

ANNUAL REPORT

For the year ended December 31, 2002



VAKIFBANK INTERNATIONAL AG

VAKIFBANK INTERNATIONAL AKTIENGESELLSCHAFT

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Content

| | |
|---|----|
| Directors and Officers of the Bank | 3 |
| Key Figures of the Financial Year 2002 | 6 |
| Situation Report for the Financial Year 2002 | 7 |
| Report of the Supervisory Board | 10 |
| Auditor's Opinion | 11 |
| Financial Statements for the Year ended December 31, 2002 | 12 |
| Profit and Loss Account 2002 | 15 |
| Notes to the Balance Sheet and to the Profit Loss Account as of December 31, 2002 | 16 |



MEMBERS OF THE SUPERVISORY BOARD

A. Ahmet KACAR
Chairman
since 26.02.2003

Fusun YAZOGLU
Member of the Supervisory Board
till 26.02.2003

Altan KOCER
Chairman
till 28.08.2002

Kezban ÖZTÜRK
Member of the Supervisory Board
till 26.02.2003

Irfan ERCIYAS
Chairman
from 28.08.2002 till 26.02.2003
Deputy - Chairman
till 28.08.2002

Tanju YÜKSEL
Member of the Supervisory Board

Yusuf YESILIRMAK
Deputy - Chairman
since 17.04.2003

E. Tosun KARAY
Member of the Supervisory Board
since 26.02.2003

Hüseyin DURMAZ
Deputy - Chairman
from 28.08.2002 till 17.04.2003
Member of the Supervisory Board
since 17.04.2003

Coskun ARIK
Member of the Supervisory Board
since 26.02.2003

Kerim KARAKAYA
Member of the Supervisory Board
since 26.02.2003

Seyfi YABAS
Member of the Supervisory Board
till 26.02.2003

H. Sükrü ORUC
Member of the Supervisory Board
from 28.08.2002 till 26.02.2003

MEMBERS OF THE EXECUTIVE BOARD

E. Tosun KARAY
Chairman
till 30.01.2003

Kurt WIESINGER
Deputy - Chairman
till 30.04.2003

Selcuk GÖZÜAK
Chairman
since 30.01.2003

Vedat PAKDIL
Member of the Board
since 03.01.2003

Coskun ARIK
Member of the Board
till 03.01.2003

Metin YILDIRIM
Member of the Board
since 29.01.2003

HEADS OF THE DEPARTMENTS

Ashok CHOPRA
Accounting

Eva Hein
Organisation / Controlling

Kurt FÖRSTER
Loan Department

Alfred MANDL
Interne Revision

Mag. Friedrich HAMMER
Treasury

Ugur Yesil
Documentary Department / Operations

BRANCH VIENNA

Muhsin SAGLAM
Manager

Argentinerstrasse 63
A-1040 Vienna - Austria
Tel.: +43 1 504 32 12 or +43 1 504 31 83
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BRANCH FRANKFURT AM MAIN

Onur YILMAZ
Manager

Münchenerstrasse 48
60329 Frankfurt am Main - Germany
Tel.: + 49 69 27 13 667 11
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BUSINESS ACTIVITIES AND SHAREHOLDERS OF THE BANK

VakifBank International AG sees its core activity in providing support to Austrian and Turkish companies to improve and enlarge the mutual trading relations, based on the experience, the know how, the financial capability and the international reputation of its parent company. VakifBank International AG is strongly committed to provide a positive contribution to intensify trade and investment activities.

VakifBank International AG is offering trade related banking services (L/C, documentary business, guarantees, transfers), the financing of commercial cross border transactions (loans, forfaiting and discounting of L/C) and loans to Austrian and Turkish exporters and importers.

Geographically, VakifBank International AG is concentrating on Turkey, EU and Central and Eastern Europe.

Furthermore, VakifBank International AG is offering all traditional banking services e.g. opening of current accounts for private and commercial customers, savings accounts, remittances, retail and commercial loans.

A special service offered by VakifBank International AG is a prompt and easy handling of money transfer from Austria to Turkey backed by an online link to VakifBank Ankara.

VakifBank International AG is an Austrian joint stock company, provided with a full banking licence and equity of EUR 20 million. Shareholders are Türkiye Vakıflar Bankası T.A.O. Ankara (90%) and the pension fund of Türkiye Vakıflar Bankası T.A.O. (10%).

