

VakıfBank delivered TL 821 million net income in the first half of the year

VakıfBank delivered TL 821 million net income in the first half of the year with a TL 386,3 million net income in the second quarter of 2015. While VakıfBank's quarterly net income increased by 10.6% compared to the same period of last year, first half net income increased by 13.6% on annual basis. VakıfBank's total assets, total loans and total deposits reached to above TL 174 billion, TL 118 billion and TL 100 billion with an increase of 10%, 13% and 9% year to date, respectively.

VakıfBank's CEO, Mr. Halil Aydoğan assessed the unconsolidated financial results as of 2Q 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 150 billion. Mr. Aydoğan stated "In the first half of the year that global volatility increased and risk perception towards the emerging economies was high, we continued to manage our balance sheet successfully by growing above the sector averages in every field that we targeted without any concessions from the growth. We are very pleased that the share of loans in total assets which is our main business reached to the highest ratio of the Bank's history with 68% and we maintained our leading position in this field."

Growth in profitable loan segments

Indicating that similar to 2014, VakıfBank's net income increased by 14% in the first half of 2015 compared to the same period of last year which is also above the sector average, Mr. Aydoğan said "VakıfBank continues to grow by considering the profitability. We completed the second quarter with 11% net income increase compared to the same period of last year. As in the first quarter of the year, VakıfBank's market share in targeted loan segments such as SME loans, project finance and general purpose consumer loans continued to increase."

Ongoing improvement in asset quality

Similar to the first quarter of 2015, Mr. Aydoğan stated regarding the ongoing improvement in asset quality "VakıfBank's NPL ratio continues to improve and we achieved to decrease our NPL ratio to 3.5% with a decline of 15 bps compared to 2014 year end without any asset sale and write off. Aforesaid rate is more than 1% below the sector average in comparable basis."

Solid funding base

Underlining that VakıfBank is more successful to grow in low cost, non-granular retail deposits and demand deposits than the sector average year to date, Mr. Aydoğan continued his speech, "Besides the thriving improvements in deposits, VakıfBank's leading position in international banking continues. We provided a new long term fund, amounting EUR 300 million in total from European Investment Bank and KfW (German Development Bank) to be on-lent to finance SMEs. Additionally, last week we established Mortgage Covered Bond Programme

which will enable us to issue covered bond within the scope of the new capital markets legislation and the programme has been rated as A3 which is the highest rating possible in Turkey. We will continue to provide long term foreign funding sources in future for the utilization of real sector.”

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

Net Profit Before Tax	TL 1.070,7 million
Net Income	TL 820,9 million
Total Assets	TL 174.469,7 million
Total Cash and Non-cash Loans	TL 151.152,6 million
Cash Loans	TL 118.294,4 million
Non-cash Loans	TL 32.858,2 million
Total Deposits	TL 100.271,4 million
Equity	TL 15.051,2 million
Funds Borrowed	TL 16.325,3 million