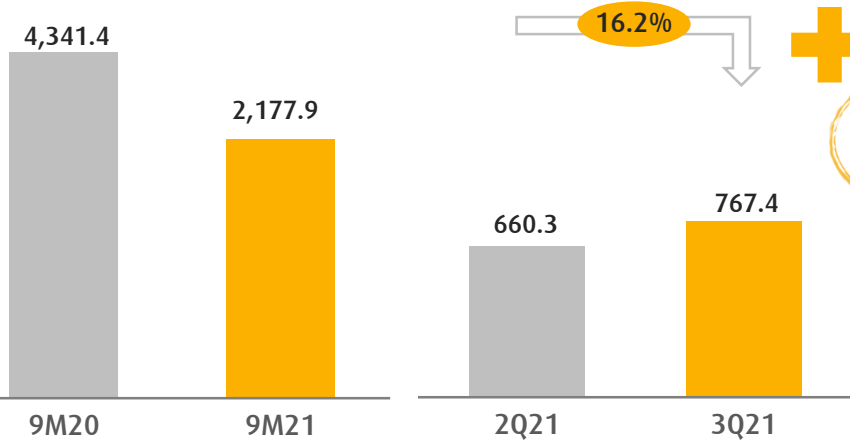




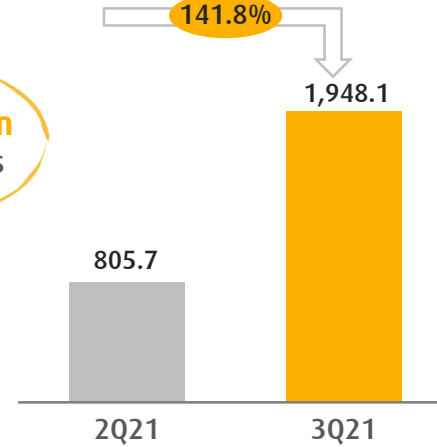
Earnings Presentation  
BRSA Bank-Only 3Q 2021  
November 4, 2021

# 3Q21 Earnings and Ratios

Net Income (TL million)

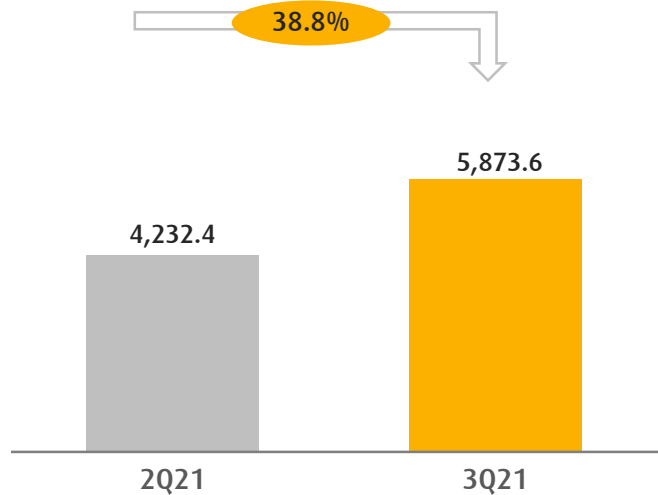


Pre-Provisions Profit

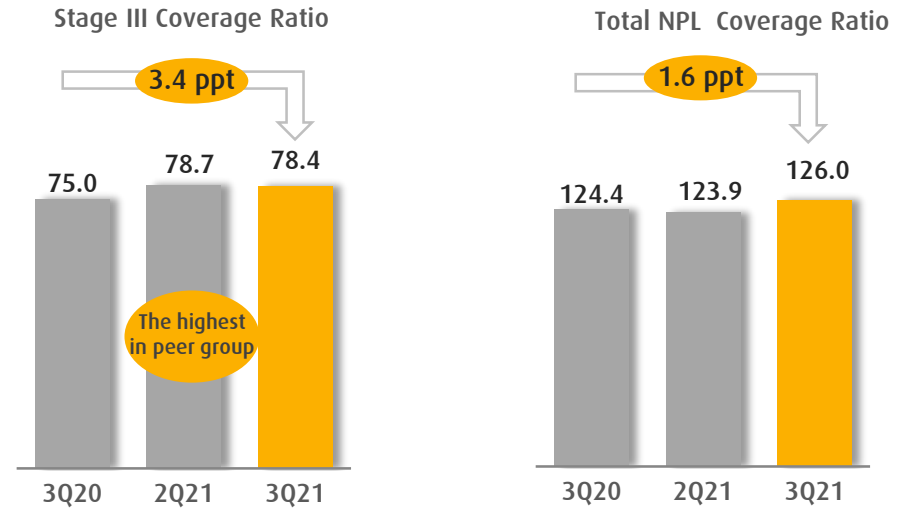


TL 1,472 million free provisions

Core Banking Revenue (TL million)\*



Coverage Ratios (%)



# Key Highlights of 3Q21

## TL loan driven quarterly lending activity

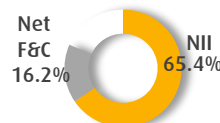
**TL 478 bio** → Total loans are up by **4.2%** QoQ and **16.3%** YoY.

**TL 331 bio** → TL loans are up by **5.3%** QoQ and **13.0%** YoY.

**\$ 17 bio** → FC loans are down by **0.6%** QoQ and up by **8.7%** YoY in USD terms.

## High quality core banking revenues further increased

**TL 5.9 bio** → Core banking revenue is up by **38.8%** QoQ.



High quality core banking revenue is **82%** of total revenue.

## NIM improvement will be more visible in 2H 2021

**+ 87 bps** → NIM expanded 87 bps QoQ to **2.89%** from 2.02% in 2Q21 **+** Accelerated NIM improvement expected in 4Q21 thanks to **TL 3.8 bio** CPI linker income **⇒** Substantially lower TL deposit and swap cost

## Disciplined cost management in place

**Below CPI** → Annual OPEX growth came at **12.2%**, below annual CPI. **⇒** HR cost is up by **11.2%** YoY. **⇒** Non-HR cost is up by **12.9%** YoY.

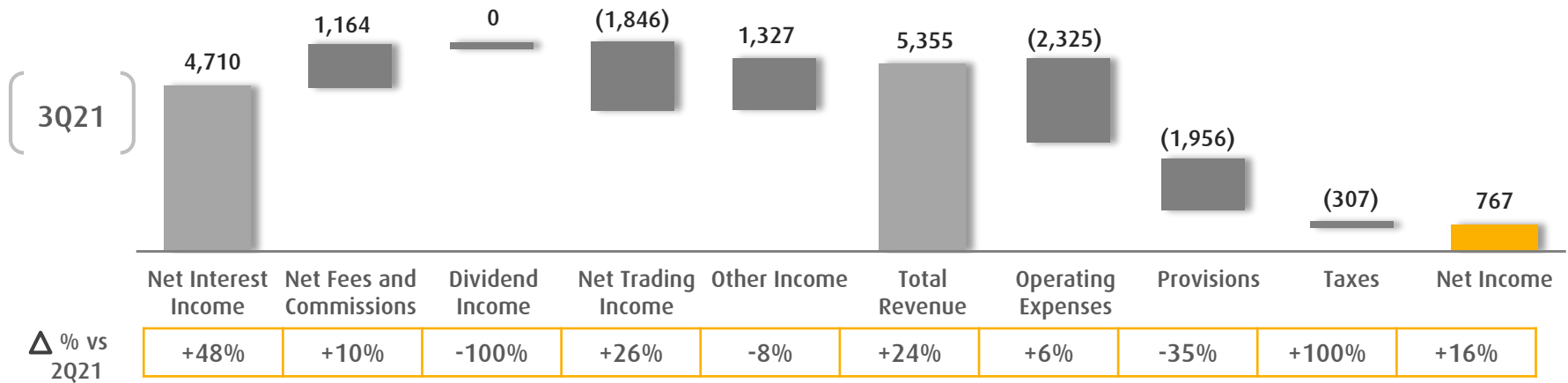
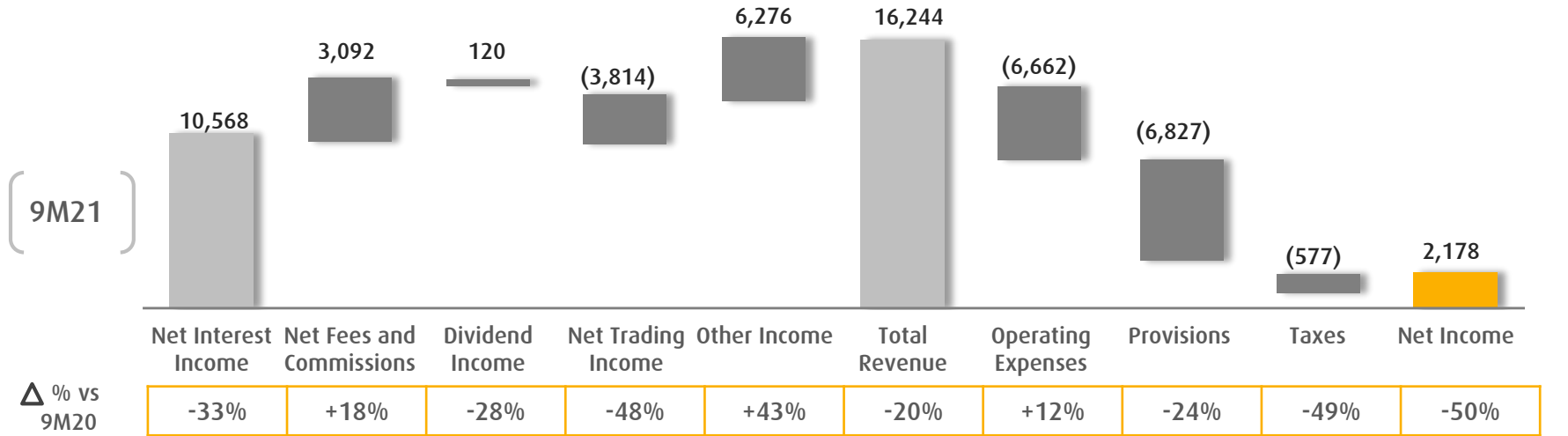
## Maintained prudent NPL coverage ratios

**TL 828 mio** write-off with no P&L impact **⇒** Stage-III coverage ratio further increased to **78.4%** in 3Q21 from 75% in 3Q20. **+** **TL 1,472 million** free provisions in the balance sheet. **⇒** Total NPL coverage ratio also increased to **126%** in 3Q21 from 124.4% in 3Q20.