T. Vakıflar Bankası T.A.O., Ankara was founded 1956.

T. Vakıflar Bankası T.A.O. is currently number 3 of the banks directly or indirectly controlled by the Republic of Turkey.

The branch network consists of about 400 units inside Turkey, a branch in New York and a participation in Banque de Bosphore in Paris.

The shareholders of T. Vakıflar Bankası T.A.O., Ankara are:

| | |
|---|-----|
| General Directorate of Public Foundations | 55% |
| Affiliated Foundations | 20% |
| Pension Fund of Türkiye Vakıflar Bankası T.A.O. | 25% |

The General Directorate of Public Foundations, a state authority, owns and administers the cultural heritage of the Republic of Turkey, like museums, mosques and historic buildings.

The affiliated foundations are charity organisations which have been established for the welfare of the general public during the Ottoman Empire.

These foundations are as well administered by General directorate of Public Funds.

KEY FIGURES OF THE FINANCIAL YEAR 2002

| | (in mill. EUR) | |
|---------------------------------------|----------------|-------|
| | 2002 | 2001 |
| Balance Sheet | 144,3 | 127,2 |
| Claims against Customers | 23,3 | 12,8 |
| Claims against Credit Institutions | 35,3 | 48,6 |
| Liabilities to Credit Institutions | 77,2 | 76,4 |
| Liabilities to Customers | 38,0 | 26,2 |
| - hereof: Saving Deposits | 25,0 | 11,1 |
| | | |
| Net Interest Income | 5,7 | 4,1 |
| Operating Earnings | 7,1 | 5,0 |
| Operating Expenditures | 3,2 | 2,4 |
| Operating Result | 4,0 | 2,6 |
| Result of Ordinary Business Operation | 4,7 | 2,8 |
| Annual Profit | 3,1 | 1,9 |
| | | |
| Equity Resources | 25,7 | 20,8 |
| Statutory Minimum Equity | 5,1 | 2,5 |

SITUATION REPORT FOR THE FINANCIAL YEAR 2002

The year 2002 was characterized by continuous weak economic conditions.

Especially the second half showed a decrease in economic activities in all major industrialized countries, while Asia managed to achieve quite strong growth rates.

Comparing to the OECD countries even Central and East European economies had been strong but Latin America was mainly dominated by recessionary developments.

Inflation was well in the expected low areas and the major central banks intended to boost economy by cutting interest rates. Jobless rates remained high, especially in the economically dominating countries of the European Union.

The economic and political situation in Turkey was calmed by the result of the general elections. The Turkish economy grew by 7,8 % nearly matching the decline of 2001 (-9,4 %).

Inflation rate decreased from 68 % (2001) to 30 %.

BUSINESS ACTIVITIES

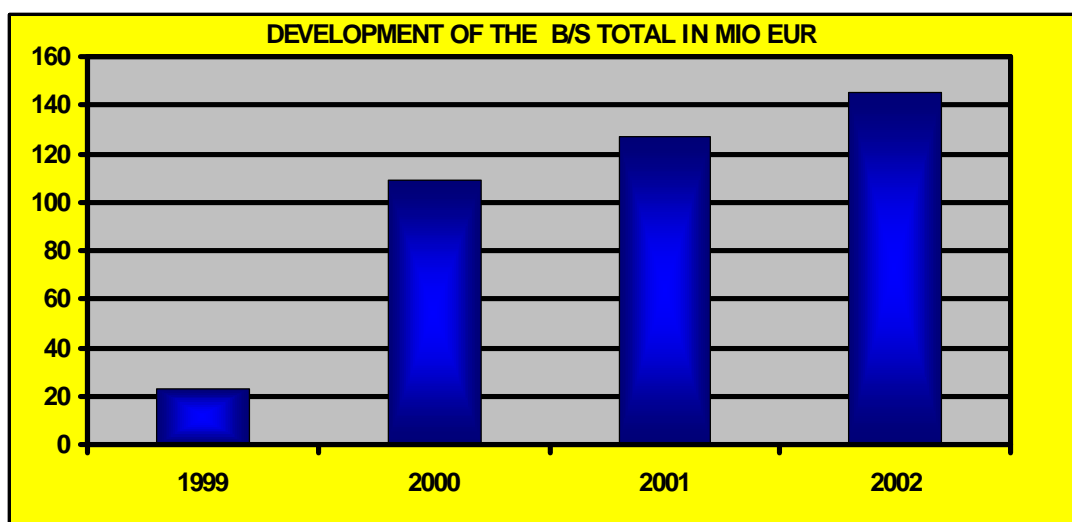
Despite difficult international circumstances VakifBank International AG achieved it's best result in history.

