

VakıfBank delivered TL 435 million net income in 1Q15

VakıfBank delivered TL 434,6 million net income in 1Q 2015 with an increase of 16% compared to the first quarter of last year. Similar to 2013 and 2014, VakıfBank's annual net income growth came above the sector average. While VakıfBank's total assets and total loans reached to above TL 168 billion and TL 112 billion with an annual increase of 21% and 26%, respectively, total deposits reached to TL 100 billion with an annual increase of 20%.

Assessing the unconsolidated financial results of 1Q 2015, VakıfBank's CEO Mr. Halil Aydoğan said "Despite to the volatility arising mainly from the international markets and increasing concerns towards the emerging markets, VakıfBank continued to increase its profitability and support the Turkish economy. Total cash and non-cash loans, provided by VakıfBank to the Turkish economy reached to TL 142.5 billion in the first quarter of the year.

Sustainable net income increase and growth

Emphasizing the outperformance of VakıfBank on net income growth since 2013 on annual basis, Mr. Aydoğan stated, "We continue to grow with a sustainable profitability increase. VakıfBank delivered 16% annual net income growth in 1Q15. Similar to 2014, VakıfBank also increased its market share on both total loans and total deposits in this quarter."

Continuous support to economy

Mr. Aydoğan pointed out that the 900th branch of VakıfBank was opened in the first quarter of 2015 and said, "We continue to generate the best solutions for all the needs of the customers and to support them with more than 900 branches and 15.000 employees across Turkey. As a reflection of this understanding, VakıfBank continued to support the economy in every field and increased the cash loans to TL 112.5 billion with a 7.8% quarterly growth, which itself is above the sector average.

Ongoing improvement in asset quality

Recalling that the most significant success of 2014 balance sheet came from asset quality side, Mr. Aydoğan said "This eye-catching development continued in the first quarter of 2015. Without any asset sale or write off, in a period that sector's NPL ratio remained unchanged, VakıfBank achieved to improve its NPL ratio by 10 bps compared to the year end 2014.

Strong growth of deposits

Remarking the strong growth in deposits with the contribution of branch openings, CEO Mr. Aydoğan said, "Total deposits reached to TL 100 billion increasing by 8.6% compared to the year end 2014. VakıfBank continues to increase its market share of total deposits in this quarter and the growth is concentrated mainly on TL deposit side. While the sector grew in TL deposits only by 1.3% on quarterly terms, VakıfBank's TL deposit growth came at 7.2%. Strong growth in our highly loyal and granular deposit portfolio reassures us to reach our targets in terms of loan growth."

First ever Basel 3 compliant Tier II subordinated notes issuance of Turkey

Mr. Aydoğan stated that another significant development of 1Q 2015 came from the capital side and said “VakifBank issued the first ever Basel 3-compliant Tier II subordinated notes of Turkey in February. The transaction, amounting USD 500 million, creates roughly TL 10 billion multiplier effect in terms of lending. Thanks to the aforesaid transaction, VakifBank achieved to be the only bank to increase its capital adequacy ratio among the peer banks compared to the year end 2014, despite of the loan growth above the sector average. We will continue to support Turkish economy through long term funding sources provided from international debt capital markets and our capital adequacy ratio that reached to 14.2% as of 1Q15.

Significant financial indicators of unconsolidated balance sheet of VakifBank dated March 31, 2015

Net Profit Before Tax	TL 564,9 million
Net Profit	TL 434,6 million
Total Assets	TL 168.362,0 million
Total Cash and Non-cash Loans	TL 142.427,1 million
Cash Loans	TL 112.488,6 million
Non-cash Loans	TL 29.938,5 million
Total Deposits	TL 99.660,2 million
Shareholders' Equity	TL 14.918,9 million
Funds Borrowed	TL 15.167,7 million