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Earnings Presentation

BRSA Bank-Only 1H 2010

August 12, 2010

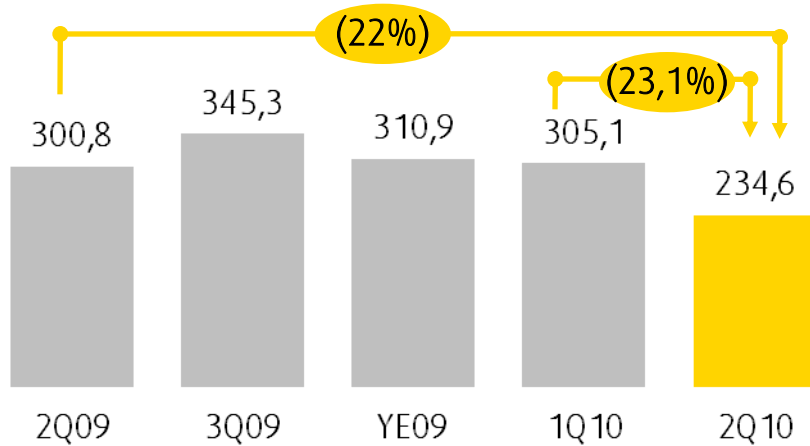


1H 2010 Vakifbank Highlights

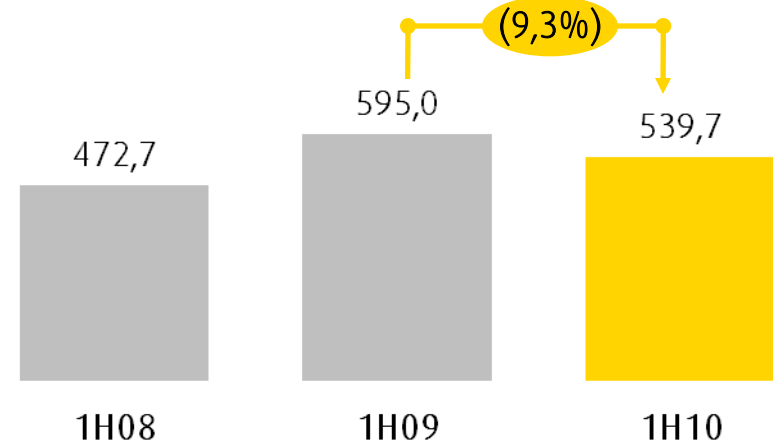
- ✓ Bank-Only net profits are 539,7 mio TL, down by 9,3% YoY*.
- ✓ Operating income increased by 4,6% YoY.
- ✓ Lowest NIM contraction among peer group; NIM is down by only 26 bps QoQ to 4,35%.
- ✓ Continued lending growth especially in key retail segments.
- ✓ Refrained from deposit competition;
 - ✓ Modest total deposit growth; 2,1% QoQ, 10,7% Ytd,
 - ✓ Increased focus on demand deposits; up by 17,8% QoQ,
 - ✓ The lowest ever TL cost of funding; TL deposits cost is down 28 bps QoQ to 6,6%.
- ✓ Securities decreased QoQ 11,7%, FRN portion of TL securities are increased to 62%.
- ✓ Asset mix change in favor of lending; up to 55,3% of total assets.
- ✓ Improvement in asset quality, NPL ratio is down by 44 bps QoQ to 5,59%.
- ✓ Significantly increased cash coverage, from 88,5% to to 97,1%* due to aging effect.
- ✓ Opex under control, up by only 3,9% QoQ, despite accelerated new branch openings of 29 in 2Q10.
- ✓ Efficiency improvement; Cost/Income ratio is down to 39%.

1H 2010 Earnings and Ratios

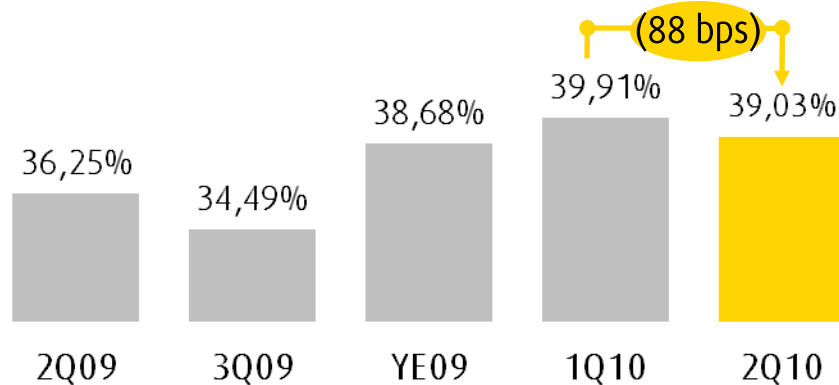
Quarterly Net Income (Mio TL)



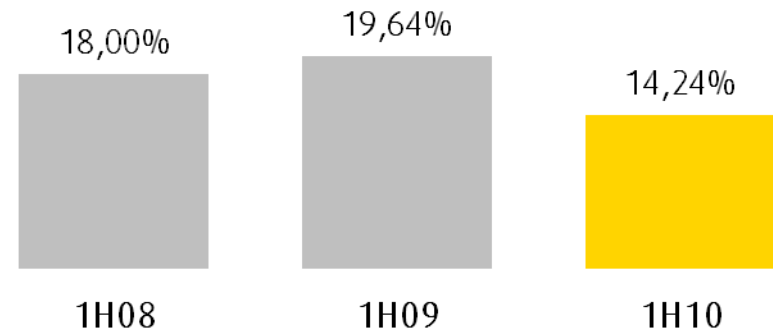
Net Income



Cost / Income (%)

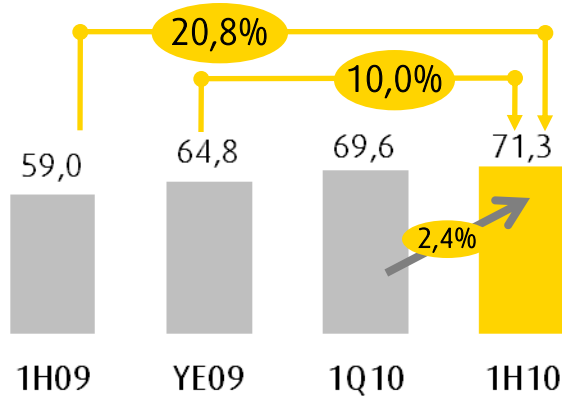


ROAE (%)