## Further improvement in liquidity levels

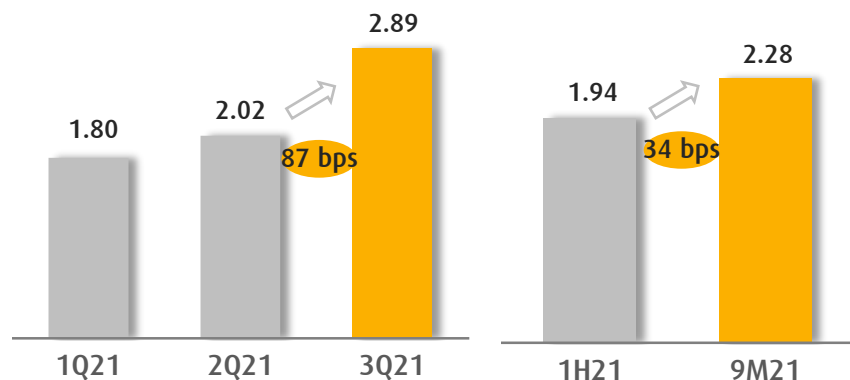
**Strong LCR** → Liquidity ratios are well above regulatory thresholds; **⇒** FC LCR is at **373%** vs min threshold of 80%. **⇒** Total LCR is at **131%** vs min threshold of 100%.

# 9M21 P&L Details

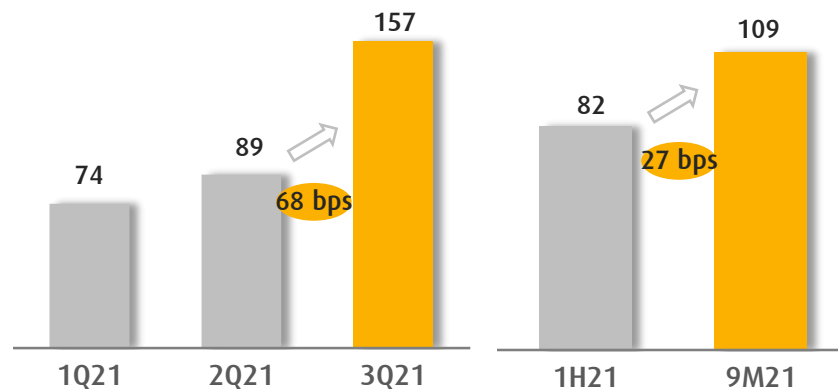


# NIM , CPI linkers and money market funding

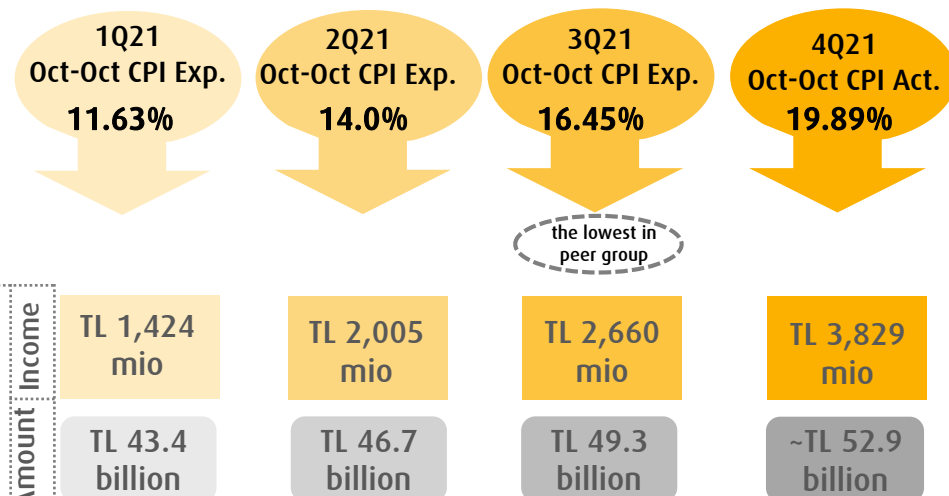
Net Interest Margin (NIM %)



Swap Adjusted Net Interest Margin (%)



CPI Expectations

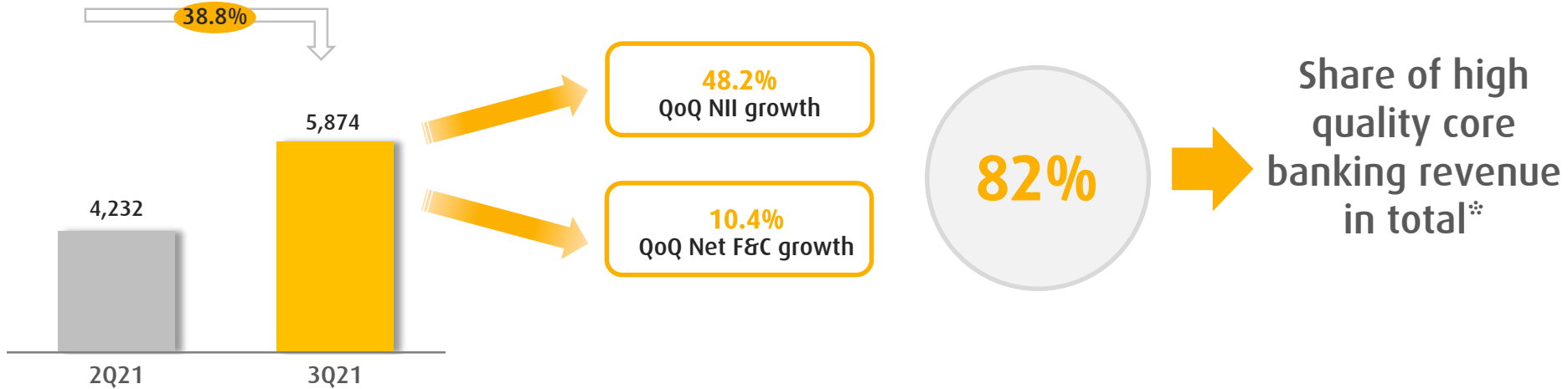


Total Money Market Funding

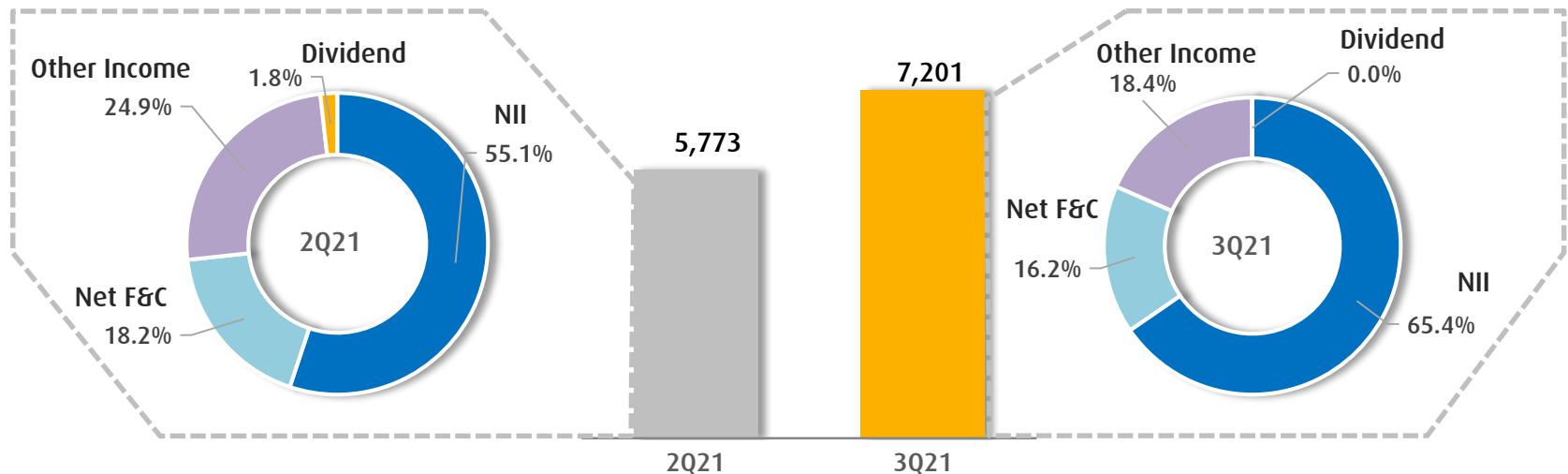
	3Q20	4Q20	1Q21	2Q21	3Q21
Quarterly average total money market funding	TL 68.2 billion	TL 80.9 billion	TL 103.4 billion	TL 112.6 billion	TL 122.1 billion
Quarterly average cost of money market funding	8.56%	13.12%	16.38%	18.55%	18.85%
Average Swap Usage	TL 27.3 billion	TL 27.3 billion	TL 44.2 billion	TL 42.4 billion	TL 47.6 billion
Swap Cost	TL 511 million	TL 724 million	TL 1,583 million	TL 1,782 million	TL 2,148 million

