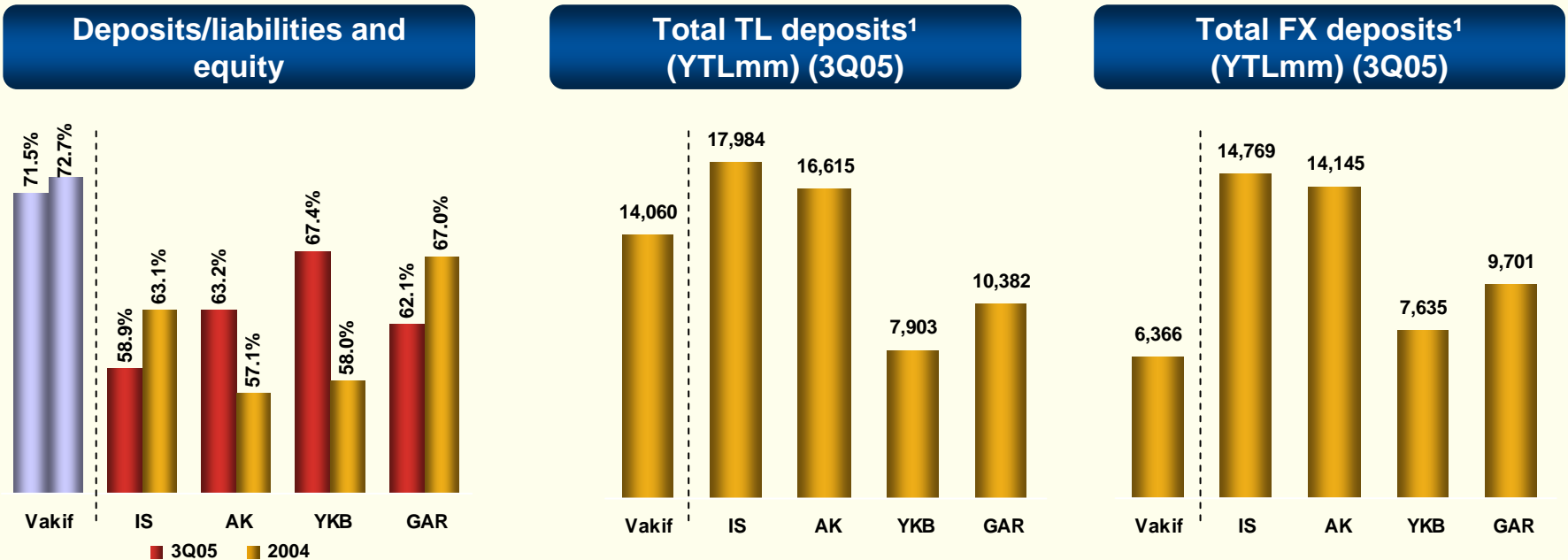
¹ 2003 numbers restated to 2004 according to inflation accounting

Source: Annual and Interim reports, BRSA- Bank-only financials

Superior growth and profitability prospects

- **5th largest bank in the fast growing Turkish market**
- **Strengths in fastest growing segments and well developed distribution network**
 - Leading consumer and SME products
 - Extensive nationwide branch network and well developed alternative channels
- **Excellent client relationships and cross-selling potential to large customer base**
 - 5.6mm retail customers, of which 1.9mm payroll customers
 - Leading long-lasting SME franchise with over 105,000 customers
 - Unique access and understanding of State related companies
 - Significant recent investment is unlocking important cross-selling potential
- **Superior financial performance**
 - Solid balance sheet with diversified sources of funding
 - Cost conscious culture with focus on profitability instead of market share

