

www.vakifbank.com.tr

Earnings Presentation
BRSA Bank-Only YE2009
February 18, 2010



4Q 2009 Vakifbank Highlights

- ✓ Bank-only net profits reached 1.251 mio TL, up by 66% YoY;
- ✓ 4Q09 net profits were 311 mio TL, up by 68% YoY;
- ✓ Net Interest Income increased by 56% YoY, down by 2% QoQ,
- ✓ NIM is up by 77 bps YoY to 5,34%, down by 42 bps QoQ due to lower yield TL securities
- ✓ The lowest cost of TL deposits in Turkey with 6,88%, down by 155 bps QoQ.

Well Positioned & Actively Managed Balance Sheet

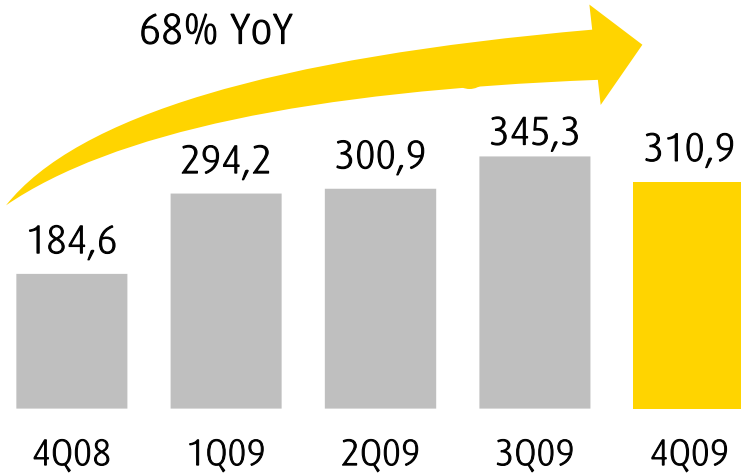
- ✓ Strong liquidity maintained with one of the highest ratio in the system 14,2%*.
- ✓ Deposits reliant funding structure, 69% of liabilities are deposits.
- ✓ Modest foreign borrowing, only 6,7% of total liabilities.
- ✓ Conservative Loan/Deposit ratios, 77% blended, 74% for TL, 84% for FC.
- ✓ Majority of securities are classified under AFS; 81%.

4Q 2009 Vakifbank Highlights

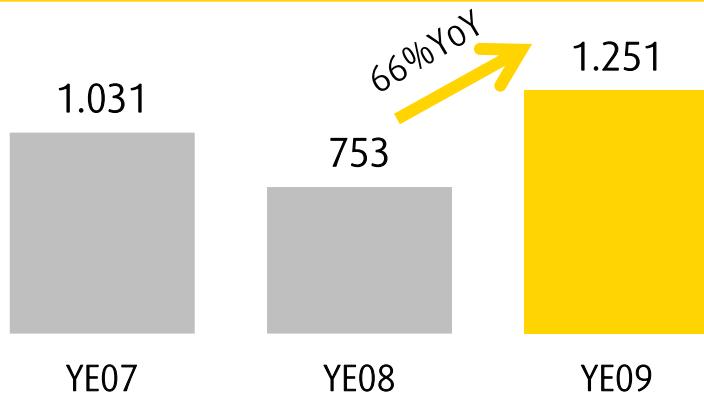
- ✓ Selective but stronger lending; loan growth 13,2% YoY & 4,35% QoQ.
- ✓ Lending growth is achieved through key retail segments;
 - Fastest growth was in mortgages with 8,3% QoQ & 27,4%YoY,
 - Vakifbank lent more residential mortgages than any bank in 2H 2009.
 - Vakif World continued to perform, credit card loans were up by 7,5% QoQ&33,2% YoY, Both supported with pay-roll franchise, +2,1 million clients & # 1 in Turkey.
- ✓ Strong deposits growth 20,2% YoY, outperforming sector average.
- ✓ Timely expansion of securities portfolio continued with a growth of 60,9% YoY&12,9 QoQ sizable additions to AFS delivered strong MtM gains; 458 mio TL additions to equity in 2009.
- ✓ CAR is up by 38 bps QoQ to 15,42%.
- ✓ NPL growth continued to outperform sector average without asset sale & write off support; NPL increase of 45% YoY is lower compared to sector average 55% YoY*

Solid Earnings Growth

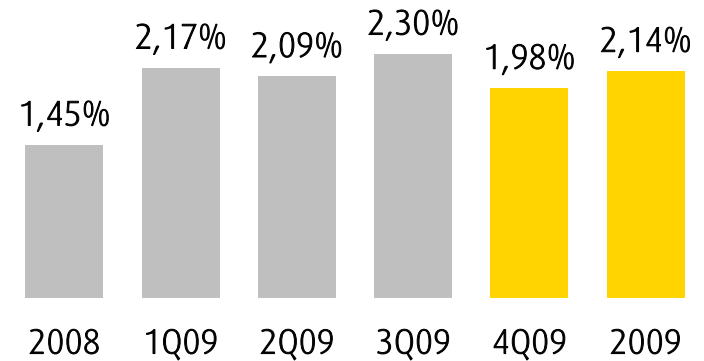
Quarterly Net Income (Mio TL)



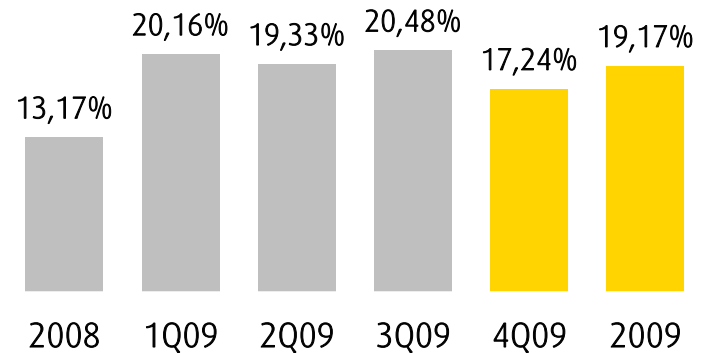
Net Income (Mio TL)



ROAA (%)

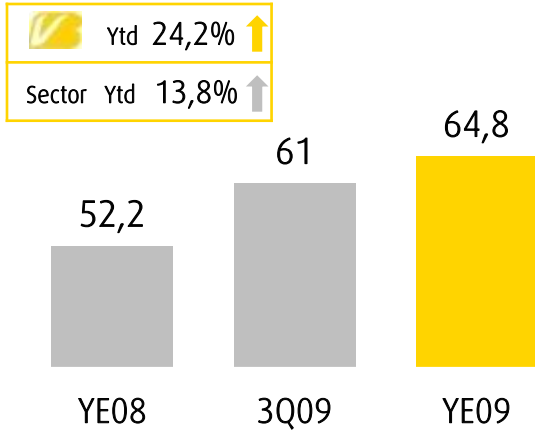


ROAE(%)

