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Earnings Presentation

BRSA Bank-Only 3Q 2010

November 10, 2010



3Q 2010 Macro Highlights

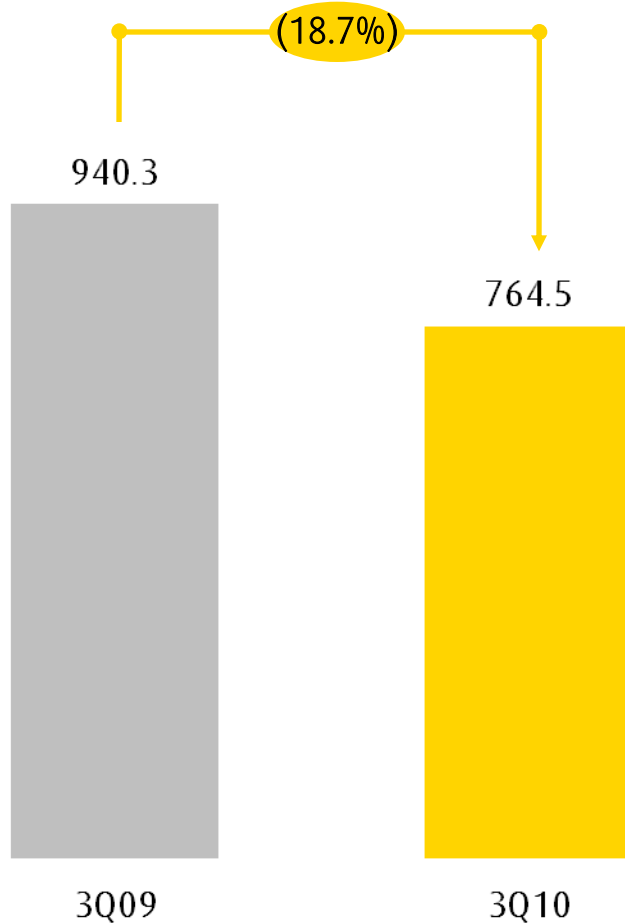
- ✓ Global recovery is still fragile with public sector and trade imbalances threatening financial stability.
- ✓ Subdued growth trends in developed countries against stronger dynamics of emerging economies.
- ✓ FED has already started second round of quantitative easing. On a global scale monetary policies are expected to be loose for an extended period.
- ✓ Robust growth performance in Turkey; 10.3% in 2Q10, following 11.7% in 1Q10. Second highest growth among G20 after China. Output gap has been closing decisively.
- ✓ Consumer prices rose 9.24% YoY in September, but core inflation continue to trend downwards since April. Overall inflation dynamics are consistent with the medium term targets.
- ✓ CBRT took serious steps towards monetary tightening reversing many of the temporary liquidity measures taken during the crisis period and expected to keep interest rates at low levels until the end of 2Q 2011.
- ✓ TL appreciated by 8.9% against USD in 3Q10 as a result of increasing foreign capital inflows.

3Q 2010 VakifBank Highlights

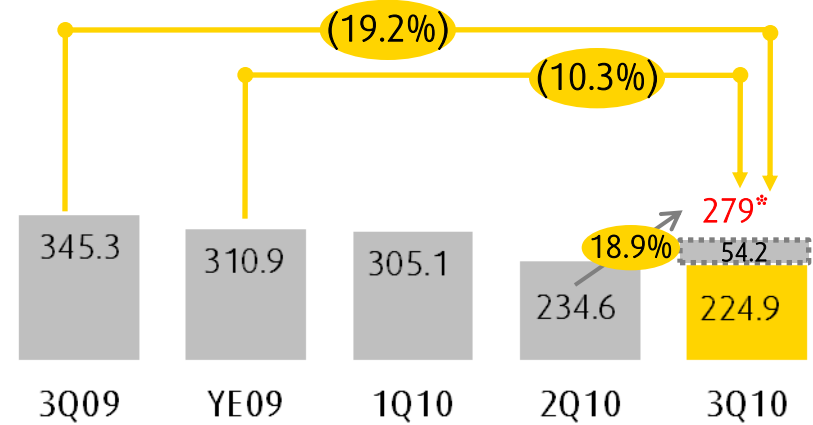
- ✓ Bank-Only net profits are 764.5 mio TL, down by 18.7% YoY.
- ✓ Lowest NIM contraction among peer group; NIM is down by only 30 bps QoQ to 4.05%.
- ✓ Continued lending growth especially in key retail segments, outperforming sector averages;
 - ✓ Remarkable general purpose consumer loan growth, QoQ 13.1% vs sector 9.6%.
 - ✓ Strong residential mortgage loan growth, QoQ 9.3% vs sector 5.8%.
- ✓ Refraining from deposit competition helped to defend the margins;
 - ✓ Modest total deposit growth; 6.4% Ytd, TL deposits growth Ytd 9%,
 - ✓ FC deposits growth Ytd in USD terms 2.7%.
 - ✓ Well managed deposit base, TL cost of deposits is maintained at 6.7%.
- ✓ Stronger collections, up by 11% QoQ and lower new NPL, down by 7.6% QoQ, resulted in asset quality improvement, NPL ratio is down by 31 bps QoQ to 5.28%.
- ✓ Normalised Cost of Risk at 0.44%;
- ✓ Conservatively additional 67.7 mio TL discretionary provision is set aside for Group II Loans.
- ✓ Opex under control, up by only 8.6% YoY, despite new branch openings of 58 Ytd in 2010.

3Q 2010 Earnings

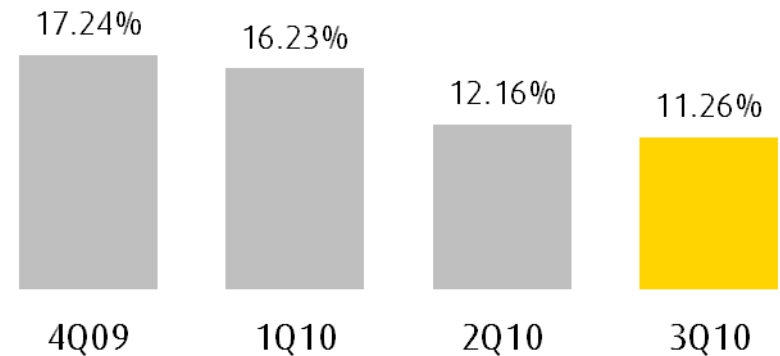
Net Income



Quarterly Net Income (Mio TL)*

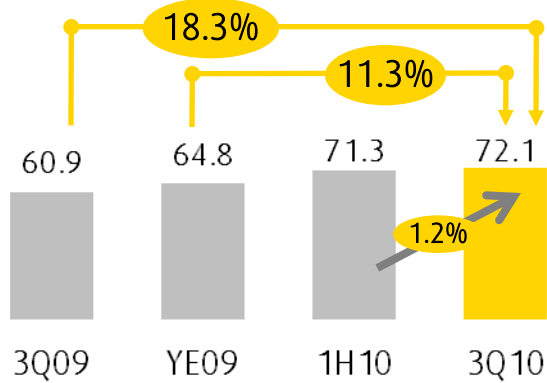


ROAE (%)

