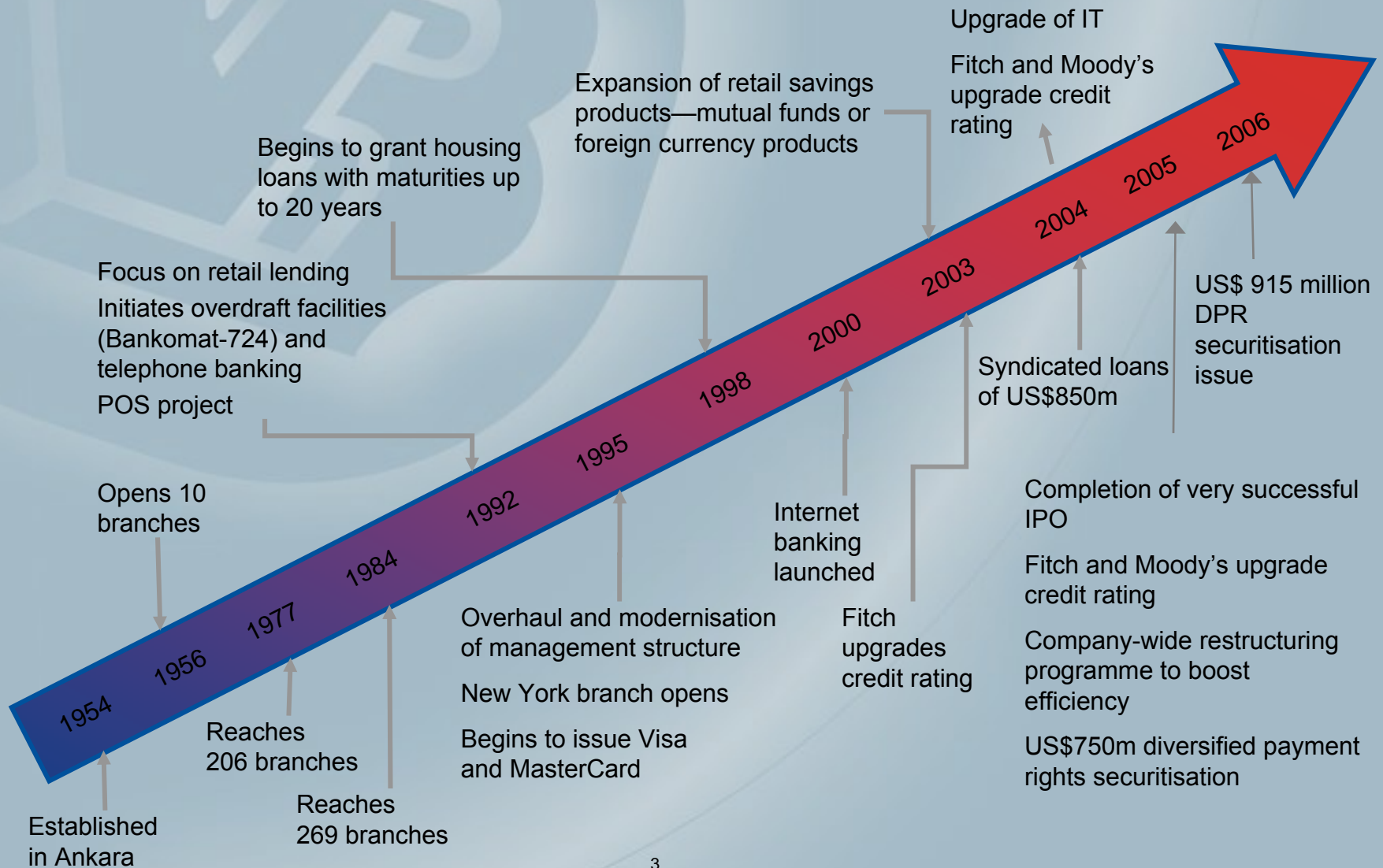


History

- Established in April 1954 under the special law “ Türkiye Vakıflar Bankası Türk Anonim Ortaklığı Kanunu” to manage cash derived from revenues and expenditures of charitable organisations set up during the Ottoman Empire period, conducting banking activities with branch offices in Ankara, Istanbul and Izmir
- In 1957, made its first venture towards broadening its services by establishing Güneş Insurance Company
- Over the next 20 years continued to expand its geographic presence in Turkey reaching 206 branches by 1977
- Since the early 1990s, Vakıfbank has increased the scope of its retail banking and diversified its loan portfolio by including equipment financing, enterprise loans, auto loans, mortgage loans, and credit cards. In 2000, Vakıfbank began offering internet banking services
- Vakıfbank is now a full service commercial and retail bank headquartered in Ankara, providing retail, commercial and investment banking services through a network of 306 branches, 116 satellite branches and five mobile branches, covering 81 Turkish cities
- Internationally, Vakıfbank has subsidiaries in Austria (which operates a branch in Frankfurt and a branch in Köln) and the Turkish Republic of Northern Cyprus and two branches in New York and Bahrain.

52 years of evolving strategy and product innovation

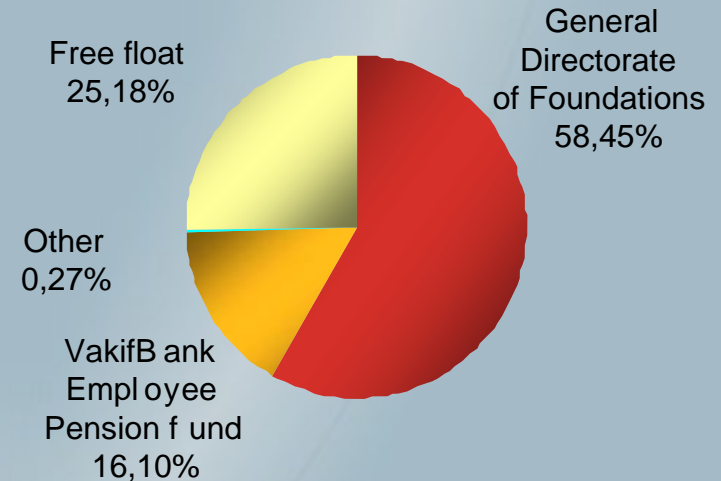


Following successful IPO in November 2005, c. 25% of Vakifbank of is now listed

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



Vak ifbank: An Overview of 3Q2006 results & financial performance trends

B/S mix	Increased share of Loans in total assets Decreasing securities portfolio Increased funding from retail deposits	Total Assets	34,861.8
B/S growth	Strong asset growth driven primarily by rapid loan expansion (retail and SME loans)	Gross Loans	17,476.5
Asset quality	Decreasing level of NP Ls, stringent credit review/scoring systems 100% NPL coverage	Securities	9,681.3
Capitalisation	Strong capitalisation levels, allowing for future growth	Total Deposits	23,322.2
Revenue mix	Increased share of interest income from loans, rather than securities Focus on generating fee & commission income	Shareholders' Equity	4,169.9
Profitability	Well managed cost base and efficient network	Net Interest Income	1,153.3
		Net Profit	609.3
		Branch Network	309
		Customer Number	Over 6 million

Financial performance 3

rd Quarter 2006

Performance highlights

- Continued rapid expansion of credit portfolio supported by growth in deposits and funds borrowed.
 - Loan portfolio increased by 64.1% to YTL16.4bn YoY
 - Deposits grew by 14.2% to YTL23.3bn YoY
 - Significant growth in higher yielding YTL products: YTL loans grew by 53.1%; YTL deposits registered a 14.6% growth YoY
 - Funds borrowed grew by 35.5% to YTL4.9bn YoY
- Share of loans in total assets increased to 47.4 % compared to 35.0% in 3Q2005, while the share of securities portfolio contracted to 27.7 % from 35.7% in 3Q2005
- Loan to deposit ratio reached 70.3% in 3rd Q 2006 compared to 49.0 % in 3rd Q 2005
- Prudent provisioning and improving loan quality : NPLs down to 6.1% of gross loan portfolio in 3rd Q 2006 and are fully provisioned
- Net interest income grew by 15.1% to YTL1,153.3mm YoY
- Net profit reached to YTL609.3mm with an increase of 64.7% YoY

