

In the first half of 2017, 210 billion TL support to economy from VakıfBank

According to the unconsolidated financials, VakıfBank delivered TL 2 billion 121 million net income in the first half of 2017. While VakıfBank's support to economy through its cash and non-cash loans reached to TL 210 billion, VakıfBank's asset size exceeded TL 236 billion with increases of 22% annually. In the first half of 2017, Bank's ROAE and ROAA were materialized at 20.8% and 1.9%, respectively.

According to the unconsolidated financial results, VakıfBank delivered TL 2 billion 121 million net income by setting aside TL 536 million tax provisions from its TL 2 billion 657 million gross income gained in the first half of the year. Offering all its resource, experience and knowledge to national economy with the power it has gained from the foundation culture, VakıfBank provided TL 210 billion finance to Turkish economy as cash and non-cash loans.

Above sector growth in all key balance sheet items and market share gaining

Assessing the first half of 2017 financials, VakıfBank's CEO Mr. Mehmet Emin Özcan said "We grew in all key balance sheet items both annually and quarterly above than the sector averages. Market share gaining in every segment was on track; especially in loans, total assets and total deposits. With our strong equity, robust liquidity structure and customer oriented banking approach, we will continue to uninterruptedly support economy and our presence in the markets will be more visible in the upcoming periods."

In the second quarter of the year, VakıfBank's lending volume under CGF was the highest in the sector

VakıfBank's CEO Mr. Özcan continued his speech as follows; "Turkey's GDP growth gained momentum via policies and measures taken and implemented by our government. Lending under Credit Guarantee Fund (CGF) by Turkish banks also played an important role in this process. With the aim of providing sustainable growth by the successful measure taken, we did not hesitate to take responsibility and our lending volume under CGF was the highest among all Turkish banks in the second quarter of the year. Standing by its SMEs and real economy under all circumstances, our Bank also became one of the leading banks in CGF loans with a total balance of TL 17 billion. With a loan to total assets ratio of 71%, ranking the first bank among the Tier I Banks shows clearly the size of our support to national economy.

Our Turkish Lira deposits exceeded TL 100 billion

Indicating that total deposits continued to be the main funding source, with deposits to the total liabilities ratio of %60, CEO Mr. Özcan continues his words "Total deposits reached TL 142 billion with an increase of 23.8% annually. More importantly, Turkish Lira deposits exceeded TL 100 billion with an

increase of 14% quarterly for the first time. With 927 branches in all over the country and digital banking which we will pay more importance in the upcoming periods, we will continue to expand the customer base and raise the share of retail deposits in total deposits. Via further increased level of investments on digital banking, we will concentrate on using alternative distribution channels more effectively and increase our penetration ratio among young people who are the future of our country.

Renewing Syndicated Loan above the sector averages

Reflecting his pleasure regarding VakıfBank's pioneering and innovative positions in international capital markets in accordance with its vision of being "the leading bank of the New Turkey" CEO Mr. Özcan stated "We renewed the syndication loan with a 109% roll over ratio with equivalent of above US\$ 1 billion in total which has been provided in April above the sector average. Furthermore, we issued a new Eurobond with a maturity of 5 years, amounting USD 500 million within the Global Medium Term Notes (GMTN) program in May." CEO Mr. Özcan ended his speech "We will continue to support real economy as always through diversified funding structure and long term, cost-effective international funding transactions."

Significant financial indicators of unconsolidated balance sheet of VakıfBank dated June 30, 2017:

Net Income Before Tax	TL 2,657.3 million
Net Income	TL 2,121.4 million
Total Assets	TL 236,623.3 million
Total Cash and Non-cash Loans	TL 209,609.0 million
Cash Loans	TL 167,128.1 million
Non-cash Loans	TL 42,480.9 million
Total Deposits	TL 141,341.1 million
Equity	TL 21,615.1 million
Funds Borrowed	TL 26,135.0 million