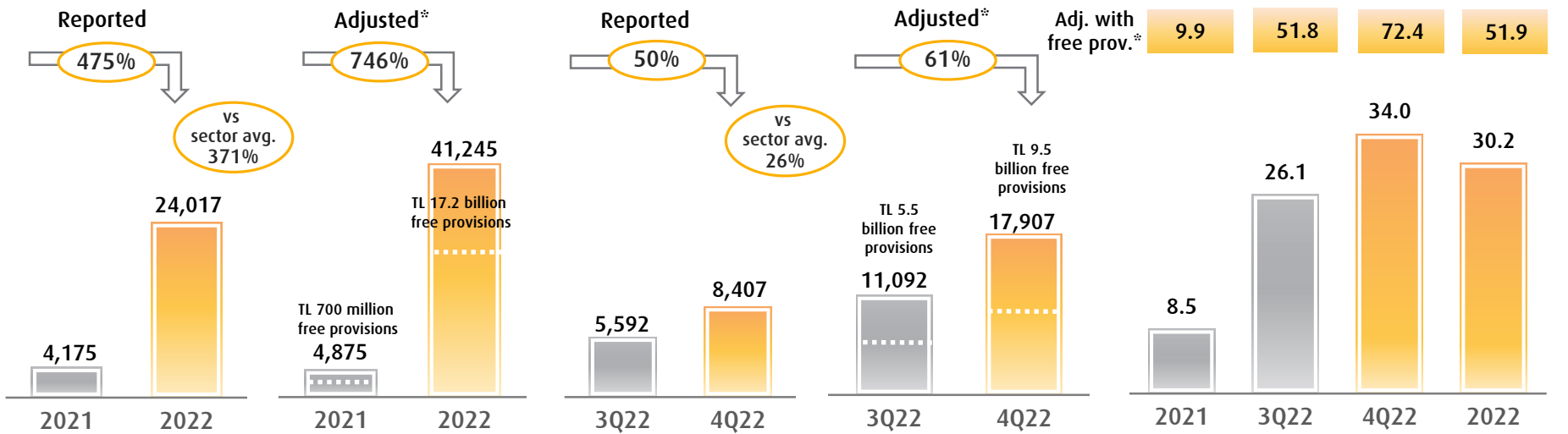




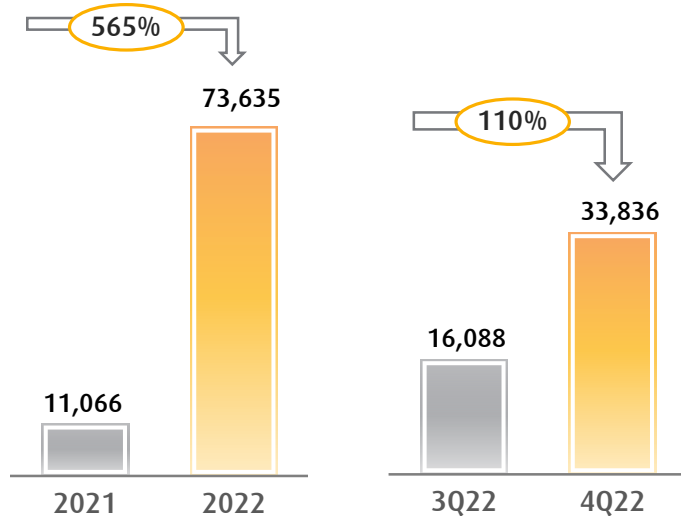
Earnings Presentation  
BRSA Bank-Only YE22  
February 14, 2023