Balance sheet is supported by a strong TL deposit base



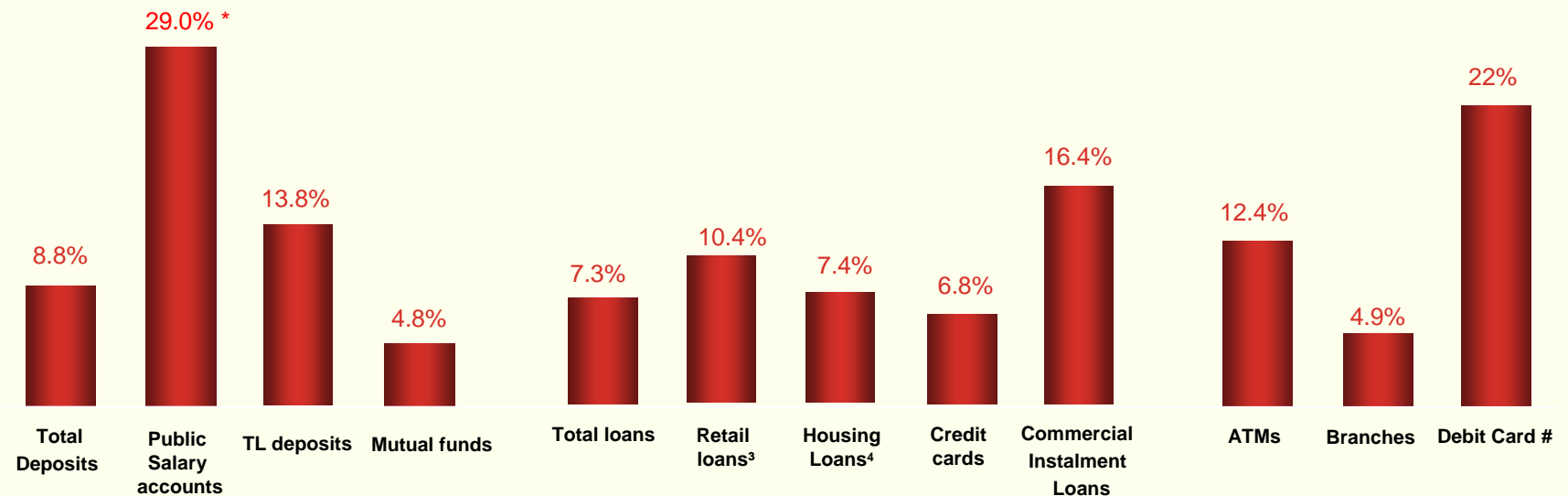
- **Excellent deposit franchise to fund a significant portion of its liabilities**
- **Strong TL deposit franchise – Third largest among Turkish private banks in terms of TL deposits**
 - **Particular strength has been establishment of relationships with companies and public sector entities in order to obtain employees' salary accounts, contributing toward maintenance of a stable source of deposit funding**
- **Relatively lower FX deposit base**

Source: BRSA Bank Only financials

¹ Time and demand split based on BRSA financials, Deposit figures exclude Interbank deposits

VakıfBank is a market leader, particularly in retail and SME finance...

Total market share (%) (3Q05)



Deposits / Funding

Credits

Distribution

Source: Turkish Banks Association reports under bank-only BRSA standards as of September 30, 2005, Capital Markets Board

* VakıfBank estimates, MIS

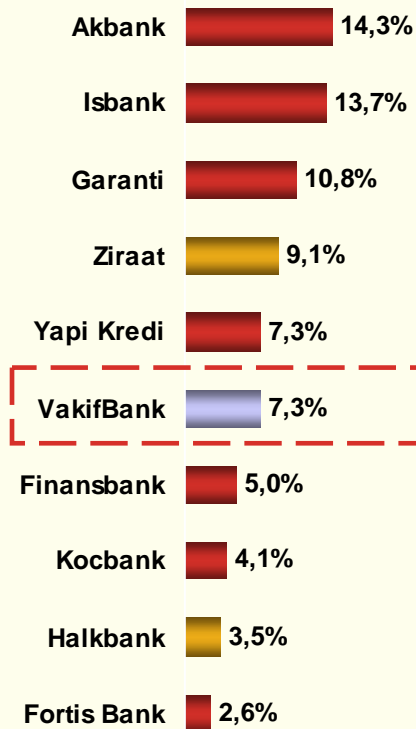
² Total banking system loans = Short term + Medium and Long Term + Loans under Follow up - Specific Provisions

³ Includes home, auto and other. Credit card loans, overdrafts, and State Mass Housing Authority (TOKI) loans not included

⁴ Including TOKI housing loans

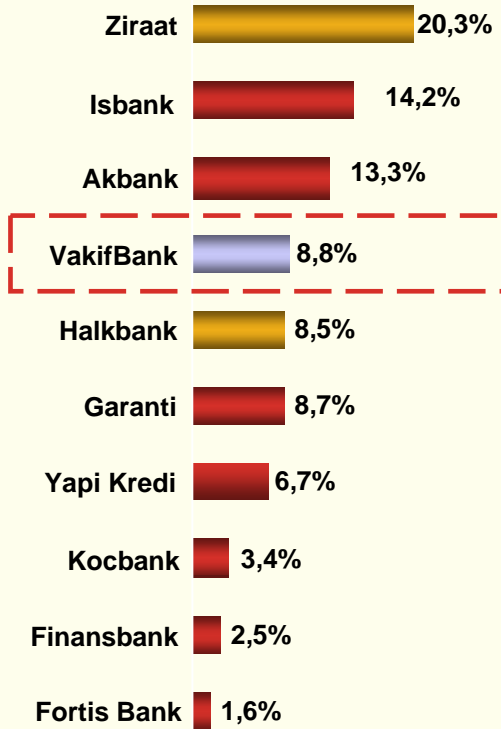
... moving today to a strong position among top Turkish banks