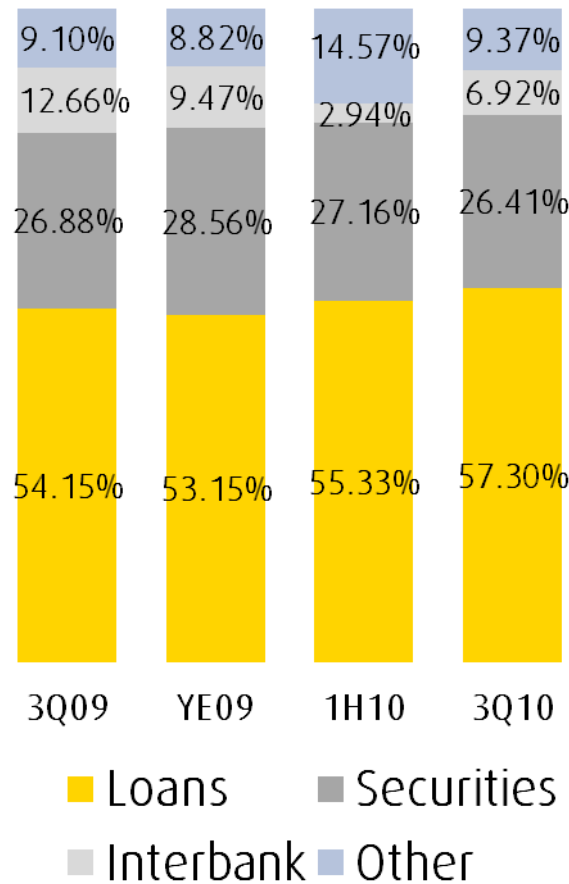


Total Assets

Total Assets (TL bio)



Breakdown of Assets (%)



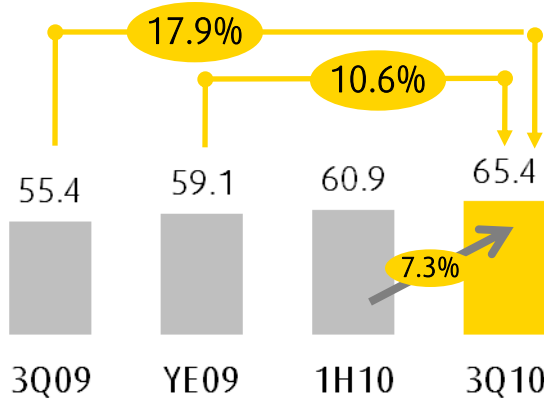
Asset Growth;
YoY

18.3%

Ytd

11.3%

Interest Earning Assets (TL bio)

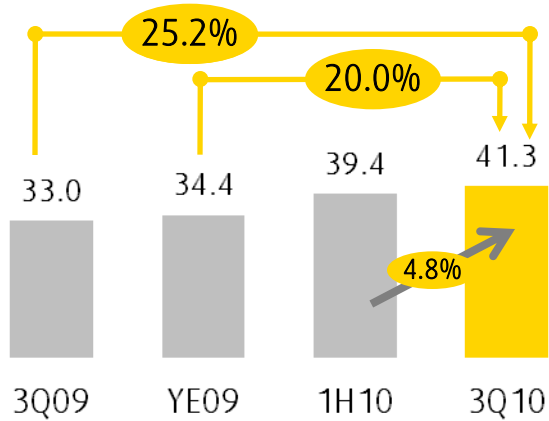


Liquidity*;

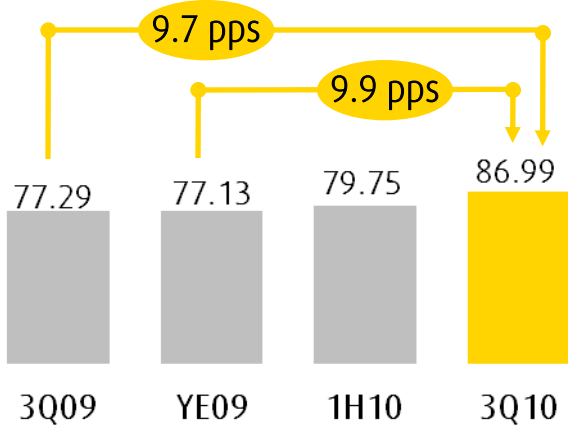
12.2%

Retail lending driven loan growth

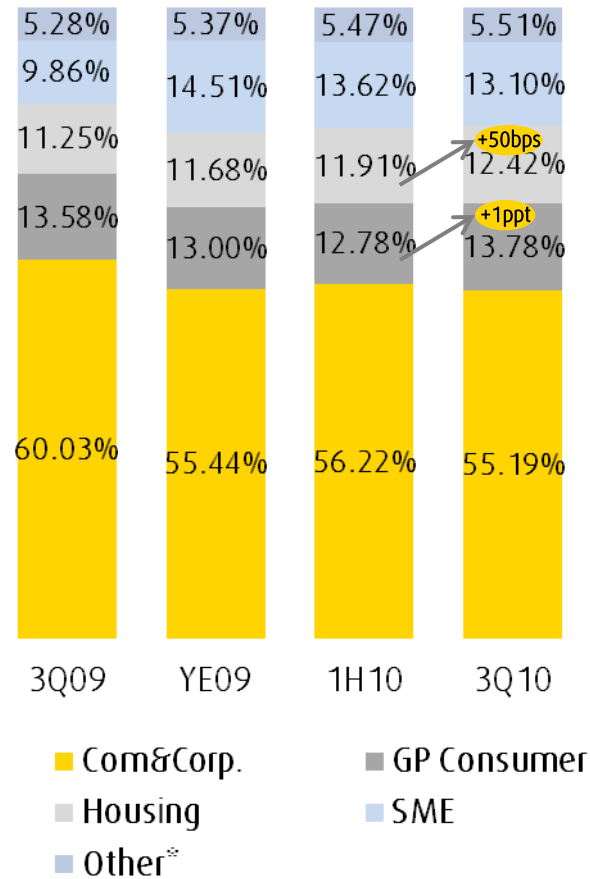
Total Loans (TL bio)



Loans/Deposits (%)



Breakdown of Loans (TL bio)



Loan Growth; Ytd

20%

TL Ytd;

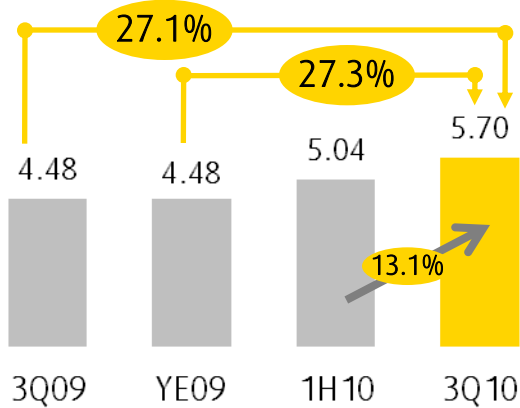
23%

FC in USD Ytd;