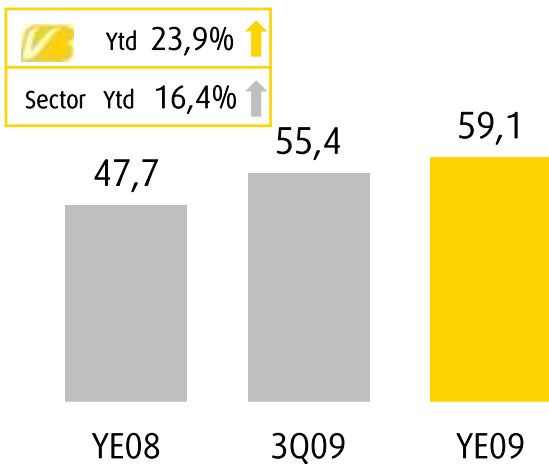


Total Assets

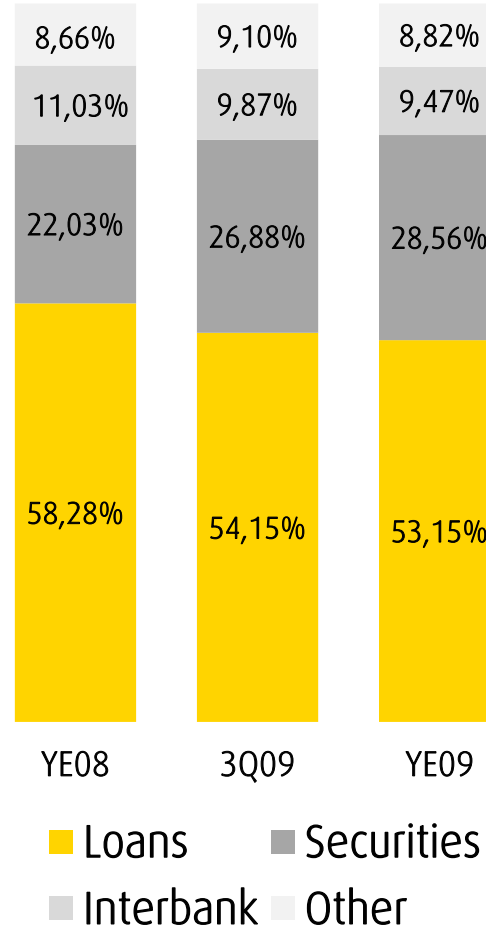
Total Assets (TL bio)



Interest Earning Assets (TL bio)



Breakdown of Assets (%)



Asset Growth;
Ytd

24,2%

IEA Growth;
Ytd

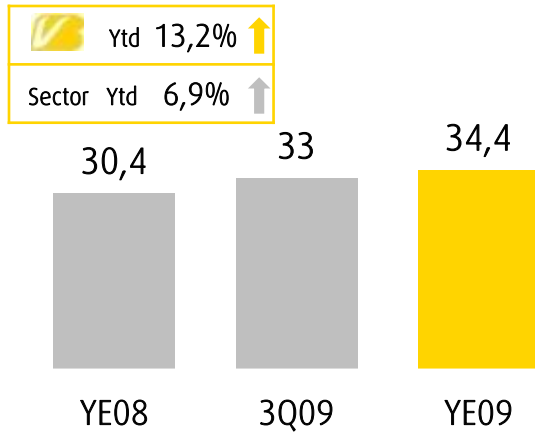
23,9%

Liquidity*;

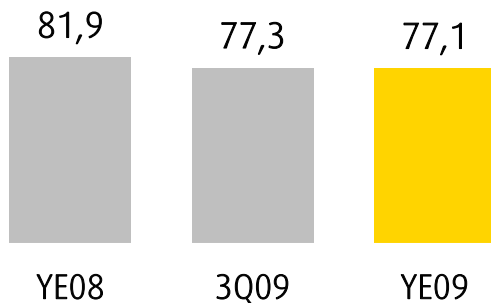
14,2%

Selective but stronger than sector average lending, focus on blue-chip clients

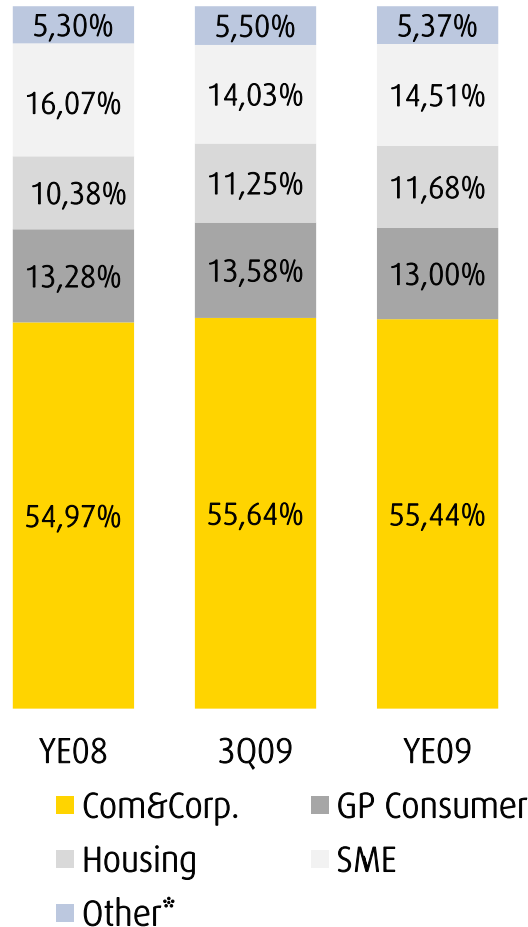
Total Loans (TL bio)



Loans/Deposits (%)



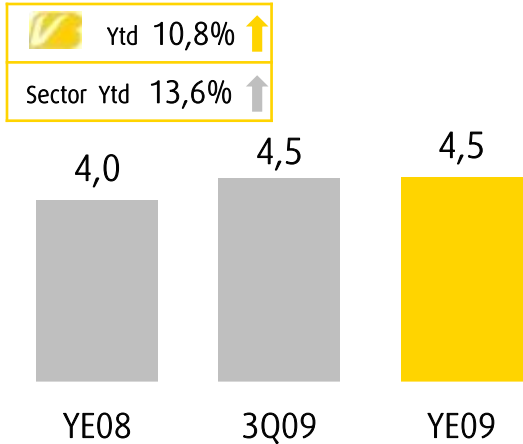
Breakdown of Loans (TL bio)



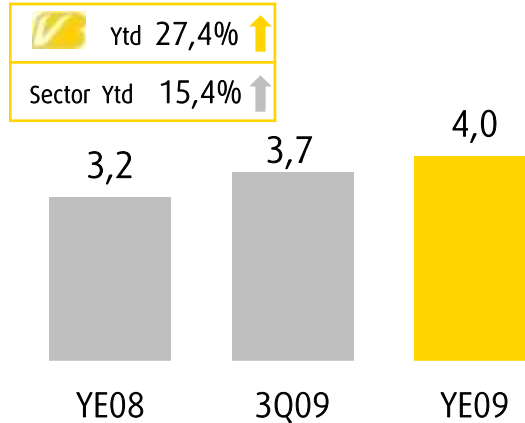
Loan Growth;
Ytd;
13,2%
TL Ytd;
21,6%
vs.
Sector Ytd;
6,9%
TL Ytd;
9,9%