The currency exchange from Austrian Schillings into Euro was successfully effected at the beginning of the year.

In September our first branch abroad was opened in Frankfurt/Main.

This unit will support the head office in offering all our services to institutional and corporate clients particularly stressing on export financing.

Balance sheet total reached EUR 144 million showing an increase of 13 %.

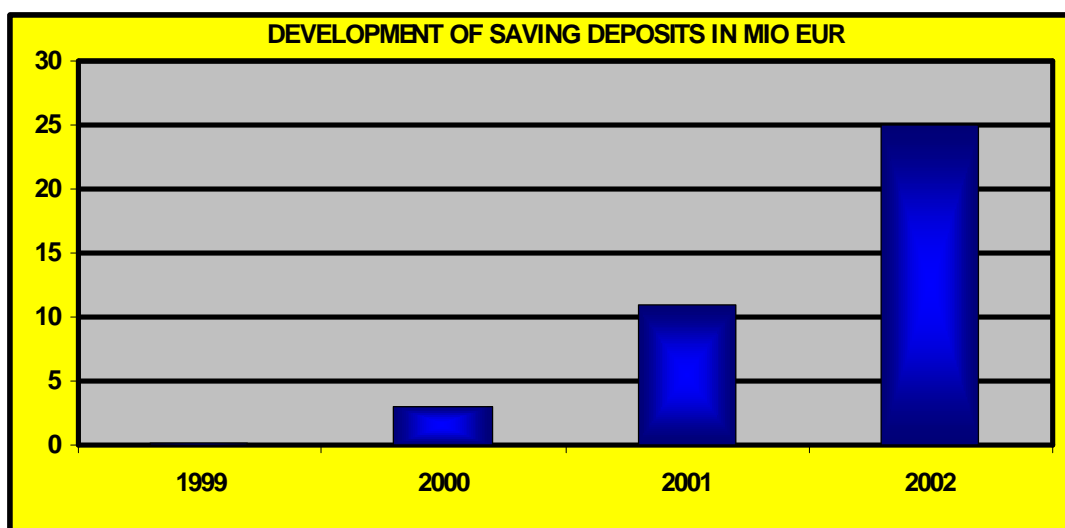


Assetwise investments in EU and Turkish sovereign bonds, investment grade corporate bonds as well as an enlarged engagement in trade finance have been the main activities of the bank.

Furthermore the bank entered into new fields like participations in leasing financing and syndicated loans.

The amount of the security portfolio (bonds only) was increased by 32 % to about EUR 80 million. Claims against customers changed substantially by 82 % to EUR 23 million.

The development of saving accounts shows a very satisfying result by amounting to EUR 25 million.



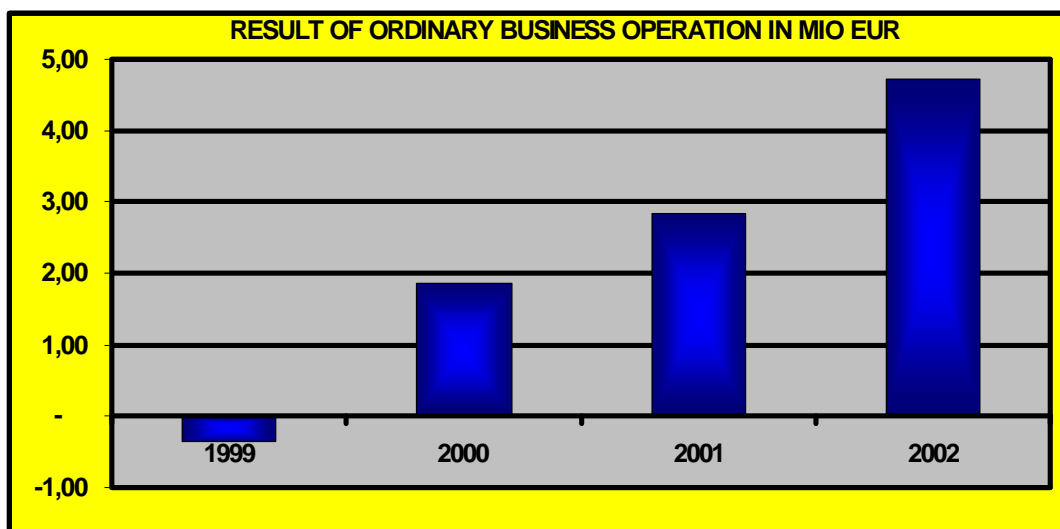
Based on the final result of 2002 the available own funds to be taken into account according to § 23 BWG could be increased to EUR 25,7 million.