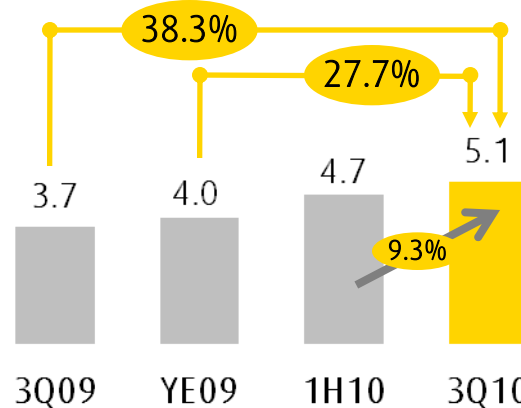
16.2%

Stellar general purpose loan growth

General Purpose Consumer (TL bio)



Residential Mortgages¹ (TL bio)



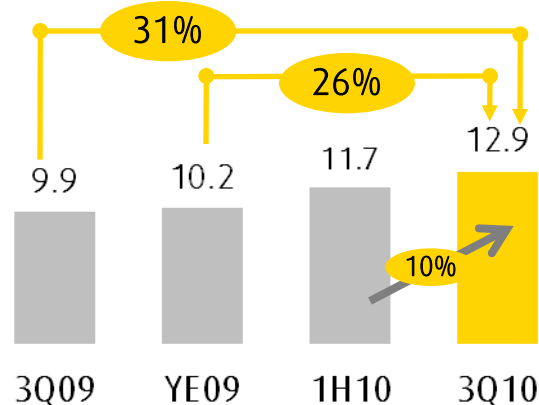
GPC growth QoQ;

13.1%

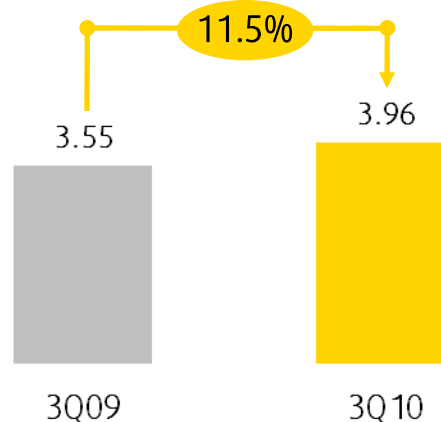
Sector growth QoQ;

9.6%

Total Retail (TL bio)



Retail Cross Selling Ratio



Retail Market Shares; GPC;

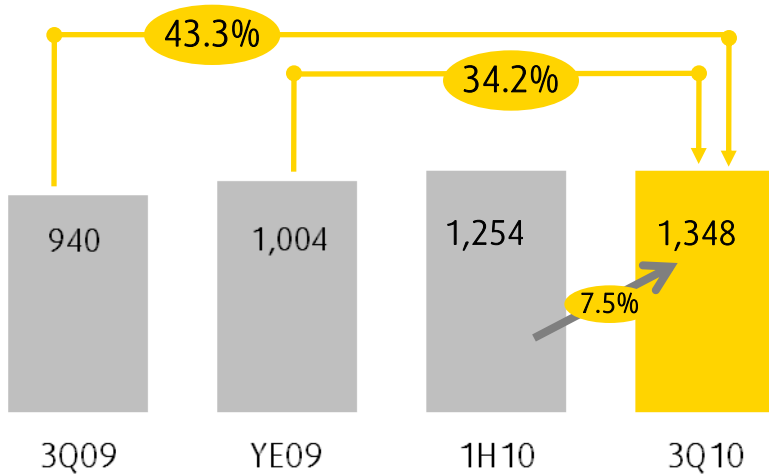
11%

Mortgages;

9.3%

Sustainable & consistent growth in credit cards

Credit Card Loans (TL mio)



Credit Card Loans growth Ytd;

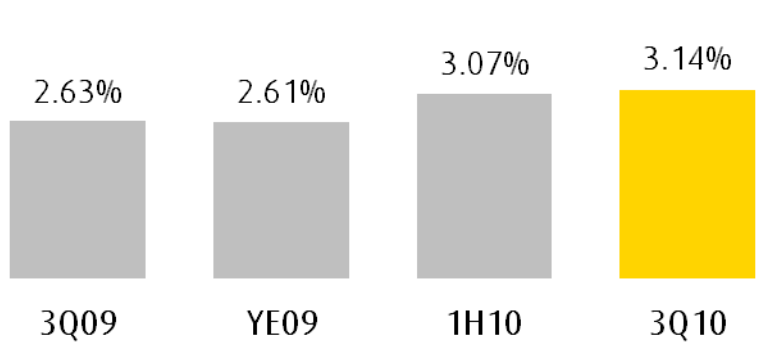
34.2%

Vs.

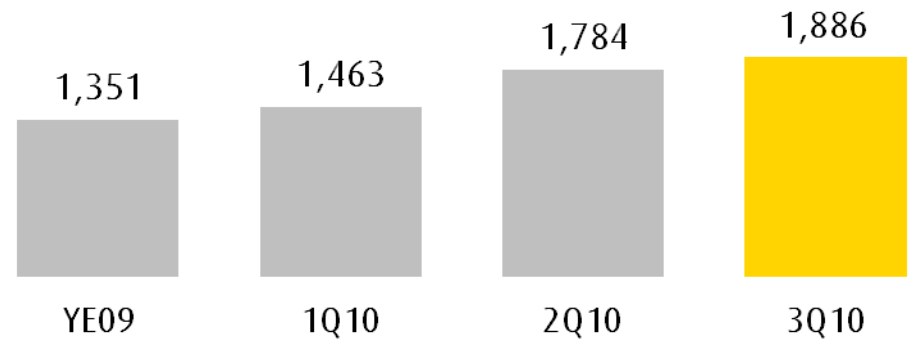
Sector growth Ytd;

13.4%

Market share* (%)

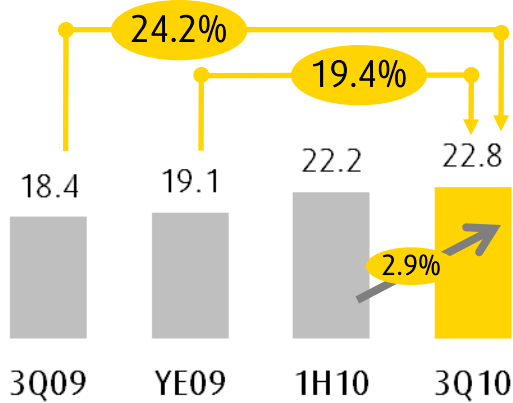


Quarterly Credit Card Issuing Volume (TL mio)