Growth is achieved from high quality retail segments

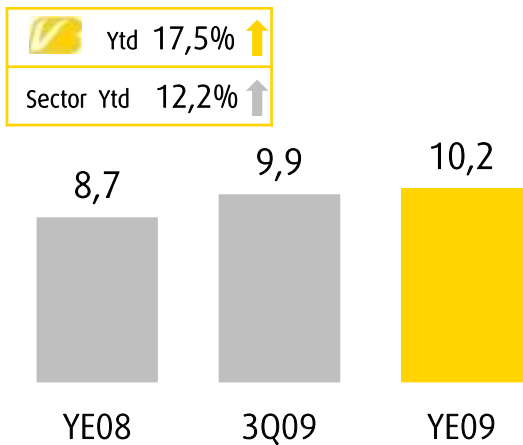
General Purpose Consumer (TL bio)



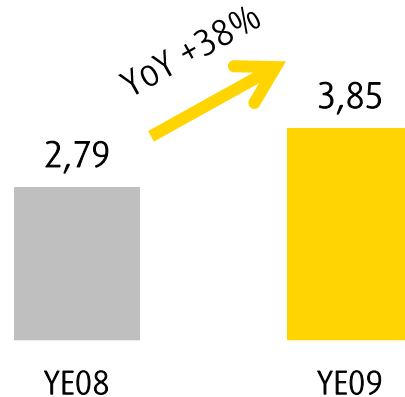
Residential Mortgages¹ (TL bio)



Total Retail (TL bio)



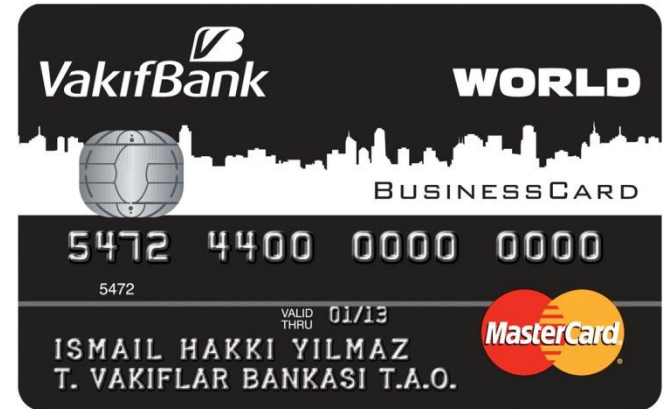
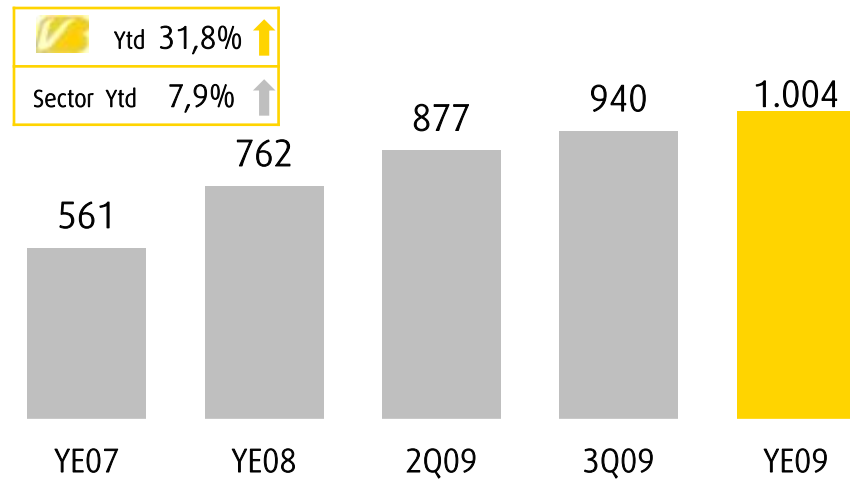
Retail Cross Selling Ratio



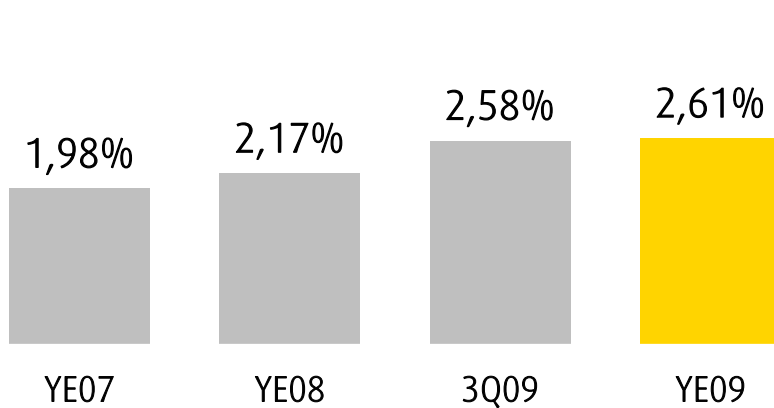
#1 in residential mortgages in the 2H 2009

Sustainable & consistent growth in Credit Cards

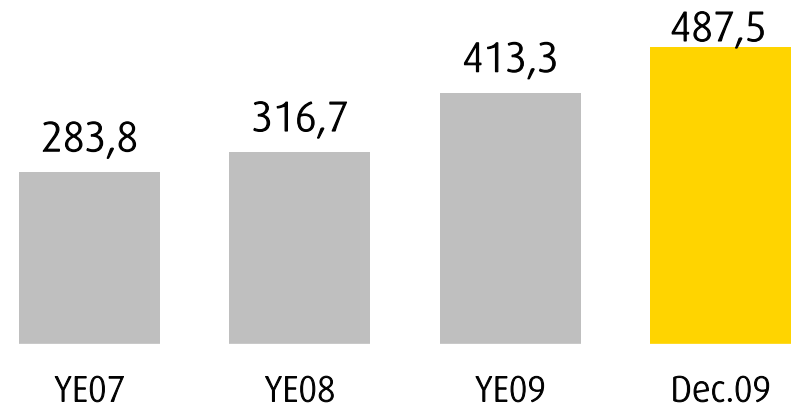
Credit Card Loans (TL mio)



Market share* (%)

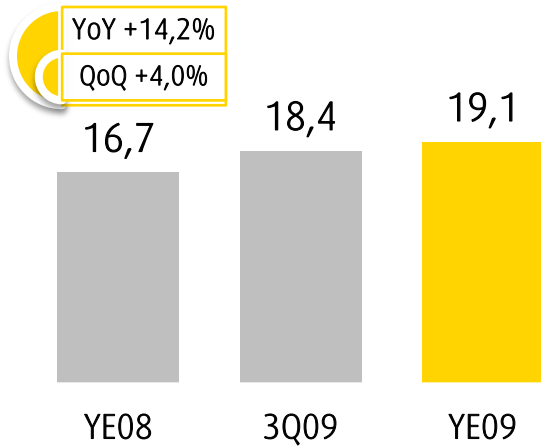


Average Monthly Issuing Volume (TL mio)

