

## **VakıfBank delivered 722.8 million TL net income in 1H14**

**According to unconsolidated financials dated June 30, 2014, VakıfBank delivered TL 722.8 million net profit in the first half of 2014. Bank's total assets, total loans and total deposits reached to TL 138.5 billion, TL 91.5 billion and TL 84.2 billion, respectively.**

VakıfBank's CEO, Mr. Halil Aydođan assessed the unconsolidated financial results as of June 2014 and expressed his pleasure regarding the amount of the sources provided to the economy through the cash and non-cash loans which increased to TL 116.2 billion. Mr. Aydođan stated "As VakıfBank, we have always been one of the greatest supporter of real economy. The share of loans in total assets reached to 66%, which is all time record not only in the history of VakıfBank but also among peer group banks, which itself speak for the commitment of VakıfBank to support real economy."

### **Strong growth in retail deposits**

Mr. Aydođan noted that they continue to grow in deposits by the contribution of branch openings and continued as follows "Total deposits increased by 17% year on year and reached to TL 84.2 billion. More importantly, retail deposits grew by 25% in the same period and reached to TL 34.2 billion. Faster growth on retail deposits shows continuing granularity of the bank's deposit base."

### **Increasing alternative funding sources**

Mr. Aydođan stated that they give weight to enrich and diversify the funding structure of the bank and increase the average duration of liability in order to support the real economy more strongly. He said "The transaction of EUR 500 million issued in June has the feature of the first ever Euro denominated Eurobond in Turkey apart from the sovereign. Blazing a lot of trails in international banking field, VakıfBank both issued the first Euro denominated Eurobond of Turkey and the transaction received strong investor demand with more than 10 times oversubscription. Moreover, since the establishment of Global Medium Term Notes Programme, we became the leader with a 28% market share by issuing more than USD 1.8 billion private placements in various terms and currencies. Besides being the first bank to establish Global Medium Term Notes Programme, we continue to strengthen VakıfBank's leading position in debt capital markets by using the programme in an active and efficient way."

### **Better asset quality performance than the sector**

Mr. Aydođan stated that, without no asset sale and write off, non-performing loans of the Bank raised only 2.8% in the second quarter compared to the first quarter. He said "On a comparable basis, increase of VakıfBank's non-performing loans is lower than the peer banks. We expect the collections from NPLs to continue in the second half of the year, as well."

### **Significant financial indicators of unconsolidated balance sheet of VakıfBank dated June 30, 2014**

<b>Net Profit Before Tax</b>	<b>TL 917.9 million</b>
<b>Net Profit</b>	<b>TL 722.8 million</b>
<b>Total Assets</b>	<b>TL 138,539.1 million</b>
<b>Total Cash and Non-cash Loans</b>	<b>TL 116,234.6 million</b>
<b>Cash Loans</b>	<b>TL 91,540.9 million</b>
<b>Non-cash Loans</b>	<b>TL 24,693.7 million</b>

<b>Total Deposits</b>	<b>TL 84,205.9 million</b>
<b>Equity</b>	<b>TL 13,496.1 million</b>
<b>Funds Borrowed</b>	<b>TL 10,573.4 million</b>

**Yours sincerely,  
VakıfBank**