# 2022 Earnings and profitability

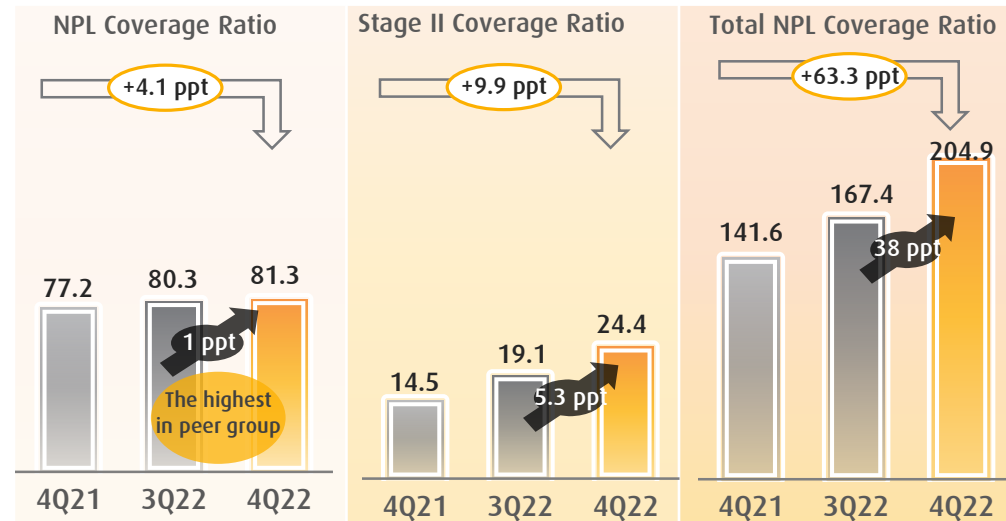
## Net Income (TL million)