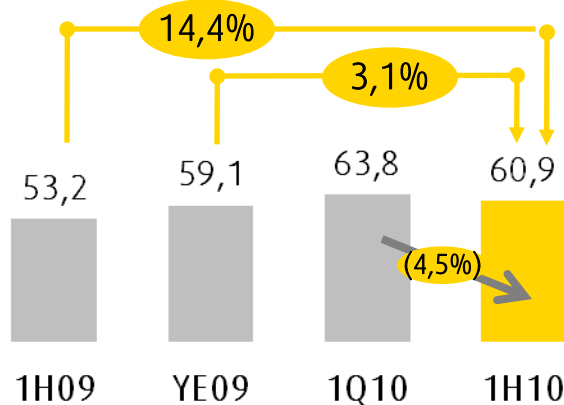


Total Assets

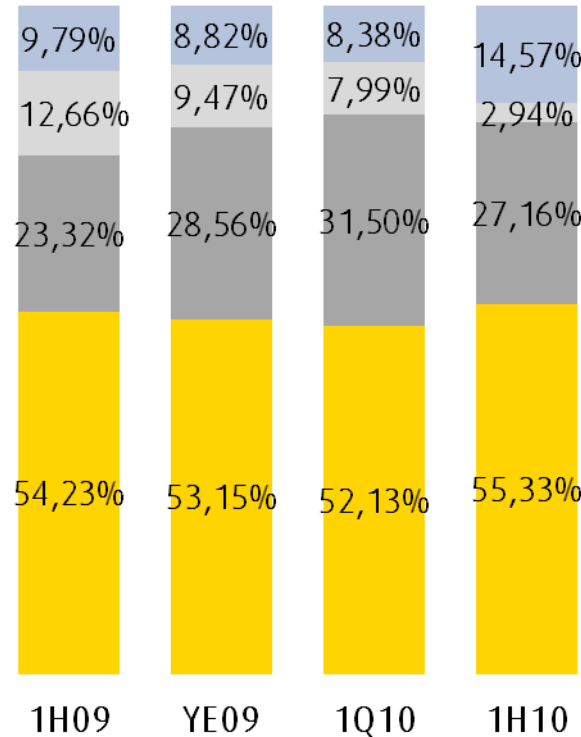
Total Assets (TL bio)



Interest Earning Assets (TL bio)



Breakdown of Assets (%)



Loans Securities
Interbank Other

Asset Growth;
YoY

20,8%

Ytd

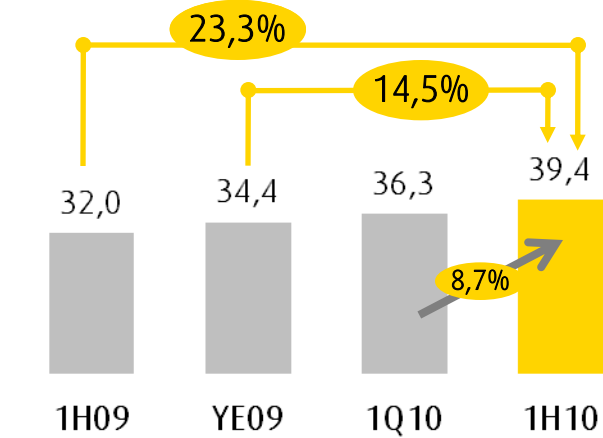
10,0%

Liquidity*;

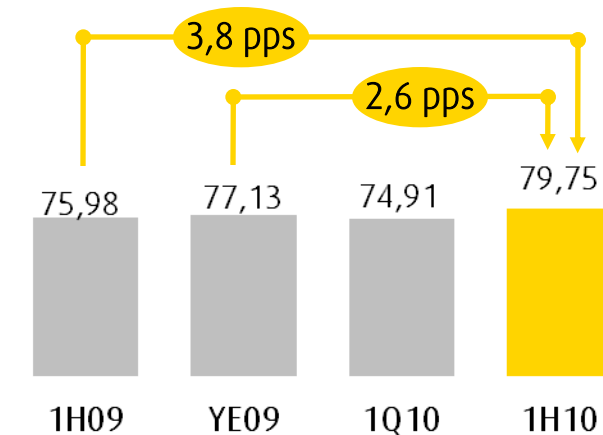
13,7%

Loan growth momentum intact

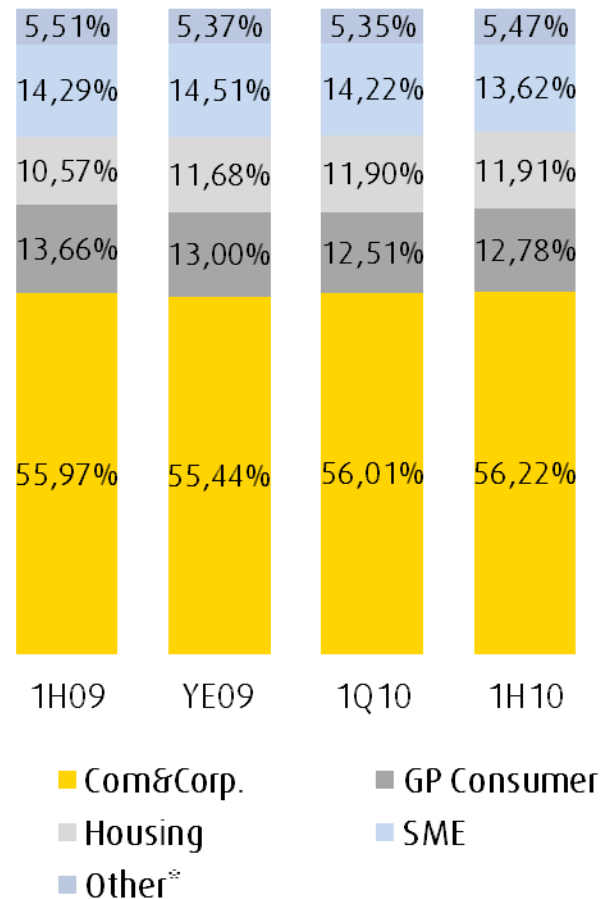
Total Loans (TL bio)



Loans/Deposits (%)



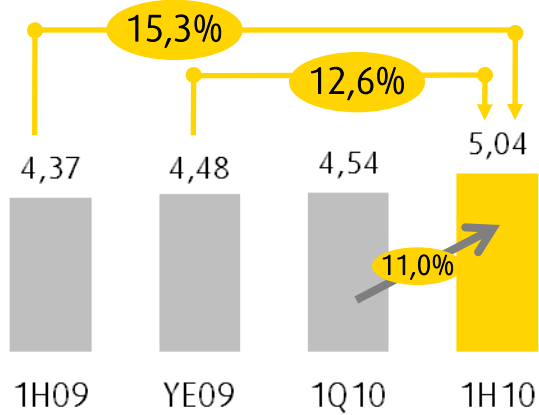
Breakdown of Loans (TL bio)



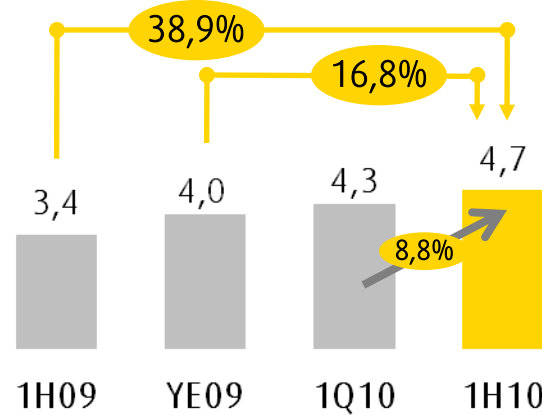
Loan Growth; Ytd; **14,5%**
 TL Ytd; **14,1%**
 FC Ytd; **15,4%**