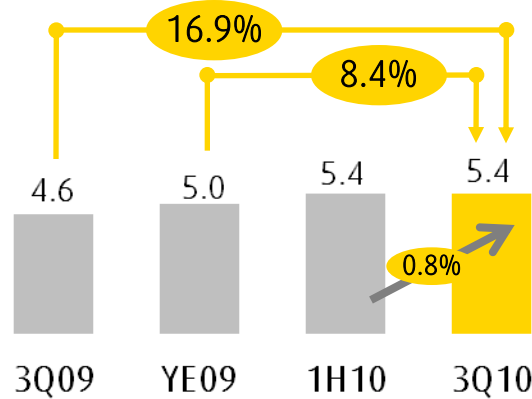


Well diversified loan portfolio

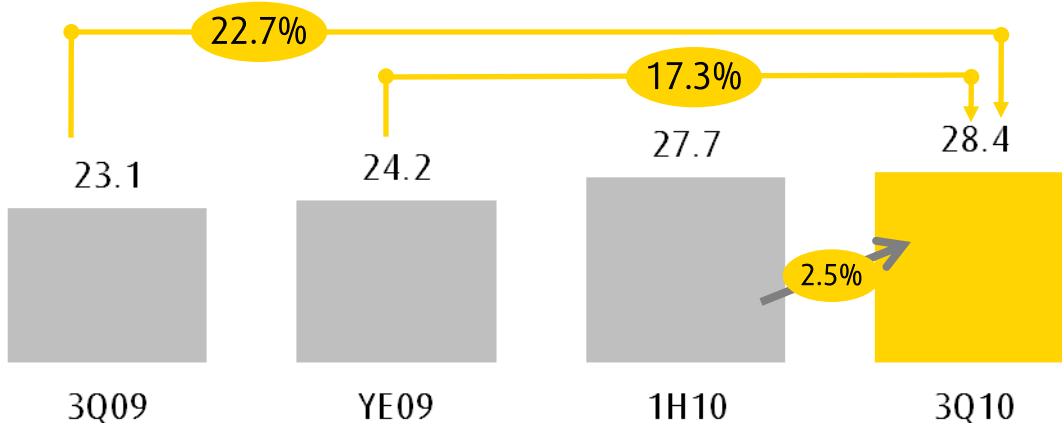
Corporate & Commercial (TL bio)



SME (Com. Inst.) (TL bio)



Total Commercial Loans* (TL bio)



Corporate & Commercial Loan Growth Ytd;

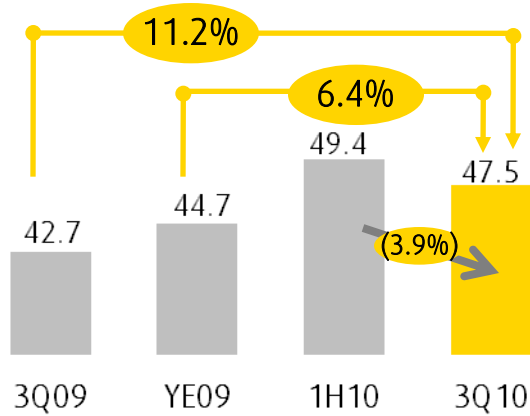
19.4%

Selective growth of commercial lending Growth QoQ;

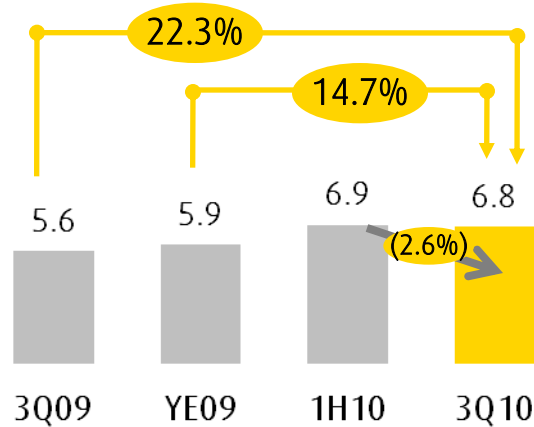
2.5%

Refraining from deposit competition helped to defend the margins

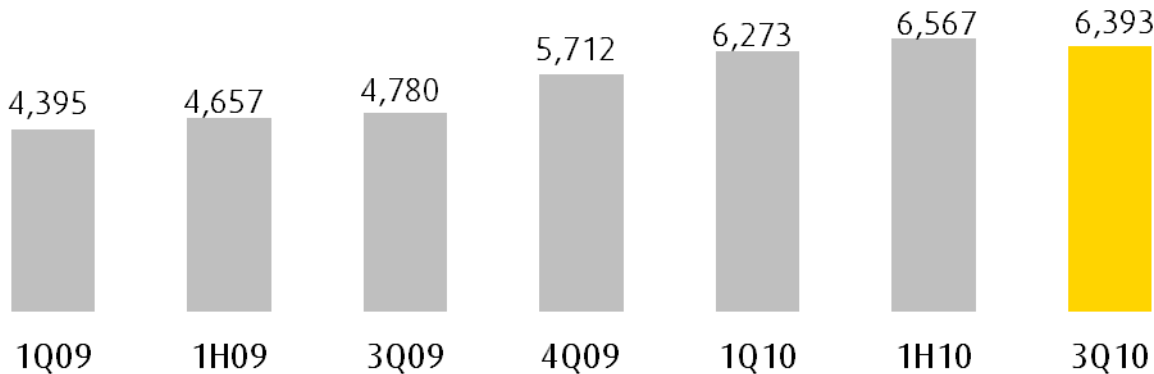
Total Deposits (TL bio)



Demand Deposits (TL bio)



Core State Deposits (TL mio)*



Deposit growth;
Ytd

6.4%

TL deposit up by;

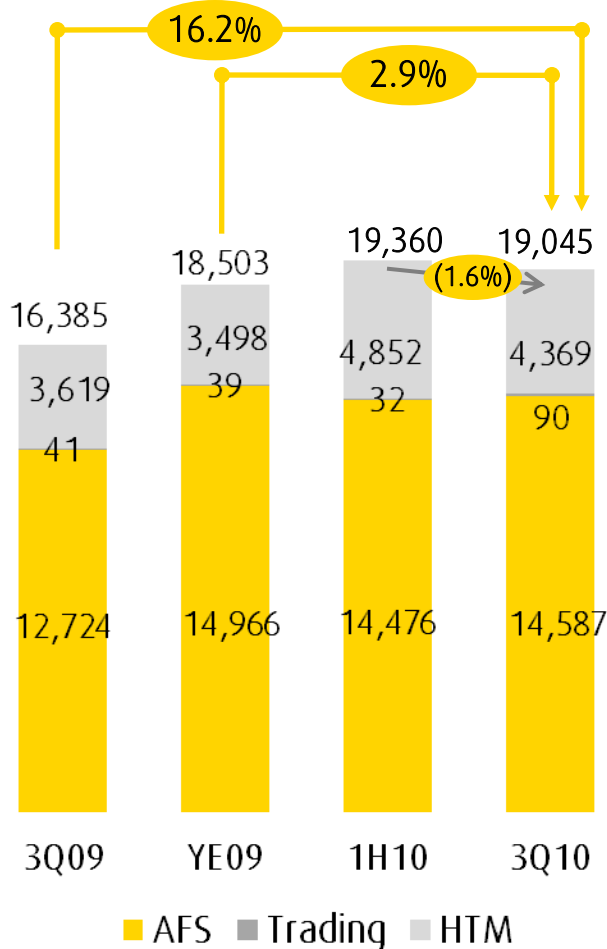
9.0%

FC deposit in USD
up by;

