

**Vakıfbank announced financial results of 2018:****TL 287 billion support to the Turkish economy**

**With the vision of "Leading Bank of Strong Turkey", Vakıfbank announced its unconsolidated financial results. While VakıfBank's total asset size exceeded TL 331 billion, its support to the national economy through cash and non-cash loans materialized at TL 287 billion. VakıfBank's ROAE in 2018 materialized at 16.1% which is above the sector average of 13.7%.**

Standing as the strength by every segment of the society varying from local authorities, SMEs and craftsman to retail customer, Vakıfbank continues to create value for the Turkish economy. The CEO of VakıfBank Mr. Mehmet Emin Özcan indicated that 2018 was the year when the trade and currency attacks on the national economy on recent years peaked and said that "Thanks to the proactive measures and firm stand taken by our economy administration, we overcame such a challenging period successfully. As VakıfBank, we took on responsibility and continue to support our economy during this period.

Stating that the support to the national economy thanks to cash and non-cash loans reached TL 287 billion as of 2018, Mr. Özcan said that "Our cash loans exceeded TL 221 billion by growing up to 21% on year-on-year basis far above than sector's average while our total asset size reached TL 331 billion with 23% growth rate. Thus, we increased our market share from 8.7% to 9.3% in cash loans whereas this share rose to 8.3% from 8.6% in total assets. Even in such a difficult, we managed to keep our capital ratios strong thanks to effective balance sheet management and capital issuances in which we are our pioneer. We will continue to support the real economy within the framework of absolute customer satisfaction by combining our strong capital with robust balance sheet and high liquidity."

**"We achieved significant success with regard to having more granular deposit portfolio"**

Indicating that VakıfBank left a successful year behind on the funding side, Mr. Özcan said that "Our total deposits continued to be our main funding source by reaching TL 180 billion with an annual increase of 15.6%. In line with our goal of making our deposit base more widespread, the share of saving deposits in our total deposits portfolio, which was 42% at the end of 2017, increased to 50% this year. Meanwhile, the share of demand deposits in total deposits exceeded 20%."

Following his statement about important transactions that they carried out in the realm of international borrowing in order to reduce the cost of deposits and channelling external source to our country, Mr. Özcan said that "We also renewed our total syndicated loans by %111 in this challenging year when we materialized the biggest Eurobond issuance in the Bank's history. We

pursued TL denominated long-term issuances on the scope of our Covered Bond Program standing as the biggest in Turkey and materialized issuance amounting USD 680 million in two different transactions up to 10 years within the DPR securitization program being established only in VakifBank among state-owned banks. Thus, we realized one of the highest credit growth rates in the sector without forcing the local deposit market thanks to long-term, low-cost and diversified foreign funding sources.”

**“We will enhance our marketing capacity through digital platforms”**

Stated that they made important progress in the field of digitalization which is set as strategic priority, Mr. Özcan concluded his speech as follows: “More than 93% of all banking transactions was executed via non-branch channels in 2018. We offer a simple and user friendly platform via the mobile banking application which has roughly 3.5 million users as of today. We aim to use effectively our non-branch channels, increase the efficiency and strengthen our marketing capacity on digital platforms via the investments on digital banking.”

**Significant financial indicators of unconsolidated balance sheet of VakifBank dated December 31, 2018:**

Net Income Before Tax	TL 5,173.9 million
Net Income	TL 4,154.3 million
Total Assets	TL 331,435.6 million
Total Cash and Non-cash Loans	TL 286,772.0 million
Cash Loans	TL 221,606.8 million
Non-cash Loans	TL 65,165.3 million
Total Deposits	TL 179,407.9 million
Equity	TL 28,350.4 million
Funds Borrowed	TL 41,349.8 million