General purpose loans; the backbone of retail lending

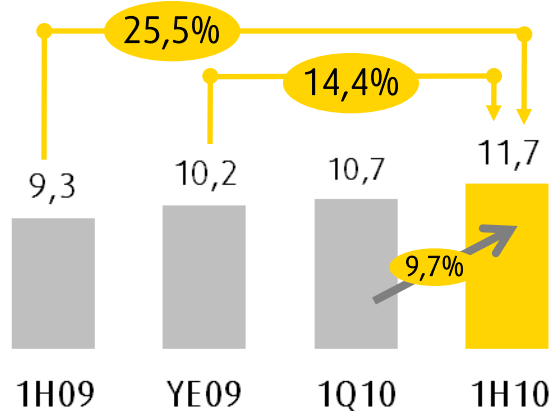
General Purpose Consumer (TL bio)



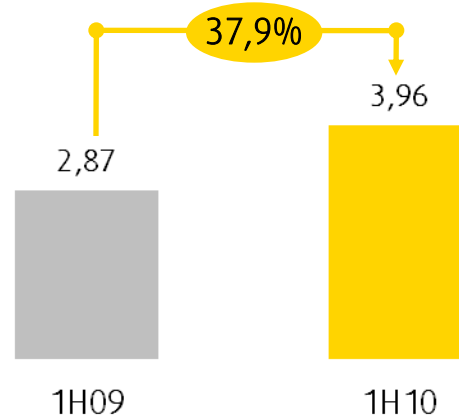
Residential Mortgages¹ (TL bio)



Total Retail (TL bio)



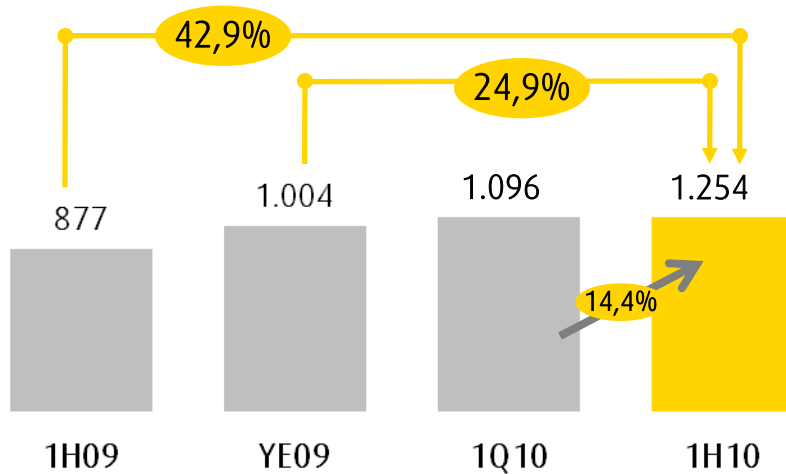
Retail Cross Selling Ratio



GPC growth
QoQ;
11%
vs.
Sector growth QoQ;
10%

Sustainable & consistent growth in credit cards

Credit Card Loans (TL mio)



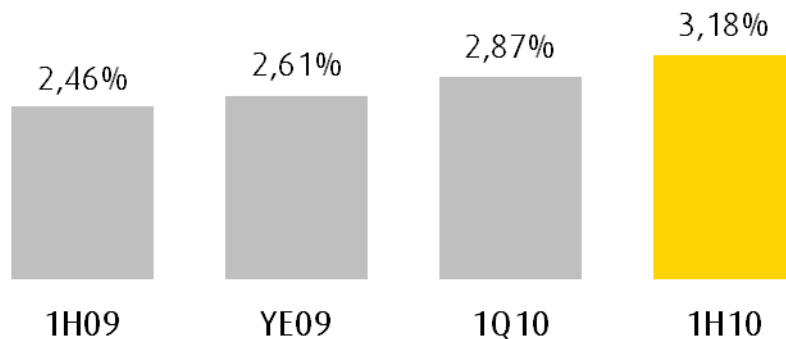
Credit Card Loans growth Ytd;

24,9%

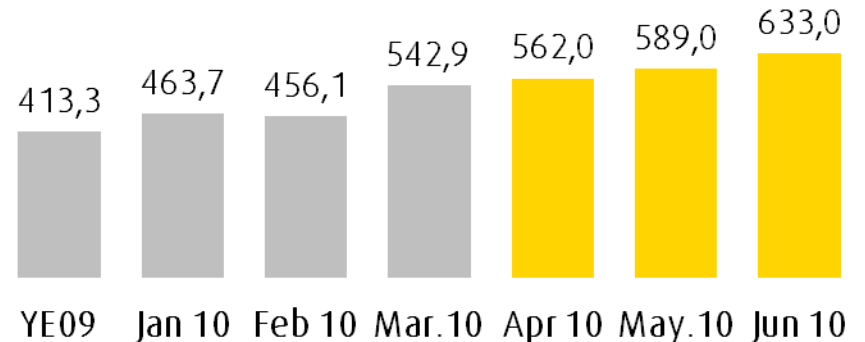
Sector growth Ytd;

8,5%

Market share* (%)

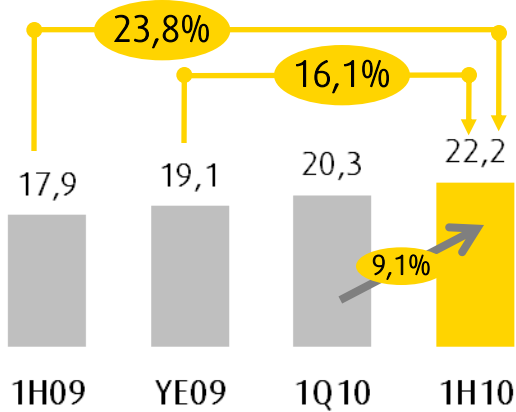


Average Monthly Issuing Volume (TL mio)