VakifBank is a market leader, particularly in retail and SME finance

Total market share (%) (30.09.2006)



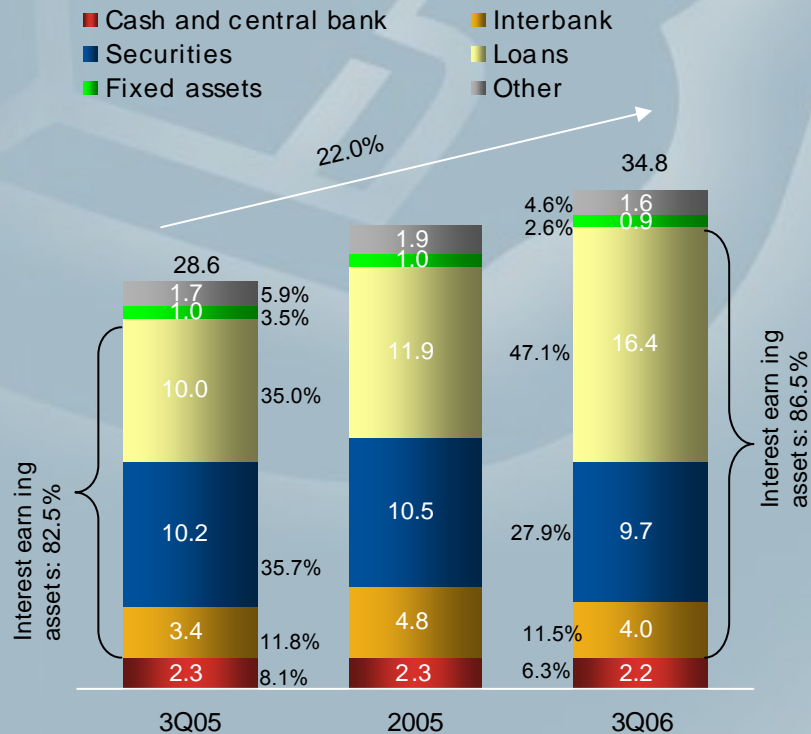
Source: BRSA weekly reports, Capital Markets Board

* VakifBank estimates

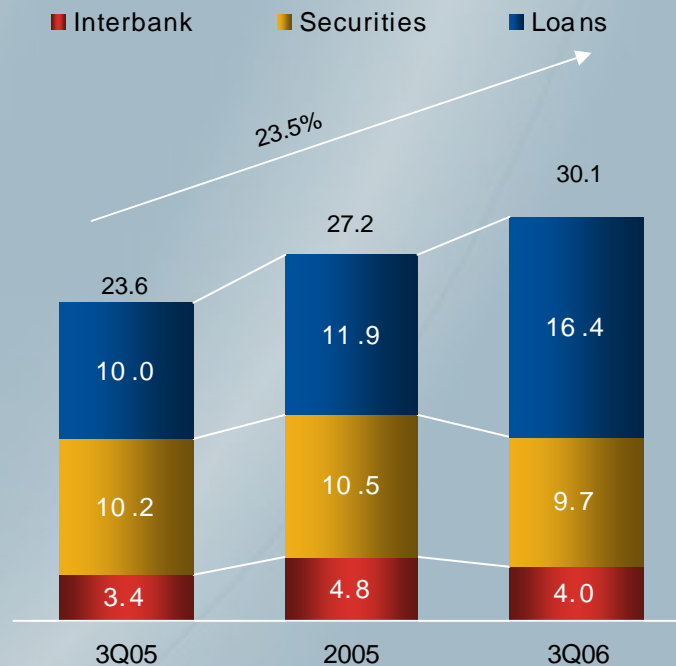
** Includes home, auto and other. Credit card loans, overdrafts, and State Mass Housing Authority (TOKI) loans not included

Diversification of asset mix towards interest-earning assets

Breakdown of assets (YTLbn)



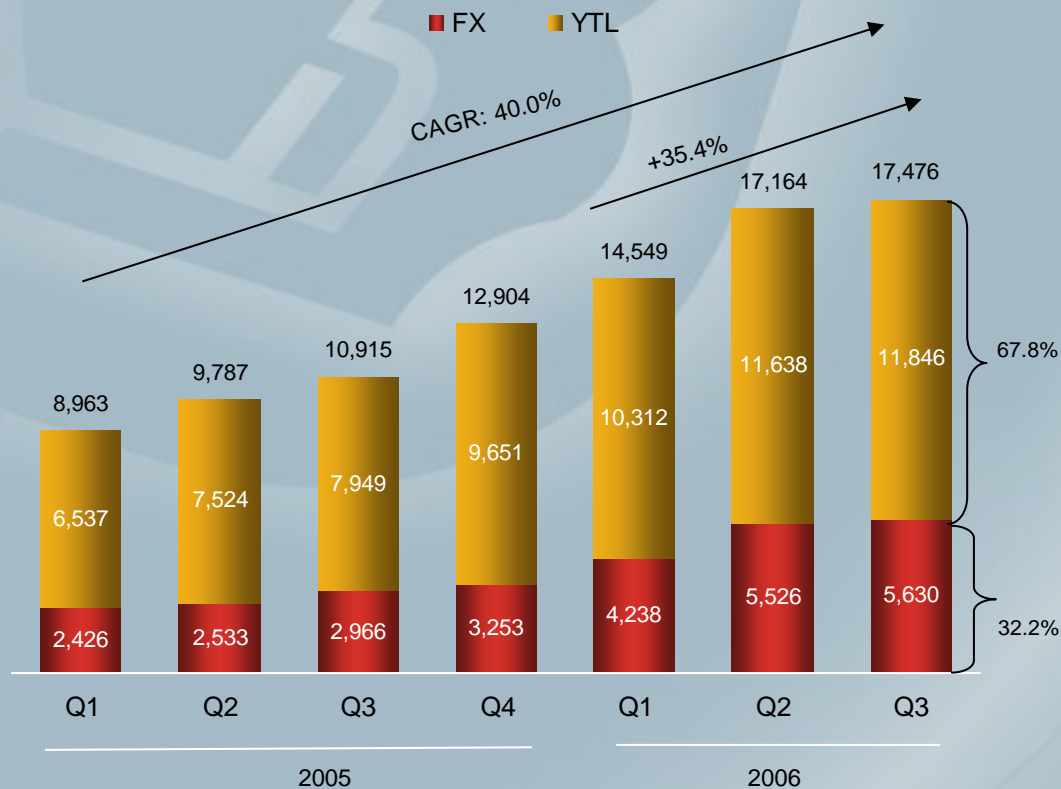
Interest earning assets (YTLbn)



- Strong growth in assets driven by rapid expansion of loan portfolio
- Continued diversification away from securities—from 35.7% of total assets in 3Q 2005 to 27.9% in 3Q 2006

Expansion of loan portfolio continued...

Gross loans (YTLm m)



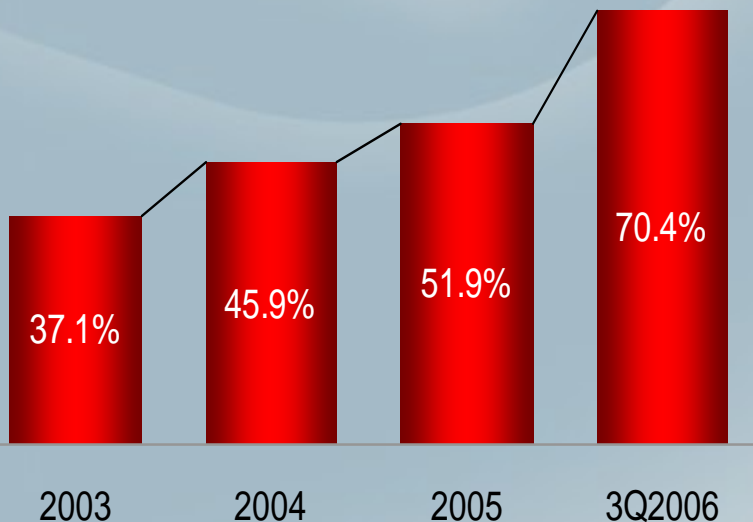
Comments

- Loan portfolio registered a CAGR of 40.0 % increase in 3Q2006 from 1Q2005
- Due to the fluctuation in 2Q2006, loan growth slowed down to 1.8% QoQ.
- YTL loans grew by 49.0% while FX loans increased by 73.0% from 3Q2005 to 3Q2006.