EARNINGS

The final result before taxes amounted to EUR 4,73 million and was the highest profit in the history of the bank. Compared to 2001 an increase of 66 % could be achieved.

Operating earnings amounted to EUR 7,1 million (+42 %) while operating expenses increased by 29 % to EUR 3,15 million. Net interest income rose to EUR 5,7 million (+39 %), net commission and fee income to EUR 0,8 million (+7 %) and earnings from financial transactions increased to EUR 0,23 million (+49 %).

The profit on sales of bonds out of the current asset portfolio amounted to EUR 1,1 million (+189 %).



A selective approach to profitable niche markets combined with an extension of the forfeiting portfolio (from EUR 9 million 2001 to EUR 32 million 2002) and the earnings of a broad diversified bond portfolio are the reasons for the very successful result in 2002, despite the unfavourable economic conditions.

OUTLOOK

A further positive development of the Turkish economy in 2003 is anticipated due to the stable political conditions after the general elections of 2002, although there are reasonable concerns about the situation in Iraq. Forecasts show an economic growth of 8 % and a further decline of the inflation rate to around 17 % for 2003.

Our successful strategy to concentrate in profitable niche markets will be continued and an increase of the balance sheet total by 20 % and a rise in the result of ordinary business operations by 10 % is planned for this year.

The main targets of the activities will be set in documentary business, trade finance and in the deepening of the relations to Central- and Eastern European countries.

In that connexion our branch in Frankfurt/Main will use the advantages of their local position to open new customer relations.

Additionally project financing will be used to complete our range of services.

In close cooperation with our parent company we intend to strengthen our market position in the fields mentioned above and contribute to a successful development of economic relationship between the European Union and Turkey.

10.04.2003

REPORT OF THE SUPERVISORY BOARD

The supervisory board held 4 meetings during 2002. The supervisory board was continuously informed about the current development and the proper conduct of business by the executive board. The supervisory board accomplished its duties by passing the necessary resolutions and taking the necessary decisions.

The external auditors, Deloitte & Touche GmbH, Vienna examined the annual balance sheet and the report of the executive board and gave their unqualified opinion thereon.

The annual statement of accounts 2002, drawn up by the executive board, was examined by the elected committee (§ 92 AKTG) and endorsed by the supervisory board, which is thus final under § 125 (2) AKTG.

The supervisory board agrees to the presented proposal of profit distribution and thanks the management and the staff for the performance achieved.

Vienna, 17.04.2003

A. Ahmet Kacar

Chairman of the Supervisory Board

AUDITOR`S OPINION

Pursuant to the final result of the audit of the financial statement as of December 31, 2002 of

VakifBank International AG

Vienna,

we are now in a position to give an unqualified opinion as follows:

“As the result of our audit we certify that the accounting records and the financial statements comply with the legal regulations.

The financial statements give a true and fair view of the company’s assets, the liabilities, financial position and profit or loss is in conformity with generally accepted accounting principles. The management report corresponds with the financial statements.”