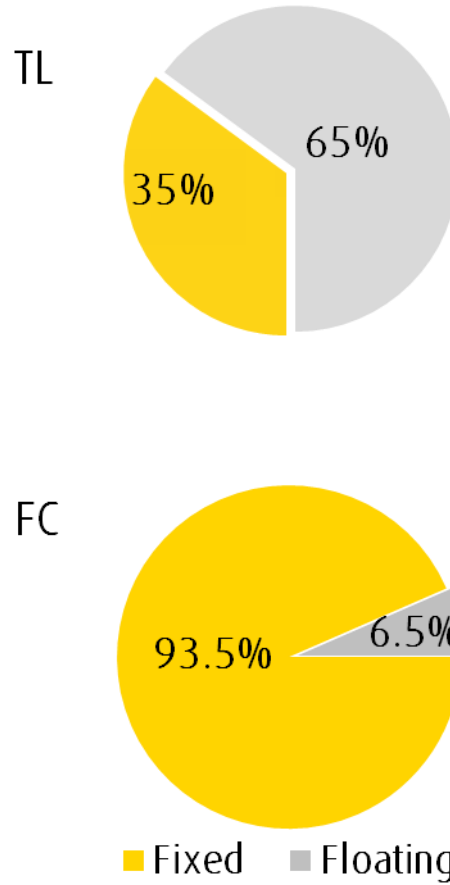
2.7%

Securities portfolio mix

Total Securities (TL mio)



Portfolio Structure



Portfolio structure changed in favor of FRNs after redemptions;

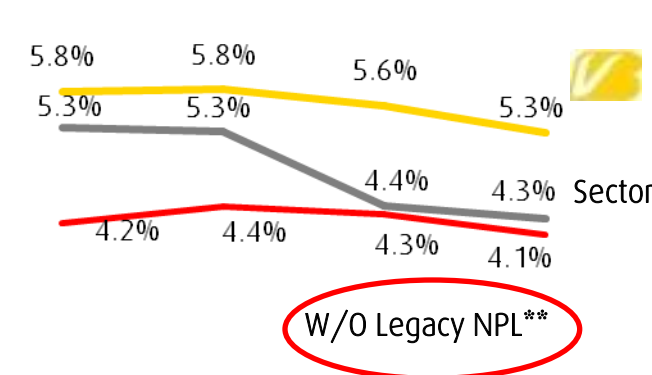
65%

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

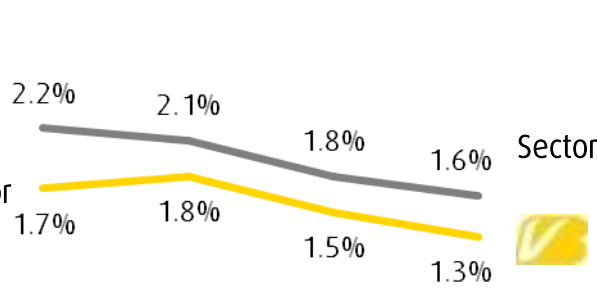
6.9%

NPL Ratios

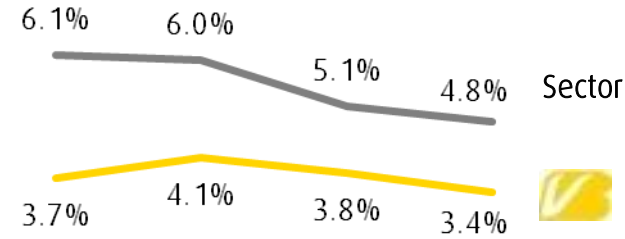
Overall NPL Ratio* (%)



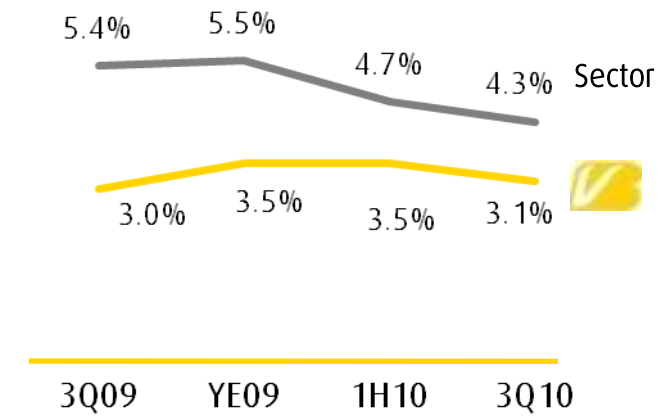
Mortgages NPL (%)



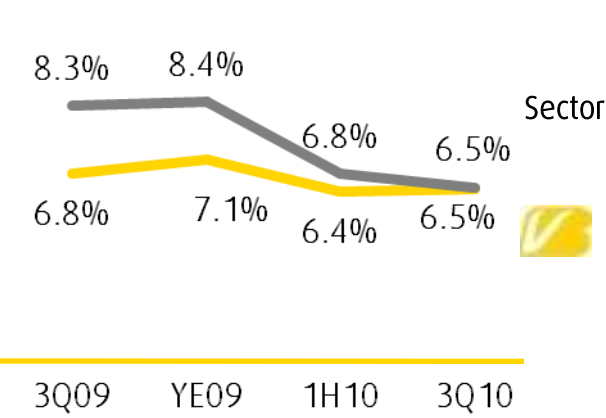
Total Retail NPL (%)



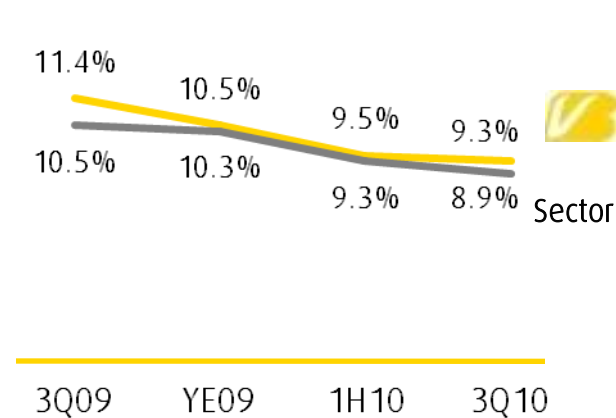
General Purpose Consumer NPL (%)