Ranking by total loans



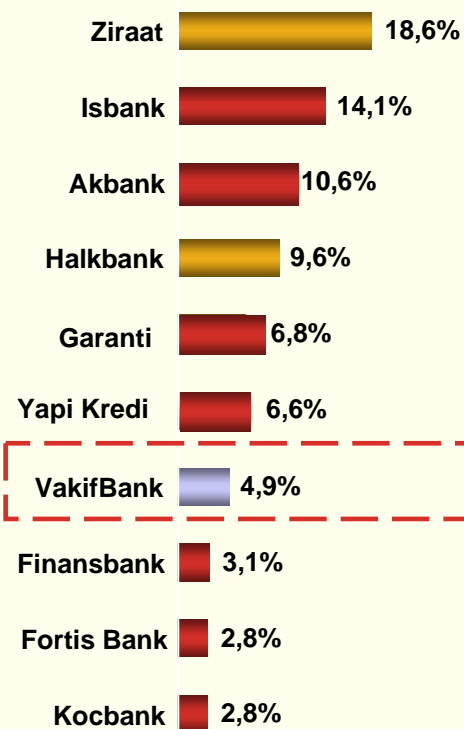
**Total banking system:
USD 271 bn**

Ranking by total deposits



**Total banking system: USD
172 bn**

Ranking by branches



**Total banking system:
6,053 branches**

 State owned banks

VakıfBank's vision: on the path to becoming a top three private bank



Where is the potential?

- Leverage key strengths
- Very large existing SME & retail customer base that is still untapped
- Improving cross-selling, which is significantly below that of peer banks
 - limited sales effort in the past
 - low historic advertising spend
- Grow network in under-penetrated regions

Evidence of future potential

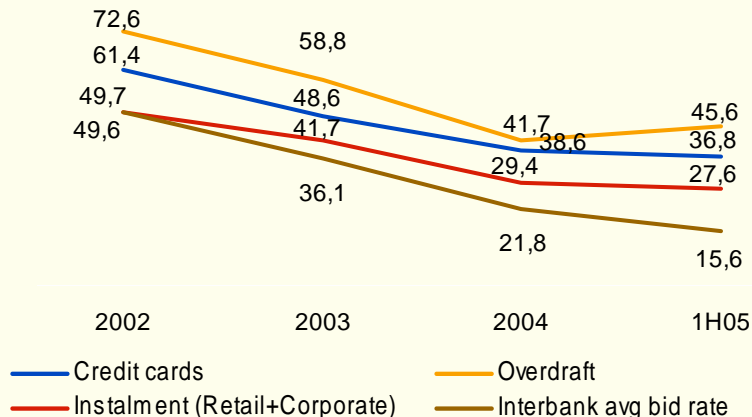
- Consistent market share growth since 1999 demonstrates embedded strengths
- Tapping key segments with targeted marketing programs
- Management focus on sales effort
- Ongoing company wide restructuring is well advanced and pilot projects show impressive results
- Strong positioning and competitive advantage in Ankara and Anatolian Turkey

A leading retail franchise

Key retail strengths

- A leading YTL franchise in the market
- Over 5.6mm customers, of which 1.9mm highly valuable payroll customers
- Leader in consumer lending, excl. credit cards
- Well positioned to benefit from the expected significant growth in housing loans
- Good retail loan portfolio quality
- Major opportunity to increase cross-selling ratio (incl. insurance and leasing products of subsidiaries)

High lending yields (%)



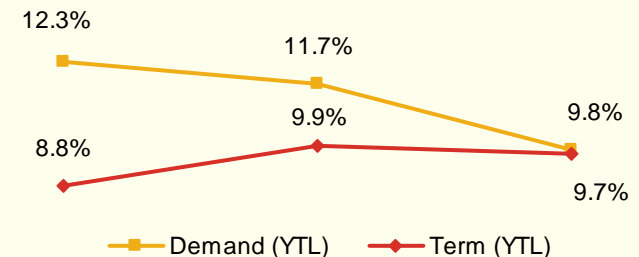
Source: BRSA bank only financials, VakıfBank

c.50% CAGR in retail lending

| YTLmn | 2003 | 2004 | 3Q05 | CAGR 2003–3Q05 |
|----------------------|-------|-------|-------|----------------|
| Housing ¹ | 287 | 439 | 803 | 80.0% |
| Credit cards | 391 | 598 | 706 | 40.2% |
| Auto | 166 | 388 | 257 | 28.4% |
| Other | 921 | 1.243 | 1.571 | N/M |
| Total retail | 1.765 | 2.668 | 3.337 | 43.9% |