Expansion of loan portfolio continued... But with much slower pace...

- Strong growth on loan to deposit ratio with focus on profitability

Loan/Deposit (%)

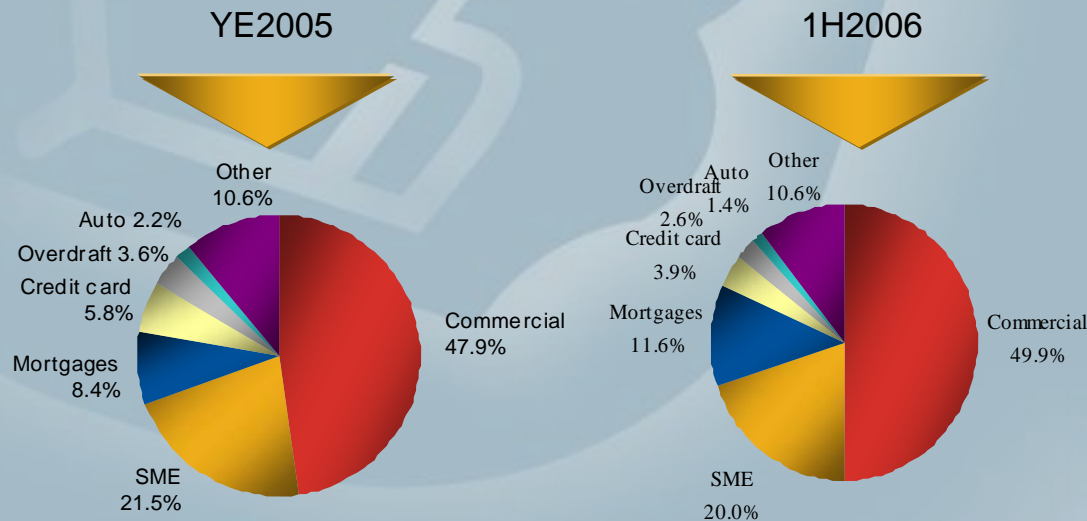


Loan/Asset (%)



...with strong focus on retail and SME lending...

Breakdown of loans by sector



Comments

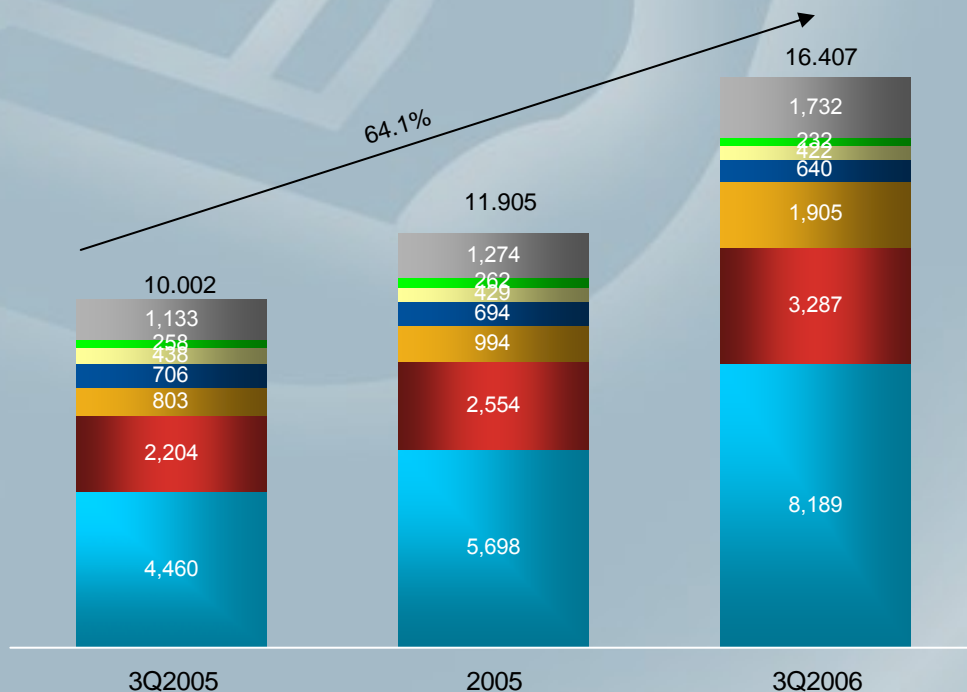
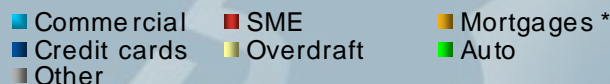
- Good position in traditionally strong regions of central and eastern Turkey
 - Selective expansion in Istanbul region
- To strengthen its retail franchise, VakıfBank has 652 SME portfolio managers, 407 retail portfolio managers and 477 marketing associates as of 3Q2006
- As a result of these initiatives, cross-selling ratio for SME portfolio managers is 2.13x and for retail portfolio managers is 1.98x in September 2006
- Sustainable growth rate of off-balance sheet

Guarantees and Commitments (million YTL)



...and in particular on high margin products

Retail, SME and COMM. loans (YTLmm)



Comments

- High yields in retail & SME lending
- For the 3Q2006; average yield on YTL loans is 20.13%, average yield on FX loans is 6.77% where average cost on YTL deposits is 14.52% and average cost on FX deposits 3.43%
- Loans grew by 37.8% in 3Q2006 comparing to the end of 2005 driven by commercial loans growth of 43.7%, SME loans growth of 28.7%, general purpose consumer loans growth of 35.9% and housing loans growth of 91.6%.

*:Includes Housing Loans+TOKI. (YTLmm)

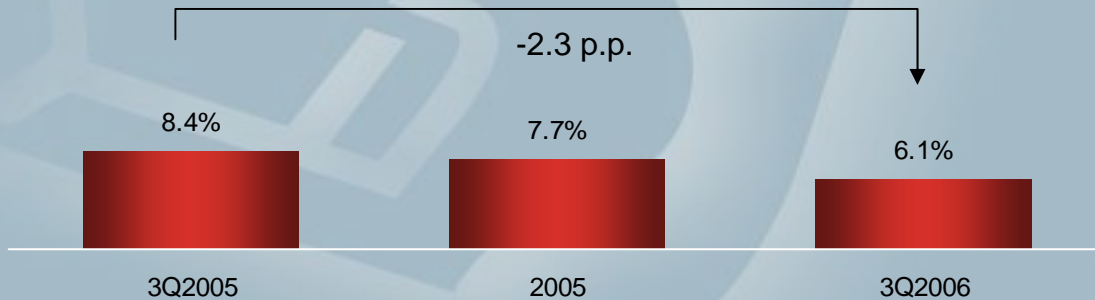
3Q2005: 663 Housing Loans+140 TOKI

2005:860 Housing Loans+134 TOKI

3Q2006: 1.775 Housing Loans+130 TOKI

Steady and significant improvement in asset quality

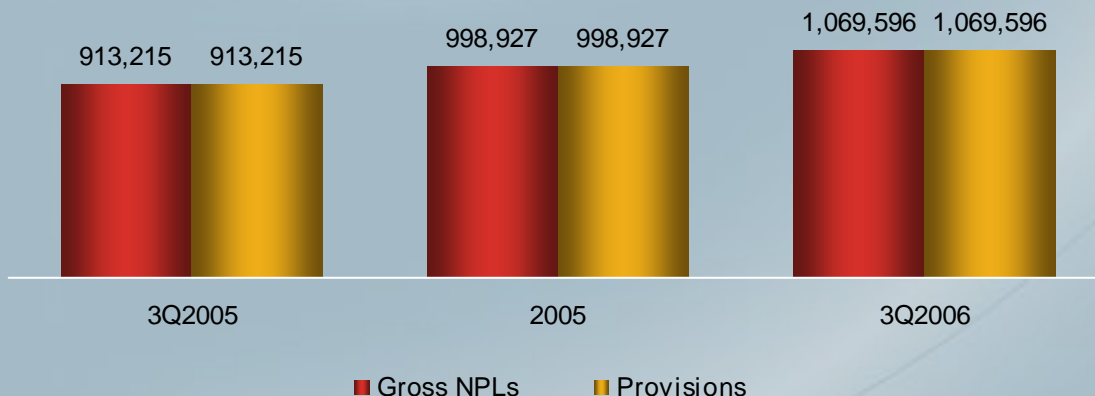
Gross NPLs as % of gross loans



Comments

- Despite expansion of the loan portfolio, NPLs continued to decrease reaching 6.1 % of total gross loan portfolio in 3Q2006 compared to 8.4 % in 3Q2005
- Since 2003, loan loss provisions cover 100 % of NPLs