# High quality core banking revenues further increased

## Core Banking Revenue

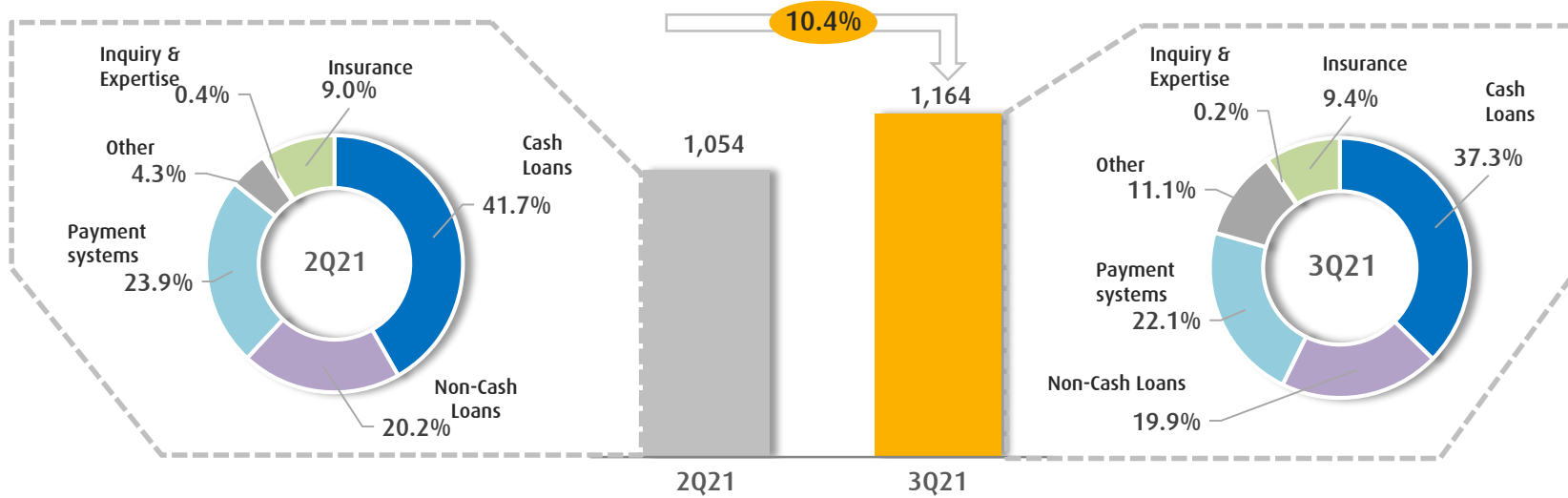


## Total Revenue\* – Revenue Breakdown (TL million)



# Net fee & commission income

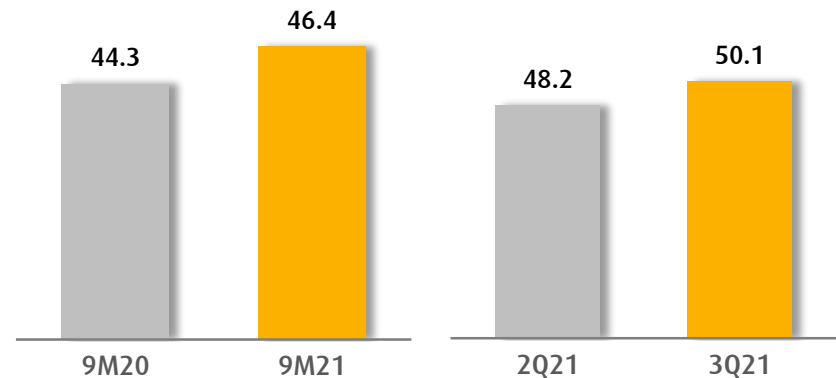
Net Fee & Commission Income Breakdown (TL million)



	Quarterly Growth	Annual Growth
Payment Systems	2.2%	38.9%
Cash Loans	1.3%	8.5%
Non-cash Loans	9.0%	28.7%

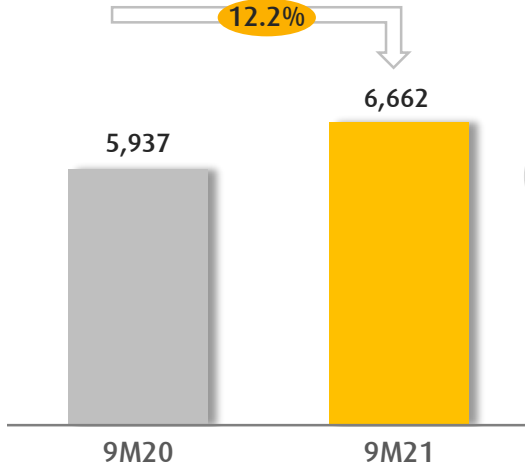
**17.6%**  
Annual net fee & commission income growth

Fee/Operating Expense (%)



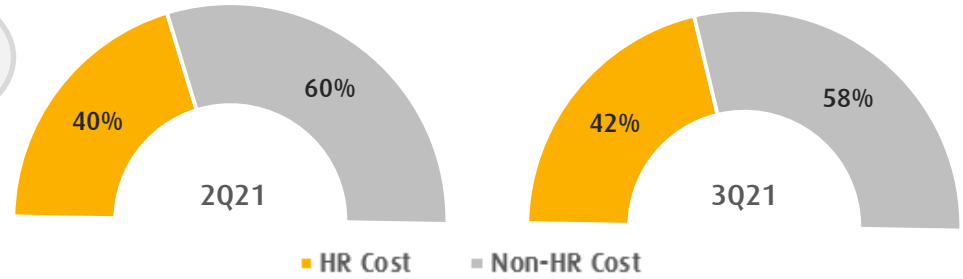
# Disciplined cost management in place

Operating Expenses (TL million)

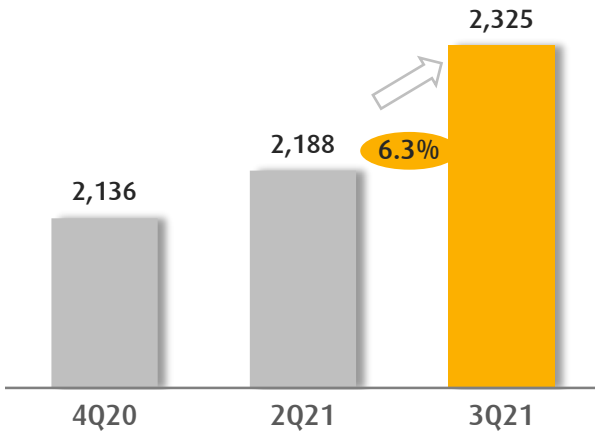


Annual opex growth below annual inflation

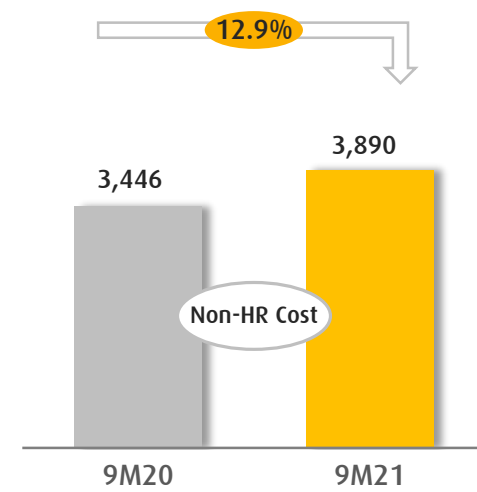
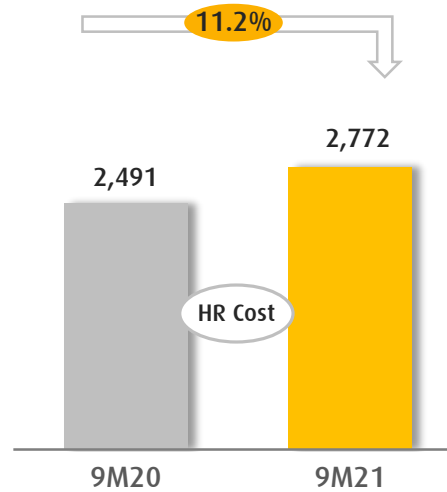
Breakdown of OPEX



Operating Expenses (TL million)



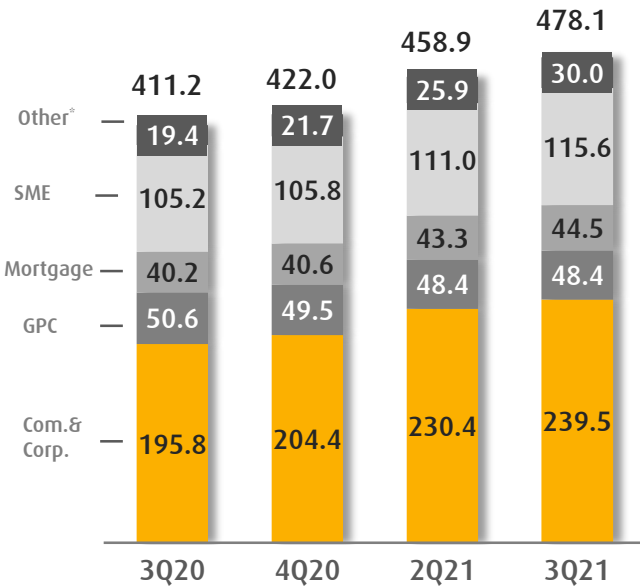
HR Cost / Non-HR Cost (TL million)