Source: BRSA bank only financials, VakıfBank, inflation adjusted
¹ House loans include TOKI-funded loans

Continued strength in YTL deposit market share



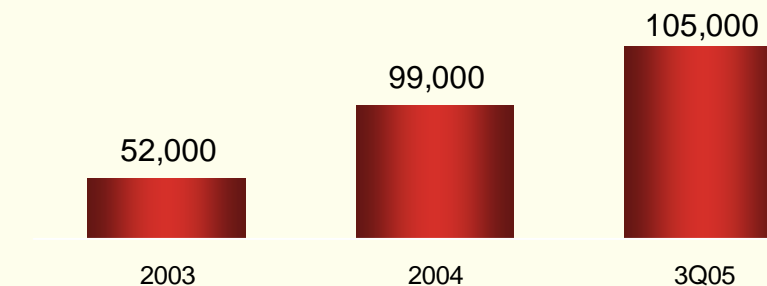
Source: BRSA bank only financials

Strong corporate and SME lending culture

Attractive client and product mix

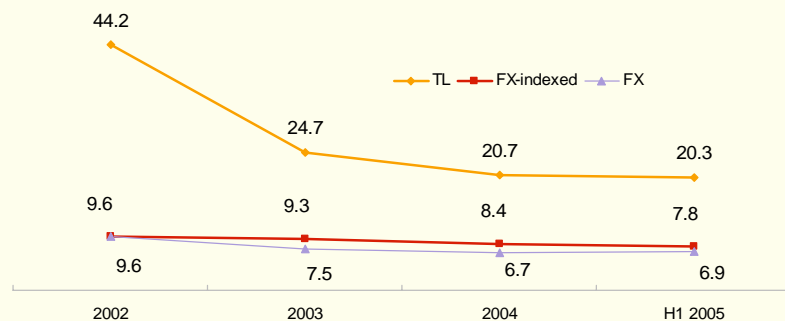
- **Superb focus on SMEs**
 - # of SME clients increased from 40,000 (2002) to 105,000 (3Q05)
 - Successful introduction of relationship managers
 - Diversified portfolio of products
 - Unique relationships with financing organisations (World Bank, EIB, CEDB, KOSGEB and others)
- Traditionally strong with large corporates
- Accelerate development of project finance activities

Number of SME clients



Source: VakıfBank

Corporate loans average yields



Source: BRSA bank only financials, VakıfBank

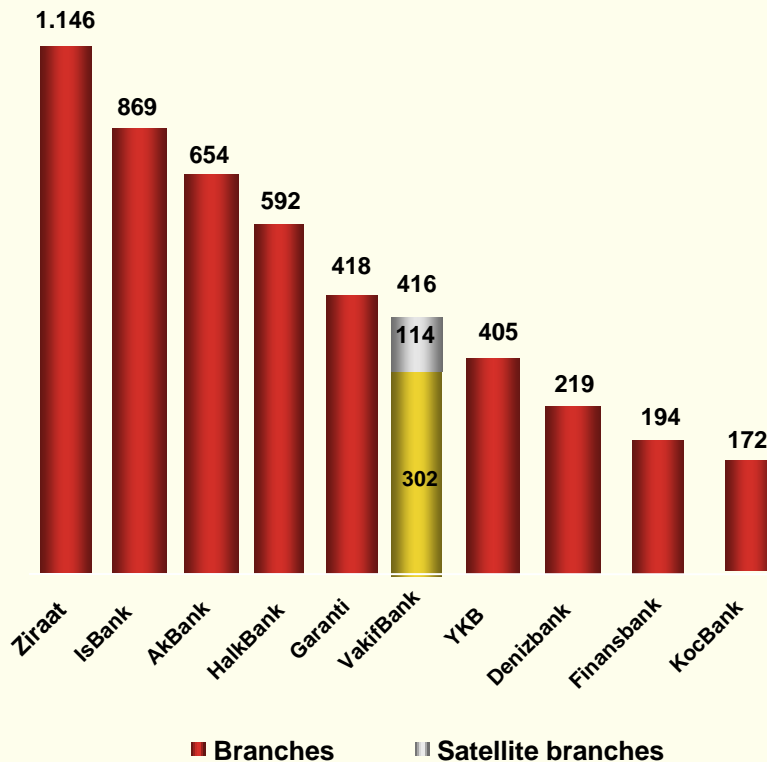
Corporate lending growth

| (YTLmm) | 2003 | 2004 | 3Q05 | CAGR 2003 – 3Q05 |
|----------------------|-------------|--------------|--------------|------------------------|
| Short term (<1 year) | 1.868 | 2.265 | 2.504 | 18.2% |
| Long term (>1 year) | 865 | 1.238 | 1.675 | 45.9% |
| Instalment | 712 | 1.730 | 2.204 | 90.7% |
| Other | 157 | 161 | 281 | 39.5% |
| Total | 3602 | 5.394 | 6.664 | 42.1% |