## Pre-Provisions Profit (TL million) \*\*

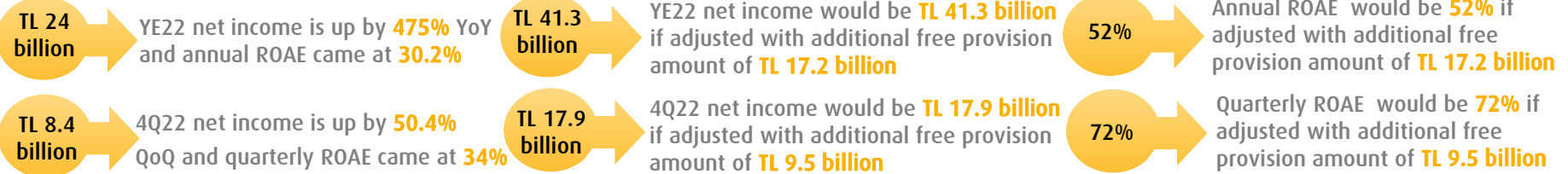


## Coverage Ratios (%)

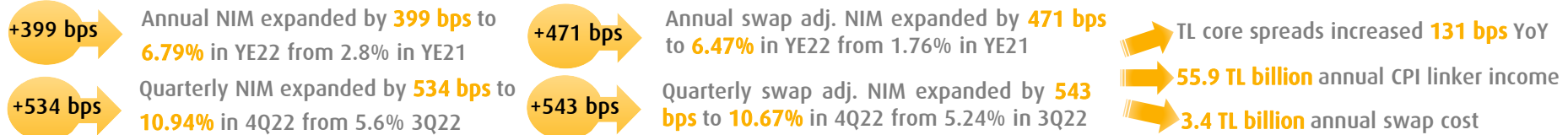


# Key highlights of 2022

## Strong profitability despite heavy free provisions



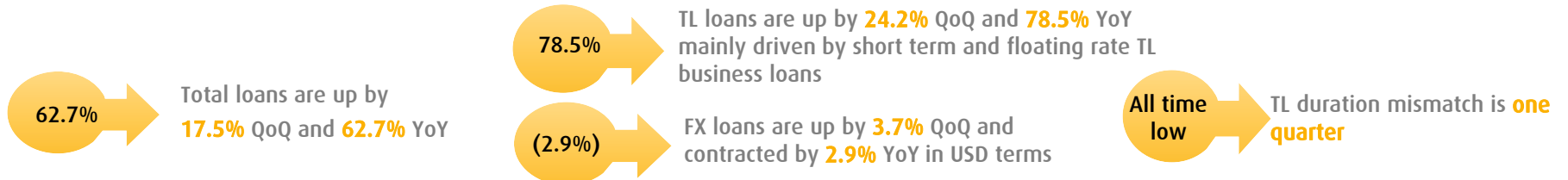
## Solid NIM performance



## Stellar fee & commission income growth



## Proactive b/s management remained intact



## Solid liquidity levels



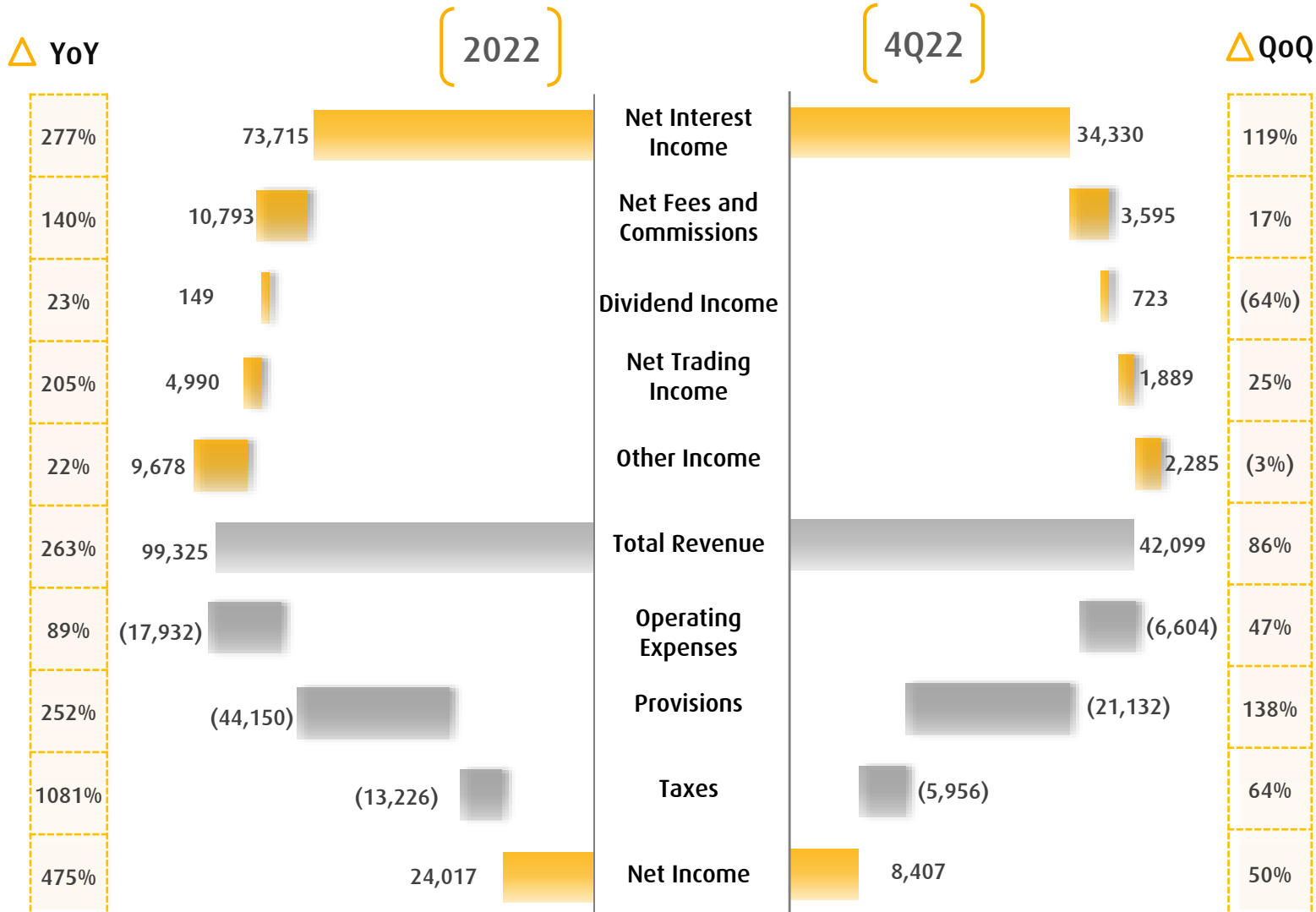
## 2022 P&amp;L details

**TL 17.2  
billion**

free provisions in  
2022

Free Provisions

2017	+TL 500 mio
2018	+TL 530 mio
2019	-TL 178 mio
2020	+TL 220 mio
2021	+TL 700 mio
1Q22	+TL 228 mio
2Q22	+TL 2 billion
3Q22	+TL 5.5 billion
4Q22	+TL 9.5 billion
2022	+TL 17.2 billion
<b>Total</b>	<b>TL 19 billion</b>