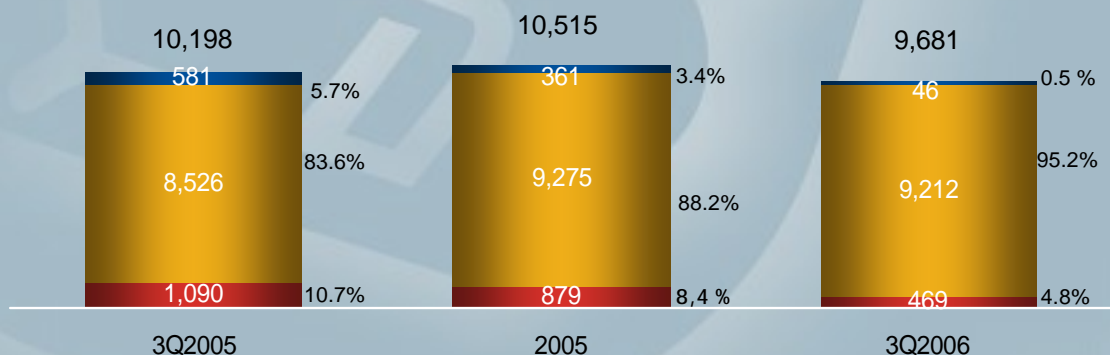
Gross NPLs and provisions (YTLm m)



Securities portfolio evolution

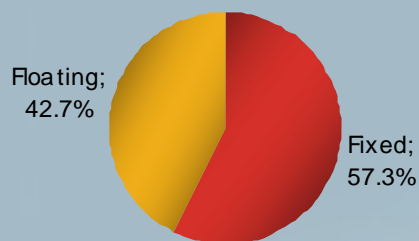
Securities 3Q 2006 (YTLm m)

■ Trading securities portfolio ■ Portfolio available for sale ■ Securities held to maturity

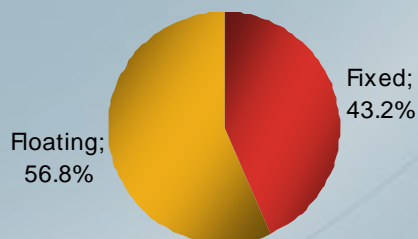


Security portfolio break down by interest 3Q 2006

YTL



FX

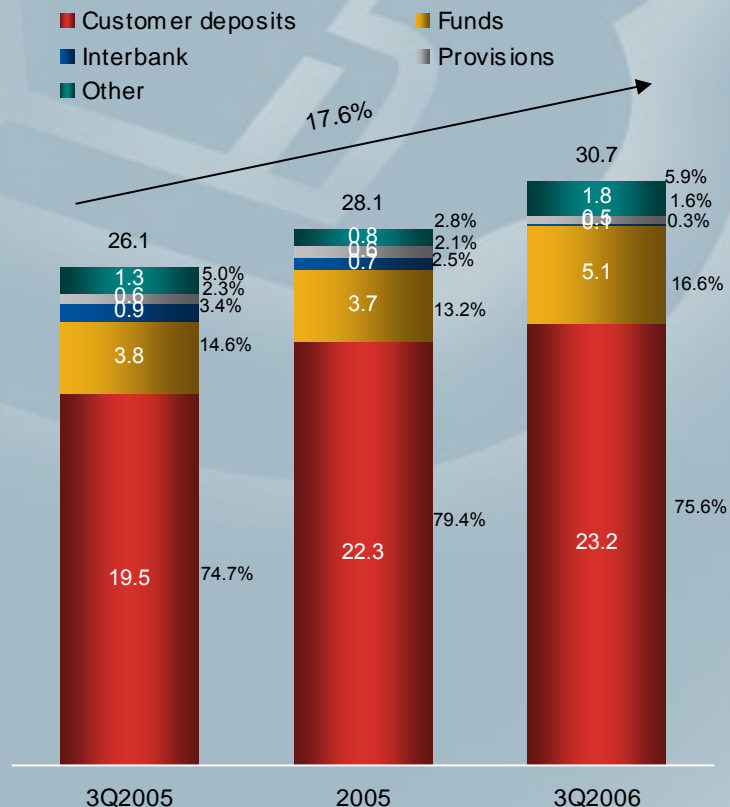


Comments

- The securities portfolio decreased by 5% in YoY and its share in total assets continued to decline—from 35.7% in 3Q2005 to 27.8% in 3Q2006
- Portfolio of securities available for sale stood at 95.2% of total securities portfolio in 3Q2006 compared to 83.6% in 3Q2005
- For the 3rd quarter 2006; average yield on YTL security portfolio is 21.6% and average yield on FX security portfolio is 7.40%

Strong deposit growth is supporting the expansion of credit portfolio

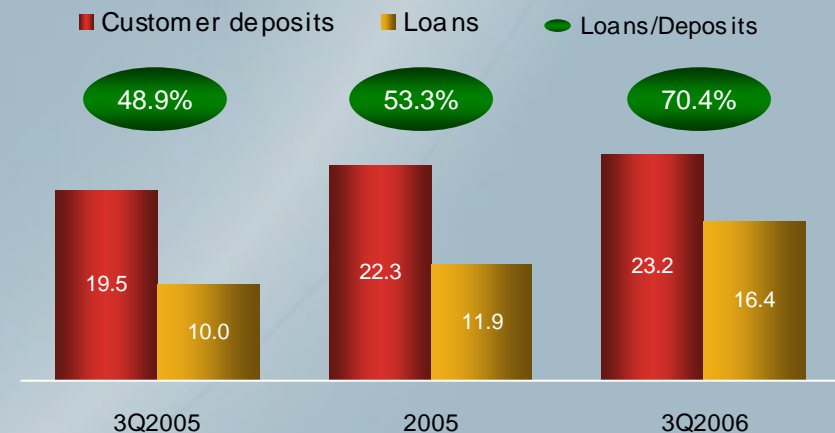
Breakdown of liabilities (YTLbn)



Comments

- Total liabilities grew by 17.6% in 3Q2006 comparing to 3Q2005, driven by continued expansion of deposit base and increase in external funding
- Customer deposits posted a 18.9% growth in 3Q2006 and accounted for 75.6% of total liabilities

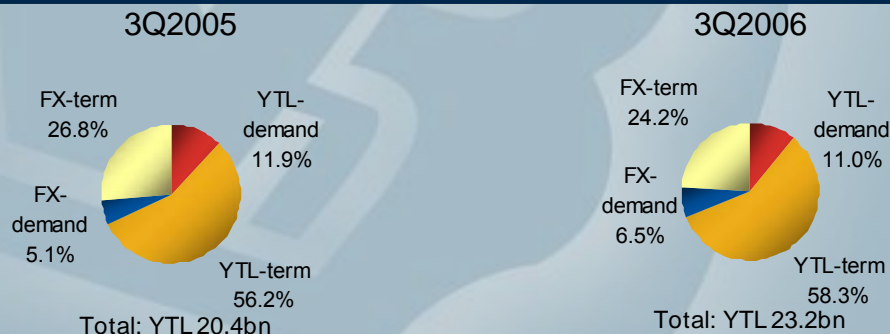
Loans and customer deposits (YTLbn)



Note: Customer deposits exclude interbank deposits
Total liabilities excluding equity

Deposit base composition and evolution

Customer deposit breakdown by type and currency



Comments

- Ensured strong profitability by maintaining liquidity levels and controlling interest expenses through controlled increase of customer deposits.
- YTL Deposit growth was 14.6% YoY, 3.8% QoQ.