Source: BRSA bank only, VakıfBank,
Note: Instalment loans best proxy for SME lending

Well-developed distribution network with unique reach

No. of branches (top 10 banks by assets)



Source: Turkish Banks Association, BRSA bank only, 3Q05

Branch network strategy

- Well distributed nationwide branch network
- Regional strengths in Ankara, Anatolia and Eastern Turkey—up to 40% market share in some regions
- Plans for further expansion in Istanbul and Marmara on a selective basis
- Current restructuring to increase sales focus

Alternative channels

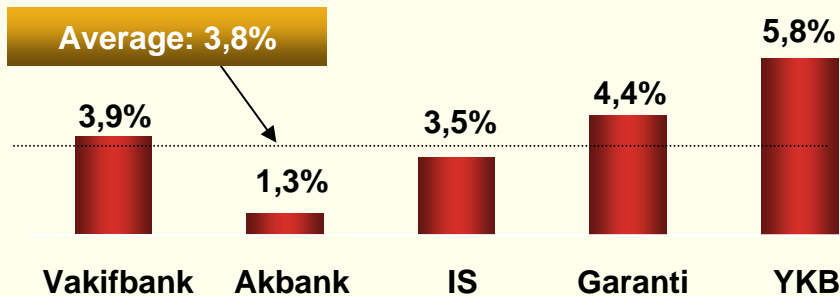
- Second largest ATM network
- Internet banking since 2000— # of customers increased from 500,000 in 2003 to over 731.000 in September 2005
- Mobile Phone banking
- Call centre with 100 staff
- Mobile banking

Continued enhancement of asset mix

Increasing share of earning assets

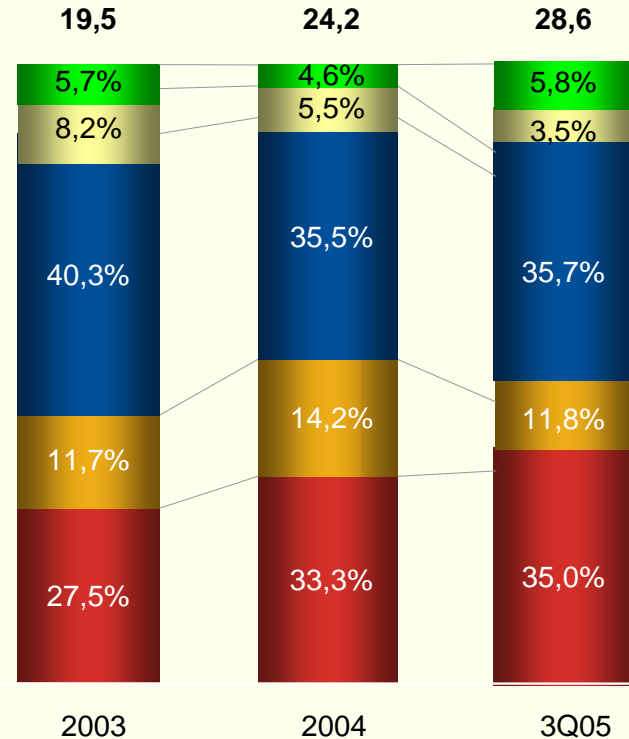
- Loans/deposits increased from 37,1% in 2003 to 49,0% in 3Q05
- Relatively low and declining share of non-interesting earning assets with increasing share of lending
- Below peers ratio of fixed assets to total assets
- Continued effort to rationalise fixed assets and equity participations portfolio

Fixed assets/Total assets, 3Q05



Source: Turkish Banks Association, BRSA bank only , 3Q05

Breakdown of assets (YTLbn)



■ Loans ■ Interbank¹ ■ Securities ■ Fixed Assets ■ Other²

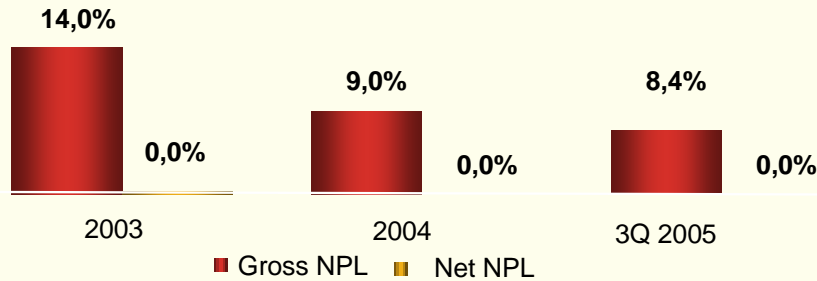
Source: BRSA bank only

¹ Interbank includes also balance with Central Bank and reverse repos

² Other assets include: Liquid assets, Trade receivable and Sundry Debtors, Equity Participation and Other