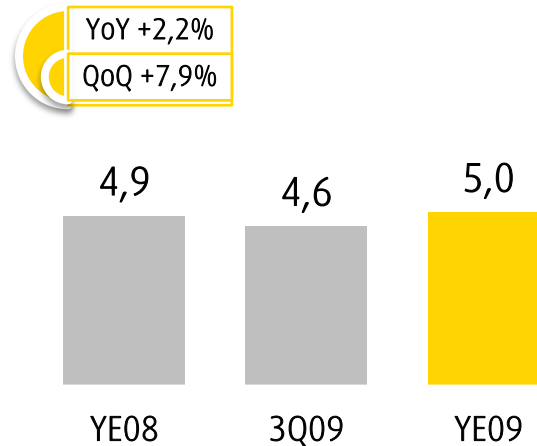


Well diversified loan portfolio

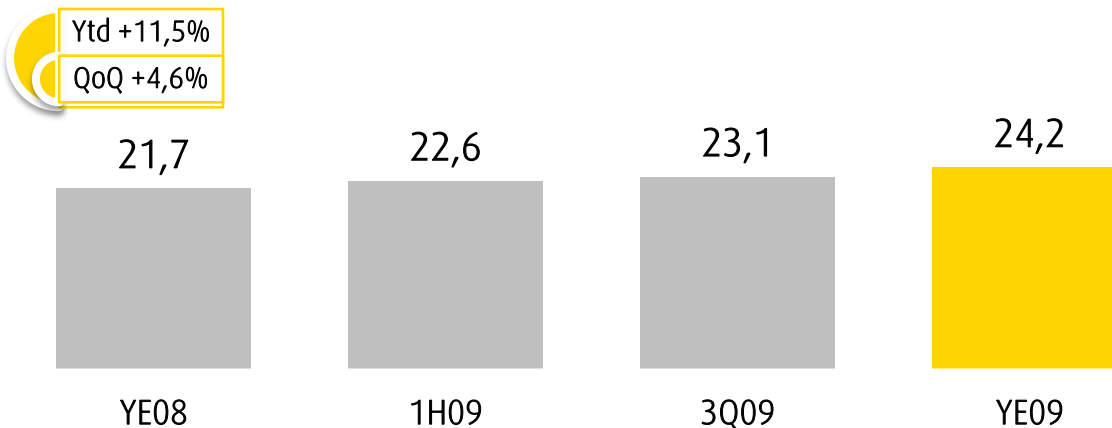
Commercial & Corporate (TL bio)



SME (Com. Inst.) (TL bio)



Total Commercial Loans* (TL bio)



Commercial & Corporate Loan Growth Ytd;

14,2%,

Highly collateralized & selective SME lending Ytd;

2,2%

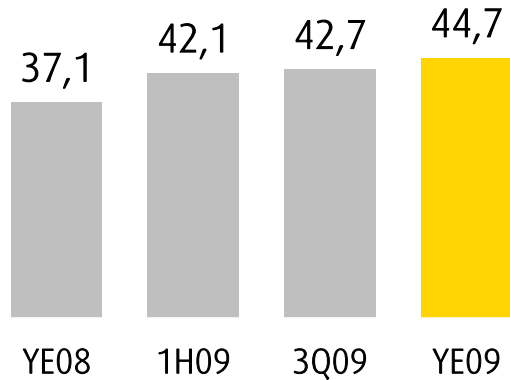
vs

sector average

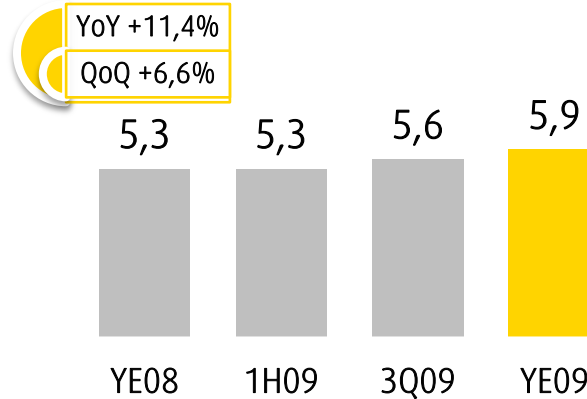
-2,1%

Solid Deposit Franchise

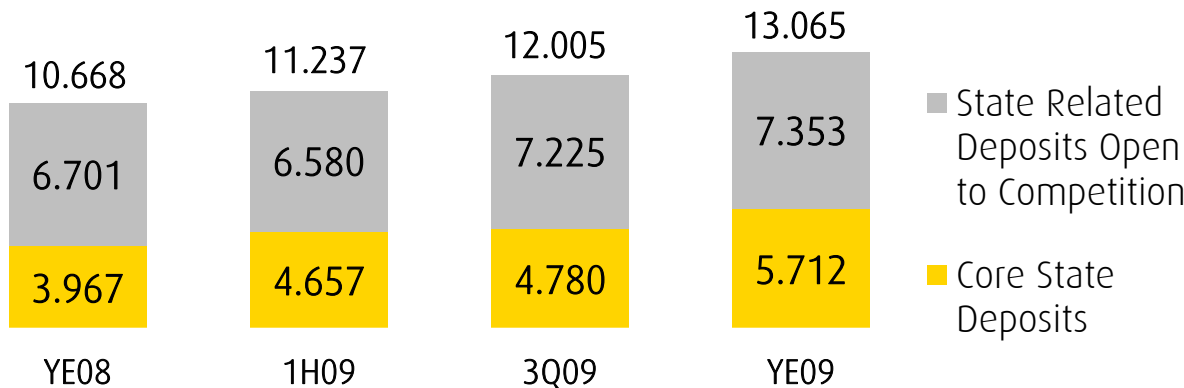
Total Deposits (TL bio)



Demand Deposits (TL bio)



State Related Deposits (TL mio)



Strong deposits growth; Ytd

20,3%

Outperforming sector average growth Ytd;

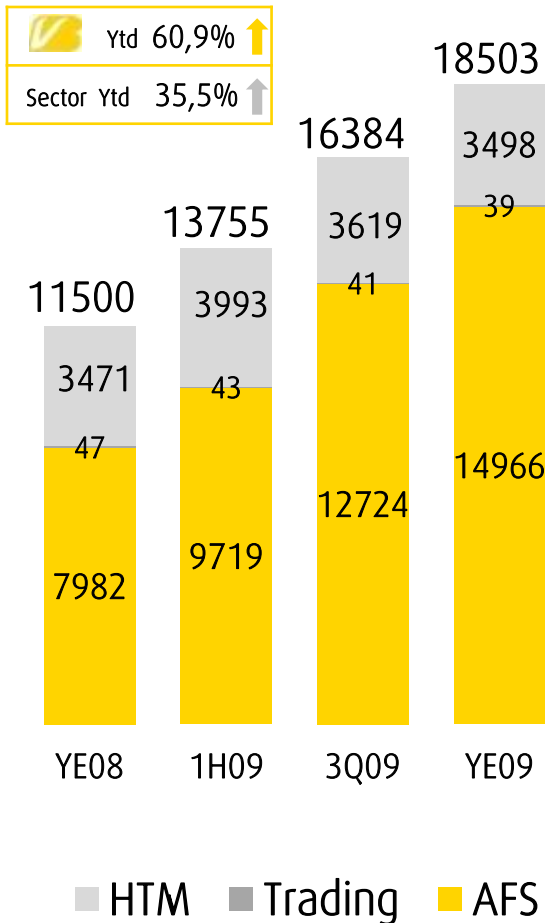
%13,2

Demand Deposits QoQ;