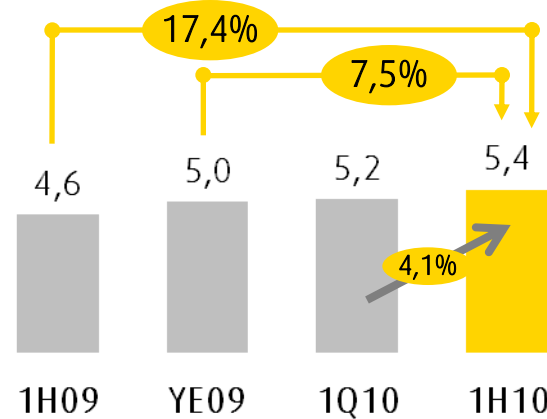


Well diversified loan portfolio

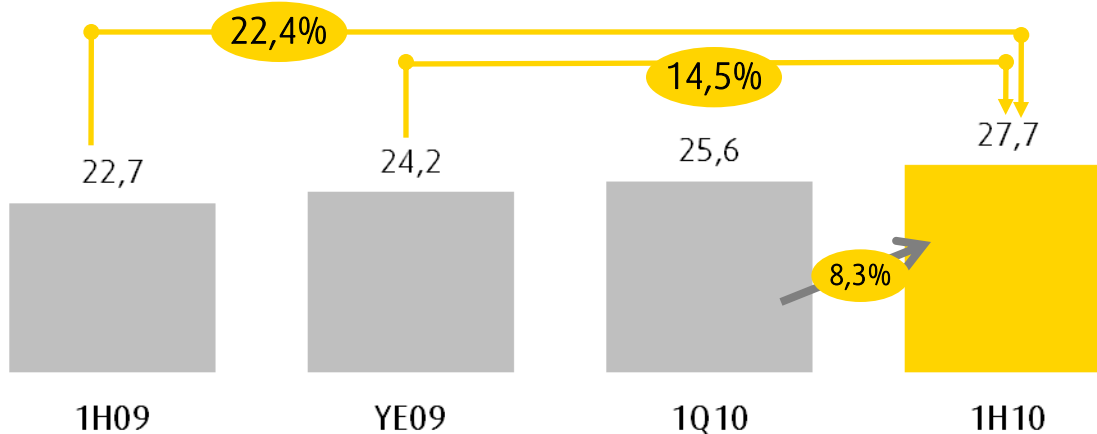
Corporate & Commercial (TL bio)



SME (Com. Inst.) (TL bio)



Total Corporate Loans* (TL bio)



Corporate & Commercial Loan Growth Ytd;

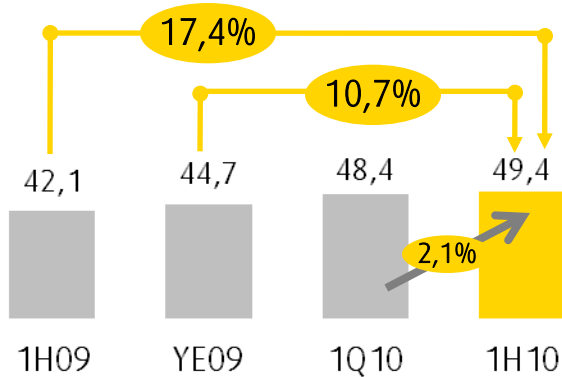
16,1%

SME lending started to accelerate in 2Q Growth Ytd;

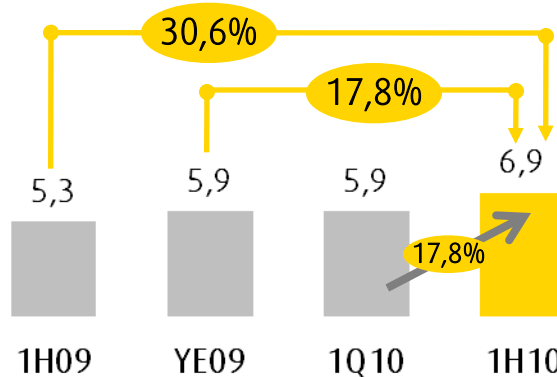
7,5%

Effective deposit management backed by strong demand deposit growth

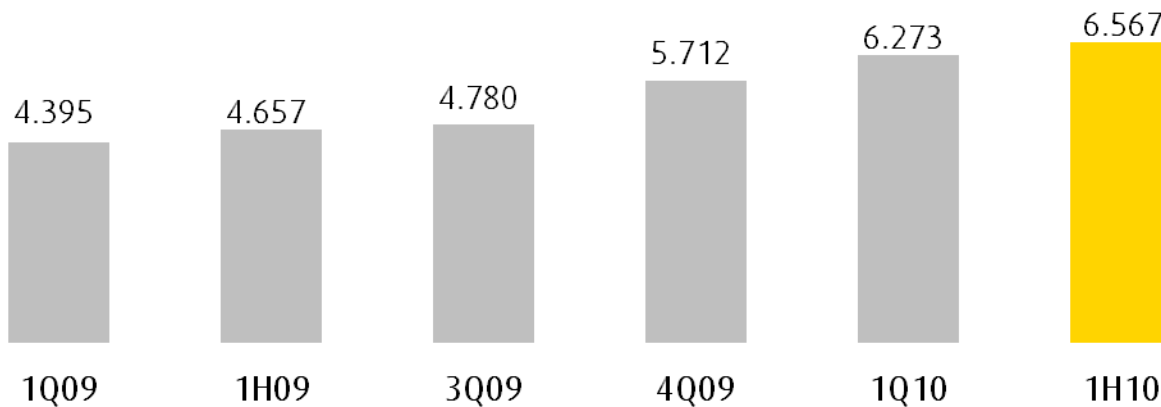
Total Deposits (TL bio)



Demand Deposits (TL bio)



Core State Deposits (TL mio)*



Deposit growth;
Ytd

10,7%

Outperforming sector
average growth Ytd;

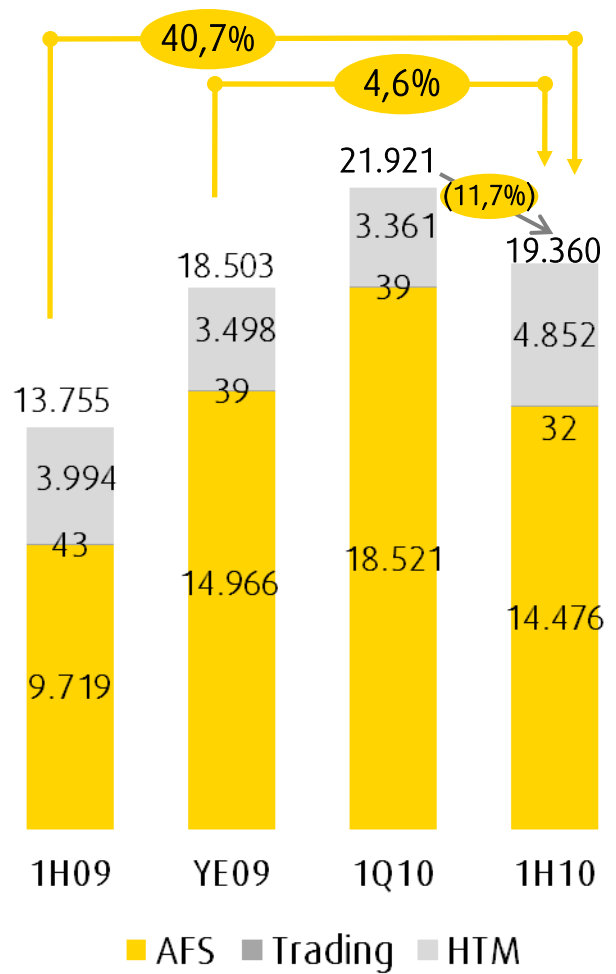
9,7 %

Thanks to stellar
demand deposit
growth in 2Q10, QoQ;