Improving loan quality and low market risk

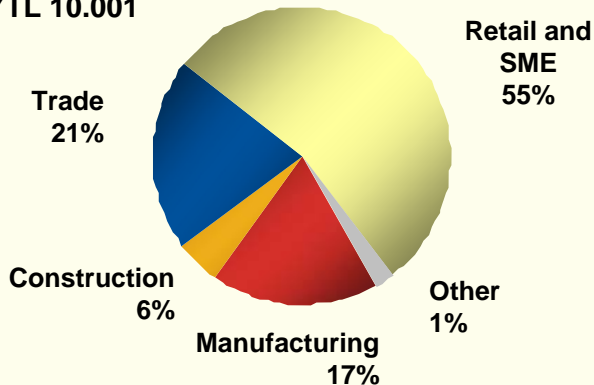
NPLs as % of gross loans



Source: BRSA bank only financials

Loan portfolio diversification (3Q05)

Total YTL 10.001



Source: BRSA bank only, 3Q05

Continuously improving risk controls

- Improved asset quality supported by conservative reserving policy:
 - 100% NPL provisioning since 2003
 - No write-offs policy, substantial provisioning recoveries expected
 - No related party exposure
 - Continued improvement in credit approval processes and monitoring

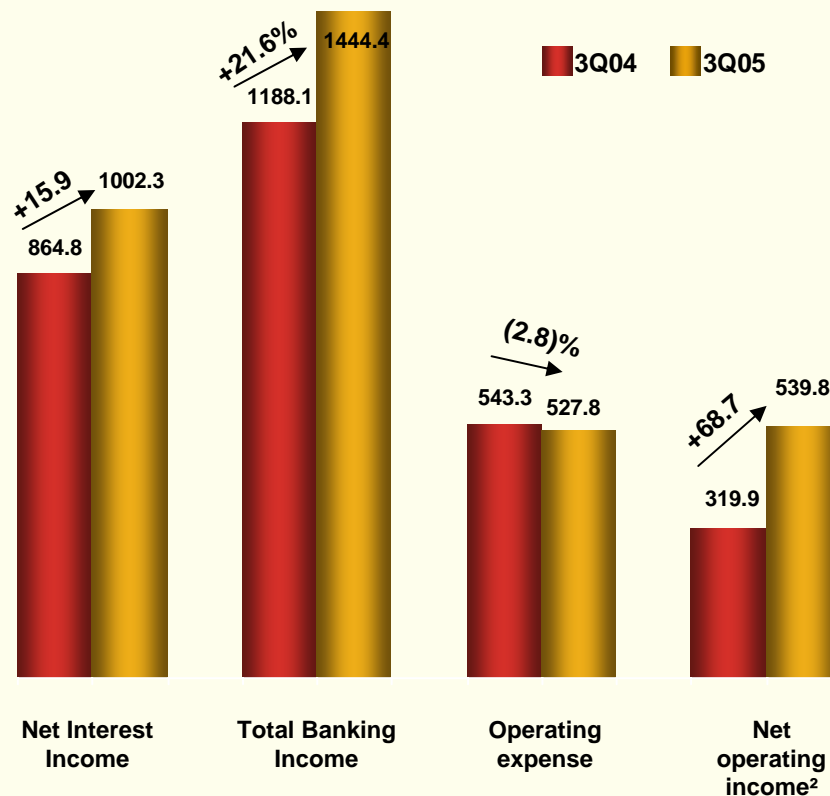
- Strong liquidity and limited FX exposure
 - Relatively low amount of profitability from proprietary trading
 - Significantly lower VAR compared to peers at less than 3.8% of equity
 - Maintained the FX gap at low level as a 5.8% of shareholders' equity

Diversifying & strengthening core revenue generation

Strong revenue generation and cost control

- Future margin pressure to be partially offset by increased share of loans in total assets
- Potential to further expand fee & commission income as part of cross-selling initiatives
- Aim to maintain strong cost control culture