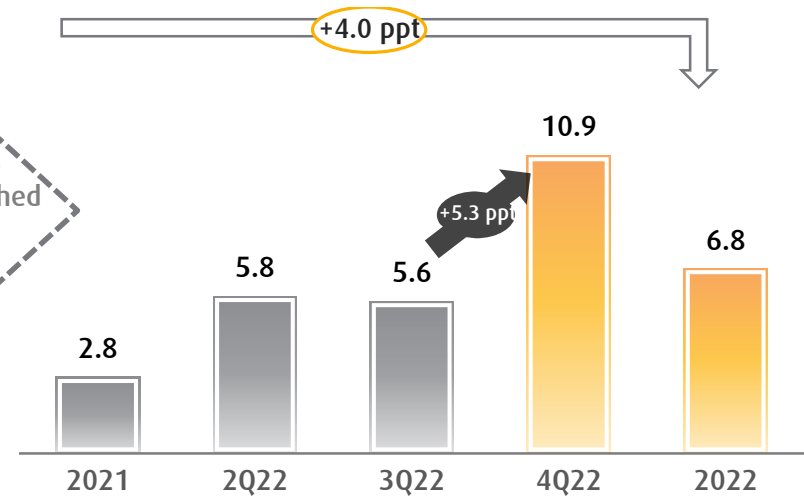
# Solid NIM performance

## CPI Expectation

Oct-Oct CPI	1Q22 CPI 39.9%	2Q22 CPI 58.2%	3Q22 CPI 58.2%	4Q22 CPI 85%	1Q23 CPI Exp. 24.2%
CPI linker Income	TL 5.4 billion	TL 9.5 billion	TL 11.2 billion	TL 29.8 billion	~TL 7 billion

CPI-linkers  
portfolio reached  
**129%**  
of equity

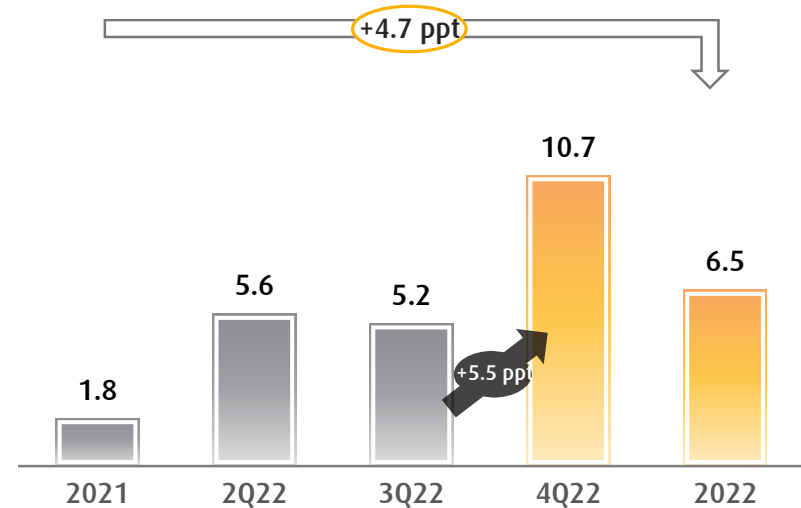
## Net Interest Margin (NIM %)