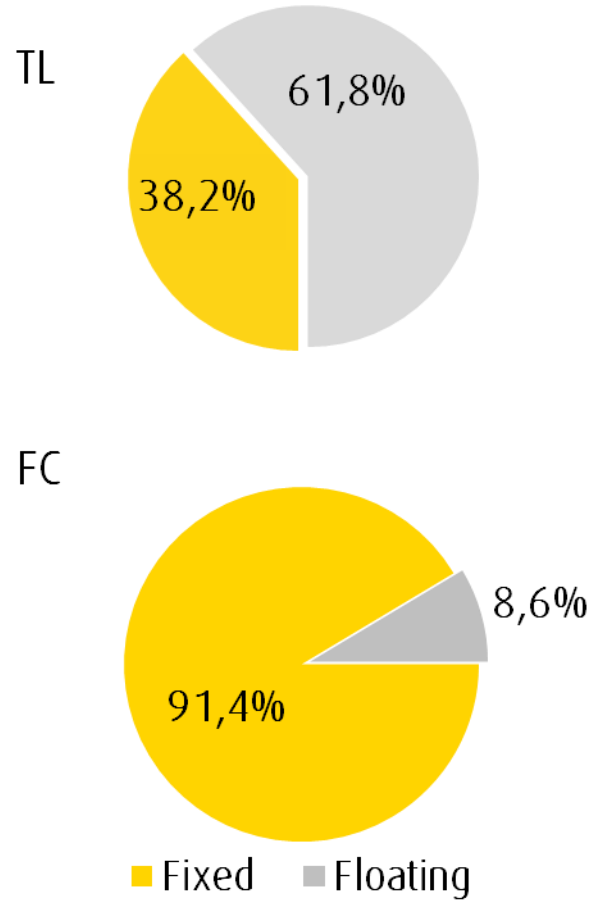
17,8%

Securities portfolio mix

Total Securities (TL mio)



Portfolio Structure



Portfolio structure changed in favor of FRNs after redemptions;

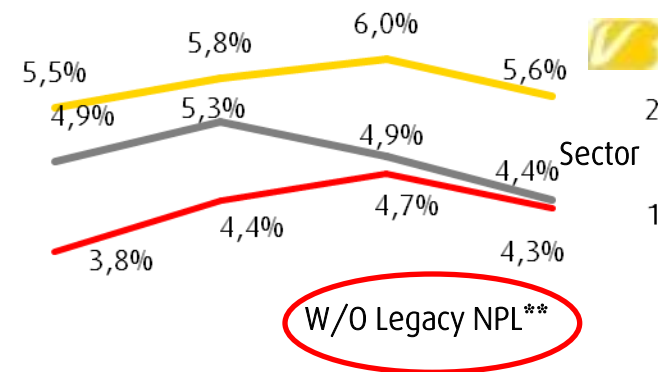
61,8%

of TL securities are floating with a marginal CPI Linkers' share of;

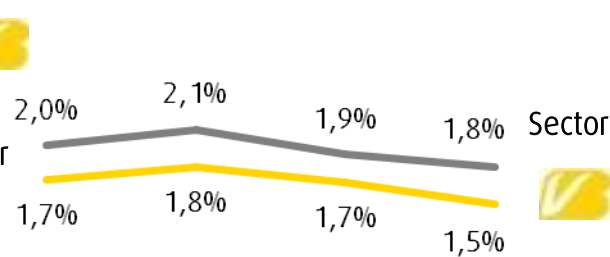
5,2%

NPL Ratios

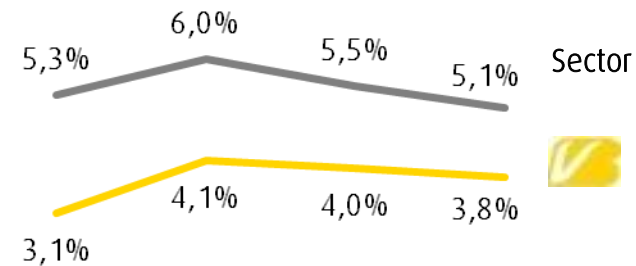
Overall NPL Ratio* (%)



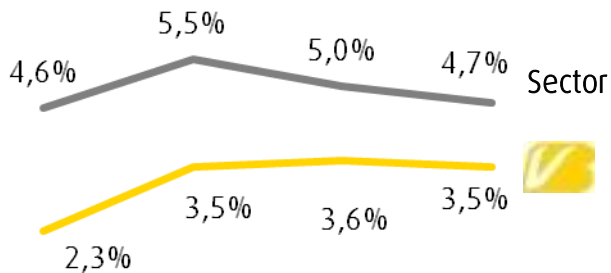
Mortgages NPL (%)



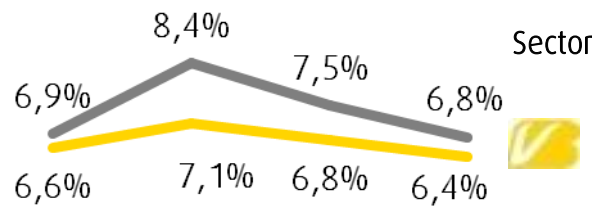
Total Retail NPL (%)



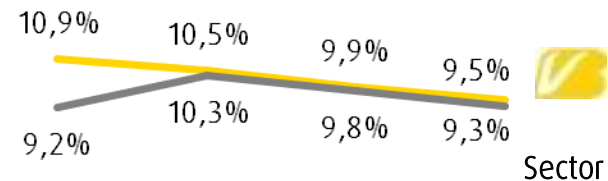
General Purpose Consumer NPL (%)