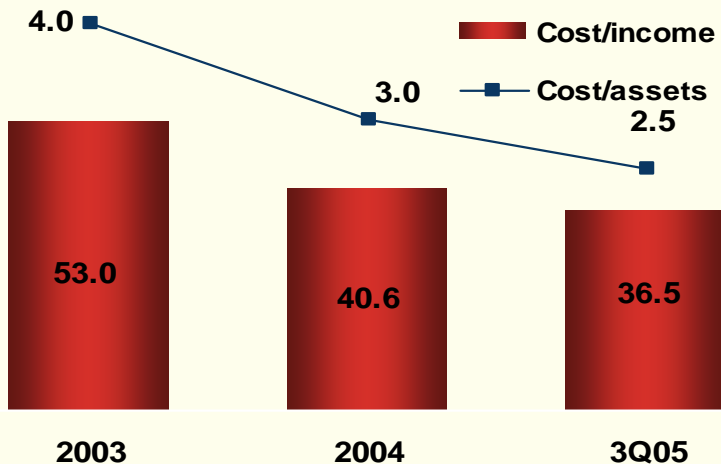
Improving profitability (YTLmm)



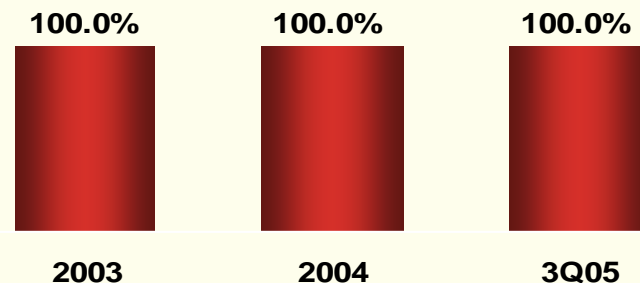
Source: BRSA bank only financials

Stringent cost control and conservative provisioning

Cost control measures (%)



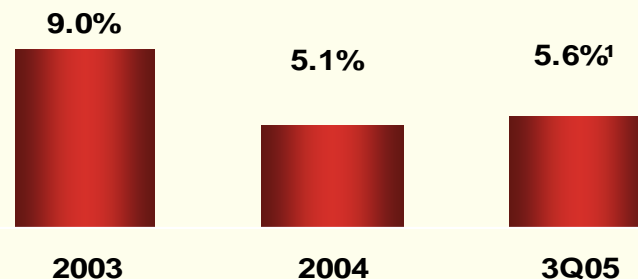
Loan loss provisions/NPLs (%)



Comments

- Vakifbank maintained strict cost controls keeping C/I ratio at below 40%
 - Future cost increases planned mainly in marketing
- Provisioning expense were affected by conservative provisioning ahead of IPO - YTL192mm of general reserves in Q105

Loan loss provisions/NPLs (%)



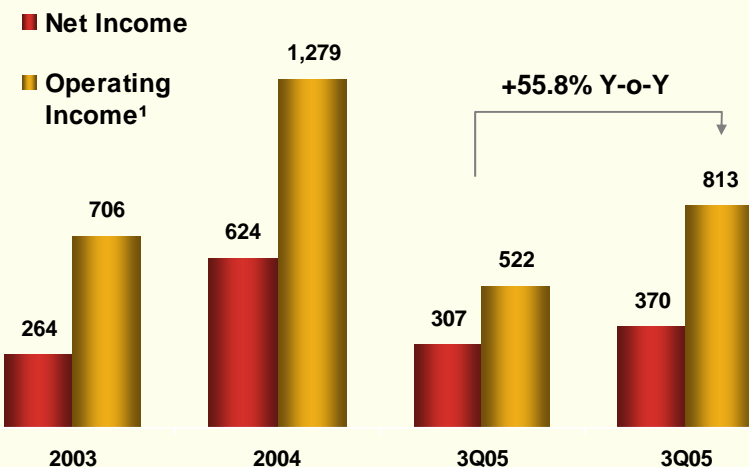
Source: BRSA bank only financials

Source: BRSA bank only financials
¹ Annualised

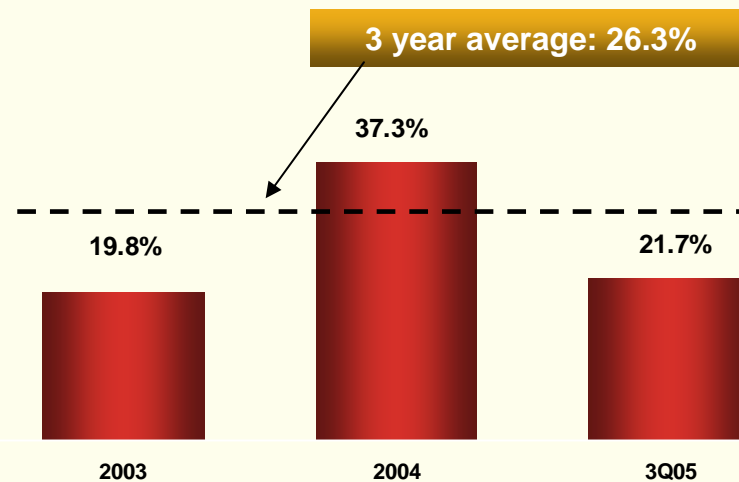
Consistently delivering impressive results