Deposit composition by type

(YTLmm)	3Q2005		2005		3Q2006	
	Amount	%	Amount	%	Amount	%
Saving deposits ¹	2,995	15.3%	3,664	16.4%	5,278	22.8%
Demand	491	2.5%	548	2.4%	669	2.9%
Term	2,504	12.8%	3,116	14.0%	4,609	19.9%
Public and Commercial ²	10,312	52.8%	12,262	54.9%	10,779	46.5%
Demand	1,842	9.4%	2,282	10.2%	1,870	8.1%
Term	8,470	43.3%	9,980	44.7%	8,909	38.4%
Foreign currency	6,236	31.9%	6,398	28.7%	7,118	30.7%
Demand	1,006	5.1%	778	3.5%	1,503	6.5%
Term	5,230	26.8%	5,620	25.2%	5,615	24.2%
Total³	19,543	100.0%	22,324	100.0%	23,175	100.0%

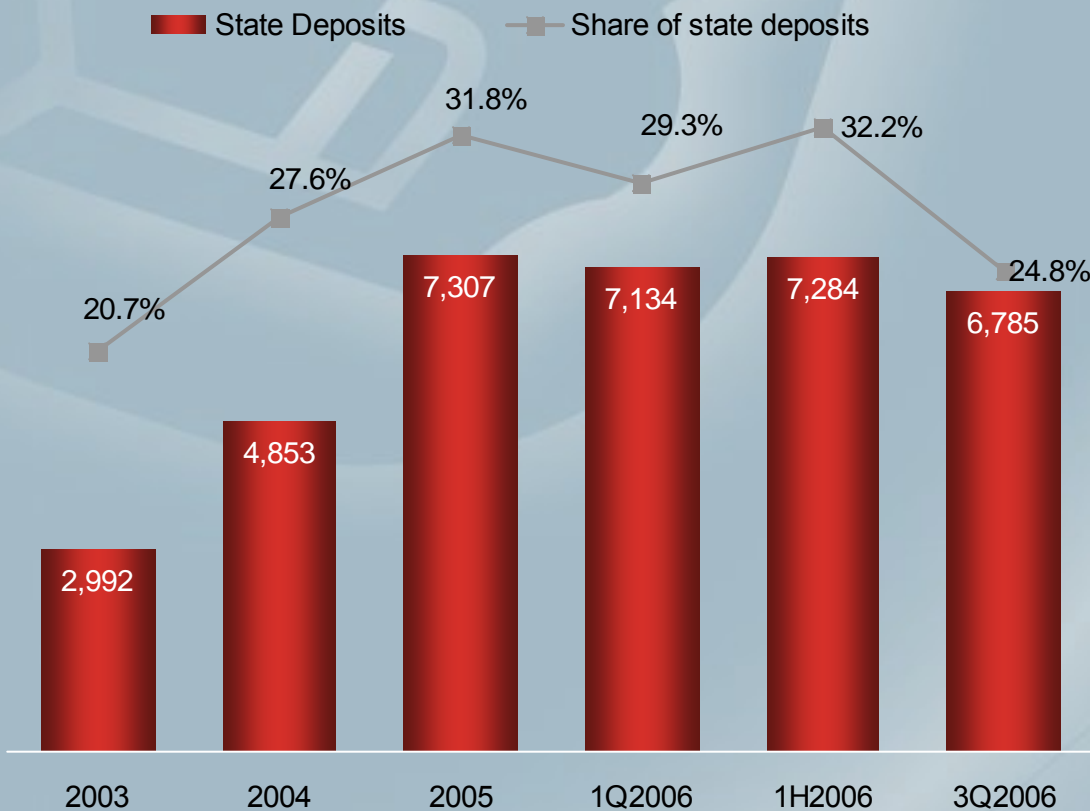
¹ Represents deposits taken from retail customers

² Represents deposits taken from government related corporates, SMEs and other entities which are not individuals

³ Totals do not include Interbank deposits

State deposits remained almost unchanged

State deposits (YTLmm)



Comments

- VakifBank did not experience a significant withdrawal of state deposits after IPO
- Much less pressure felt after two largest deposit departures in Q3 2005 and Q1 2006
- Thanks to focus on retail deposits and control on cost of deposits, share of state deposits decreased and saving deposits increased

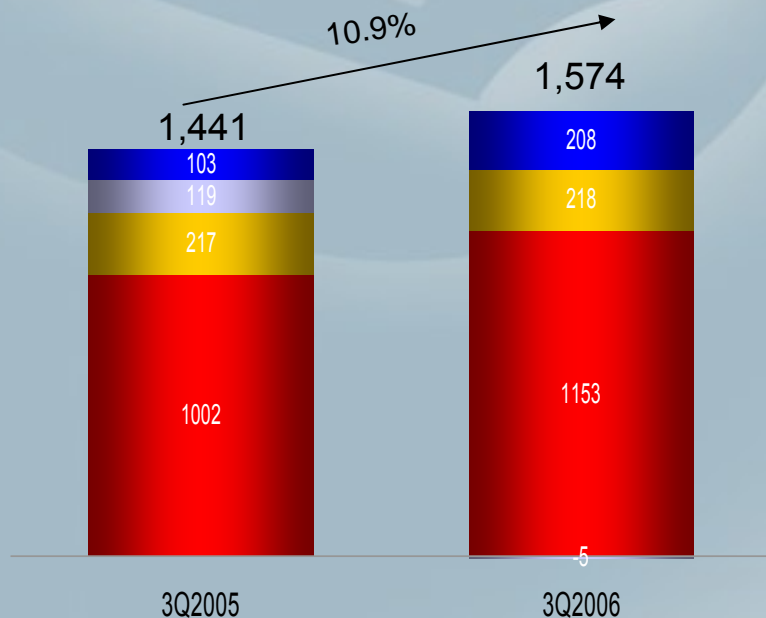
Strengthened capitalisation to support rapid growth

Capital position				Comments
(YTLmm)	3Q2005	2005YE	3Q2006	
Paid in share capital	1,000.0	1,279.0	1,279.0	■ The bank successfully raised YTL1,45 mm through an IPO in November 2005
Adjustment to paid-in capital	605.8	605.8	605.8	
Share premium	0	1,172.3	1,172.1	■ In General Assembly, the bank has decided to pay YTL 399.4mm to the shareholders and YTL 100.5mm was paid to D Group shareholders (free float) in 2Q06.
Reserves	326.9	326.9	423.9	
Profit	370.0	535.2	609.3	■ Vakifbank applied to the BRSA and the CMB in 1st of November 2006, to increase the bank's paid-in-capital from YTL-1,279,000,000 to YTL-2,500,000,000, which implies issuing 0.954652 new bonus shares per existing 1 share.
Prior year income/loss	0	0	0	
Total core capital	2,302.7	3,919.2	4,090.1	
Supplementary capital	674.0	540.2	308.2	
Total capital	2,976.7	4,459.4	4,398.2	
Deductions	(338.7)	(403.0)	(308.2)	
Total shareholders' equity	2,638.0	4,056.4	4,090.0	
RWA	12,798.7	14,498.5	18,518.4	
Market risk	1,491.0	1,474.9	1,376.2	
Capital adequacy ratios	18.5%	25.4%	20.1%	

Net banking income posted healthy growth in 3Q2006

- Net banking income grew by 10.9% over the last 1 year in 3Q2006 comparing to 3Q2005
- Continuous diversification from securities to more client-driven business

Net banking income composition (YTLmm)