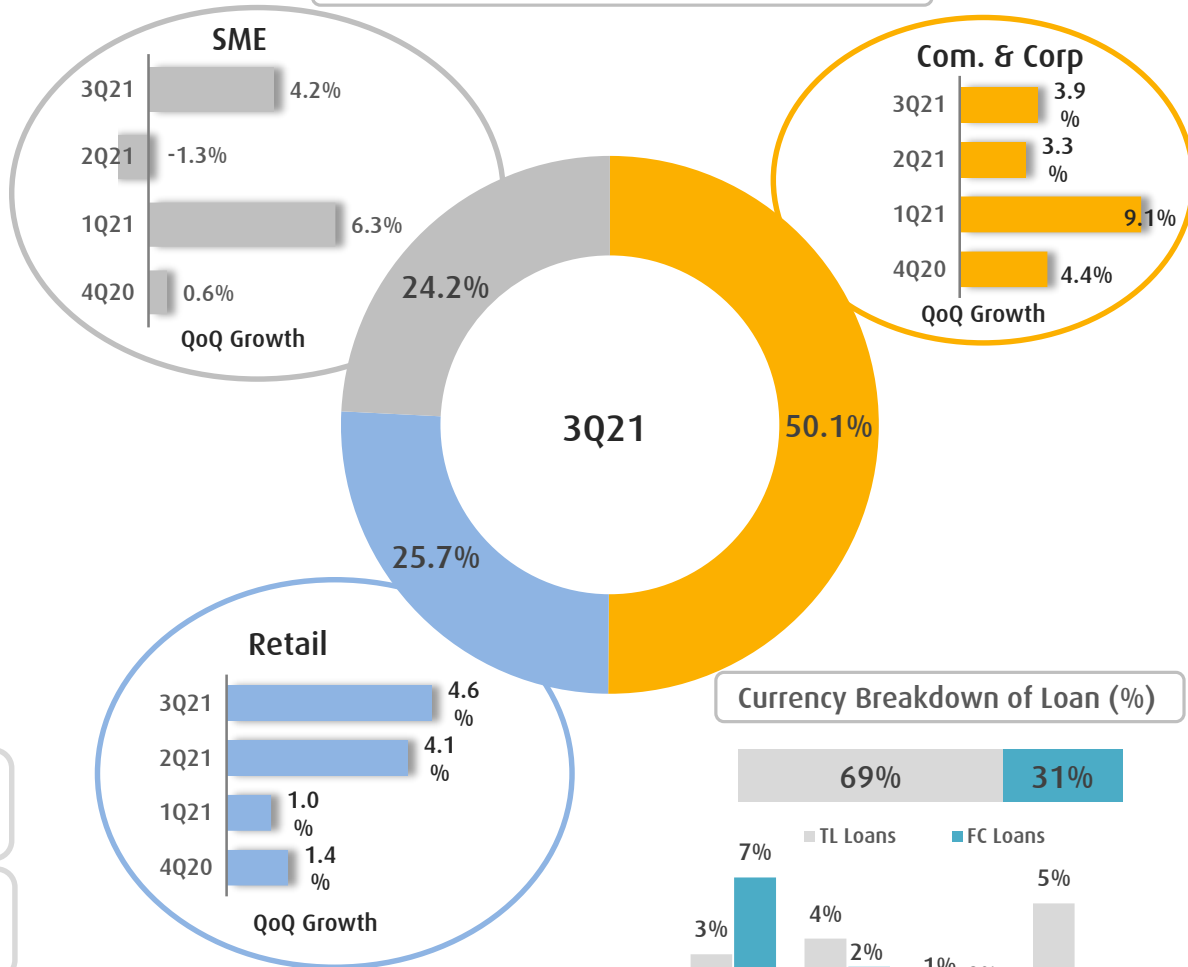


# Well-diversified & stable loan breakdown

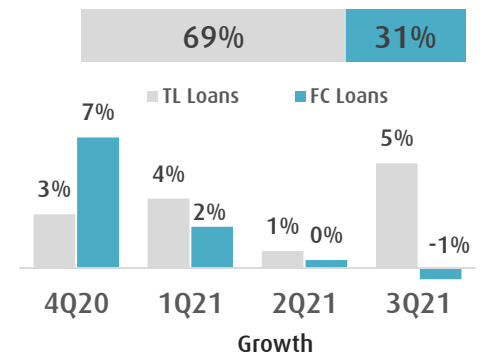
Segment Breakdown of Loans (TL billion)



Portfolio Breakdown (%)



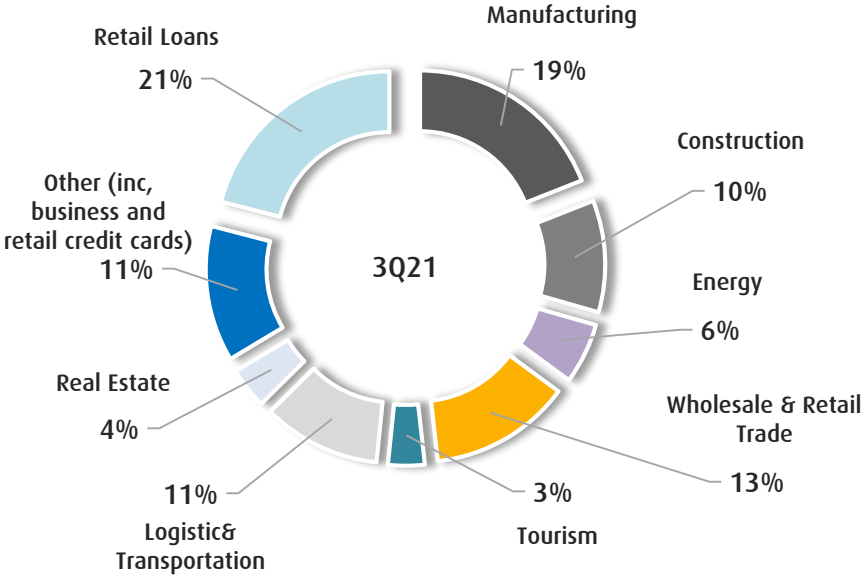
Currency Breakdown of Loan (%)



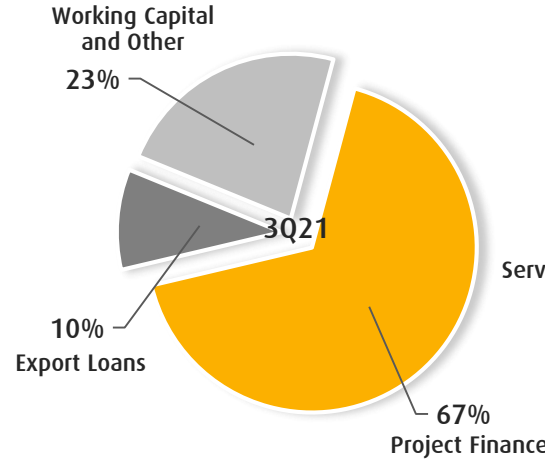
	VB QoQ	Sector QoQ	VB YoY	Sector YoY
<b>Total Loan Growth</b>	4.2%	3.1%	16.3%	13.6%
<b>TL Loan Growth</b>	5.3%	4.5%	13.0%	13.7%
<b>FC Loan Growth (\$)</b>	(0.6%)	(1.6%)	8.7%	(0.9%)

# Breakdown of loan portfolio

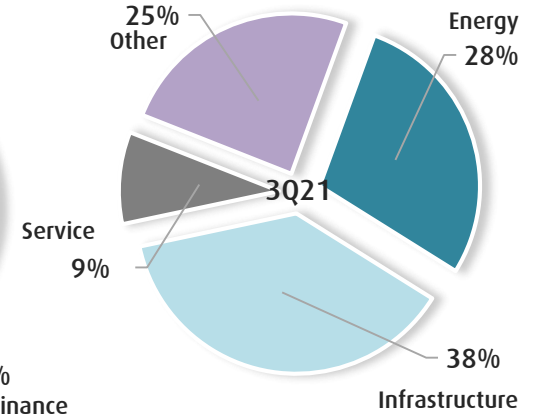
Sector Breakdown of Cash Loans



Breakdown of FC Loans



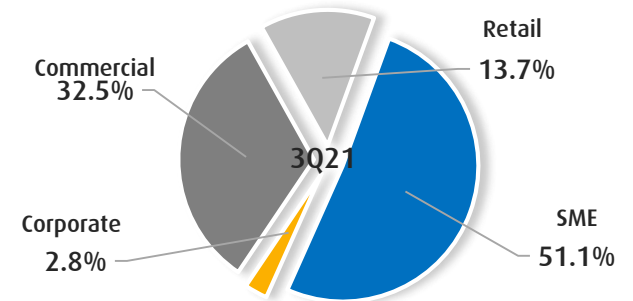
Breakdown of Project Finance



CGF Loans (TL billion)