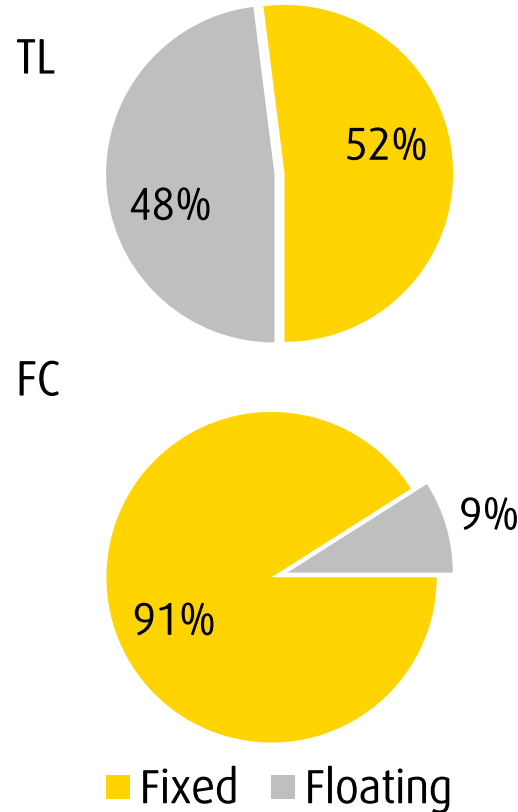
6,6%

Actively managed B/S & timely expansion of securities portfolio

Total Securities (YTL mio)



Portfolio Structure



Increased mix of securities in 2009;

28,6%

of total assets.

Growth YoY:

Total Securities;

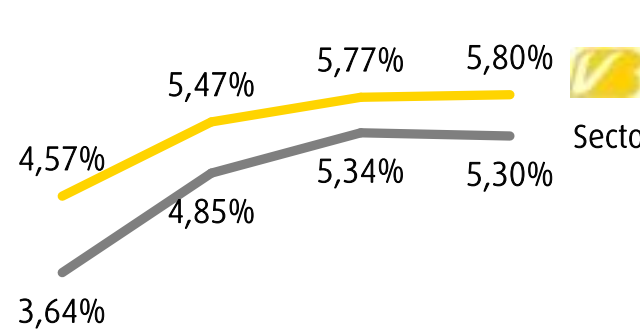
60,9%

TL Securities;

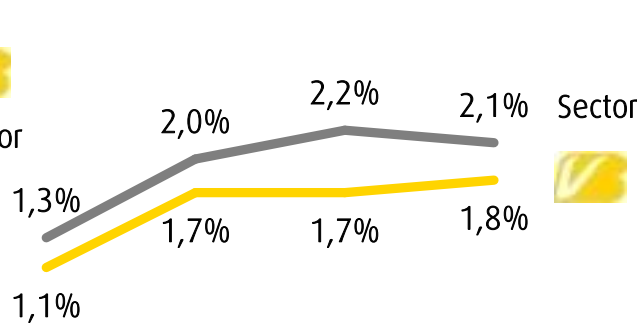
78,2%

Maintained differentiation from the system with slower NPL generation

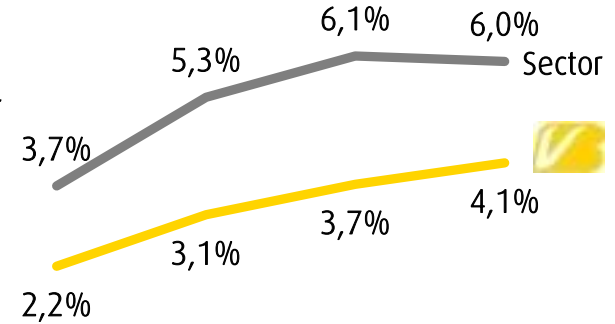
Overall NPL Ratio* (%)



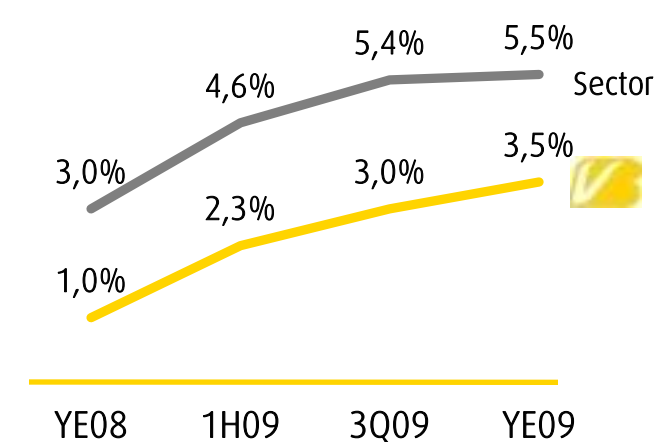
Mortgages NPL (%)



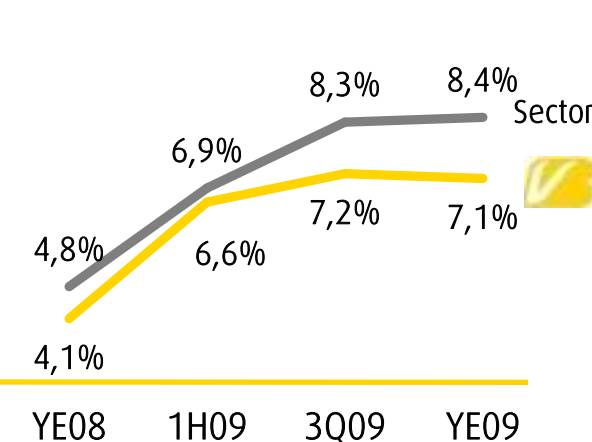
Total Retail NPL (%)



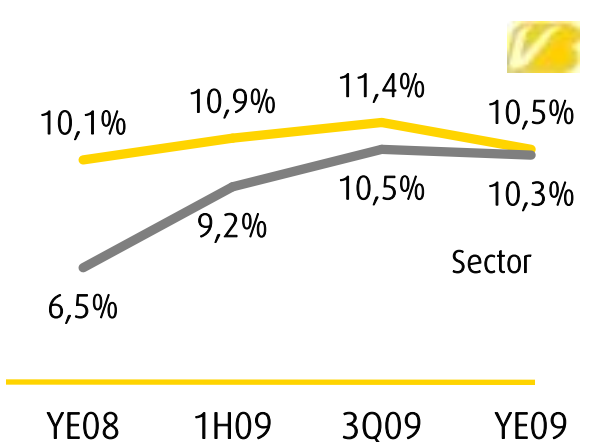
General Purpose Consumer NPL (%)



SME NPL (%)