■ Net interest income ■ Net F&C income ■ Net trading income ■ Other

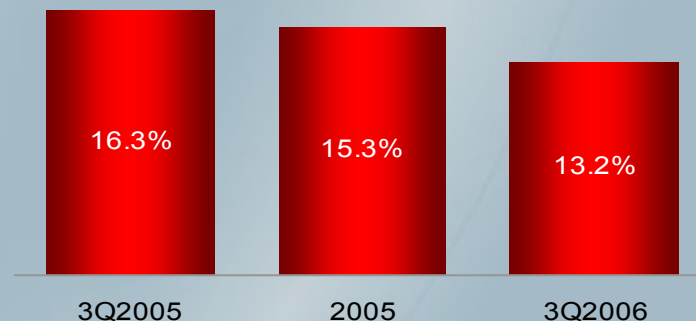
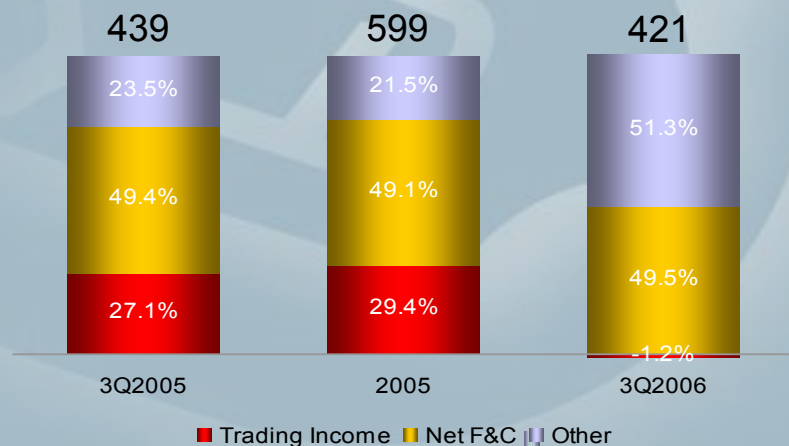
(YTLmm)	2004	2005	3Q05	3Q06
Net interest income	1,185	1,318	1,002	1,153
Net F&C income	250	294	217	218
Net trading income	117	176	119	(5)
Dividend income	4	3	3	6
Other operating income	246	129	103	208
Total operating income	1,801	1,919	1,444	1,580
Total operating expenses (-)	722	732	528	595
Operating profit	1,079	1,188	916	985
Provisions (-)	344	434	377	180
Tax provisions (-)	143	226	174	206
Income from investments and associates	48	7	4	10
Net monetary gain/loss	(16)	0	0	0
Net income	624	535	370	609

Net fee and commission income growth down due to slow lending

slowed

Non-interest income composition (YTLm m)

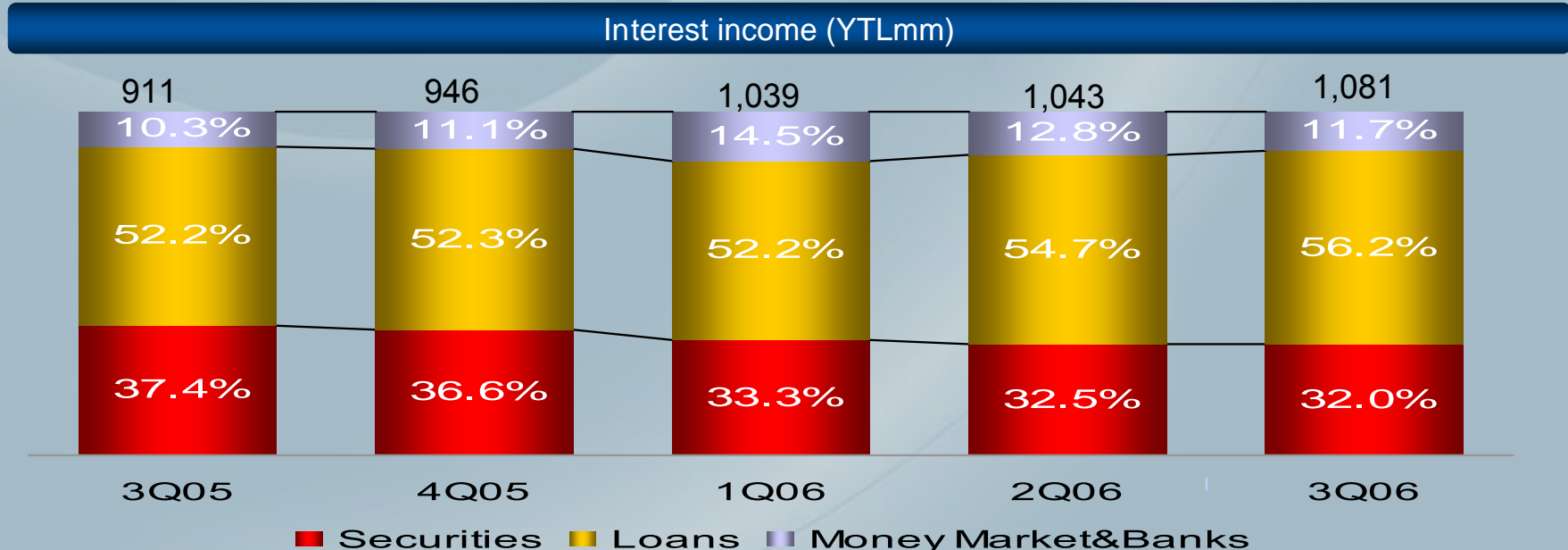
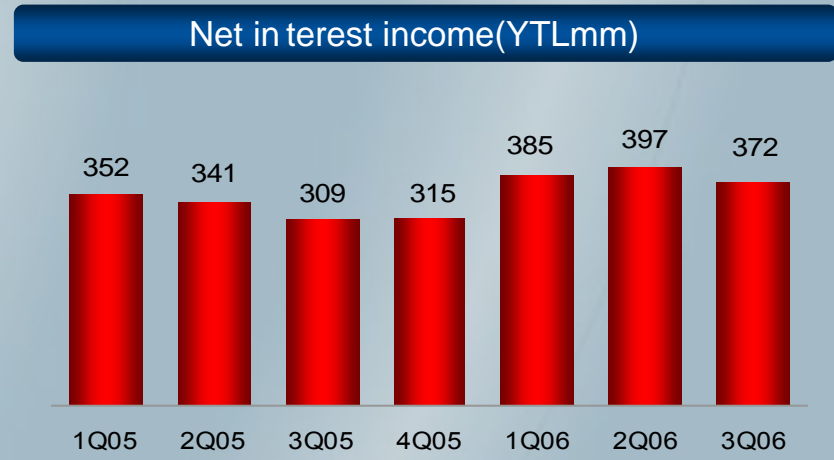
Net F&C income % of operating income



- Trading income is -5 mm YTL due to foreign exchange losses
 - Trading account securities gains : 28 mm YTL
 - Foreign exchange losses : -33 mm YTL
- Increase in Other Income comes from FX gains in FX Loans&Security portfolio
 - FX Indexed Loans : 30 mm YTL
 - FX Indexed Securities : 40 mm YTL

