

# TL 163 billion support from VakıfBank to the economy

***VakıfBank delivered TL 1 billion 104 million net income in the first half of the year with a TL 587 million net income in the second quarter of 2016. Total support of VakıfBank to the economy via total cash and non-cash lending reached TL 163 billion with an asset size of TL 194 billion, while total deposits and total equity of the Bank exceeded TL 114 billion and TL 18 billion, respectively.***

Assessing the financial results of 2Q 2016, VakıfBank's CEO Mr. Halil Aydoğan said "Once more, I condemn the traitor coup attempt of July 15th fiercely and vehemently which was against to the national will, country, republic, unity and solidarity. As VakıfBank, I want to emphasize once more that we will continue to stand resolutely against this traitor coup attempt with our full assets and strength and serve our country and glorious people all over the country. I wish that this outrageous coup attempt and similar events disrupting the unity and solidarity of the country will not happen again and I want to reiterate my faith that our country will be stronger than before at the end of those events."

## **Increasing support to the real economy with the project finance loans**

Stating that in the first half of the year, Turkish economy, financial indicators and dynamics of the banking sector had a more stable basis, CEO Mr. Aydoğan continued "Despite uncertainties of the global markets and increasing volatilities, VakıfBank performed successfully in the first half of the year. VakıfBank's total assets reached TL 194 billion with an annual increase of 11%, while total loans and total deposits reached TL 129.3 billion and TL 114.1 billion with annual increases of 9.3% and 13.8%, respectively. In the second quarter, we kept growing in project finance especially in infrastructure and energy projects that have critical importance to our economic and social development. The project finance loans reached USD 8 billion with an increase of 3.5% QoQ in USD terms. Our support to blue-chip infrastructure projects and real economy will continue without any interruption."

## **"Above USD 2 billion international funding sources provided year to date"**

Emphasizing that VakıfBank continued to provide long term, cost-effective funding sources from international markets for the utilization of the real sector, CEO Mr. Aydoğan stated that "We provided new funding sources, amounting above USD 2 billion to our country through syndication, private placements, Covered Bond issuance and facilities from the international financial institutions since the beginning of the year. Among these transactions, the first ever benchmark Euro-denominated Covered Bond issuance, amounting EUR 500 million with 5

years maturity has a different place. This issuance with the lowest coupon rate and the highest possible rating of the country, has been awarded under the category of “Award for Excellence: Debut” in the organization, which is appraised as one of the most prestigious awards of Europe, jointly organized by The Covered Bond Investor Council (CBIC) within the structure of the International Capital Markets Association (ICMA) and The Covered Bond Report magazine. Furthermore, following the traitor coup attempt on July 15th, The European Bank for Reconstruction and Development (EBRD) approved a new loan limit to us, amounting EUR 150 million which is also the highest loan limit allocated by the EBRD in a lump, which itself reflects the trust to Turkish economy, Turkish banking sector and VakıfBank made us also proud.”

### “Strong solvency ratios”

CEO Mr. Aydoğan gave an end to his speech by the following statement “Without sacrificing from growth perspective, we continue to keep a significant part of our earnings, achieved via efficiency focused understanding, within equity and thus carry on improving our solvency ratios. In the rest of the year, we will continue to finance the real economy and projects that will add value to the economy with our equity exceeding TL 18 billion.

### Significant financial indicators of unconsolidated balance sheet of VakıfBank dated 30 June 2016

Net Profit Before Tax	TL 1,390.8 million
Net Profit	TL 1,103.6 million
Total Assets	TL 193,640.4 million
Total Cash and Non-cash Loans	TL 162,895.8 million
Cash Loans	TL 129,299.9 million
Non-cash Loans	TL 33,595.9 million
Total Deposits	TL 114,133.6 million
Shareholders’ Equity	TL 18,027.9 million
Funds Borrowed	TL 18,419.7 million