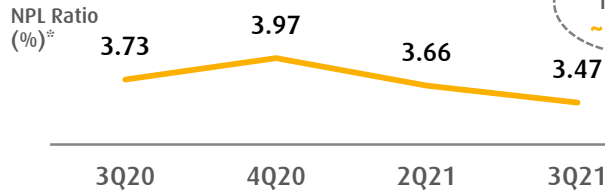
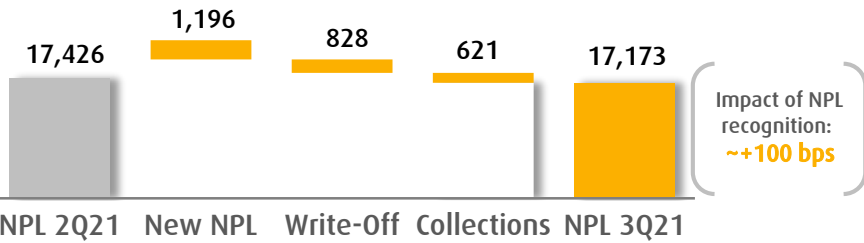
	4Q20	2Q21	3Q21
Covid Related Non-Retail CGF Loans	42.7	35.0	31.0
Covid Related Retail CGF Loans	10.3	7.3	6.0
Pre-Covid CGF Loans	10.7	8.1	6.8
<b>Total CGF Loans</b>	<b>63.7</b>	<b>50.5</b>	<b>43.8</b>

Segment Breakdown of Total Outstanding CGF Loans

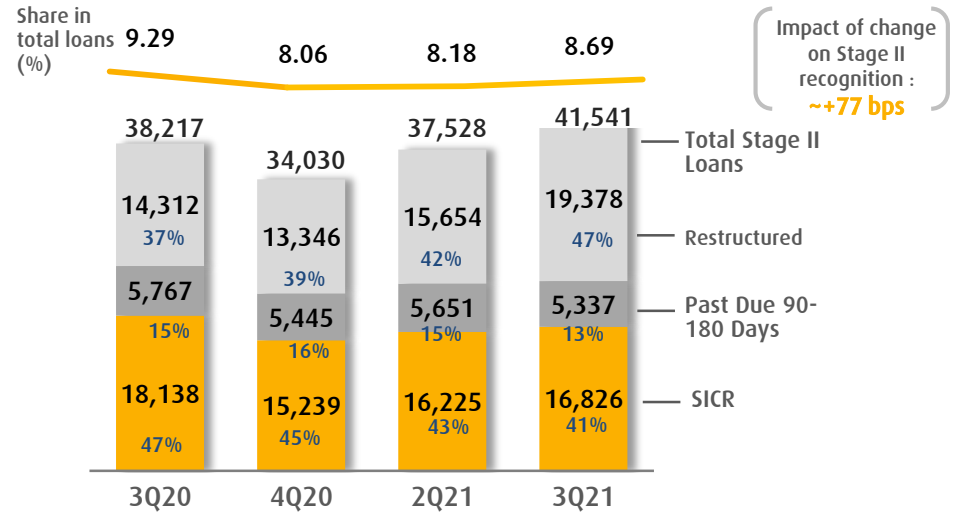


# Maintained prudent NPL coverage ratios

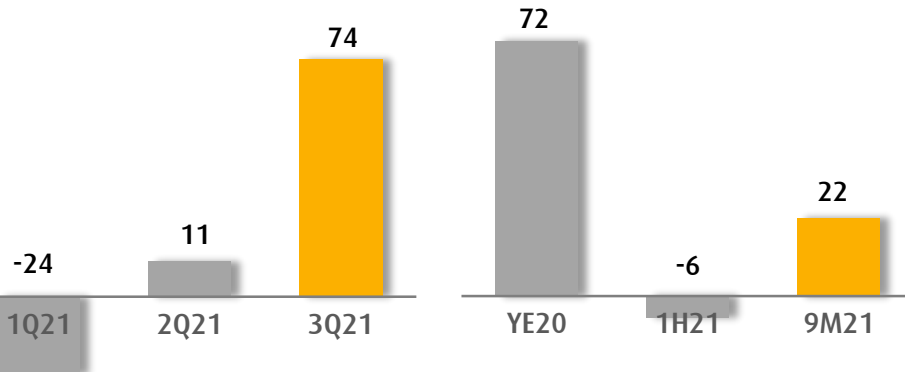
NPL (TL million)\*



Stage II Loans Breakdown (TL million)



Net Cost of Risk (bps)



Net Expected Credit Losses (thousand TL)

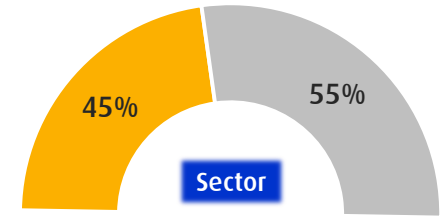
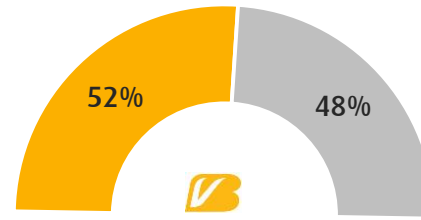
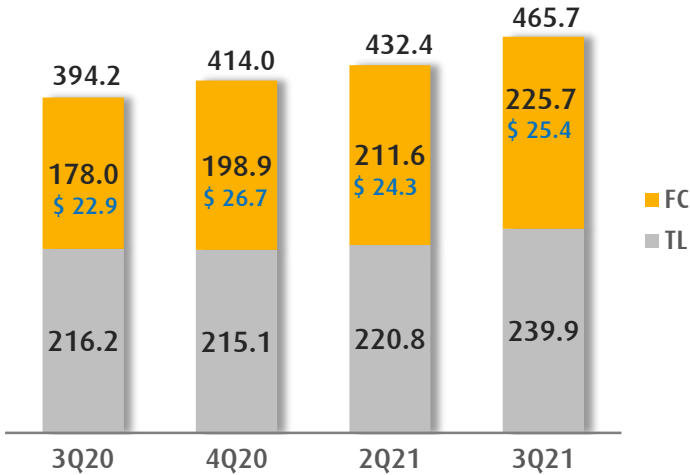
(Thousand TL)	9M21
Expected Credit Losses	6,827,387
Provision Reversals under other income	5,686,140
Net Expected Credit Losses	1,141,247
<b>Net CoR</b>	<b>22 bps</b>

# Well-balanced deposit portfolio

Total Deposits (TL billion)

Breakdown of Deposits

Market Share

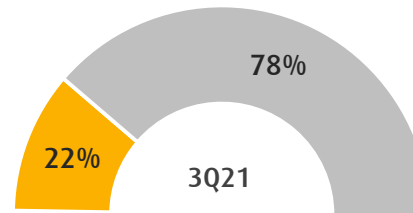


■ TL Deposits ■ FC Deposits

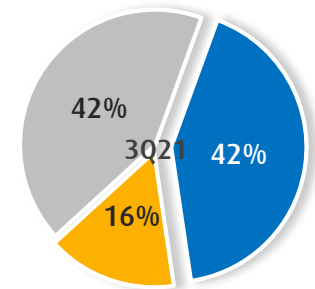
■ TL Deposits ■ FC Deposits

The share of customer deposit:  
**59%** in total liabilities

	VB QoQ	Sector QoQ	VB YoY	Sector YoY
Total Deposits Growth	7.7%	6.1%	18.1%	19.2%
TL Deposits Growth	8.7%	7.4%	11.0%	17.4%
FC Deposits Growth (\$)	4.3%	2.7%	10.8%	5.5%



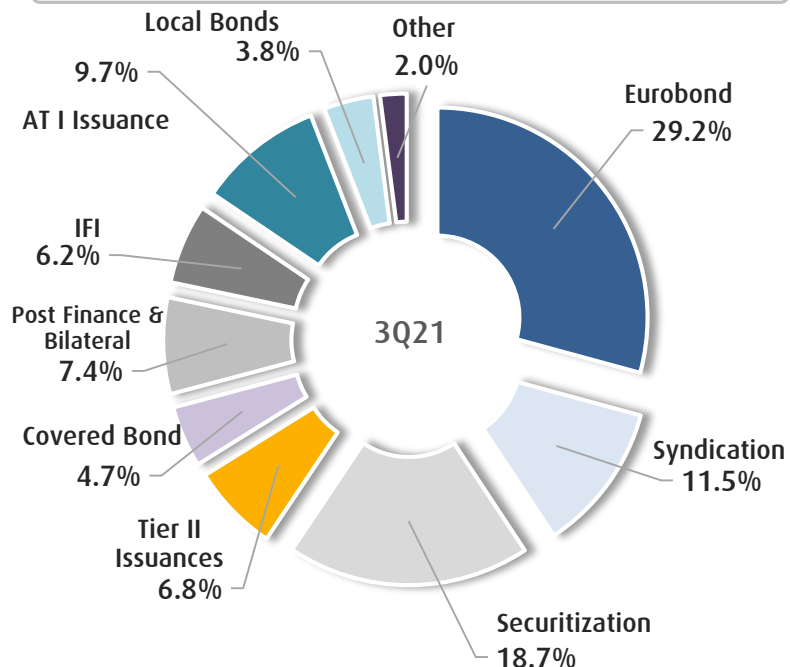
■ Demand ■ Term



■ Retail Deposit ■ State Deposit ■ Other

# Well diversified external funding

Breakdown of Wholesale Funding



Short-Term  
\$4.0 billion

Long-Term  
\$10.1 billion

International  
Funding

FC LCR: 373%  
vs 80% minimum  
threshold

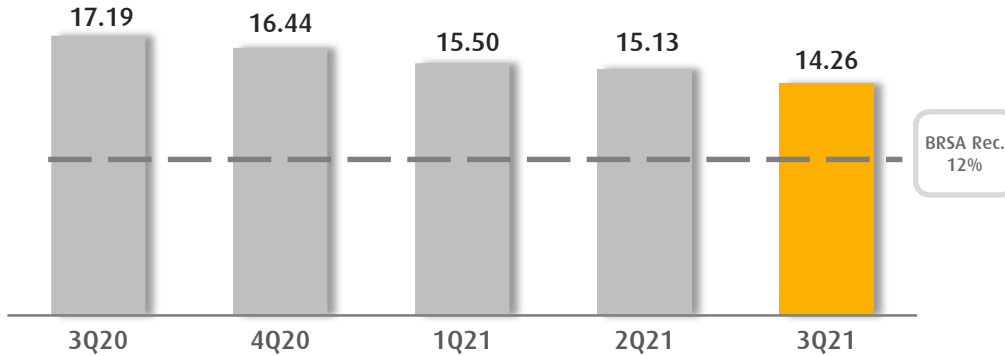
~USD 14.1 billion total international  
funding