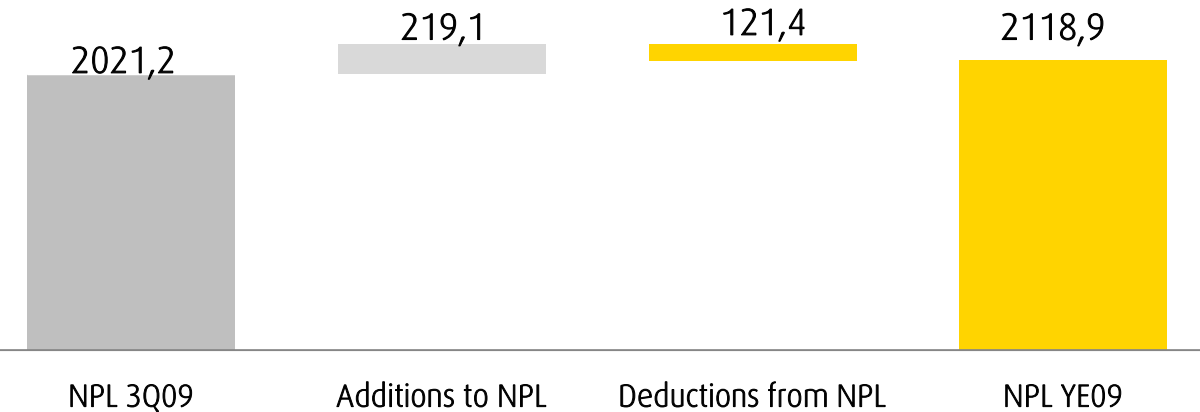


Credit Cards NPL (%)



Sustained asset quality & conservatively increased NPL coverage

NPL (mio TL) *



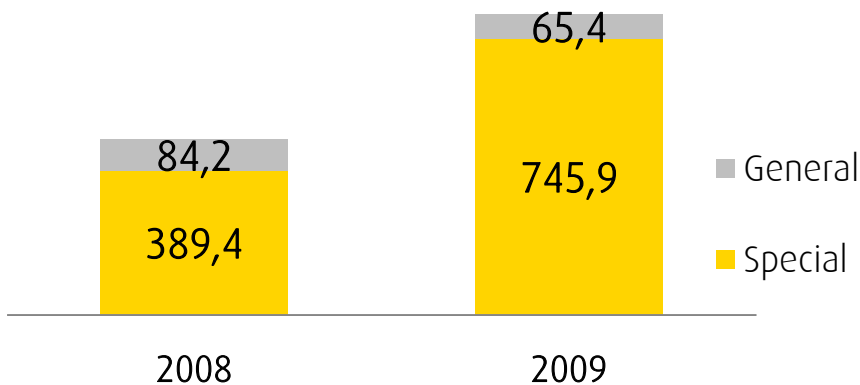
Lower NPL Growth;
 Ytd Sector Ytd

45% **55%**

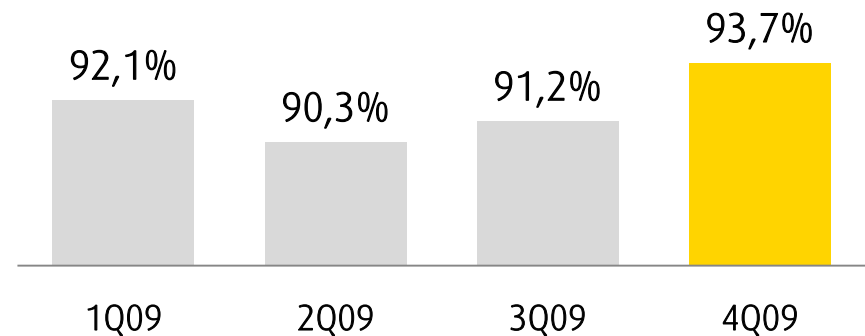
Lower Cost of Risk;
 YE09 3Q09

218 bps** **234 bps**

Total Loan Loss Provisions (mio TL)

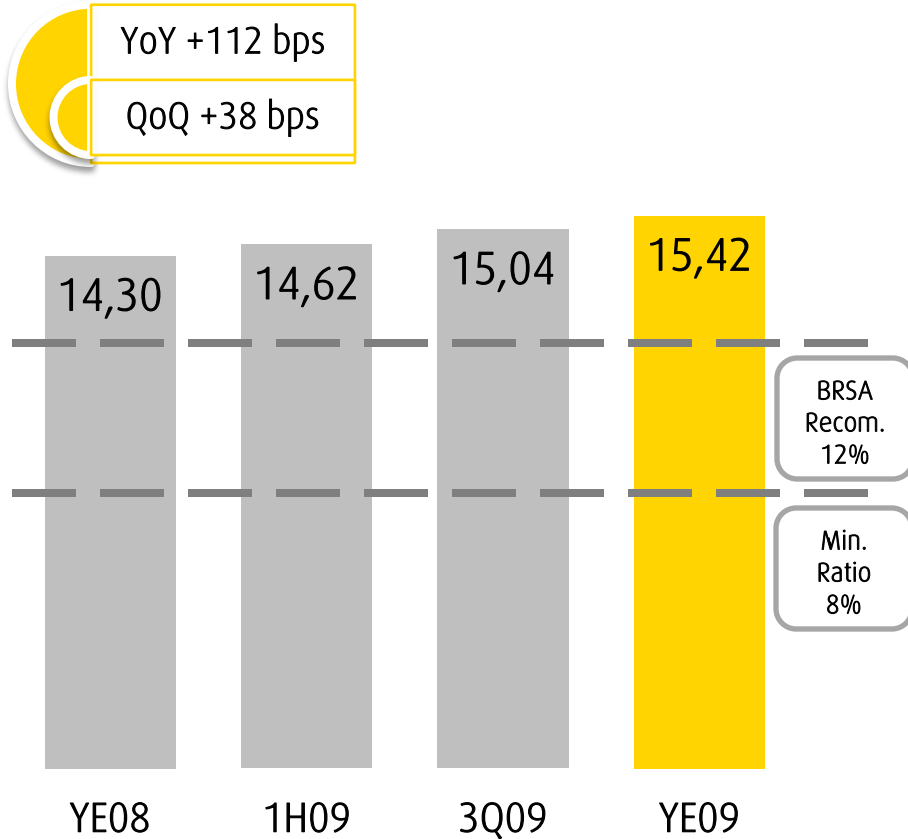


Cash Coverage Ratio of NPL (%)



Effective capital management, CAR is up by 112 bps

Capital Adequacy Ratio (%)



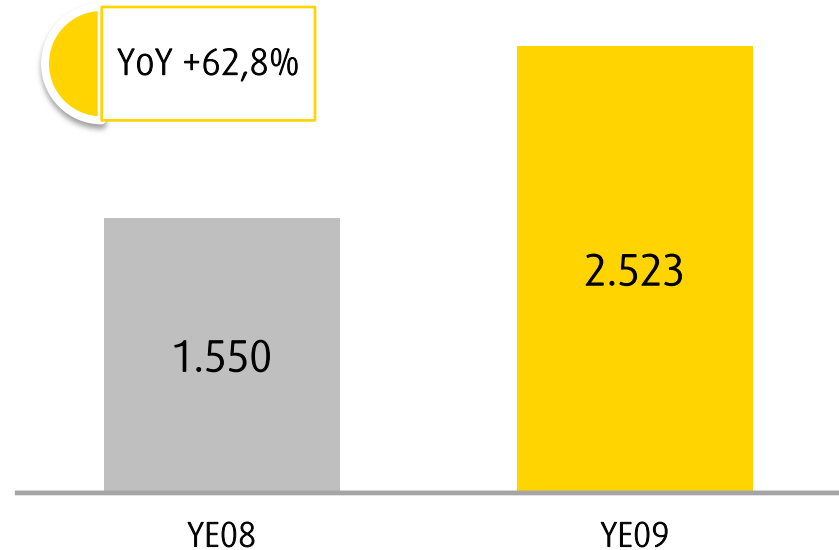
Conservatively lower leveraged than peers average