## Total Money Market Funding

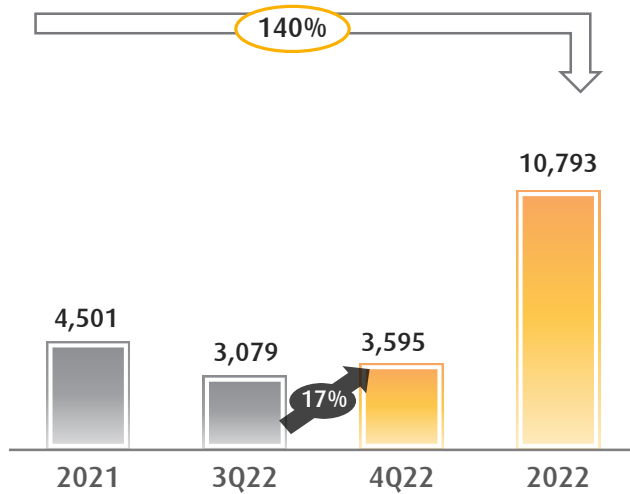
	4Q21	1Q22	2Q22	3Q22	4Q22
Quarterly average total money market funding	TL 130 billion	TL 120 billion	TL 119 billion	TL 102 billion	TL 75 billion
Quarterly average cost of money market funding	16.23%	14.06%	13.94%	13.23%	9.85%
Average swap usage	TL 41 billion	TL 32 billion	TL 15 billion	TL 40 billion	TL 48 billion
Swap cost	TL1,708 million	TL 1,076 million	TL 461 million	TL 1 billion	TL 849 million

## Swap Adjusted Net Interest Margin (%)



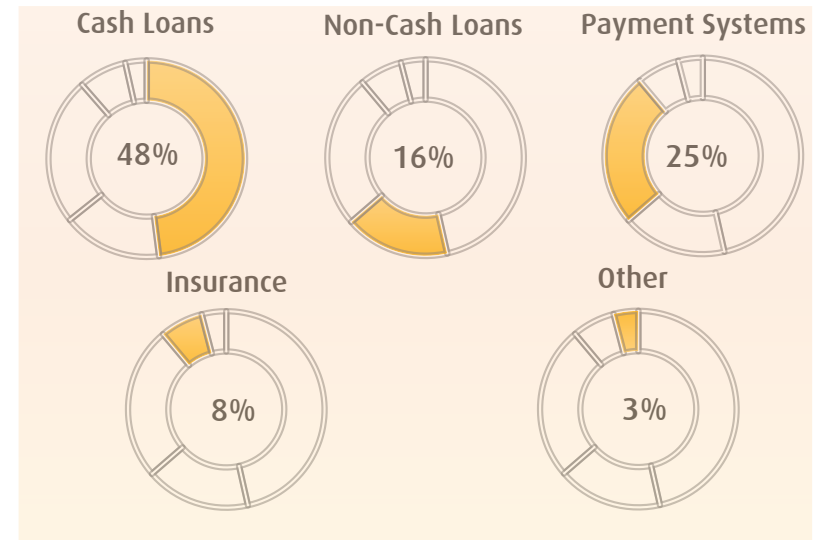
# Stellar fee & commission income growth

## Net Fee & Commission Income (TL million)

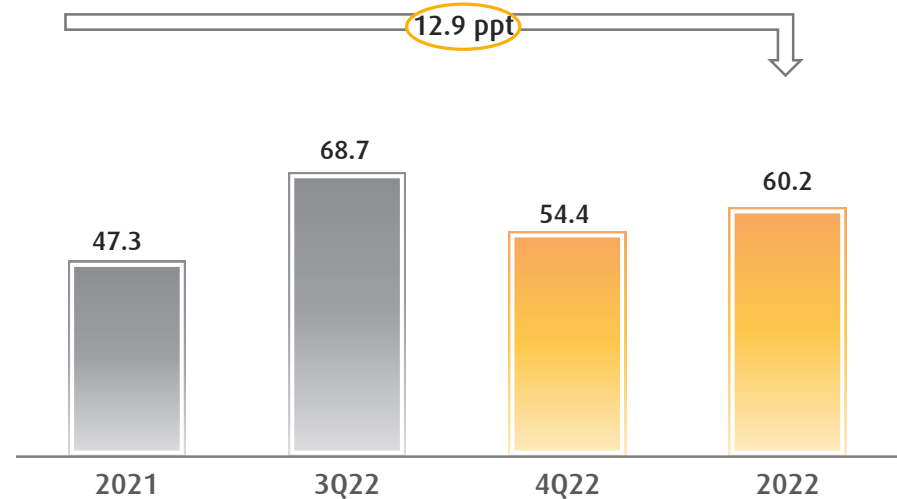


	Quarterly Growth	Annual Growth
Payment Systems	flattish	128%
Cash Loans	21%	202%
Non - Cash Loans	10%	93%

