

## **TL 308 billion support to the economy in the first nine months of the year from VakıfBank**

With the vision of “Leading Bank of Strong Turkey”, VakıfBank’s total assets exceeded TL 353 billion, while the support to the economy through cash and non-cash loans reached at TL 308 billion. According to the unconsolidated financial results, VakıfBank delivered TL 3 billion 110 million net income in the first nine months of the year by setting aside TL 709 million tax provision from TL 3 billion 819 million gross income. In the same period, VakıfBank’s average return on equity realized at 16.6%.

**“VakıfBank is the strength on the side of our economy with its solid balance sheet, high liquidity and increasing market share in loans”**

Assessing the performance of the Bank in the first nine months of 2018, VakıfBank’s CEO Mr. Mehmet Emin Özcan said “In a period that risks towards emerging market countries, as well as market volatility increased, Turkish banking sector successfully passed through one of the biggest stress tests in recent years. In the first nine months of the year, VakıfBank also managed to survive this tough time by integrating our absolute customer satisfaction conception, solid balance sheet and high liquidity. As of September end, our cash loans and total assets exceeded TL 235 billion and TL 353 billion, increasing by 35% and 43% YoY, respectively above than sector. Our market share in all loan segments increased while we are “the strength” on both the real sector and household’s side in the first nine months of the year, as in previous years. We became the strength on the national economy’s side with our 950 branches and the sense of efficiency focused work.”

**“Despite challenging environment, we continued to strengthen our solvency ratios and liquidity levels more”**

Stating that they took remarkable steps on liquidity and capital side with the understanding of proactive balance sheet management, while creating the most appropriate solutions to the financial needs of real economy and household through loans, Mr. Özcan continued his speech “Our Capital Adequacy Ratio reached at 17.23% thanks to the Additional Tier I issuance in September, amounting TL 5 billion. This ratio is considered as one of the best among peers. On the other side, we issued USD 300 million DPR securitization with 10 years maturity at the end of September. While the concerns regarding the international borrowing capacities of Turkish banks increased, the injection of new, long term and cost-effective international borrowing to the country showed the high credibility and reputation of VakıfBank in the eyes of the investors.”

**“Product and service range provided through digital platforms and alternative distribution channels rapidly increases day by day”**

Underlining that another important area of priority is digital banking, Mr. Özcan completed his speech “In the center of our transformation process, there is “customer experience” and “digitalization”. In the first nine months of the year, more than 93% of all banking transactions was executed via non-branch channels. We offer a simple, user friendly platform via the mobile banking application which has more than 3.3 million users as of today. We aim to strengthen our marketing capacity on digital platforms, increase the productivity and use effectively our non-branch channels with the investments on digital banking.

**Significant financial indicators of unconsolidated balance sheet of VakıfBank dated September 30, 2018:**

|                               |                      |
|-------------------------------|----------------------|
| Net Income Before Tax         | TL 3,819.3 million   |
| Net Income                    | TL 3,110.1 million   |
| Total Assets                  | TL 353,410.4 million |
| Total Cash and Non-cash Loans | TL 308,123.8 million |
| Cash Loans                    | TL 235,842.8 million |
| Non-cash Loans                | TL 72,281.0 million  |
| Total Deposits                | TL 190,888.3 million |
| Equity                        | TL 26,692.4 million  |
| Funds Borrowed                | TL 47,551.0 million  |