Sustainable Finance*	<p>Sustainable finance provided <b>TL 34.5 billion</b> as of 3Q21.</p>
Sustainable Syndication Loan	<p>April/21 the first sustainable syndication loan of the Bank, amounting <b>USD 1.1 billion</b> with a roll-over ratio of <b>105%</b></p>
Sustainable EuroBond	<p><b>USD 750 million</b> issuance in Dec/20  <b>USD 500 million</b> issuance in Sep/21  <b>USD 1.250 million</b> the highest amount of sustainable Eurobond issuance in Turkey</p>
Award	<p><b>USD 750 million Dec/20</b> issuance awarded '<b>FI bond deal of the year</b>' in Bonds &amp; Loans.</p>

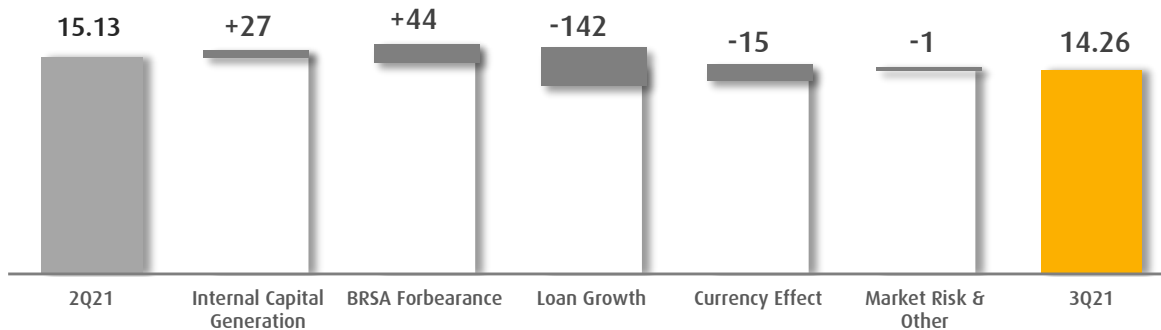
# Solvency ratios

## Capital Adequacy Ratio (%)

CET I	12.04	11.59	10.90	10.52	9.88	3Q21 Required CET1 level 8%
Tier I	15.16	14.45	13.59	13.22	12.39	3Q21 Required Tier I level 9.5%



Solvency ratios without BRSA forbearances (% - 3Q21)	
CAR	13.82
Tier I	11.97
CET I	9.55



The effect of 100 bps interest rate increase/decrease on CAR is **~10 bps**

The effect of TL 0.1 decrease/increase in USD/TL parity on CAR is **~4 bps**

# Sustainable banking approach

## INDICES



## INITIATIVES



## ESG RATING



## REPORTING & CERTIFICATES



## VakıfBank Sustainable Recent Developments

- ✓ New sustainable product: Environmental Vehicle Loan for our customers
- ✓ A balanced gender representation in the Bank: share of female employees is 51% of the total employees
- ✓ Low Carbon Economy Transition: We reduced our total GHG (greenhouse gas) emissions by 25% to 40,429 tCO2e in 2020 compared to the year of 2019 with level of 53,413 tCO2e.
- ✓ Our total GHG emissions were realized to 11.292 tCO2e as of first half of the year.
- ✓ Reaching our target of 20.000 trees, we collected 2 forest-sized sapling donations. We have increased our target even more so that our forest areas will grow.
- ✓ Since 9 month plastic bottle cover campaign, we donated the 7th wheelchair to The Spinaş Cord Paralytics Association of Turkey. (Türkiye Omirilik Felçlileri Derneği)

## Our top priority UN Sustainable Development Goals



For ESG Presentation:



## Appendix

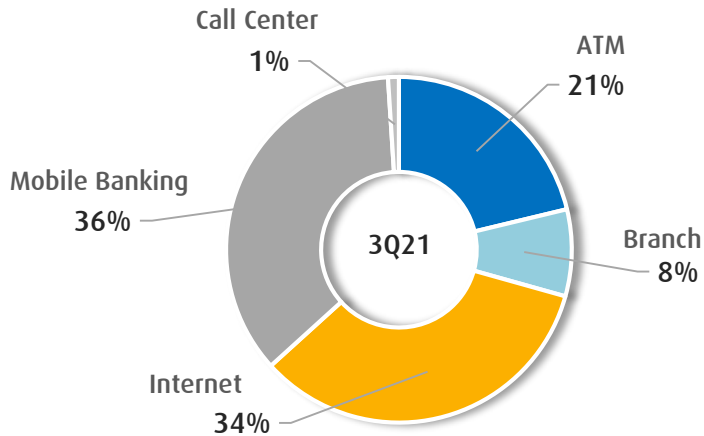
Pg. 17	Improved efficiency with enhanced digital platforms
Pg. 18	Composition of assets & liabilities
Pg. 19	Well-positioned security portfolio
Pg. 20	Retail Lending Portfolio
Pg. 21	Diversified funding sources via non-deposit funding
Pg. 22	Unconsolidated Key Financial Ratios
Pg. 23	Unconsolidated Balance Sheet
Pg. 24	Unconsolidated Income Statement



# Improved efficiency with enhanced digital platforms

Non-branch transaction share\*\*

~92%



# of active\* digital banking customers reached  
**5.7 million**

# of transaction made through digital platform increased **60%** YoY

# of active\* digital banking customers growth with **3%** QoQ

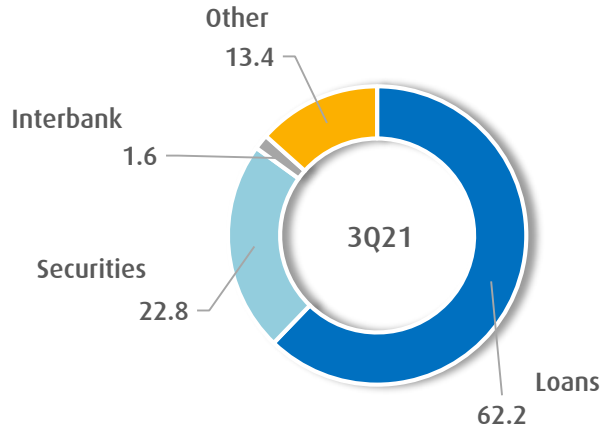
**934**  
Branches

**4,180**  
ATMs

**5,756 K**  
Digital Banking Customers

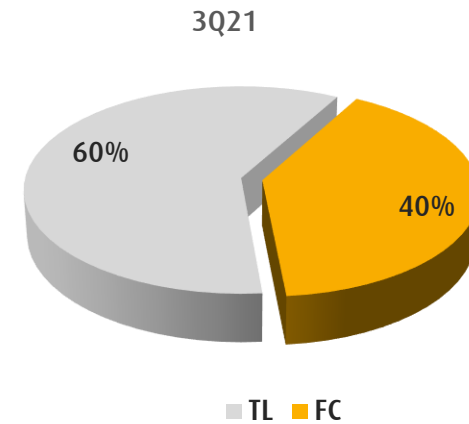
# Composition of asset&liabilities

Breakdown of Assets (%)

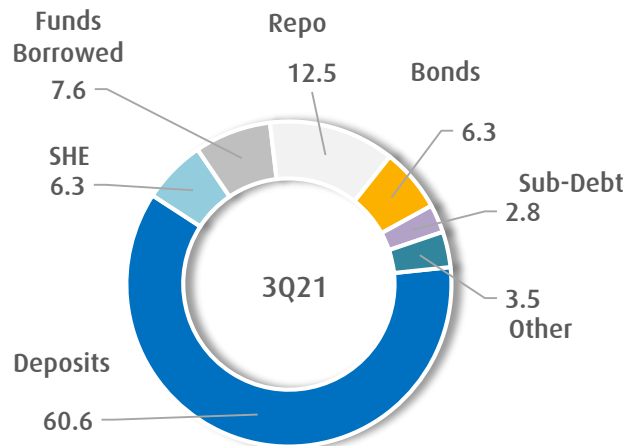


The share of IEA  
**87%**  
in total assets

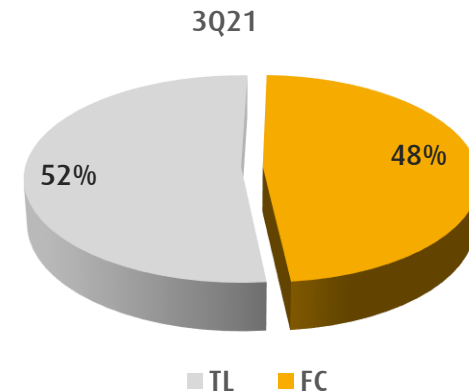
TL/FC Mix in Total Assets



Breakdown of Liabilities (%)