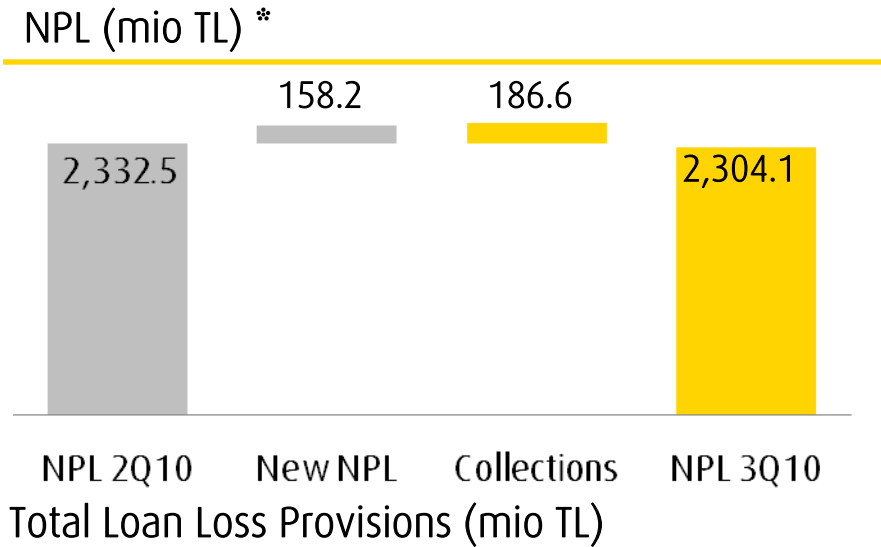
SME NPL (%)



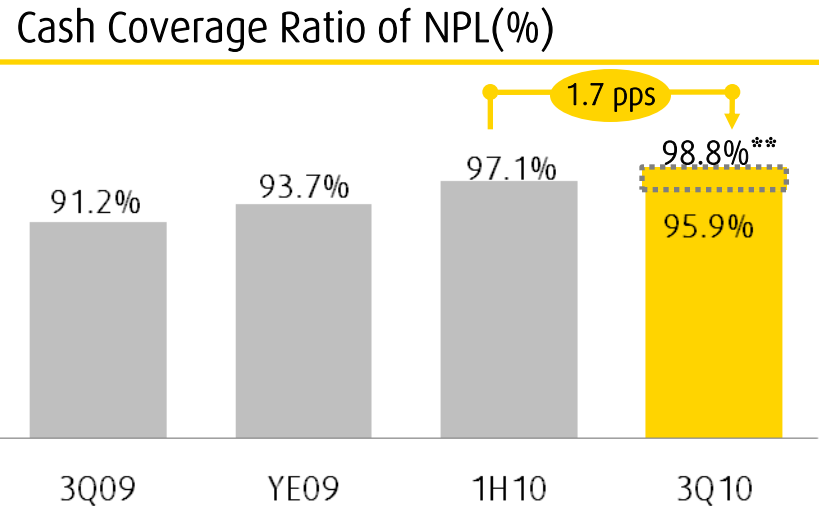
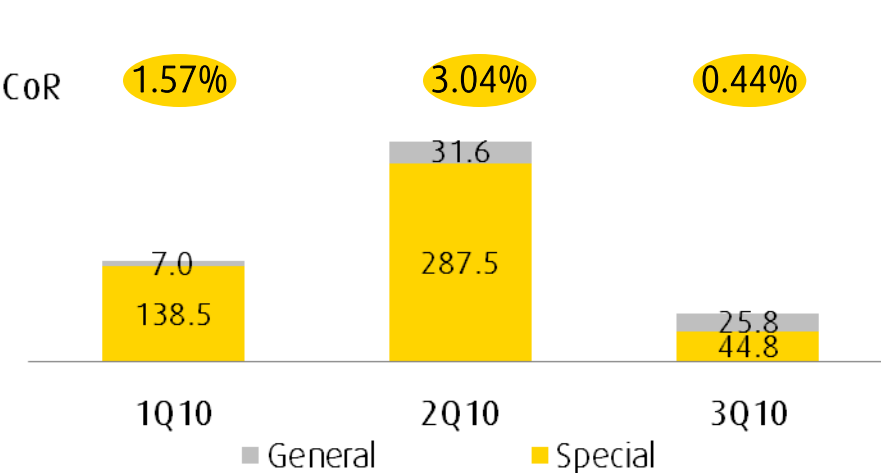
Credit Cards NPL (%)



Higher momentum in asset quality improvement

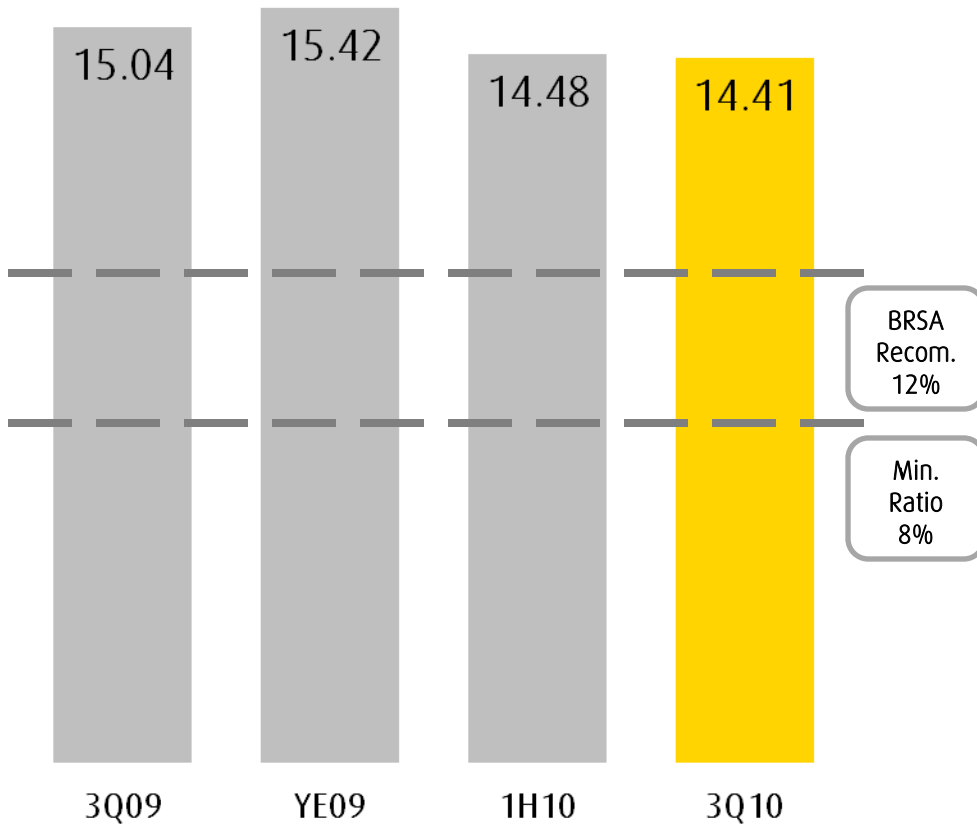


Stronger collections,
up by QoQ **11%**
Lower new NPL,
down by QoQ **7.6%**



Capital Structure

Capital Adequacy Ratio (%)