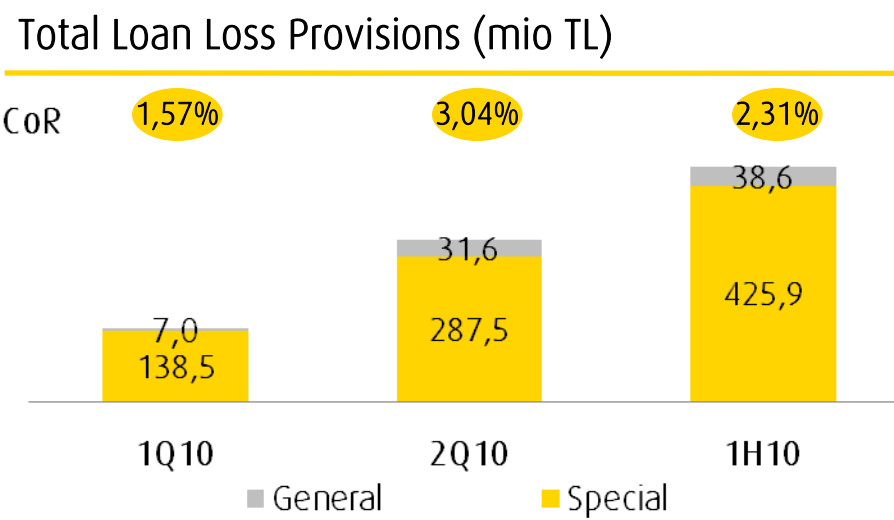
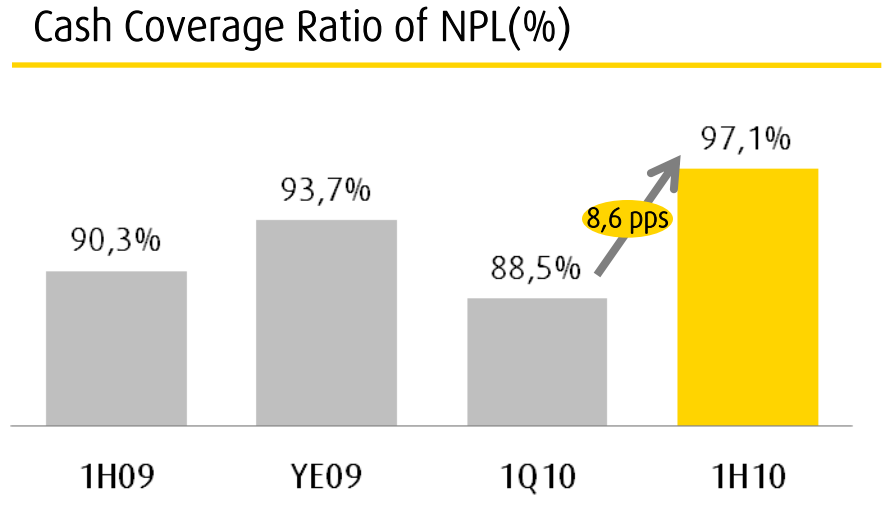
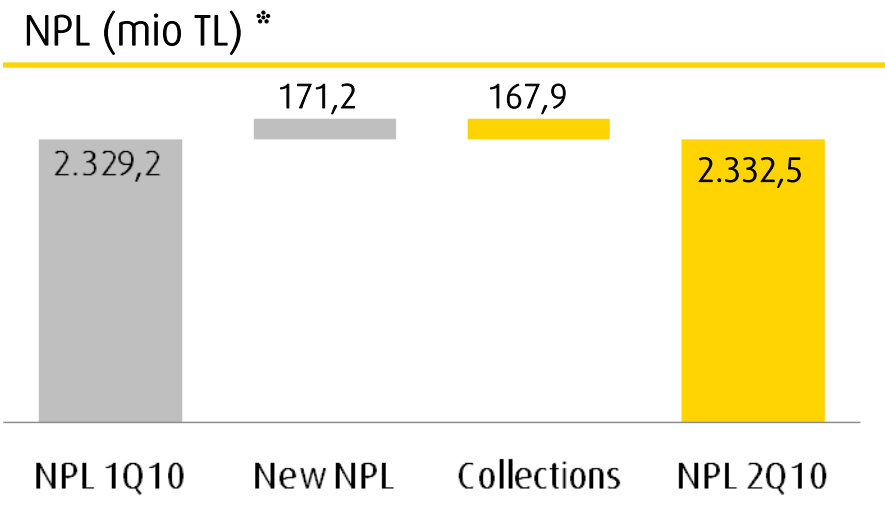
SME NPL (%)



Credit Cards NPL (%)



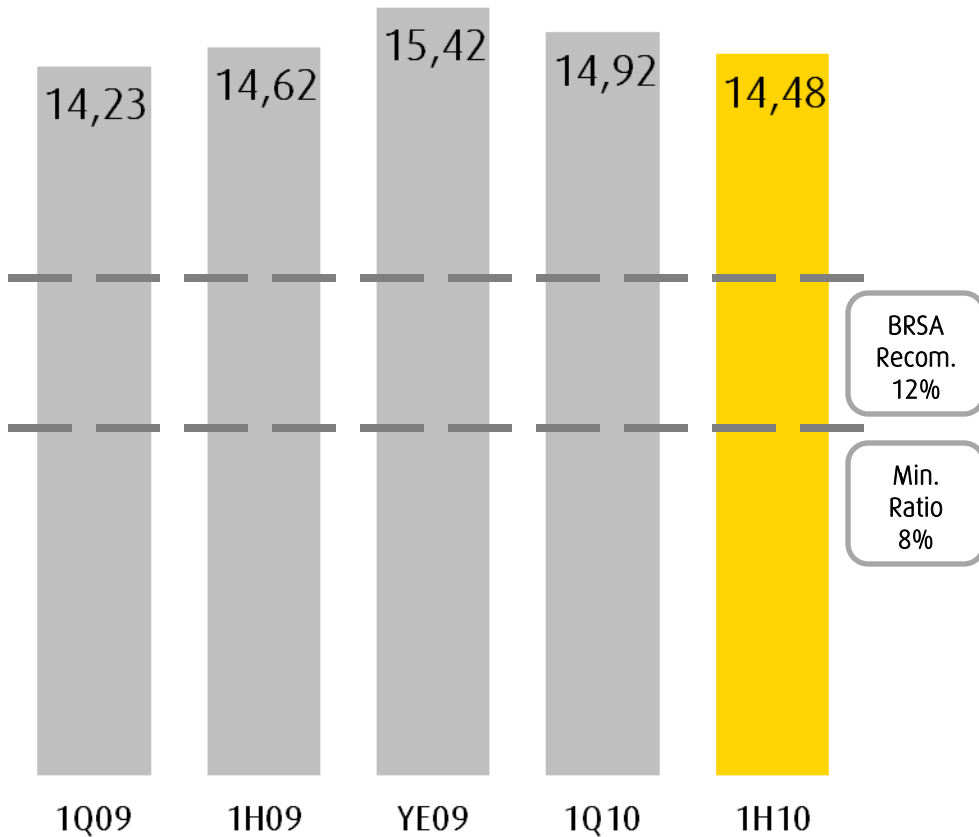
New NPLs are absorbed by collections; cash coverage increased to 97,1%



Significant cash coverage increase of **8,6 pps** QoQ due to NPL aging. The additional P/L effect after tax is estimated **160 mio TL** for 2Q10. The provisions set aside for **old NPL** in 2Q10 is **259 mio TL**; **90%** of total special provision cost of the period.

Capital Structure

Capital Adequacy Ratio (%)



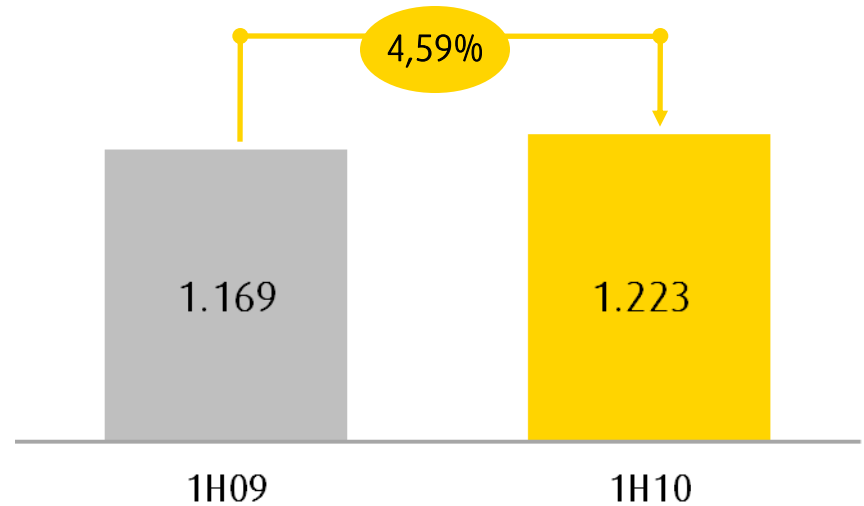
Conservatively low leveraged balance sheet