Liabilities / SHE = 8,8

Earnings Summary

(TRY-mio, %)	YE2008	YE2009	Growth
Net Interest Income	1.974,7	3.077,4	55.8%
Net F&C Income	466,2	465,5	-0.1%
Net Trading Income	89,7	177,8	98,1%
Divident Income	25,5	24,3	-4,8%
Other Operating Income	312,7	311,2	-0.5%
Total Operating Income	2.868,8	4.056,2	41.4%
Total Operating Expenses (-)	1.319,2	1.532,7	16.2%
Operating Profit	1.549,7	2.523,5	62.8%
Provisions (-)	624,3	981,3	57.2%
Tax Provisions (-)	172,1	291	69.0%
Income from investments	0	0	n.a.
Net Monetary Gain/Loss	0	0	n. a.
Net Income	753,2	1.251,2	66.1%

Operating Profit (TL mio)

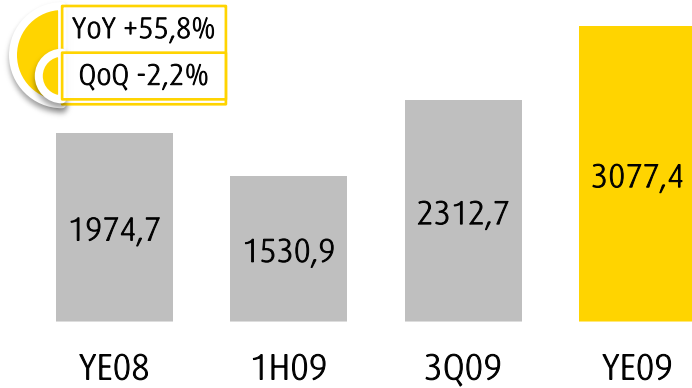


Cost/Income ratio improved:
YE2008 YE2009

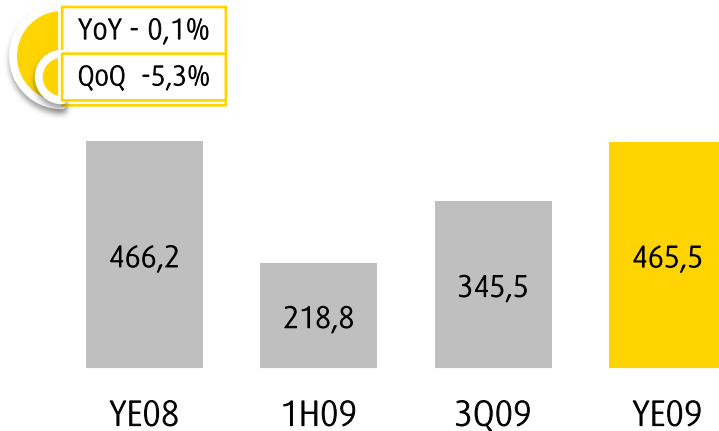
45,7% **37,8%**

P & L Participants

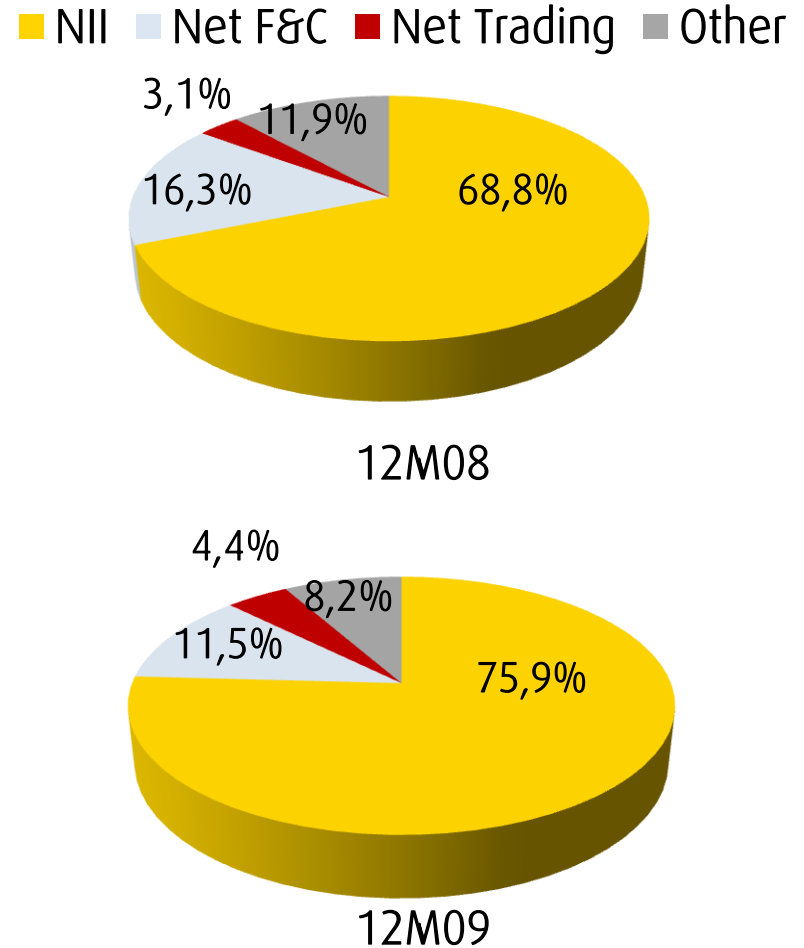
Net Interest Income (TRY mio)



Net F & C Income (TRY mio)



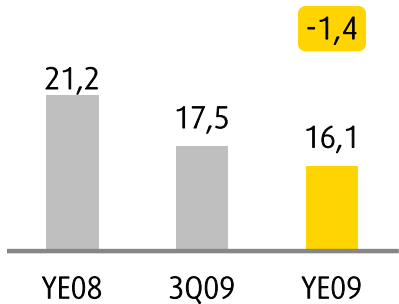
Breakdown of Total Revenues (%)



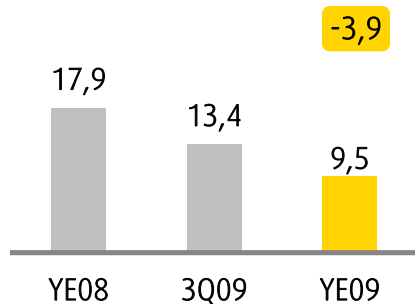
Historically Lowest Cost of TL Deposits in Turkey

Yields (%)