## Net Fee & Commission Income Breakdown

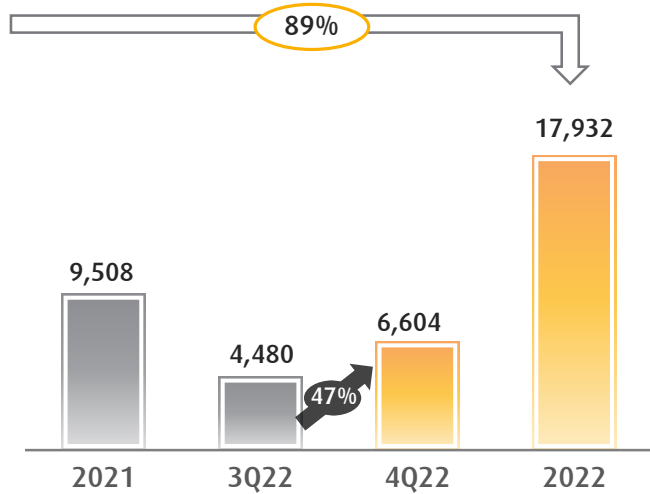


## Fee/Opex Ratio (%)

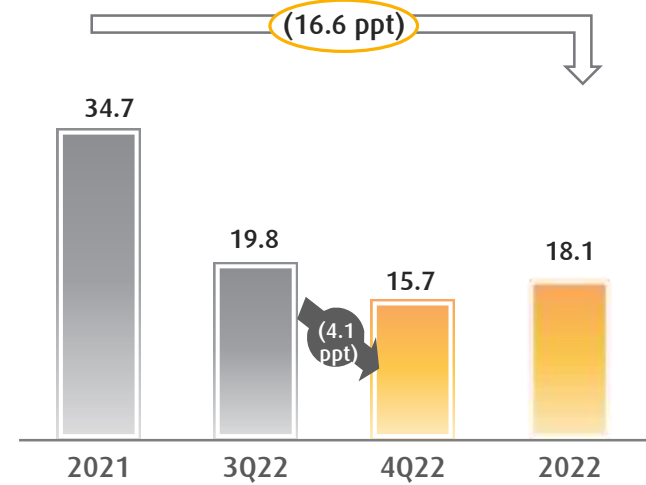


# All time low annual cost/income ratio

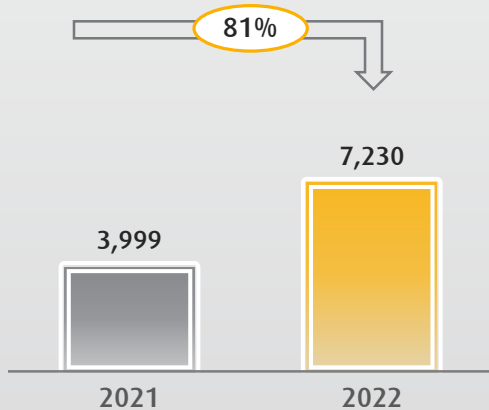
Opex (TL million)



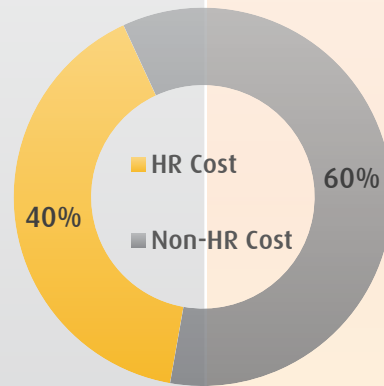
Cost/Income Ratio (%)



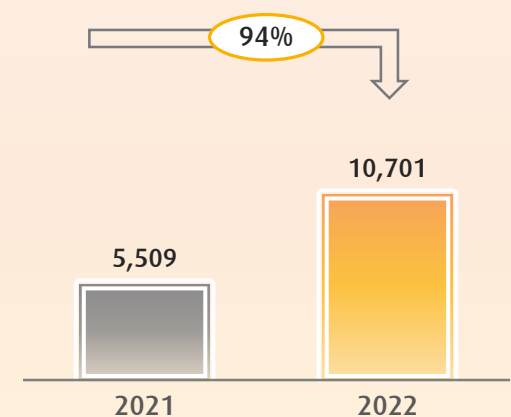
HR Cost (TL million)