$$\frac{(\text{Liabilities} - \text{SHE})}{\text{SHE}} = 8$$

Earnings Summary

(TL-mio, %)	1H2009	1H2010	Growth
Net Interest Income	1.530,9	1.384,6	(9,6%)
Net F&C Income	218,8	214,0	(2,2%)
Net Trading Income	62,1	131,2	111,3%
Divident Income	24,3	35,1	44,7%
Other Operating Income	85,6	255,3	198,0%
Total Operating Income	1.921,7	2.020,2	5,1%
Total Operating Expenses (-)	752,3	797,1	5,9%
Operating Profit	1.169,4	1.223,0	4,6%
Provisions (-)	444,5	547,5	23,2%
Tax Provisions (-)	129,8	135,8	4,6%
Income from investments	0	0	n.A
Net Monetary Gain/Loss	0	0	n.A
Net Income	595,0	539,7	(9,3%)

Operating Profit (TL mio)

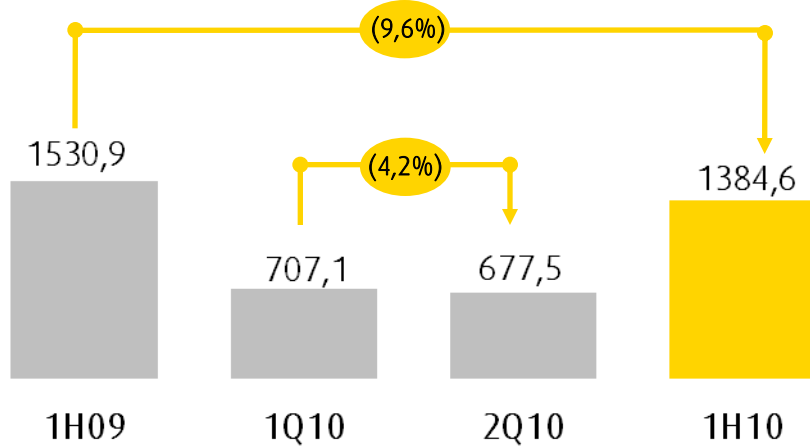


Cost/Income ratio

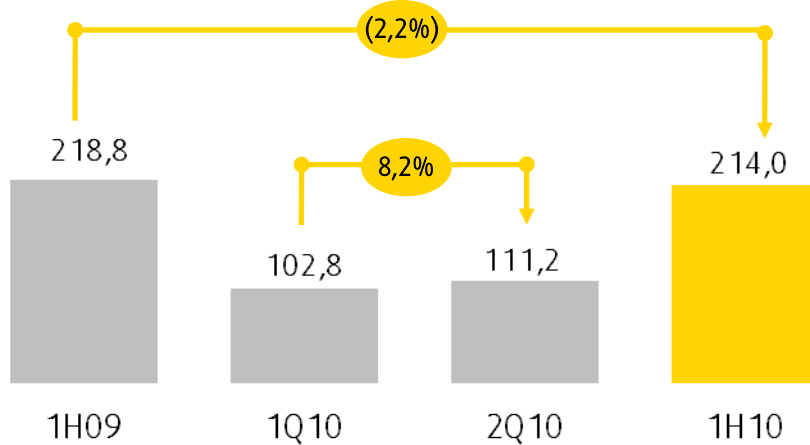
1Q10	2Q10
39,9%	39,0%

P & L Participants

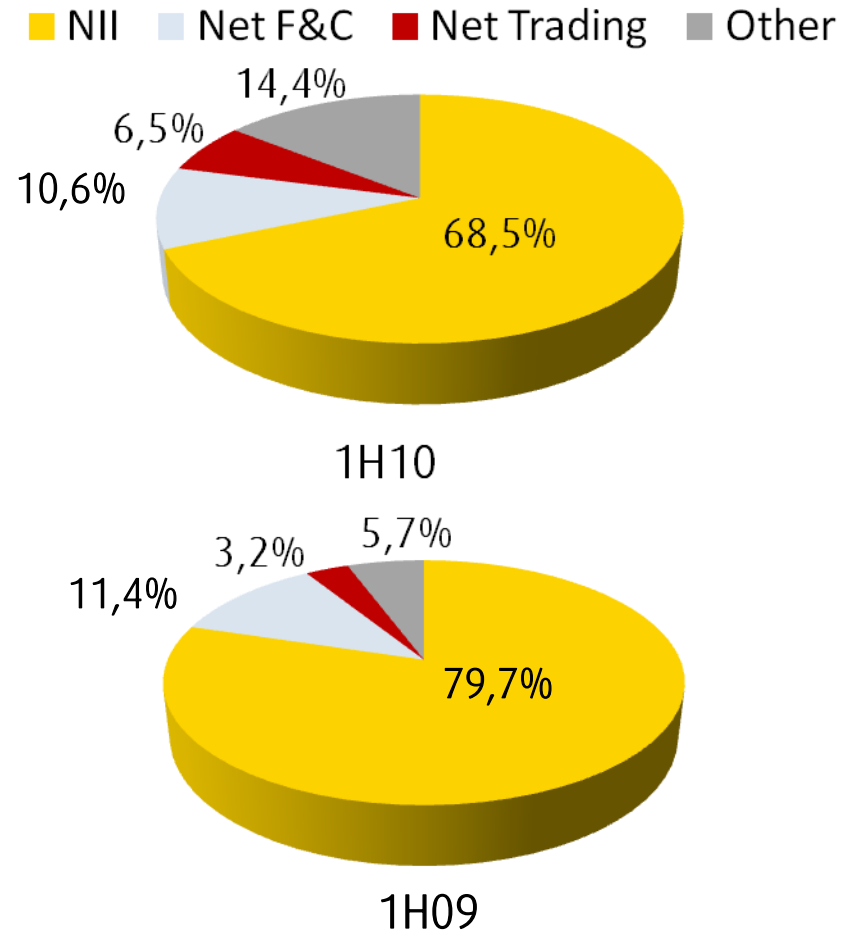
Net Interest Income (TL mio)



Net F & C Income (TL mio)



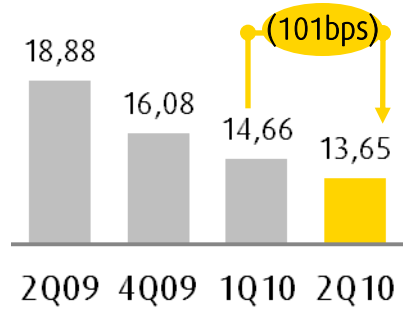
Breakdown of Total Revenues (%)