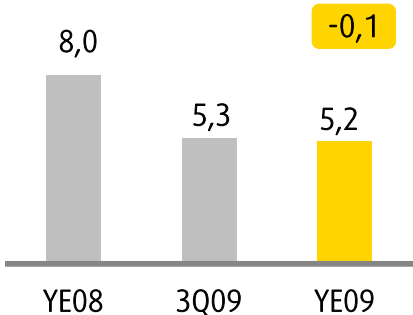
TL Loans



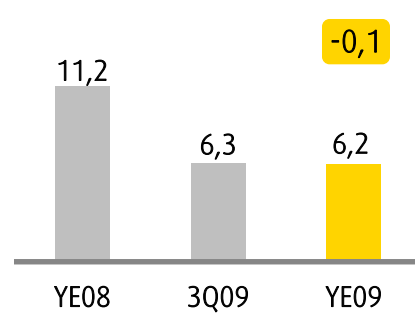
TL Securities



FC Loans

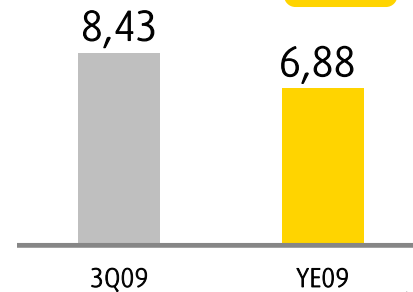


FC Securities

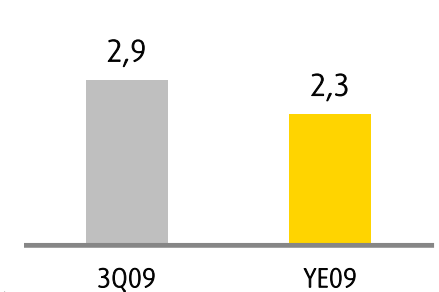


Cost of Deposits (%)

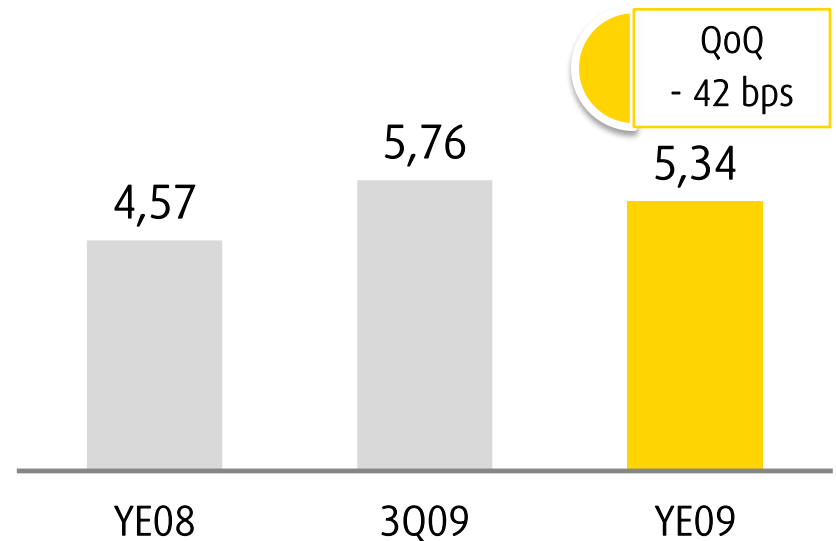
TL Deposits



FC Deposits



Net Interest Margin (NIM)



Vakifbank with numbers

Distribution Channels & Customer Base (#)	YE2009	Efficiency ('000 TRY)	YE2009
Branches*	545	Assets per Employee	6.383,4
ATMs	2.168	Assets per Branch	118.894,8
Personnel	10.151	Loans per Employee	3.392,6
POS Terminals	73.367	Loans per Branch	63.190,3
Outstanding Credit Cards	2,2 mn	Deposits per Employee	4.398,7
Debit Cards	15,9 mn	Deposits per Branch	81.929,8
Total Customers	10,1 mn		
Total Payroll Customers	2,1 mn		
Internet Banking Customers	1,3 mn		
Active Mutual Fund Customers	0,94 mn		

Most efficient bank in Turkey

Balance Sheet

	(TRY-mio, %)	YE2008	3Q2009	YE2009	YoY Growth	QoQ Growth
Assets	Cash & Balances with Central Bank	2.105	2.886	3.050	44.9%	5.7%
	Interbank	5.759	6.017	6.139	6.6%	2.0%
	Securities	11.500	16.385	18.503	60.9%	12.9%
	Loans	30.417	33.004	34.439	13.2%	4.3%
	Subsidiaries & Investments	539	670	688	27.6%	2.7%
	Property & Equipment	985	1.070	1.083	9.9%	1.2%
	Other	889	918	895	0.7%	-2.5%
	Total Assets	52.193	60.953	64.798	24.1%	6.3%
Liabilities & SHE	Deposits	37.120	42.701	44.652	20.3%	4.6%
	Funds Borrowed	5.770	5.389	4.366	-24.3%	-18.9%
	Other	2.957	5.029	7.590	156.7%	50.9%
	Provisions	675	791	808	19.7%	2.1%
	Shareholders Equity	5.671	7.043	7.381	30.1%	4.8%
Off-B.S	Guarantees	8.011	8.751	9.094	13.5%	3.9%
	Commitments	6.279	16.626	8.061	28.4%	-51.5%
	Derivatives	2.512	3.062	2.963	17.9%	-3.2%

Income Statement

(TRY-Thousand, %)	YE2008	3Q2009	YE2009	$\Delta\{4Q09$ $3Q09\}$	$\Delta\{YE09$ $YE08\}$
Net Interest Income	1.974.691	2.312.716	3.077.425	33%	55.8%
Net Fee & Com. Income	466.215	345.533	465.547	34.7%	-0.1%
Divident Income	25.499	24.265	24.265	0%	-4.8%
Net Trading Income	89.720	148.382	177.766	19.8%	98.1%
Other Income	312.704	171.762	311.216	81.2%	-0.5%
Total Revenues	2.868.829	3.002.658	4.056.219	35%	41.4%
Operating Expense	1.319.172	1.125.178	1.532.720	36.2%	16.2%
Provisions	624.319	735.617	981.325	33.4%	57.2%
Tax Provisions	172.140	201.568	290.968	44.3%	69%
Net Income	753.198	940.295	1.251.206	33%	66.1%



Investor Relations

Çamlık Cad. Çayır Çimen Sok. No:2 Kat:5

34330 1. Levent-İstanbul / Turkey

E-mail: investor.relations@vakifbank.com.tr

Tel (90-212) 316 7120

Fax (90-212) 316 7126

www.vakifbank.com.tr

Disclaimer Notice: This report has been prepared by Vakifbank, Investor Relations Department and is provided for information purposes only. Although the information on which the report is based has been obtained from sources which we believe to be reliable, no representation or warranty is made by Vakifbank for the accuracy or completeness of the information contained herein. Information contained herein is subject to change without notice. Vakifbank accepts no liability whatsoever for any direct or consequential loss of any kind arising out of the use this document or any part of its content.