The following auditor’s report and financial statements were prepared for use in Austria. As such, the accompanying financial statements utilize accounting principles, procedures and reporting practices generally accepted in Austria and are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than those in Austria. The standards, procedures and practices utilized to audit such financial statements are those generally accepted and applied in Austria.“

Vienna, 10.04.2003

Deloitte & Touche GmbH
Wirtschaftsprüfungs- und Steuer-
beratungsgesellschaft

(Univ. Doz. MMag. Dr. Philip Göth)
Public Accountant and
Tax Advisor

(Mag. Nikolaus Schaffer)
Public Accountant and
Tax Advisor

VAKIFBANK INTERNATIONAL AG

FINANCIAL STATEMENTS FOR THE YEARS ENDED

DECEMBER 31, 2002

PROFIT AND LOSS ACCOUNT 2002

NOTES TO THE BALANCE SHEET AND

TO THE PROFIT AND LOSS ACCOUNT

BALANCE SHEET FOR THE YEAR ENDED 31 DECEMBER, 2002

| ASSETS | 31.12.2002 | | 31.12.2001 | |
|---|----------------------|-----------------------|----------------------|-----------------------|
| | EURO | EURO | EURO | EURO |
| 1. <u>Cash and Balance with the Central Bank</u> | | 2.842.059,54 | | 2.095.694,89 |
| 2. <u>Debt instruments issued by public bodies and bills of exchange which are eligible for refinancing with the Central Bank</u> | | 15.477.820,45 | | 20.820.047,03 |
| 3. <u>Claims against Credit Institutions</u> | | | | |
| a) due on a daily basis | 7.778.415,77 | | 522.319,79 | |
| b) other claims | <u>27.475.923,42</u> | 35.254.339,19 | <u>48.080.431,35</u> | 48.602.751,14 |
| 4. <u>Claims against Customers</u> | | 23.280.386,20 | | 12.756.053,65 |
| 5. <u>Financial Bonds and other fixed income securities</u> | | | | |
| a) bonds issued by public issuers | 38.777.732,32 | | 33.210.264,11 | |
| b) bonds issued by other issuers | <u>23.621.629,08</u> | 62.399.361,40 | <u>6.464.182,66</u> | 39.674.446,77 |
| 6. <u>Investments</u> | | 70,00 | | 72,67 |
| 7. <u>Intangible Fixed Assets</u> | | 195.714,89 | | 133.903,23 |
| 8. <u>Tangible Assets</u> | | | | |
| hereof land and buildings used by the credit institution in the course of its own business EUR 548.556,05 | | 764.775,38 | | 793.446,40 |
| 9. <u>Other Assets</u> | | 4.071.630,44 | | 2.353.161,39 |
| 10. <u>Deferred Items</u> | | 10.840,07 | | 9.433,76 |
| | | 144.296.997,56 | | 127.239.010,93 |
| 1. <u>Assets abroad</u> | | 121.296.252,80 | | 106.867.830,83 |

| LIABILITIES AND SHAREHOLDER'S EQUITY | 31.12.2002 | | 31.12.2001 | |
|---|---------------|-----------------------|---------------|-----------------------|
| | EURO | EURO | EURO | EURO |
| 1. Liabilities to Credit Institutions | | | | |
| a) repayable on demand | 7.637.558,13 | | 6.985.295,64 | |
| b) with agreed maturity dates or period of notice | 69.606.200,35 | 77.243.758,48 | 69.410.824,91 | 76.396.120,55 |
| 2. Liabilities to Customers | | | | |
| a) saving deposits | | | | |
| aa) with agreed maturity dates | 24.956.057,58 | | 11.109.585,66 | |
| b) other liabilities | | | | |
| ba) repayable on demand | 1.291.144,82 | | 1.807.832,69 | |
| bb) with agreed maturity dates | 11.803.670,68 | 38.050.873,08 | 13.289.435,70 | 26.206.854,05 |
| 3. Other Liabilities | | 1.550.423,76 | | 624.556,03 |
| 4. Deferred Items | | 34.519,18 | | 19.864,46 |
| 5. Provisions | | | | |
| a) severance payments | 71.578,46 | | 20.392,05 | |
| b) pension payments | 0,00 | | 0,00 | |
| c) tax payments | 914.700,00 | | 956.749,54 | |
| d) other provisions | 510.224,58 | 1.496.503,04 | 208.250,58 | 1.185.392,17 |
| 6. Subscribed Capital | | 16.000.000,00 | | 16.000.000,00 |
| 7. Capital Reserves | | | | |
| Free capital reserves | | 4.000.000,00 | | 4.000.000,00 |
| 8. Profit Reserves | | 343.200,00 | | 141.787,78 |
| 9. Reserve according to section 23 (6) ABA | | 1.029.368,16 | | 697.487,37 |
| 10. Net Profit | | 4.453.601,17 | | 1.872.197,83 |
| 11. Untaxed | | | | |
| IFB 1999 | 39.813,30 | | 39.813,30 | |
| IFB 2000 | 54.937,39 | 94.750,69 | 54.937,39 | 94.750,69 |
| | | 144.296.997,56 | | 127.239.010,93 |
| 1. Contingent liability | | 6.039.982,16 | | 6.065.389,23 |
| 2. Credit risk | | 3.372.339,14 | | 319.557,43 |
| 3. Own funds to be taken into account according to § 23 | | 25.725.205,13 | | 20.800.122,62 |
| 3. Basis for computation of own funds according to § 22 | | 5.070.142,63 | | 2.534.493,31 |
| 4. Liabilities abroad | | 50.906.643,16 | | 64.042.834,00 |