Breakdown of OPEX

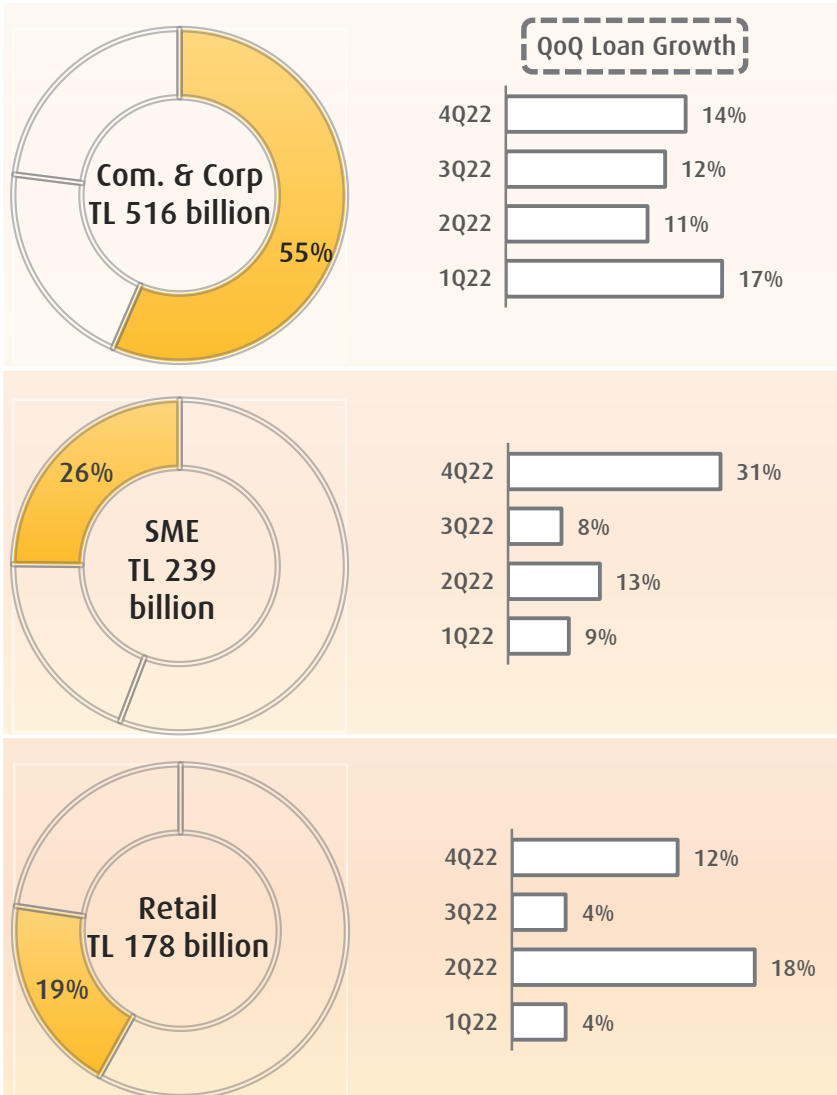


Non-HR Cost (TL million)

