

THIS ANNOUNCEMENT RELATES TO THE DISCLOSURE OF INFORMATION THAT QUALIFIED OR MAY HAVE QUALIFIED AS INSIDE INFORMATION WITHIN THE MEANING OF ARTICLE 7(1) OF THE MARKET ABUSE REGULATION (EU) 596/2014.

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION TO ANY PERSON LOCATED OR RESIDENT IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DISTRIBUTE THIS DOCUMENT.

Türkiye Vakıflar Bankası T.A.O. announces results of its Exchange Offer for, and results of the meeting of holders of, its US\$900,000,000 6.000 per cent. Subordinated Notes due 2022

8 February 2017. Further to the announcements dated 13 January 2017 and 26 January 2017 by Türkiye Vakıflar Bankası T.A.O. (the **Issuer**, and such announcements the **Previous Announcements**) in connection with its invitations to holders (**Noteholders**) of its outstanding US\$900,000,000 6.000 per cent. Subordinated Notes due 2022 (ISIN: XS0849728190 / US90015NAB91) (the **Existing Notes**) to:

- (i) offer to exchange their Existing Notes for U.S. dollar-denominated Fixed Rate Resettable Tier 2 Notes due 2027 and Callable 2022 (the **New Notes**) to be issued by the Issuer (such invitation, the **Exchange Offer**); and/or
- (ii) approve, by Extraordinary Resolution (the **Extraordinary Resolution**), a modification to the terms and conditions of the Existing Notes to remove certain restrictions on the purchase of Existing Notes by the Issuer (such invitation, the **Proposal**),

the Issuer today announces the results of (a) the Exchange Offer and (b) the meeting of the Noteholders (the **Meeting**) held earlier today at which the Extraordinary Resolution was considered.

The Exchange Offer and the Proposal were made on the terms and subject to the conditions set out in the Exchange Offer and Consent Solicitation Memorandum dated 13 January 2017 (the **Exchange Offer and Consent Solicitation Memorandum**) including, in the case of the Exchange Offer, the offer and distribution restrictions set out below and as more fully described in the Exchange Offer and Consent Solicitation Memorandum, and this announcement should be read in conjunction with the Exchange Offer and Consent Solicitation Memorandum and the Previous Announcements, which (subject to the restrictions referred to under "*Offer and Distribution Restrictions*" below) are available via the Offer Website (<https://sites.dfkingltd.com/vakif>).

Capitalised terms used in this announcement but not defined have the meanings given to them in the Exchange Offer and Consent Solicitation Memorandum.

Results of Meeting and Satisfaction of Consent Condition

NOTICE IS HEREBY GIVEN by the Issuer to Noteholders that:

- (a) the Extraordinary Resolution was duly passed at the Meeting; and
- (b) the Existing Notes Supplemental Agency Agreement has been executed by the Issuer and the agents and registrar named therein, and the terms and conditions of the Existing Notes have been modified accordingly.

The Consent Condition has therefore been satisfied.

Following conclusion of the Meeting, all Existing Notes (other than Existing Notes accepted for exchange pursuant to the Exchange Offer) have been unblocked in the relevant Clearing System (in the case of Euroclear/Clearstream Existing Notes) or are no longer subject to the restrictions on transfer described in the Exchange Offer and Consent Solicitation Memorandum (in the case of DTC Existing Notes).

Results of Exchange Offer

The Exchange Offer expired at 5.00 p.m. (New York City time) on 25 January 2017. The Issuer has decided to accept all valid offers of Existing Notes for exchange pursuant to the Exchange Offer in full, with no *pro rata* scaling. The Final Acceptance Amount is US\$227,605,000.

The expected settlement date for the Exchange Offer is 13 February 2017. Following settlement of the Exchange Offer, US\$672,395,000 in aggregate principal amount of the Existing Notes will remain outstanding.

US\$227,605,000 in aggregate principal amount of New Notes will be issued at settlement of the Exchange Offer. The New Notes held through Euroclear/Clearstream and represented by the Euroclear/Clearstream Global Note will be issued with ISIN XS1551747733 and Common Code 155174773. The New Notes held through DTC and represented by the DTC Global Note will be issued with ISIN US90015WAE30, Common Code 155178914 and CUSIP 90015WAE3.

The Issuer will also make payment of the Consent Fee to eligible Noteholders on the Settlement Date.

Requests for information in relation to the Exchange Offer and the Proposal may be directed to:

Dealer Managers

BNP Paribas
10 Harewood Avenue
London NW1 6AA
United Kingdom

Attention: Liability Management Group
Telephone: +44 20 7595 8668
Email: liability.management@bnpparibas.com

Citigroup Global Markets Limited
Citigroup Centre, Canada Square
Canary Wharf
London E14 5LB
United Kingdom

Attention: Liability Management Group
Telephone: +44 20 7986 8969
Email: liabilitymanagement.europe@citi.com

Merrill Lynch International
2 King Edward Street
London EC1A 1HQ
United Kingdom

Attention: Liability Management Group
Telephone: +44 20 7996 5420
Email: DG.LM_EMEA@baml.com

Standard Chartered Bank
1 Basinghall Avenue
London EC2V 5DD
United Kingdom

Attention: Liability Management Group
Telephone: +44 20 7885 5739
Email: liability_management@sc.com

Requests for information in relation to any documents or materials relating to the Exchange Offer and the Proposal may be directed to:

Exchange and Tabulation Agent

D.F. King Ltd

Email: vakif@dfkingltd.com
Offer Website: <https://sites.dfkingltd.com/vakif>

In London
125 Wood Street
London EC2V 7AN
United Kingdom

Telephone:
+44 20 7920 9700

In New York:
48 Wall Street, 22nd Floor
New York, New York 10005
United States

Attention: Andrew Beck
Toll-Free: (800) 431 9646
Telephone: +1(212) 269 5550
By Facsimile: +1(212) 709 3328
Confirmation: +1(212) 269 5552

In Hong Kong:
Suite 1601, 16/F, Central Tower
28 Queen's Road Central
Hong Kong

Telephone:
+852 3953 7230

This announcement is released by Türkiye Vakıflar Bankası T.A.O. and contains information that qualified or may have qualified as inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014 (MAR), encompassing information relating to the Exchange Offer and the Proposal described above. For the purposes of MAR and Article 2 of Commission Implementing Regulation (EU) 2016/1055, this announcement is made by Mustafa Turan, Senior Vice President – Head of International Banking and Investor Relations at Türkiye Vakıflar Bankası T.A.O.

DISCLAIMER This announcement must be read in conjunction with the Exchange Offer and Consent Solicitation Memorandum. No offer or invitation to acquire any securities is being made pursuant to this announcement. If any Noteholder is in unsure of the impact of the implementation of the Proposal or the Extraordinary Resolution, it is recommended to seek its own financial and legal advice, including in respect of any tax consequences, immediately from its broker, bank manager, solicitor, accountant or other independent financial, tax or legal adviser.

None of this announcement, the Previous Announcements and the Exchange Offer and Consent Solicitation Memorandum constitutes or constituted an offer to sell or buy, or the solicitation of an offer to sell or buy, the Existing Notes and/or New Notes, as applicable, in any circumstances in which any such offer or solicitation is unlawful.

The distribution of this announcement, the Previous Announcements and the Exchange Offer and Consent Solicitation Memorandum in certain jurisdictions may be restricted by law. Persons into whose possession this announcement, the Previous Announcements or the Exchange Offer and Consent Solicitation Memorandum comes are required by each of the Issuer, the Dealer Managers and the Exchange and Tabulation Agent to inform themselves about, and to observe, any such restrictions.

United States

The New Notes have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the **Securities Act**) or the securities laws of any state or other jurisdiction of the United States.

The Exchange Offer was made to Noteholders pursuant to an exemption from the registration requirements of the Securities Act provided by Rule 802 under the Securities Act.

Securities may not be offered, sold or delivered in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

The New Notes will be "restricted securities" as defined in Rule 144(a)(3) under the Securities Act to the same extent and in the same proportion as the Existing Notes. Holders may not transfer the New Notes except pursuant to an exemption from the registration requirements of the Securities Act.

Any Noteholder who is a U.S. person, as such term is defined in Regulation S promulgated under the Securities Act, and is not a Qualified Institutional Buyer as defined in Rule 144A promulgated under the Securities Act, was required to contact the Exchange and Tabulation Agent before agreeing to participate in the Exchange Offer.

Italy

None of the Exchange Offer, this announcement, the Previous Announcements, the Exchange Offer and Consent Solicitation Memorandum or any other documents or materials relating to the Exchange Offer have been or will be submitted to the clearance procedure of the *Commissione Nazionale per le Società e la Borsa* (CONSOB).

The Exchange Offer was being carried out in the Republic of Italy (**Italy**) as an exempt offer pursuant to article 101-bis, paragraph 3-bis of the Legislative Decree No. 58 of 24 February 1998, as amended (the **Financial Services Act**) and article 35-bis, paragraph 4 of CONSOB Regulation No. 11971 of 14 May 1999, as amended.

Noteholders, or beneficial owners of the Existing Notes, in Italy were able to offer Existing Notes for exchange through authorised persons (such as investment firms, banks or financial intermediaries permitted to conduct such activities in Italy in accordance with the Financial Services Act, CONSOB Regulation No. 16190 of 29 October 2007, as amended from time to time, and Legislative Decree No. 385 of 1 September 1993, as amended) and in compliance with applicable laws and regulations or with requirements imposed by CONSOB or any other Italian authority.

Each such intermediary must comply with the applicable laws concerning information duties *vis-à-vis* its clients in connection with the Existing Notes or the Exchange Offer.

United Kingdom

The communication of this announcement, the Previous Announcements, the Exchange Offer and Consent Solicitation Memorandum and any other documents or materials relating to the Exchange Offer is not being made, and such documents and/or materials have not been approved, by an authorised person for the purposes of section 21 of the Financial Services and Markets Act 2000. Accordingly, such documents and/or materials are not being distributed to, and must not be passed on to, the general public in the United Kingdom. The communication of such documents and/or materials as a financial promotion is only being made to those persons in the United Kingdom falling within the definition of investment professionals (as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the **Financial Promotion Order**)) or persons who are within Article 43(2) of the Financial Promotion Order or any other persons to whom it may otherwise lawfully be made under the Financial Promotion Order.

France

The Exchange Offer was not made, directly or indirectly, to the public in the Republic of France (**France**). None of this announcement, the Previous Announcements, the Exchange Offer and Consent Solicitation Memorandum and any other document or material relating to the Exchange Offer has been or shall be distributed to the public in France and only (i) providers of investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*) and/or (ii) qualified investors (*investisseurs qualifiés*) other than individuals, in each case acting on their own account and all as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 of the French *Code Monétaire et Financier*, were eligible to participate in the Exchange Offer. None of this announcement, the Previous Announcements and the Exchange Offer and Consent Solicitation Memorandum has been or will be submitted for clearance to nor approved by the *Autorité des Marchés Financiers*.