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31 DECEMBER, 2002

| | 2002 | | 2001 | |
|--|-------------------|----------------------|------------------|----------------------|
| | EUR | EUR | EUR | EUR |
| 1. Interest and similar income hereof fixed interest securities EUR 5.801.120,99 | | 9.346.634,07 | | 8.681.949,86 |
| 2. Interest and similar expenditures | | <u>-3.665.488,97</u> | | <u>-4.581.395,36</u> |
| I. <u>NET INTEREST INCOME</u> | | 5.681.145,10 | | 4.100.554,50 |
| 3. Earnings from commissions | | 845.362,28 | | 794.936,74 |
| 4. Expenditures from commissions | | -45.311,51 | | -42.042,70 |
| 5. Earnings from financial transactions | | 225.568,51 | | 150.664,30 |
| 6. Other operating earnings | | <u>399.716,97</u> | | <u>0,00</u> |
| II. <u>OPERATING EARNINGS</u> | | 7.106.481,35 | | 5.004.112,84 |
| 7. General administrative expenses | | | | |
| a) Personnel expenses | | | | |
| aa) Salaries | -1.283.181,01 | | -1.028.504,88 | |
| bb) Expenses for statutory social security and payroll related contributions | -242.334,76 | | -240.759,24 | |
| cc) other social expenses | -22.749,43 | | -20.817,89 | |
| dd) Retirement provision | -18.383,48 | | -24.200,78 | |
| ee) increase in severance payment provision | <u>-51.186,41</u> | <u>-1.617.835,09</u> | <u>-8.984,17</u> | <u>-1.323.266,96</u> |
| b) Other administrative expenses | | -1.359.210,01 | | -994.066,82 |
| 8. Depreciation for intangible and tangible assets | | -163.476,46 | | -121.347,39 |
| 9. Other operating expenses | | <u>-12.526,52</u> | | <u>0,00</u> |
| III. <u>OPERATING EXPENDITURES</u> | | -3.153.048,08 | | -2.438.681,17 |
| IV. <u>OPERATING RESULT</u> | | 3.953.433,27 | | 2.565.431,67 |
| 10. Allocation to provisions of loan losses and increase in provisions for damage events and income/loss from sale/valuation of liquidity reserve | | 517.681,02 | | 314.645,11 |
| 11. Depreciation of securities and earnings form appreciation of securities which are valued as financial assets. | | <u>260.623,44</u> | | <u>-31.337,42</u> |
| V. <u>RESULT OF ORDINARY BUSINESS OPERATION</u> | | 4.731.737,73 | | 2.848.739,36 |
| 12. Income tax | | -1.610.952,71 | | -957.022,06 |
| 13. Other taxes | | <u>-6.088,67</u> | | <u>0,00</u> |
| VI. <u>ANNUAL SURPLUS</u> | | 3.114.696,35 | | 1.891.717,30 |
| 14. Changes in reserves | | | | |
| a) Reserve according to sec. 23 (6) ABA | -331.880,79 | | -48.100,87 | |

| | | | | |
|----------------------------|--------------------|----------------------------|--------------------|----------------------------|
| b) Profit reserves | <u>-201.412,22</u> | <u>-533.293,01</u> | <u>-100.800,00</u> | <u>-148.900,87</u> |
| VII. ANNUAL PROFIT | | <u>2.581.403,34</u> | | <u>1.742.816,43</u> |
| 15. Profit carried forward | | <u>1.872.197,83</u> | | <u>129.381,40</u> |
| VII. NET PROFIT | | <u><u>4.453.601,17</u></u> | | <u><u>1.872.197,83</u></u> |

