

TL 316 billion support to economy from VakıfBank in the first quarter of the year

According to the unconsolidated financial results of VakıfBank, the support to the real economy through cash and non-cash loans reached TL 316 billion in the first three months of the year. VakıfBank delivered TL 651 million net income by setting aside TL 130 million tax provisions from its TL 781 million gross income in the same period. While total assets of VakıfBank, “Leader Bank of Strong Turkey” exceeded TL 363 billion, market share of Turkish Lira loans reached 10.5% exceeding 10% threshold for the first time.

Assessing the financial performance of the Bank in the first three months of 2019, CEO Mr. Mehmet Emin Özcan stated that they continue to work highly-motivated for the country’s economic development and to raise the welfare level for 65 years. Remarking at the very strong beginning of 2019, Mr. Özcan said “We proved once more that VakıfBank is “the strength” on national economy’s side through the most appropriate solutions to the requirements of all segments of the society.”

Indicating that total cash loans almost reached TL 250 billion with a strong increase of 11% year to date, Mr. Özcan continued:

“This growth is more than double of the sector’s average loan growth and clearly proves that we duly performed our duties in terms of supporting real economy and the household. In addition, market share of total loans reached 9.8%, while the market share of TL loans reached 10.5% exceeding 10% threshold for the first time. Despite market volatility, we will decisively continue to support national economy in the future as well.

“Total deposits increased by above 10% compared to 2018 year end”

Underlining that VakıfBank left behind a successful quarter in terms of funding, Mr Özcan stated, “Our primary funding source, total deposits approached TL 200 billion with an increase of above 10% compared to 2018 year end. The share of total deposits which became more granular every day, reached 55% of total liabilities. In terms of non-deposit funding, we are glad to see the contribution of quite successful issuances both in TL and FC from international debt capital markets to the Bank.”

Reminding that within the scope of covered bond programme, VakıfBank issued TL 1.5 billion covered bond, Mr. Özcan said “Apart from this issuance, we issued USD 600 million Eurobond

within GMTN programme and EUR 700 million Additional Tier I issuance to Turkey Wealth Fund-Market Stability and Balance Fund. In addition, the syndication loan amounting USD 1.1 billion with a 100% roll-over ratio became the most important transactions of this year so far. We continued to diversify and strengthen our funding structure through all these transactions.”

“Being awarded with international awards and participating international initiatives increase our brand value”

Remarking that they have other focal points to raise VakıfBank’s brand value at international level other than providing funds, Mr. Özcan stated, “Two funding transactions under covered bond and GMTN programmes have been awarded with 3 different prizes at Bonds&Loans 2018 ceremony. Our “Retail Term Deposit Pricing and Marketing Project” received 2 different awards in Stevie Awards.”

Mr. Özcan expressed that last March, VakıfBank also signed “Women Empowerment Principles” (WEPs) which is a private enterprise of United Nations (UN) and aiming the empowerment of women to take active part in both social and economic platforms and he continued:

“We became the first state-owned institution to sign the most comprehensive agreement in the world regarding social gender equality. Moreover, we took a strong step towards environmental conscious, being the first state bank to make a commitment of reducing carbon emissions to Science Based Targets Initiative under the body of United Nations, to which the companies declare their goals to decrease carbon emissions. All these international awards and initiatives increase the Bank’s brand recognition, image and brand value both in the country and abroad.

Significant financial indicators of unconsolidated balance sheet of VakıfBank as of 1Q19:

Net Income Before Tax	TL 781.6 million
Net Income	TL 651.2 million
Total Assets	TL 363,224.1 million
Total Cash and Non-cash Loans	TL 315,557.8 million
Cash Loans	TL 246,252.7 million
Non-cash Loans	TL 69,305.2 million
Total Deposits	TL 198,123.9 million
Equity	TL 28,615.3 million
Funds Borrowed	TL 41,012.7 million