Increasing interest income from loan activities

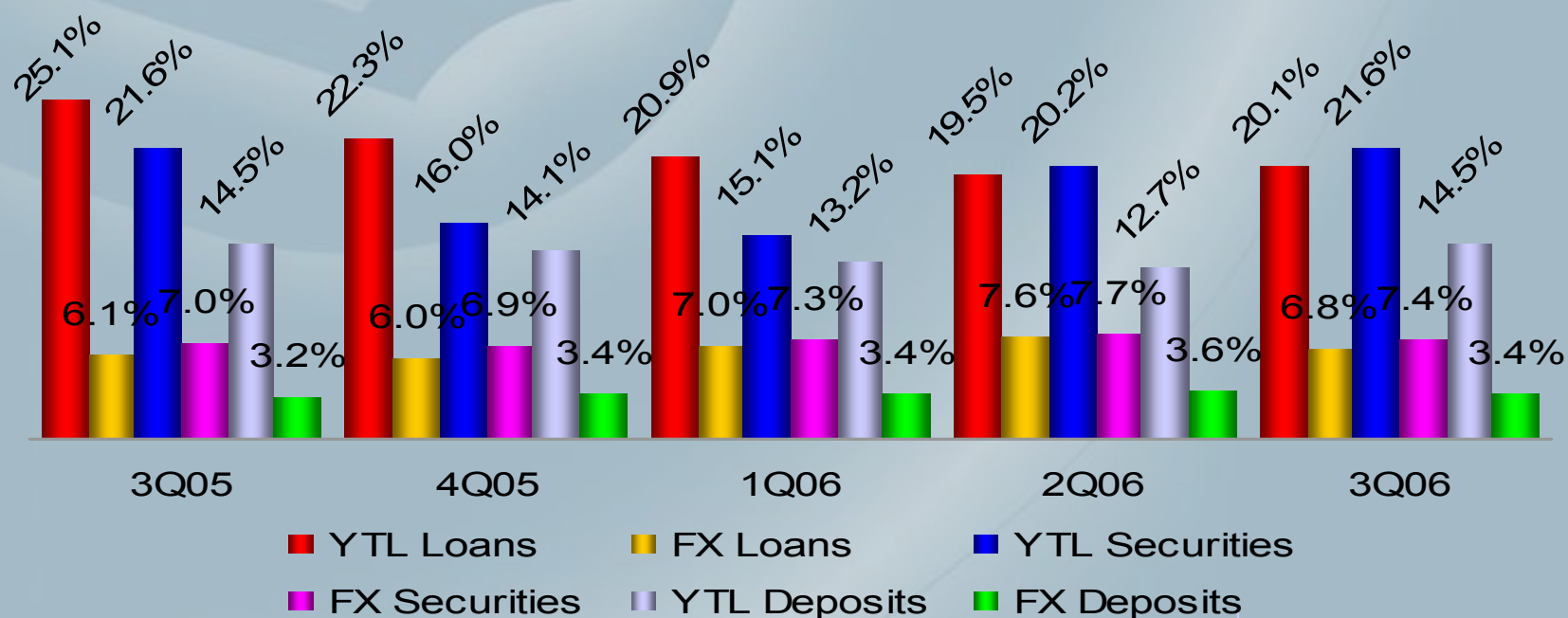
- Net interest income up by 20.4% in 3Q2006 comparing to 3Q2005, despite slowdown in loan demand
 - increasing income from lending activity



Increasing margins on securities

- Further move toward higher margin loans in YTL
- Higher yields on YTL securities, thanks to repricing on August 2006.

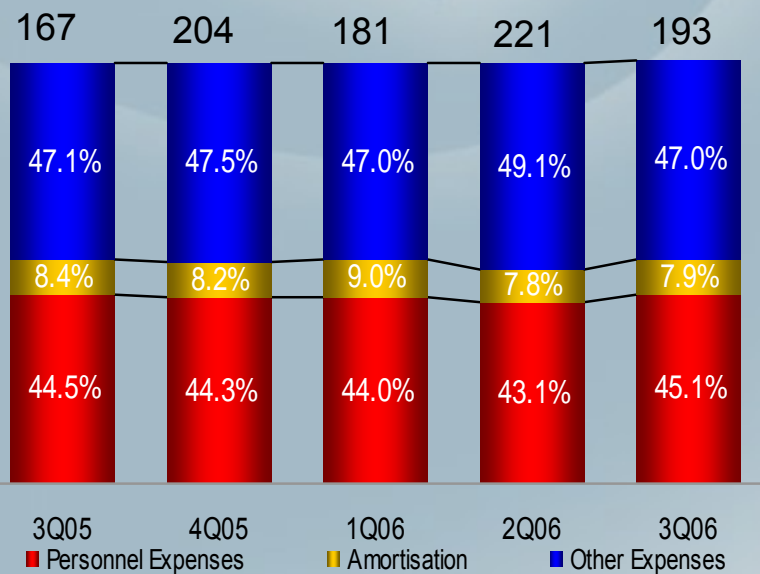
Yield on loans and securities, cost of deposits (%)



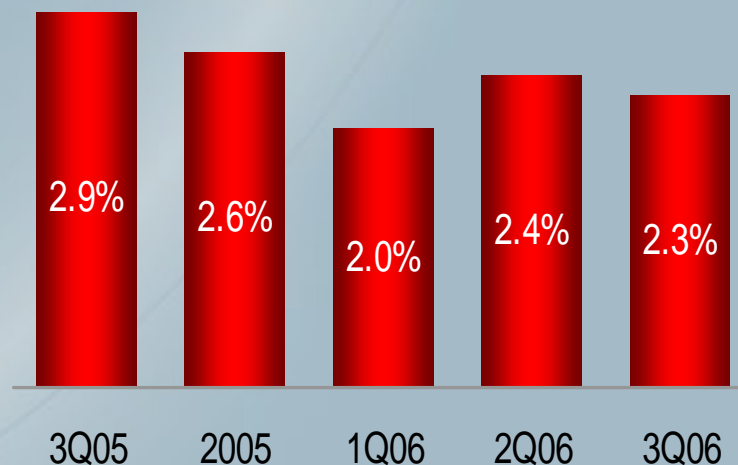
Operating expenses under control

- Virtually no growth in costs, despite going through restructuring at branch and headquarter level.

Other expenses composition (YTLm m)

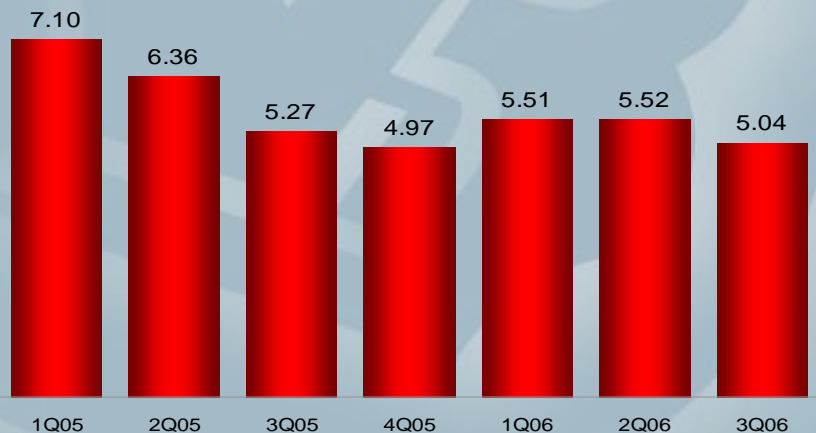


Operating expenses/average assets (%)



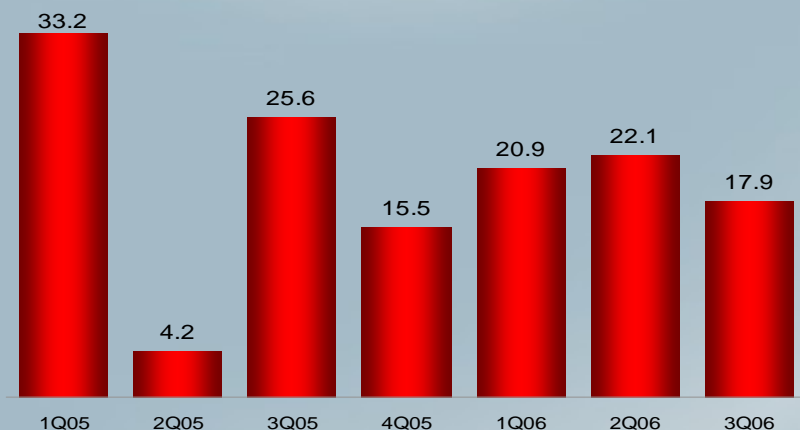
Slight decrease on NIM and ROE, increase on C/I

NIM (%)

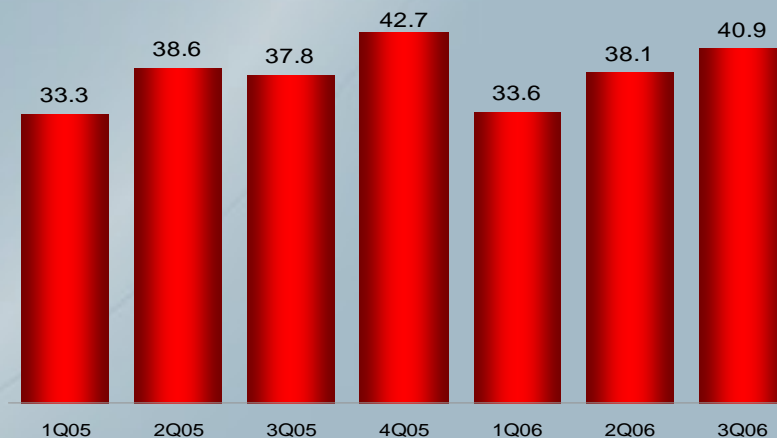


- Due to increase on cost of funding and slowdown on loan demand NIM decreased by 48 bps, compared to 2Q06 in 3Q06
- Further growth in loans/assets expected to provide more support to Vakifbank's NIM