NOTES TO THE BALANCE SHEET AND TO THE PROFIT AND LOSS ACCOUNT AS OF DECEMBER 31, 2002

General regulations

The annual accounts of VAKIFBANK INTERNATIONAL AG were prepared for the financial year 2002 in observance with the principles of orderly bookkeeping and the general standard which requires a true and fair view of the assets, financial and revenue position of the company to be given. The balancing, valuation and reporting of the individual items in the annual accounts have been undertaken in accordance with the rules laid down in the Austrian Commercial Code and in accordance with the rules of the Austrian Banking Act in the latest version.

Balancing and valuation methods

The Balance sheet and profit and loss account were prepared according to appendix 2 to sec. 43 ABA. Items, which have not been showing a balance whether in the previous year nor in the current year, are not included. During the preparation of the financial statements the principle of completeness was taken into consideration and the continuation of the bank was assumed. The valuation of each asset was made according to the valuation principle.

Due to the principle of careness only realised profits were included and all risks and expected losses as per the yearend were taken into consideration.

Foreign currencies have been valued according to sec. 58 (1) ABA with average exchange rates.

Assets

Securities which are valued as current assets were reported at their acquisition costs or valued at lower market value. Securities held as financial assets were valued according to sec. 56 (2) ABA or according to sec. 56 (3) ABA.

All securities are listed and fixed interest rate bearing domestic and foreign securities. There is no security trading portfolio ("Wertpapierhandelsbuch").

Participations are valued at acquisition costs.

Tangible and intangible fixed assets were valued at the acquisition or production costs, less linear depreciation.

| Tangible fixed assets | Years |
|-----------------------------------|--------------|
| Intangible fixed assets | 5 |
| Leasehold improvements | 10 |
| Furniture and equipment | 10 |
| Office machines and EDP equipment | 4 |

Low value fixed assets (sec. 13 ITA) have been fully depreciated during the year of acquisition and are shown in the activity of fixed assets.

Liabilities

Provisions for severance payments were calculated due to financial mathematical principles considering retirement age being 56,5 (women) or 61,5 years (men) and a calculating interest rate of 4 %. In the financial year the interest rate was decreased from 6 % to 4 % and the retirement age has been raised. All risks recognizable at the date of preparation of the financial statement, as well as contingent liabilities were taken into account in the amount of other provisions according to the principle of reasonable business appraisal. Other provisions were set up mainly for existing credits of time balance and claims for vacations, damage events, corporate income tax expenses, consultancy and auditing costs.

Development of the fixed assets, and of the annual depreciation, is shown in the activity of fixed assets.

Schedule of period of maturity

Accounts receivable with maturity are listed below with following amounts:

| | | Accounts receivable | | | |
|-----------------------------------|-----|-------------------------------|-------------|----------------------|-------------|
| | | <u>Financial institutions</u> | | <u>Others</u> | |
| | | <i>2002</i> | <i>2001</i> | <i>2002</i> | <i>2001</i> |
| | | € | € 1.000 | € | € 1.000 |
| up to 3 months | EUR | 5.450.325,68 | 39.505 | 3.450.398,11 | 2.420 |
| more than 3 months up to 1 year.. | EUR | 15.126.135,15 | 8.397 | 1.709.447,04 | 9.562 |
| more than 1 year up to 5 years | EUR | 6.889.462,59 | 178 | 18.120.541,05 | 773 |
| more than 5 years | EUR | 0,00 | 0 | 0,00 | 0 |
| TOTAL | EUR | 27.475.923,42 | 48.080 | 23.280.386,20 | 12.755 |

The total amount of assets, which are presented in foreign currency (Non-MUM Currency), amounted to EUR 20.853.269,69.