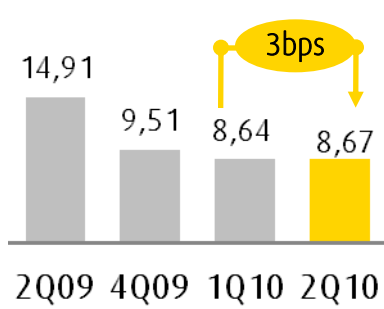
NIM, Spreads and Costs

Yields (%)

TL Loans

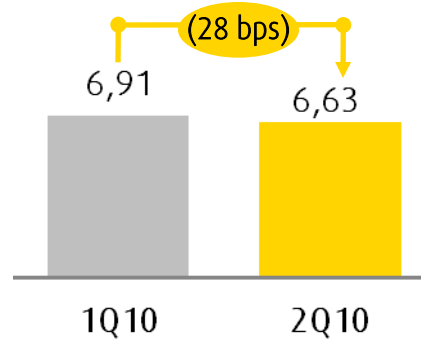


TL Securities

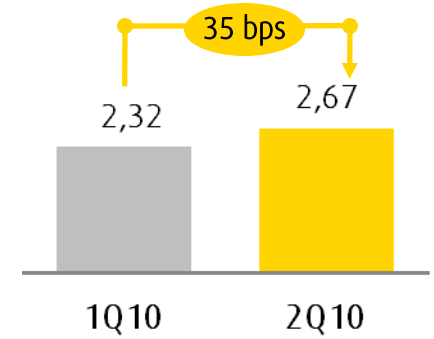


Cost of Deposits (%)

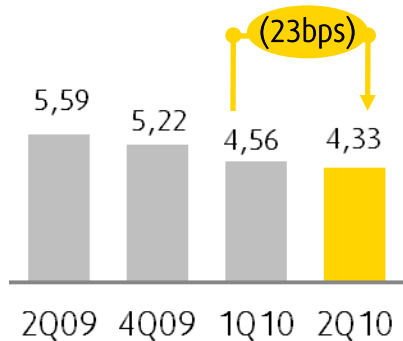
TL Deposits



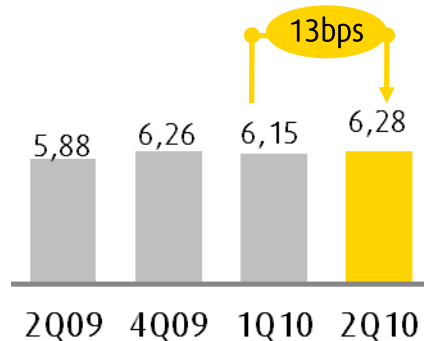
FC Deposits



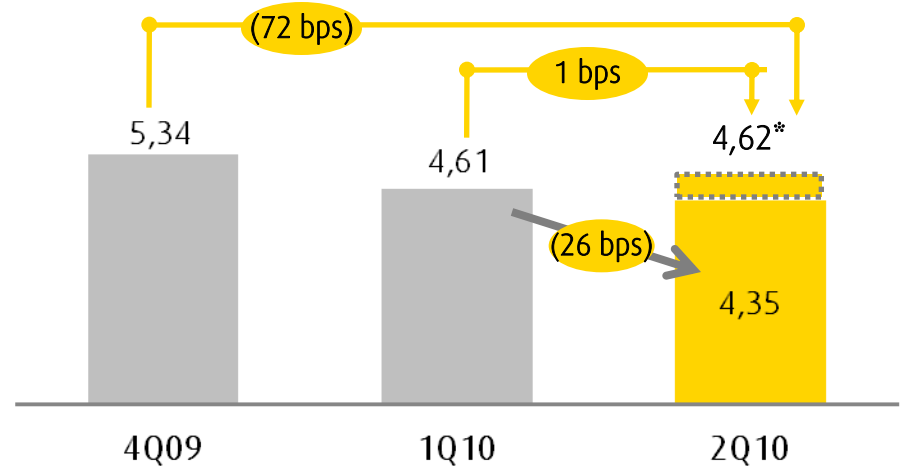
FC Loans



FC Securities



Net Interest Margin (NIM_%)



Vakifbank with numbers

Distribution Channels & Customer Base (#)	1H2010	Efficiency ('000 TL)	1H2010
Branches	576	Assets per Employee	6.868,0
ATMs	2.162	Assets per Branch	123.732,1
Personnel	10.377	Loans per Employee	3.799,7
POS Terminals	71.471	Loans per Branch	68.454,8
Outstanding Credit Cards	2,3 mn	Deposits per Employee	4.764,4
Debit Cards	16,2 mn	Deposits per Branch	85.834,0
Total Customers	10,5 mn		
Total Payroll Customers	2,1 mn		
Internet Banking Customers	1,4 mn		
Active Mutual Fund Customers	0,97 mn		

**Most efficient
bank in Turkey**

Balance Sheet

	(TL-mio, %)	1H2009	1Q2010	1H2010	YoY Growth	QoQ Growth
Assets	Cash & Balances with Central Bank	3.232	2.942	7.651	136,71%	160,03%
	Interbank	7.471	5.562	2.097	(71,93%)	(62,30%)
	Securities	13.756	21.921	19.360	40,74%	(11,68%)
	Loans	31.988	36.273	39.430	23,27%	8,70%
	Subsidiaries & Investments	594	750	779	30,90%	3,80%
	Property & Equipment	1.033	1.077	1.069	3,37%	(0,80%)
	Other	912	1.057	885	(3,03%)	(16,29%)
	Total Assets	58.987	69.582	71.270	20,82%	2,43%
Liabilities & SHE	Deposits	42.098	48.420	49.440	17,44%	2,11%
	Funds Borrowed	5.698	5.711	5.461	(4,17%)	(4,38%)
	Other	4.023	7.025	7.792	93,64%	10,91%
	Provisions	722	766	799	10,75%	4,45%
	Shareholders Equity	6.445	7.660	7.777	20,67%	1,53%
Off-B.S	Guarantees	8.592	8.937	9.267	7,86%	3,69%
	Commitments	7.493	9.175	8.898	18,75%	(3,02%)
	Derivatives	3.341	4.398	2.754	(17,58%)	(37,39%)

Income Statement

(TL-Thousand, %)	1H2009	1Q2010	1H2010	$\Delta\{1H10$ 1H09}	$\Delta\{2Q10$ 1Q10}
Net Interest Income	1.530.914	707.128	1.384.582	(9,56%)	(4,20%)
Net Fee & Com. Income	218.761	102.792	214.035	(2,16%)	8,22%
Divident Income	24.265	13.669	35.102	44,66%	56,80
Net Trading Income	62.084	49.517	131.181	111,30%	64,92%
Other Income	85.648	106.448	255.258	198,03%	39,80%
Total Revenues	1.921.672	979.554	2.020.158	5,13%	6,23%
Operating Expense	(752.300)	(390.954)	(797.148)	5,96%	3,90%
Provisions	(444.544)	(207.371)	(547.514)	23,16%	64,03%
Tax Provisions	(129.786)	(76.717)	(135.809)	4,64%	(21,58%)
Net Income	595.042	305.112	539.687	(9,30%)	(23,12%)



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