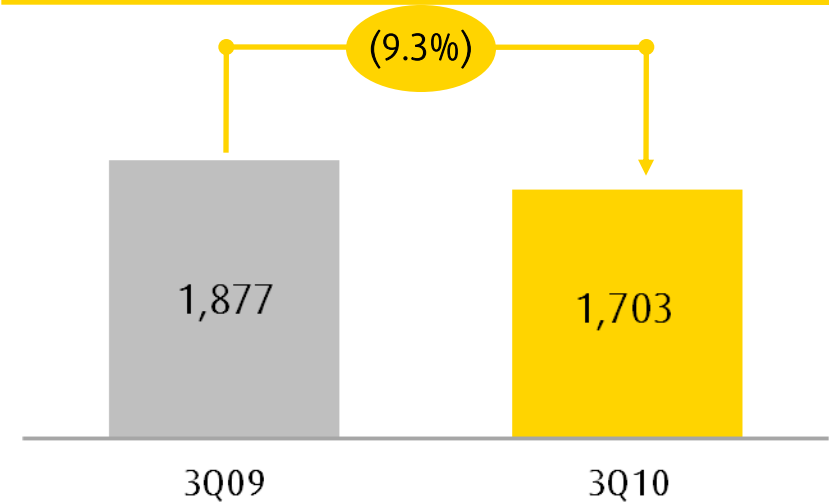
Conservatively low leveraged balance sheet

$$\frac{(\text{Liabilities} - \text{SHE})}{\text{SHE}} = 7.8$$

Earnings Summary

(TL-mio, %)	3Q2009	3Q2010	Growth
Net Interest Income	2,312.7	2,023.9	(12.5%)
Net F&C Income	345.5	308.7	(10.7%)
Net Trading Income	148.4	159.8	7.7%
Divident Income	24.3	35.1	44.8%
Other Operating Income	171.8	397.6	131.5%
Total Operating Income	3,002.7	2,925.2	(2.6%)
Total Operating Expenses (-)	1,125.2	1,221.9	8.6%
Operating Profit	1,877.5	1,703.3	(9.3%)
Provisions (-)	735.6	740.4	0.7%
Tax Provisions (-)	201.6	198.3	(1.6%)
Income from investments	0	0	n.A
Net Monetary Gain/Loss	0	0	n.A
Net Income	940.3	764.5	(18.7%)

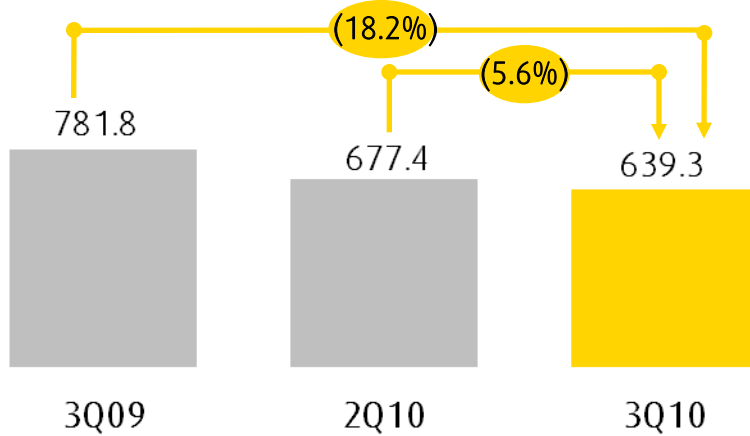
Operating Profit (TL mio)



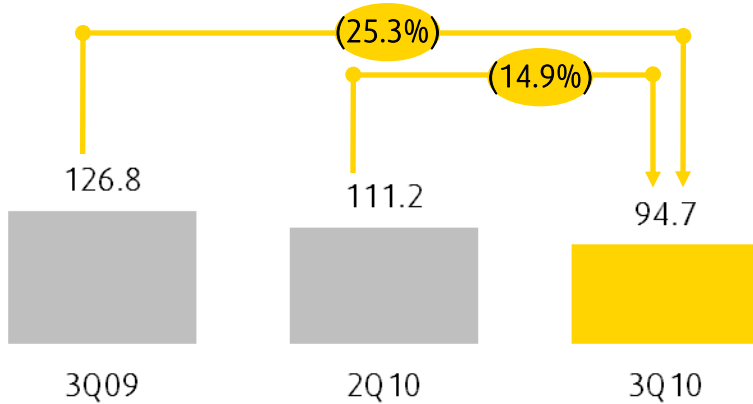
Opex is up by only 8.6% YoY, remaining under inflation rate, despite Ytd 58 branch openings.

P & L Participants

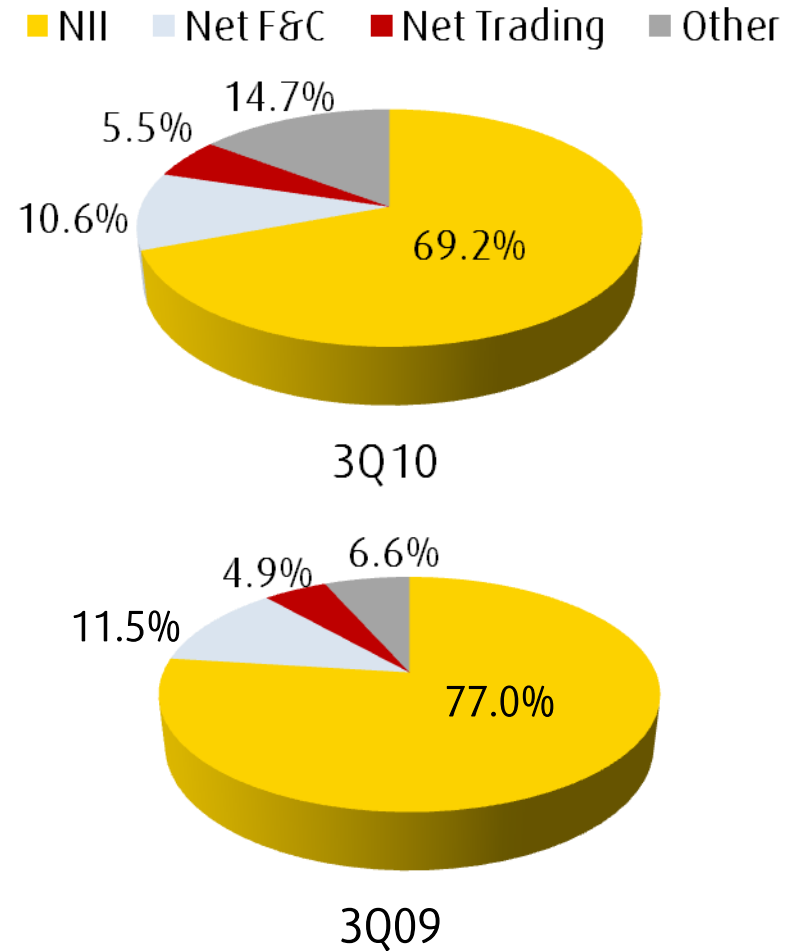
Net Interest Income (TL mio)



Net F & C Income (TL mio)



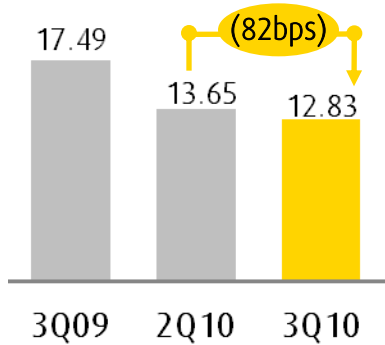
Breakdown of Total Revenues (%)



