

## **Ongoing support from VakıfBank to Turkish Economy: VakıfBank's asset size exceeded TL 2.4 trillion**

**VakıfBank's financial support to the national economy through cash and non-cash loans increased by 70% on an annual basis and reached TL 1.8 trillion. In the same period, while cash loans increased by 74% annually, reaching TL 1.4 trillion, total assets grew by 77% and exceeded TL 2.4 trillion. Thus, the market shares for cash loans and total assets increased to 12.9% and 11.6% from 11.6% and 10.6%, respectively, in the same period of the previous year.**

VakıfBank, as Turkey's second-largest bank in terms of asset size, continues to provide sustained support to the real economy and announced its unconsolidated financial results for the third quarter of 2023 to the public. In the period of 2023 third quarter, VakıfBank's total assets grew by 77% on an annual basis, reaching TL 2.4 trillion. VakıfBank delivered TL 15 billion 23 million net income by setting aside TL 3 billion 519 million tax provisions from its TL 18 billion 542 million gross income in the third quarter of 2023.

Assessing the financial results of third quarter, VakıfBank's CEO Mr. Abdi Serdar Üstünsalih, "The third quarter of 2023 was a period in which the tightening measures taken by economy management and the normalization of macroeconomic policies were particularly affected the banking sector. In light of all these positive developments, we have managed efficiently our balance sheet in harmony with economic management. As VakıfBank, following our selective lending policy, we have continued to support our customers especially in the commercial and SME segments focusing on export, investment and contributing to employment in our country." Underlining with the total commercial loan portfolio size which exceeded TL 1.1 trillion, Mr. Üstünsalih "Through our leading position in this field, we have shown that we continue to provide the financial support to the real economy and companies, regardless of the period. As celebrating the 100th anniversary of Republic of Türkiye, the support we provide to our country is a source of honour on behalf of VakıfBank"

### **"Total deposits continued to be our main funding source"**

Indicating the total deposits continued to be the main funding source with an annual increase of 78%, surpassed TL 1.7 trillion, Mr. Üstünsalih continued as followed "Thus, our market share in this field increased from 11.9% to 12.8% compared to the same period of the previous year. Our top priority in this regard is to preserve our widespread customer and deposit base and reach as many customers as possible. This way, we aim to provide the support for our customers' needs to make their saving investments effectively. Furthermore, thanks to the measures taken by economy management, we have observed a gradual but noticeable decrease in FX-indexed deposit product, both specifically within VakıfBank and throughout the sector. In this area, we will continue to follow the practices carried by economy management."

**VakıfBank became the first Turkish bank to open the eurobond market for a 5-year maturity after 2 years break.**

VakıfBank successfully completed a new USD 500 million with a 5-year maturity collateralized funding transaction with an international bank in August 2023, and subsequently reached an agreement with the French Development Agency (AFD) for the disbursement of the second tranche of EUR 100 million as part of the 'Green Mortgage Project,' with final maturity of 10 years including 3 years grace period." Mr. Üstünsalih continued his statement as follows:

"VakıfBank has once again pioneered a significant development in the sector. Very recently, in early September, we successfully completed USD 750 million sustainable eurobond issuance, with a maturity of 5 years, becoming the first Turkish bank to open the eurobond market at this tenor after a two-year break. The transaction gathered USD 2.6 billion demand from almost 180 corporate investors coming all around the world, reaching 3.5 times oversubscription. So far in 2023, six Turkish banks have come to the market with seven different eurobond transactions. Thanks to the right strategy, timing, and the positive perception as a result of strong investor engagement, the transaction had three important components of lowest cost, highest amount and longest maturity that hard to achieve in a single transaction."

Mr. Üstünsalih completed his words as follow:

"The macro-prudential measures taken by economy management and the simultaneous tightening measures in the monetary policy have restored confidence in Türkiye and Turkish banks. As the most active Turkish bank in international funding, we continue to bring many new international funding sources to Türkiye and in addition to that, we make these funding sources available for the real sector. I would like to remind once again the best example of this, where we allocated the entire USD 250 million funding signed with World Bank in 2020 to our clients in accordance with its purpose of use. In this regard, we will continue to support companies in the real sector in the upcoming periods."

**Significant financial indicators of unconsolidated balance sheet of VakıfBank as of 30 September, 2023:**

Net Income Before Tax	TL 18,542 million
Net Income	TL 15,023 million
Total Assets	TL 2,449 billion
Total Cash and Non-cash Loans	TL 1,775 billion
Cash Loans	TL 1,383 billion
Non-cash Loans	TL 391,638 million
Total Deposits	TL 1,701 billion
Equity	TL 153,234 million
Funds Borrowed	TL 199,683 million
Securities Issued	TL 108,762 million