ROE (%)



Cost/Income (%)

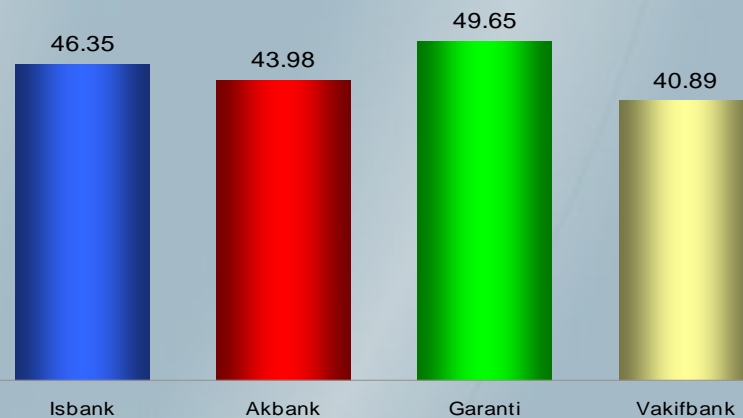
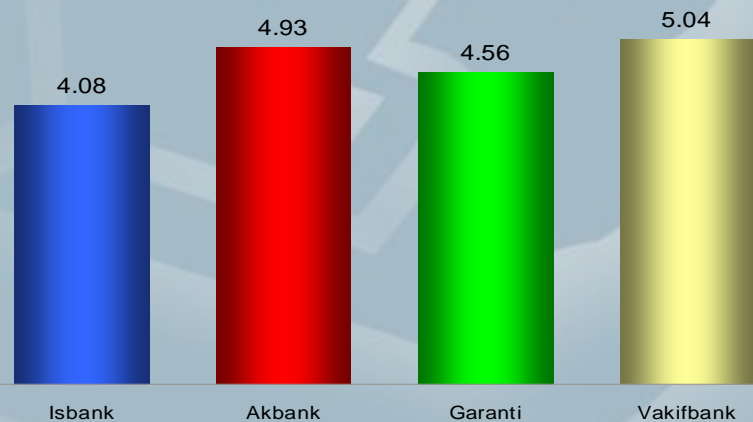


Performance in line with peer

group in 3Q2006

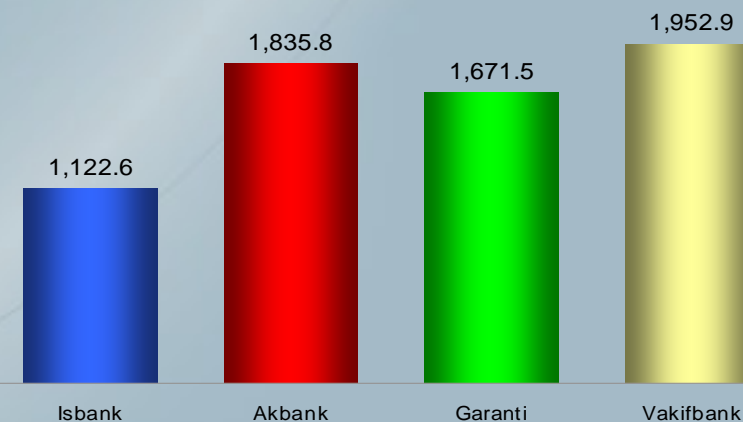
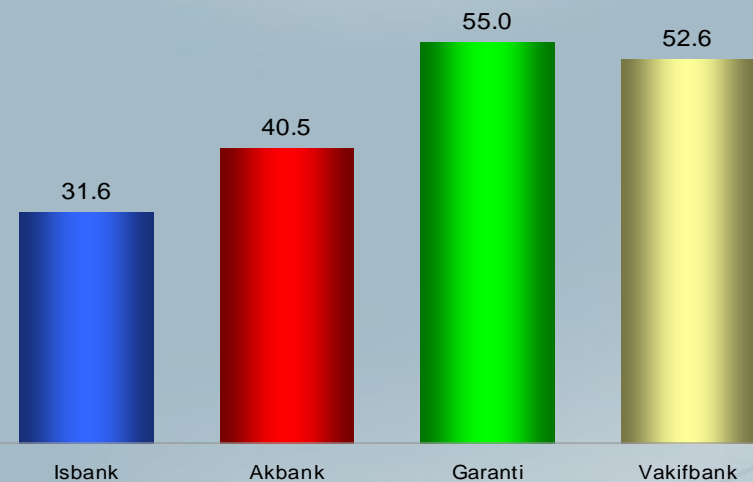
NIM (%)

Cost/Income (%)



Loans/Number of Branches (mmYTL)

Net Profit/Number of Branches (thousandYTL)



Tailored products in retail lending

- With the help of strong capital Vakifbank announced a new product to the market. “Declining Interest Rate Programme”
 - This is a new retail loan product which offers Housing Loans, Auto Loans and General Purpose Consumer Loans.
 - In reflecting the fall in interest rates to consumers, the average interest rates of the 5 biggest players (Banks) will be reference point. Any 10 bps drop in the average of the top 5, will be reflected to consumers as 5 bps. There will not be any extra fee and commission charges.



Falling Interest Rate Programme



- Vakifbank reduced its housing loan interest rates for all the ongoing projects of TOKI (Mass Housing Agency) and Emlak GYO (Real Estate Investment Company) as of 21st of September 2006. The interest rates per month are upto 9 months 0.00 % , 5 years 1.29 % and 10 years 1.39 %. The difference with our base rate is made up by the contractors.

Balance Sheet Details for 3Q2006: Assets

(Thousand YTL)	2005	3Q2006	Growth %
Cash&Balances with Central Bank	1,655,677	1,488,105	(10.1)
Banks&Other FI	2,125,899	2,736,951	28.7
Money Market	2,649,000	1,250,000	(52.8)
Trading Securities	879,406	469,412	(46.6)
Available for Sale Portfolio	9,275,282	9,211,890	(0.7)
Held to Maturity Securities	360,767	45,666	(87.3)
Loans (net)	11,905,056	16,406,949	37.8
Subsidiaries&Associates	612,469	584,245	(4.6)
Premises&Equipment	1,006,918	872,204	(13.4)
Other Assets	1,912,326	1,796,380	(6.1)
Total Assets	32,382,800	34,861,802	7.7

Balance Sheet Details for 3Q2006: Liabilities

(Thousand YTL)	2005	3Q2006	Growth %
Deposits	22,945,691	23,322,188	1.6
Interbank Money Market (Repurchase)	108,046	996,758	822.5
Funds Borrowed	3,512,824	4,916,400	40.0
Funds	151,597	145,937	(3.7)
Taxes and Dues Payable	44,739	61,316	37.1
Provisions	584,636	469,676	(19.7)
Shareholder's Equity	4,261,408	4,169,857	(2.1)
Other Liability	773,859	779,670	0.8
Total Liability	32,382,800	34,861,802	7.7

P&L for 3rd Quarter 2006

(Million YTL)	3Q2005	3Q2006	Growth %
Net Interest Income	1,002,299	1,153,279	15.1
Net F&C Income	216,927	217,624	0.3
Net Trading Income	118,680	(5,104)	(104.3)
Other Operating Income	103,120	208,009	101.7
Total Operating Income	1,444,398	1,580,184	9.4
Total Operating Expenses	(527,835)	(594,921)	12.7
Provisions	(376,809)	(180,254)	(52.2)
Tax Provisions	(174,032)	(205,611)	18.1
Net Profit	370,017	609,290	64.7

Subsidiaries and affiliates





THANK YOU

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