- Strong profitability driven by enhanced balance sheet structure
- Continued improvement in asset quality and more prudent (100%) reserving policy
- Improved cost efficiencies following rationalization of branch network

Operating income and Net income evolution— YTLmm



RoAE (%)



Source: BRSA bank only financials

¹ Excluding provisions and other operating income (recoveries are significant portion of other operating income)

Strong foundations for profitable growth

EXISTING STRENGTHS

Retail and SME products and platform

5.6mm retail customers

Extensive nationwide network

Very high cost efficiency

Highest profitability in sector

FUTURE GROWTH DRIVERS

Healthy macro environment

Sector growth potential, especially retail and SMEs

High cross selling potential

Further non-interest income improvement

Lower loan loss provisioning



**STRONG LONG TERM
GROWTH AND PROFITABILITY**

■ Appendices

Balance sheet details: assets

Key financials

| (YTLmm) | 2003 | 2004 | 3Q05 | CAGR 2003-3Q05 |
|---|---------------|---------------|---------------|-------------------|
| Liquid Assets | 163 | 180 | 256 | 29% |
| Balances With The Central Bank | 301 | 555 | 929 | 90% |
| Balances With Banks | 1.965 | 2.233 | 2.235 | 8% |
| Interbank Funds Sold | 313 | 1.100 | 1.150 | -96% |
| Trading Securities Portfolio | 5.517 | 2.678 | 1.090 | -60% |
| Available for Sale Portfolio | 1.339 | 5.365 | 8.526 | 188% |
| Reserve Deposits at the Central Bank | 814 | 935 | 1.140 | -98% |
| Loans | 5.367 | 8.062 | 10.001 | 43% |
| Sundry Debtors | 80 | 63 | 132 | 33% |
| Equity Participations | 548 | 184 | 549 | 0% |
| Held to Maturity Securities | 581 | 1.002 | 552 | -3% |
| Premises & Equipment | 1.119 | 1.127 | 1.029 | -5% |
| Other Assets | 51 | 204 | 183 | 108% |
| Total Assets | 19.487 | 24.199 | 28.580 | 24% |

Balance sheet details: liabilities

Key financials

(YTLmm)

2003

2004

3Q05

% growth
2004-3Q05

| | | | | |
|---|---------------|---------------|---------------|-------------|
| Deposits | 14.456 | 17.584 | 20.426 | 22% |
| o/w demand | 2.986 | 3.272 | 3.341 | 7% |
| o/w time | 11.470 | 14.312 | 17.085 | 26% |
| Commitments to Repurchase Securities | 597 | 611 | 221 | -43% |
| Borrowings Funding Loans | 2.045 | 2.759 | 3.842 | 43% |
| Securities Issued | 0 | 0 | 0 | N/M |
| Funds | 203 | 166 | 157 | -14% |
| Trade Payables | 7 | 21 | 13 | 42% |
| Sundry Creditors | 60 | 65 | 254 | 128% |
| Taxes and Dues Payable | 409 | 517 | 236 | -27% |
| Provisions | 100 | 419 | 568 | 170% |
| Shareholder's Equity | 1.335 | 2.012 | 2.526 | 44% |
| Total Liability | 19.487 | 24.199 | 28.580 | 24% |

Income statement

| (YTLmm) | 3Q03 | 3Q04 | 3Q05 | % growth 3Q03-3Q05 |
|--------------------------------|------------|------------|------------|-----------------------|
| Interest Income | 1.889 | 2.217 | 2.645 | 19% |
| Interest Expense | -1.674 | -1.353 | -1.643 | 21% |
| Net Interest Income | 830 | 865 | 1.002 | 19% |
| Operating Income | 1.141 | 1.188 | 1.444 | -42% |
| Net Banking Income | 254 | 320 | 540 | 69% |
| Income /(Loss) from Associates | 16 | 14 | 4 | -71% |
| Monetary Gain/(Loss) | 11 | -8 | 0 | NM |
| Income Before Taxes | 280 | 326 | 544 | 67% |
| Provisions for Taxes on Income | 0 | -19 | -174 | NM |
| Net Income | 280 | 307 | 370 | 21% |

Source: BRSA Bank Only Financials



THANK YOU