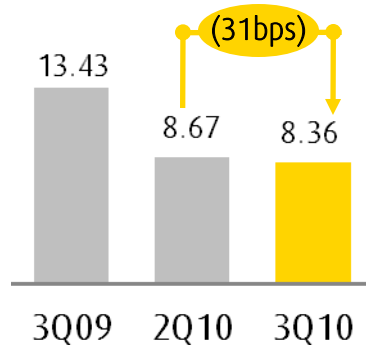
NIM, Spreads and Costs

Yields (%)

TL Loans

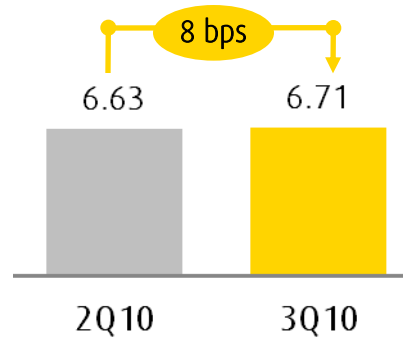


TL Securities

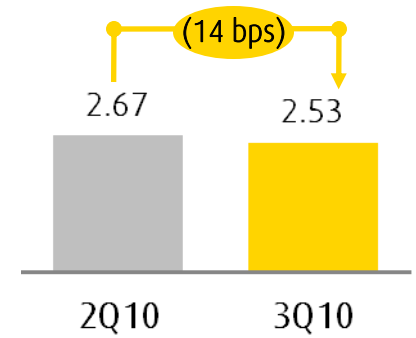


Cost of Deposits (%)

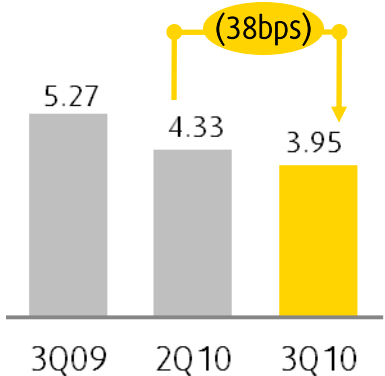
TL Deposits



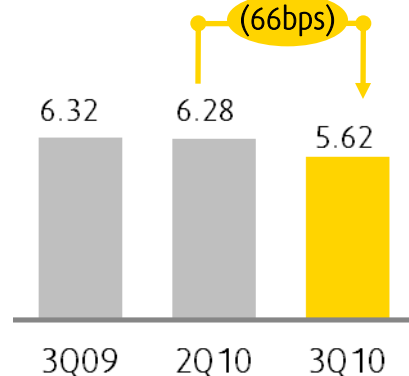
FC Deposits



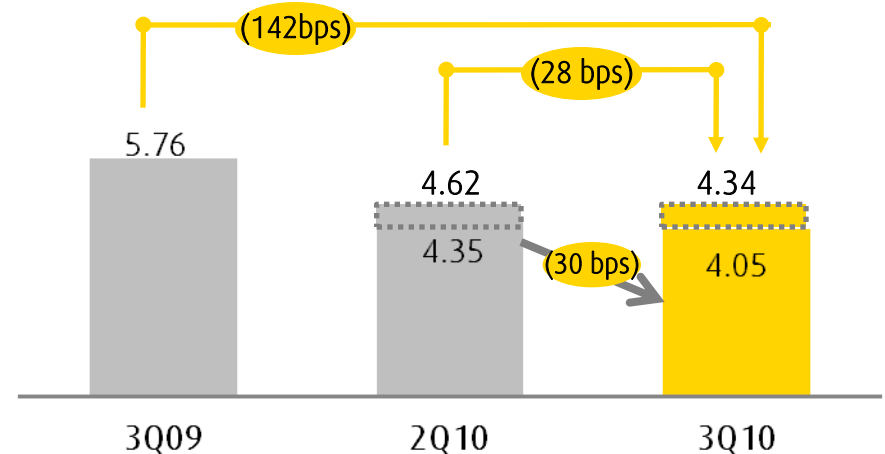
FC Loans



FC Securities



Net Interest Margin (NIM_%)



VakifBank with numbers

Distribution Channels & Customer Base (#)	3Q 2010	Efficiency ('000 TL)	3Q 2010
Branches	603	Assets per Employee	6,582.4
ATMs	2,220	Assets per Branch	119,585.7
Personnel	10,955	Loans per Employee	3,771.9
POS Terminals	73,372	Loans per Branch	68,525.7
Outstanding Credit Cards	2.4 mn	Deposits per Employee	4,335.9
Debit Cards	16.4 mn	Deposits per Branch	78,772.4
Total Customers	10.7 mn		
Total Payroll Customers	2.1 mn		
Internet Banking Customers	1.4 mn		
Active Mutual Fund Customers	0.99 mn		

**Most efficient
bank in Turkey**

Balance Sheet

	(TL-mio, %)	3Q2009	1H2010	3Q2010	YoY Growth	QoQ Growth
Assets	Cash & Balances with Central Bank	2,886	7,651	3,828	32.63%	(49.96%)
	Interbank	6,017	2,097	4,990	(17.07%)	137.97%
	Securities	16,385	19,360	19,045	16.24%	(1.63%)
	Loans	33,004	39,430	41,321	25.20%	4.80%
	Subsidiaries & Investments	670	779	873	30.22%	12.11%
	Property & Equipment	1,071	1,069	1,098	2.50%	2.71%
	Other	918	885	955	3.99%	7.96%
	Total Assets	60,953	71,270	72,110	18.31%	1.18%
Liabilities & SHE	Deposits	42,701	49,440	47,500	11.24%	(3.93%)
	Funds Borrowed	5,389	5,461	5,522	2.47%	1.12%
	Other	5,029	7,792	9,976	98.38%	28.03%
	Provisions	791	800	916	15.89%	14.58%
	Shareholders Equity	7,043	7,777	8,196	16.37%	5.39%
Off-B.S	Guarantees	8,751	9,267	9,747	11.37%	5.17%
	Commitments	16,626	8,898	9,749	(41.36%)	9.57
	Derivatives	3,062	2,754	6,304	105.87%	128.92

Income Statement

(TL-Thousand, %)	3Q 2009	1H 2010	3Q 2010	$\Delta\{3Q10$ 2Q10}	$\Delta\{3Q10$ 3Q09}
Net Interest Income	2,312,716	1,384,582	2,023,883	(5.63%)	(12.49%)
Net Fee & Com. Income	345,533	214,035	308,744	(14.86%)	(10.65%)
Divident Income	24,265	35,102	35,125	(99.9%)	44.76
Net Trading Income	148,382	131,181	159,846	(64.9%)	7.73%
Other Income	171,762	255,258	397,584	(4.36%)	131.47%
Total Revenues	3,002,658	2,020,158	2,925,182	(13.03%)	(2.58%)
Operating Expense	(1,125,178)	(797,148)	(1,221,884)	4.56%	8.59%
Provisions	(735,617)	(547,514)	(740,440)	(43.28%)	0.66%
Tax Provisions	(201,568)	(135,809)	(198,314)	4.71%	(1.61%)
Net Income	940,295	539,687	764,544	(4.14%)	(18.69%)



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