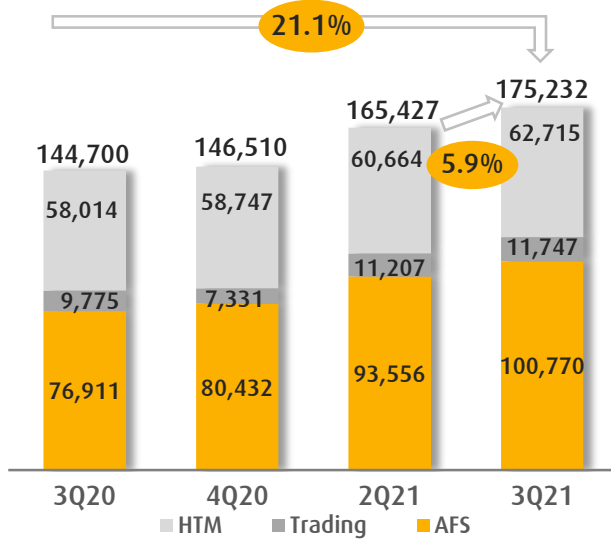


TL/FC Mix in Total Liabilities

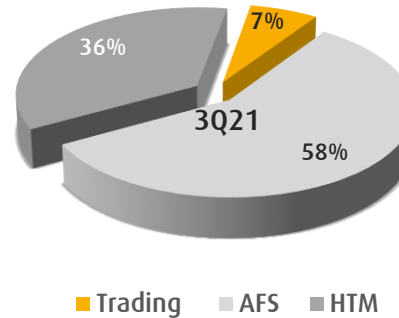


# Well-positioned security portfolio

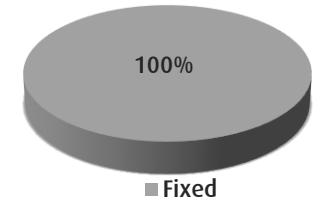
Total Securities (TL million)



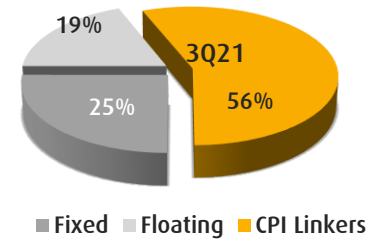
Portfolio Structure



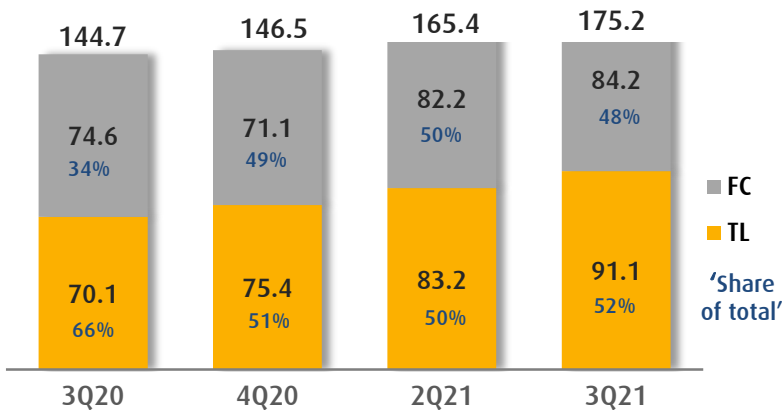
Breakdown of FC Securities



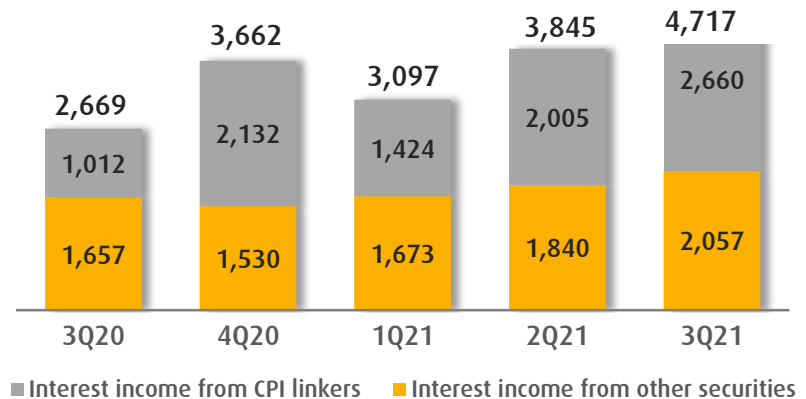
Breakdown of TL Securities



Security Breakdown (TL billion)



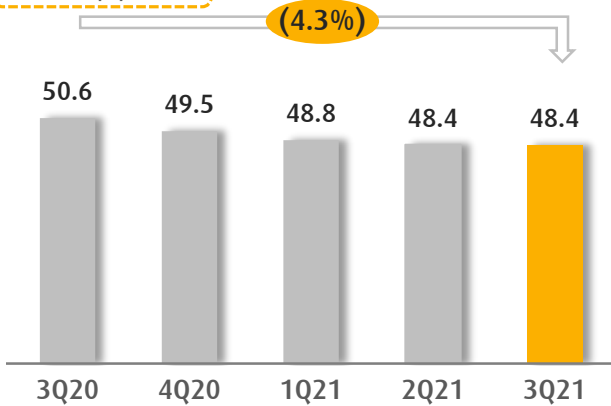
Breakdown of Interest Income from Securities (TL million)



# Retail Lending Portfolio

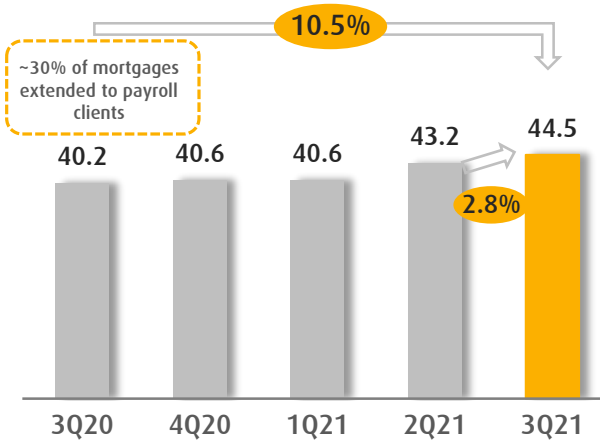
General Purpose Consumer (TL billion)

~70% of GPC loans extended to payroll clients

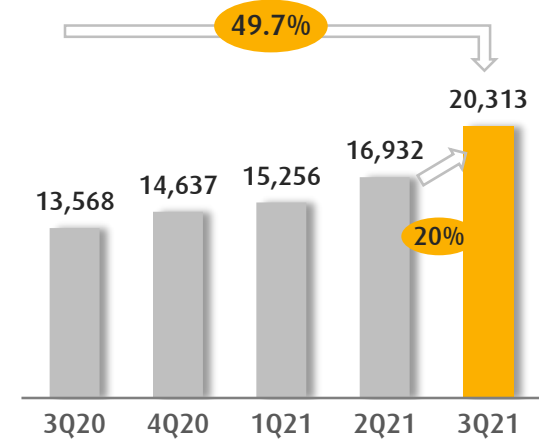


Residential Mortgages (TL billion)

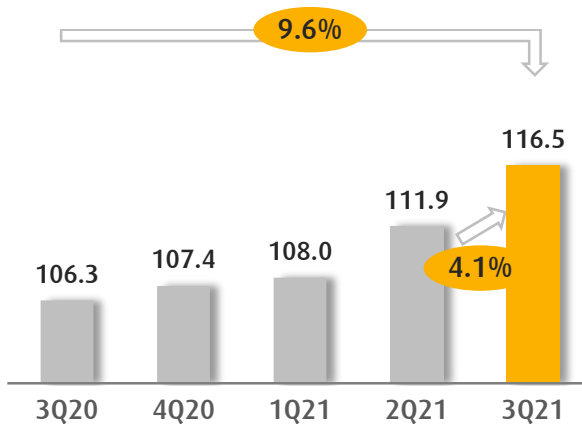
~30% of mortgages extended to payroll clients



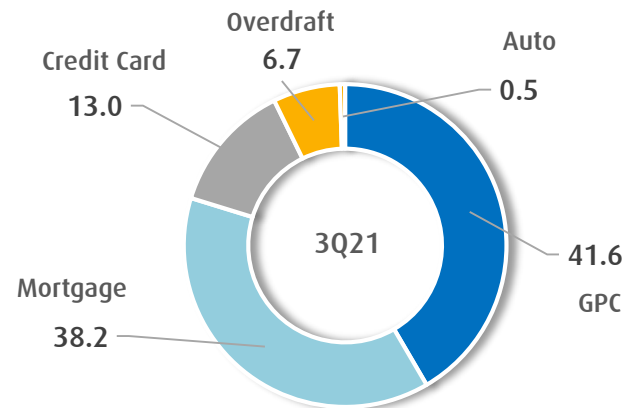
Credit Card Loans (TL million)\*



Total Retail (TL billion)



Breakdown of Retail Loans (%)



Total Retail Customers **20.4 million**

Total Payroll Customers **2.3 million**

# Diversified funding sources via non-deposit funding

## Syndication

### USD 2 billion outstanding

- **Mar'20:** USD 325 million bilateral loan with ICBC, 3 years maturity
- **Nov'20:** USD 660 million equivalent syndicated loan, Libor +2.50%, Euribor +2.25% for 1 year, 27 banks from 17 countries
- **Apr'21:** USD 1.1 billion equivalent syndicated loan, Libor +2.50%, Euribor +2.25% for 1 year, 38 banks from 18 countries

## Subordinated Bonds

### USD 900 million & TL 1.250 million outstanding Tier II and TL 5 billion & EUR 700 million Tier I

- **Sep'19:** TL 725 million TLREF indexed Tier II notes, 10 years maturity, call option at the end of 5th year
- **Apr'19:** Euro 700 million Tier I notes, fixed coupon rate
- **Sep'18:** TL 5 billion, PNC5 Tier I notes, fixed coupon rate
- **Sep'17:** TL 525 million Tier II notes, floating coupon rate set at 5 year sovereign +3.5%, 10 years maturity
- **Feb'17:** USD 228 million equivalent of 2012 Tier II notes was exchanged, 8% coupon rate, 10 years maturity
- **Oct'12:** USD 672 million equivalent Tier II notes (after exchange), 6% coupon rate, 10 years maturity