Liabilities with maturity are listed below with the following amounts:

| | | Liabilities | | | |
|---------------------------------|-----|-------------------------------|-------------|----------------------|-------------|
| | | <u>Financial institutions</u> | | <u>Others</u> | |
| | | <i>2002</i> | <i>2001</i> | <i>2002</i> | <i>2001</i> |
| | | € | € 1.000 | € | € 1.000 |
| up to 3 months | EUR | 64.606.200,35 | 62.822 | 14.604.958,53 | 14.131 |
| more than 3 months up to 1 year | EUR | 5.000.000,00 | 6.589 | 12.002.415,50 | 5.672 |
| more than 1 year up to 5 years | EUR | 0,00 | 0 | 7.980.726,18 | 3.413 |
| more than 5 years | EUR | 0,00 | 0 | 2.171.628,05 | 1.183 |
| TOTAL | EUR | 69.606.200,35 | 69.411 | 36.759.728,26 | 24.399 |

The total amount of liabilities, which are presented in foreign currency (Non-MUM Currency), amounted to EUR 8.931.651,12.

Bonds and other fixed income securities

Bonds and other fixed income securities increased from EUR 60,49 million as of December 31, 2001 to EUR 77,87 million as of December 31, 2002.

At the balance sheet date bonds amounting to EUR 52,93 million had been held as financial assets and valued according to sec. 56 (1) ABA. Pro rata depreciation of debt instruments held as financial assets with the amount repayable less than historical cost amounted to EUR 3 thousand according to sec. 56 (2) ABA.

Pro rata appreciation of debt instruments held as financial assets with historical cost less than the amount repayable amounted to EUR 263 thousand according to sec 56 (3) ABA.

Fixed income securities with a remaining time to maturity less than 1 year are not existing. Securities amounting to EUR 71,96 million were pledged in favour of other financial institutions.

Own funds

| | 31.12.2002 | 31.12.2001 |
|---------------------------------|----------------------|---------------|
| | € | €1.000 |
| Subscribed capital | 16.000.000,00 | 16.000 |
| Free capital reserves | 4.000.000,00 | 4.000 |
| Profit reserves | 343.200,00 | 142 |
| Reserve acc. to sec. 23 (6) ABA | 1.029.368,16 | 697 |
| Untaxed reserves | 94.750,69 | 95 |
| Net profit* | 4.453.601,17 | 0 |
| Less intangible fixed assets | - 195.714,89 | - 134 |
| Own funds | 25.725.205,13 | 20.800 |
| in % | 40,59 | 65,65 |
| Requirement in % | 8,00 | 8,00 |

* According to the decision of the General Assembly dated March 17th 2003 the profit for the year 2002 (including the retained earnings brought forward) will be transferred to profit reserves.

Other assets

Other assets amounting to EUR 4,1 million include accrued interest for securities and other fixed income securities, forfeitings and loans amounting to EUR 3 million and EUR 0,9 million from valuation of our interest-swaps.

Details concerning executive bodies and staff

The average number of staff during the financial year amounted to 28.

The Supervisory Board was made up as follows during the year 2002:

Altan Kocer, CEO till 28.08.2002
A. Ahmet Kacar, CEO since 26.02.2003
Irfan Erciyas, CEO from 28.08.2002 till 26.02.2003
Hüseyin Durmaz, Deputy-CEO
Yusuf Yesilirmak, Member
Tanju Yüksel, Member
Kezban Öztürk, Member till 26.02.2003
Fusun Yazoglu, Member till 26.02.2003
Seyfi Yabas, Member till 26.02.2003
E. Tosun Karay, Member since 26.02.2003
Coskun Arik, Member since 26.02.2003
Kerim Karakaya, Member since 26.02.2003

Oruc Hamit Sükrü, Member from 28.08.2002 till 26.02.2003

The Executive Board during the year 2002 consists of:

E. Tosun Karay, General Manager till 30.01.2003
Selcuk Gözüak, General Manager since 30.01.2003
Kurt Wiesinger, Deputy General Manager
Coskun Arik, Member till 03.01.2003
Yildirim Metin, Member since 29.01.2003
Vedat Pakdil, Member since 03.01.2003

In the year 2002 the total amount of the salaries for the members of the Executive Board amounted to EUR 320.425,45.

Vienna, March 2003

VAKIFBANK INTERNATIONAL AG