

VakifBank delivered TL 1 billion 273 million net income in the first nine months of the year

VakifBank delivered TL 1 billion 273 million net income in the first nine months of the year with a TL 452.5 million net income in the third quarter of 2015. While net income of banking sector remained flat compared to the same period of last year, VakifBank's net income increased by 19%. Total assets, total cash and non-cash loans and total deposits of the Bank reached to above TL 188 billion, TL 160 billion and TL 112 billion with an increase of 19%, 19% and 23% year to date, respectively.

VakifBank's CEO, Mr. Halil Aydogan assessed the unconsolidated financial results as of 3Q 2015 and expressed his pleasure regarding the sources provided to the economy through cash and non-cash loans which reached to a total amount of TL 160 billion. Mr. Aydogan stated "Cash and non-cash loan growth of VakifBank reached to 20% in the first nine months of the year and we continued to gain market share in the targeted profitable loan segments."

Strong support to the real economy

Emphasizing the support given to the real economy, **CEO Mr. Aydogan** stated "We strengthened the leading position of VakifBank in the field of financing the significant infrastructure projects like airport, bridge and highway projects that add value to our country. Total project finance loans approached to US\$ 8 billion with a 27% increase in real terms compared to the same period of last year."

Ongoing market share gaining

Underlining that market share gaining is not only limited to the targeted loan segments, **Mr. Aydogan** said "Similarly total deposits grew by 23% year to date which is above sector average. While TL deposit growth of sector realized at only 6%, VakifBank's TL deposits increased by 15%. It is a pleasure that by focusing on non-granular retail deposits, we gain market share in TL deposits in which there is a fierce competition."

Profitability performance above the sector

In accordance with the profitable growth strategy, while growing faster than the sector in targeted segments, VakifBank continues to differentiate positively from the sector in terms of profitability performance. **Mr. Aydogan** indicated "As in 2013 and 2014, our annual net income increase is above the sector average in the first nine months of the year. While nine-month net income of the sector remained flat compared to the last year, VakifBank's net income increased by 19%. Thus, VakifBank's nine-month return on average equity realized at approximately one percentage above the sector average."

Strong capital ratio and asset quality

Emphasizing the positive trend in solvency ratios and asset quality side, Mr. Aydogan continued his speech "In spite of the political uncertainties, high volatility in the markets and currency depreciation in the third quarter of the year, VakifBank succeeded to preserve its

strong capital ratios year to date. While the capital adequacy ratio of the sector decreased 72 bps just in the last quarter, VakıfBank's capital adequacy ratio reached to 13.72% with a slight increase and remained well above 12% which is the recommended ratio of BRSA. Thanks to the increasing internal capital generation and efficient capital management, VakıfBank has a capital base that allow an ongoing stable growth. In terms of asset quality, while NPL ratio of the sector still increased year to date despite of the asset sales and write-off, VakıfBank's NPL ratio remained flat compared to the year end 2014 without any asset sale and write-off. With the contribution of re-established political stability, I believe that the performance of the Bank that is above the sector average will increase."

Significant financial indicators of unconsolidated balance sheet of VakıfBank dated September 30, 2015

Net Profit Before Tax	TL 1,653.7 million
Net Income	TL 1,273.5 million
Total Assets	TL 188,820.3 million
Total Cash and Non-cash Loans	TL 159,415.6 million
Cash Loans	TL 124,226.0 million
Non-cash Loans	TL 35,189.6 million
Total Deposits	TL 112,578.3 million
Equity	TL 15,877.0 million
Funds Borrowed	TL 19,274.7 million