## IFI Borrowing

### USD 926.5 billion outstanding

- **World Bank:** outstanding funding USD 237.3 million
- **EBRD:** outstanding funding USD 25,1 million (USD 19.4 million under DPR Program included)
- **EIB:** outstanding funding USD 356.2 million
- **KFW:** outstanding funding USD 162.3 million
- **AFD:** outstanding funding USD 145.6 million

## Post Finance&Bilateral

- EUR 274 million and USD 507 million outstanding

## Eurobonds and Private Placements

### USD 4.25 billion outstanding Eurobonds and USD 44.3 million outstanding Private Placements

- **Jan'21 – Sep'21:** USD 145.3 million equivalent private placements
- **Sep'21:** USD 500 million, 5.50% coupon rate, 5 years maturity
- **Dec'20:** USD 750 million, 6.50% coupon rate, 5 years maturity
- **Feb'20:** USD 750 million, 5.25% coupon rate, 5 years maturity
- **Mar'19:** USD 600 million, 8.125% coupon rate, 5 years maturity
- **Jan'18:** USD 650 million, 5.75% coupon rate, 5 years maturity
- **May'17:** USD 500 million, 5.625% coupon rate, 5 years maturity
- **Oct'16:** USD 500 million, 5.50% coupon rate, 5 years maturity

## DPR Securitizations

### USD 2.75 billion outstanding

- **Mar'21** USD 1.74 billion equivalent (USD and Euro), 7 tranches, 5-7 years maturity
- **Oct'19:** USD 417 million, 7 years maturity
- **Oct'18:** USD 300 million, 10 years maturity
- **May'18:** USD 380 million equivalent (USD and Euro), 5 years maturity, six tranches
- **Oct'16:** USD 890 million equivalent (USD and Euro), USD 354.4 million has 5 years maturity, USD 537.5 million has 7 years maturity, seven tranches

## Covered Bond

### TL 6.2 billion outstanding

- **Feb'19:** TL 1.118,2 million, 8 years maturity
- **Jan'19:** TL 396.3 million, 8 years maturity
- **Dec'18:** TL 1 billion, 5 years maturity
- **Feb'18:** TL 1 billion, 5 years maturity
- **Dec'17:** TL 1.3 billion, 5 years maturity
- **Oct'17:** TL 1.3 billion, 5.5 years maturity

## Local Bonds

- TL 5.0 billion outstanding

## Unconsolidated Key Financial Ratios

	9M20	2020	2Q21	3Q21	9M21
<b>Profitability</b>					
ROAE	15.0%	12.6%	5.5%	6.4%	6.1%
ROAA	1.1%	0.9%	0.4%	0.4%	0.4%
Cost / Income	29.1%	30.7%	50.7%	43.4%	41.0%
Cost / Assets	1.2%	1.2%	1.2%	1.2%	1.2%
Fee / Cost	44.3%	42.1%	48.2%	50.0%	46.5%
NIM	4.61%	4.30%	2.02%	2.89%	2.28%
<b>Liquidity</b>					
Loans / Deposits	104.3%	101.9%	106.1%	102.7%	102.7%
<i>TL Loans / Deposits</i>	135.5%	139.9%	142.3%	137.9%	137.9%
Liquidity Coverage Ratio (Total)	112.1%	125.2%	123.9%	126.0%	126.0%
FC Liquidity Coverage Ratio	184.7%	280.6%	269.6%	372.8%	372.8%
<b>Asset Quality</b>					
NPL Ratio	3.7%	4.0%	3.7%	3.5%	3.5%
Stage III Coverage Ratio	75.0%	76.3%	78.7%	78.4%	78.4%
Net Cost of Risk	204 bps	202 bps	11 bps	74 bps	22 bps
<b>Solvency</b>					
CAR	17.2%	16.4%	15.1%	14.3%	14.3%
Tier I Ratio	15.2%	14.5%	13.2%	12.4%	12.4%
Cet 1 Ratio	15.0%	11.6%	10.5%	9.9%	9.9%
Leverage	13.4X	14.0X	14.2X	14.8X	14.8X

# Unconsolidated Balance Sheet

	3Q20		2Q21		3Q21		TL		USD	
(thousand)	TL	USD	TL	USD	TL	USD	Δ YoY	Δ QoQ	Δ YoY	Δ QoQ
<b>Assets</b>										
Cash & Balances with Central Bank	43,588,854	5,617,120	66,165,072	7,622,704	77,787,917	8,759,901	78.5%	17.6%	56.0%	14.9%
Interbank	2,721,482	350,706	14,243,069	1,640,907	12,518,241	1,409,712	360.0%	(12.1%)	302.0%	(14.1%)
Securities	144,699,994	18,646,906	165,427,192	19,058,432	175,232,558	19,733,396	21.1%	5.9%	5.8%	3.5%
<b>Loans</b>	<b>411,216,322</b>	<b>52,991,794</b>	<b>458,871,694</b>	<b>52,865,403</b>	<b>478,055,401</b>	<b>53,835,068</b>	<b>16.3%</b>	<b>4.2%</b>	<b>1.6%</b>	<b>1.8%</b>
Subsidiaries & Investments	3,940,323	507,774	5,616,191	647,027	5,504,927	619,924	39.7%	(2.0%)	22.1%	(4.2%)
Property & Equipment	3,981,624	513,096	5,011,962	577,415	4,942,672	556,607	24.1%	(1.4%)	8.5%	(3.6%)
Other	31,812,166	4,099,506	17,880,820	2,060,002	19,167,708	2,158,526	(39.7%)	7.2%	(47.3%)	4.8%
<b>Total Assets</b>	<b>638,069,728</b>	<b>82,225,480</b>	<b>729,040,478</b>	<b>83,990,838</b>	<b>768,725,750</b>	<b>86,568,215</b>	<b>20.5%</b>	<b>5.4%</b>	<b>5.3%</b>	<b>3.1%</b>
<b>Liabilities &amp; S/E</b>										
<b>Deposits</b>	394,205,755	50,799,711	432,412,210	49,817,075	465,712,574	52,445,110	18.1%	7.7%	3.2%	5.3%
Funds Borrowed	48,003,399	6,186,005	59,731,112	6,881,465	58,411,524	6,577,874	21.7%	(2.2%)	6.3%	(4.4%)
Repo	37,207,900	4,794,832	95,577,406	11,011,222	95,816,241	10,790,117	157.5%	0.2%	125.0%	(2.0%)
Securities Issued	41,950,290	5,405,965	44,520,838	5,129,129	48,541,203	5,466,352	15.7%	9.0%	1.1%	6.6%
Other	22,785,182	2,936,235	24,584,144	2,832,275	27,049,224	3,046,084	18.7%	10.0%	3.7%	7.5%
Subordinated Loans	19,569,178	2,521,801	21,159,145	2,437,690	21,391,313	2,408,932	9.3%	1.1%	(4.5%)	(1.2%)
<b>Shareholders' Equity</b>	<b>44,186,112</b>	<b>5,694,087</b>	<b>47,852,833</b>	<b>5,512,999</b>	<b>48,502,041</b>	<b>5,461,942</b>	<b>9.8%</b>	<b>1.4%</b>	<b>(4.1%)</b>	<b>(0.9%)</b>
Guarantees	94,724,727	12,206,795	124,792,389	14,377,003	136,001,674	15,315,504	43.6%	9.0%	25.5%	6.5%
Commitments	98,422,506	12,683,313	118,977,049	13,707,033	130,427,540	14,687,786	32.5%	9.6%	15.8%	7.2%
Derivatives	193,046,426	24,877,117	247,788,588	28,547,072	281,886,671	31,743,994	46.0%	13.8%	27.6%	11.2%
<b>Off-B.S.</b>										

## Unconsolidated Income Statement

(TL-thousand, %)	9M20	2Q21	3Q21	9M21	Δ YoY	Δ QoQ
<b>Net Interest Income</b>	<b>15,776,605</b>	<b>3,178,154</b>	<b>4,709,787</b>	<b>10,568,265</b>	<b>(33%)</b>	<b>48%</b>
<b>Net Fee &amp; Com. Income</b>	<b>2,630,080</b>	<b>1,054,223</b>	<b>1,163,792</b>	<b>3,092,370</b>	<b>18%</b>	<b>10%</b>
Dividend Income	167,668	104,481	207	120,452	(28%)	(100%)
Net Trading Income	-2,576,953	-1,462,297	-1,845,984	-3,813,615	48%	26%
Other Income	4,392,188	1,436,346	1,327,134	6,276,341	43%	(8%)
<b>Total Revenue</b>	<b>20,389,588</b>	<b>4,310,907</b>	<b>5,354,936</b>	<b>16,243,813</b>	<b>(20%)</b>	<b>24%</b>
Operating Expenses	-5,937,404	-2,187,770	-2,324,581	-6,661,846	12%	6%
Provisions	-8,969,108	-1,445,171	-1,956,154	-6,827,387	(24%)	35%
Tax Provisions	-1,141,660	-17,627	-306,791	-576,707	(49%)	1640%
<b>Net Income</b>	<b>4,341,416</b>	<b>660,339</b>	<b>767,410</b>	<b>2,177,873</b>	<b>(50%)</b>	<b>16%</b>





For Earnings  
Presentations:



For VakıfBank IR  
Application:



A member of BIST Sustainability Index



FTSE4Good



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