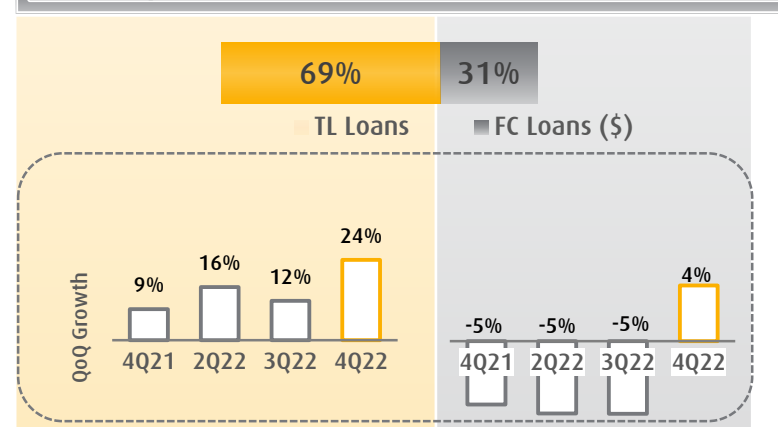


# Lending strategy driven by mainly short-term & floating rate TL business loans remained intact

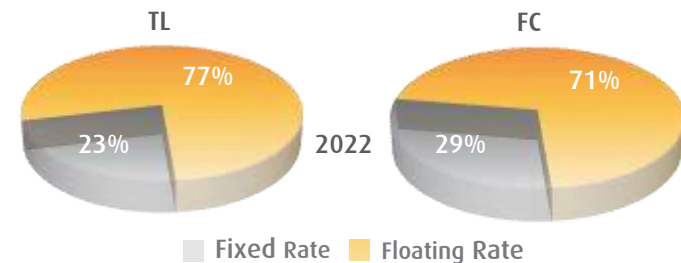
## Portfolio Breakdown



## Currency Breakdown



## Loans by Interest Structure

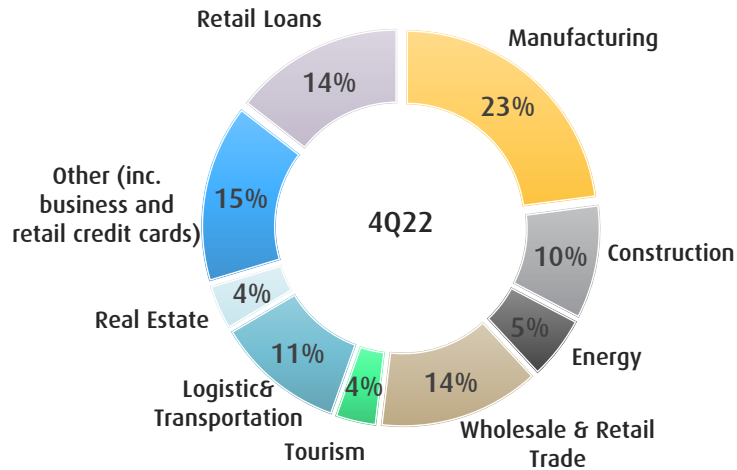


	VB QoQ (%)	Sector QoQ (%)	VB YoY (%)	Sector YoY (%)	Market Share
Total Loan Growth	17.5	10.9	62.7	54.7	12.3
TL Loan Growth	24.2	16.9	78.5	80.4	12.6
FC Loan Growth (\$)	3.7	(0.8)	(2.9)	(14.5)	11.6

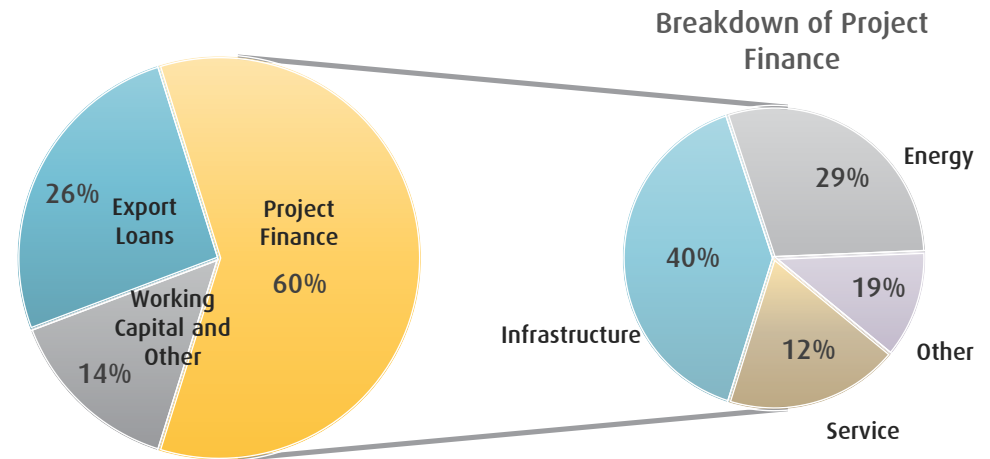


# Breakdown of loan portfolio

## Sectoral Breakdown of Cash Loans



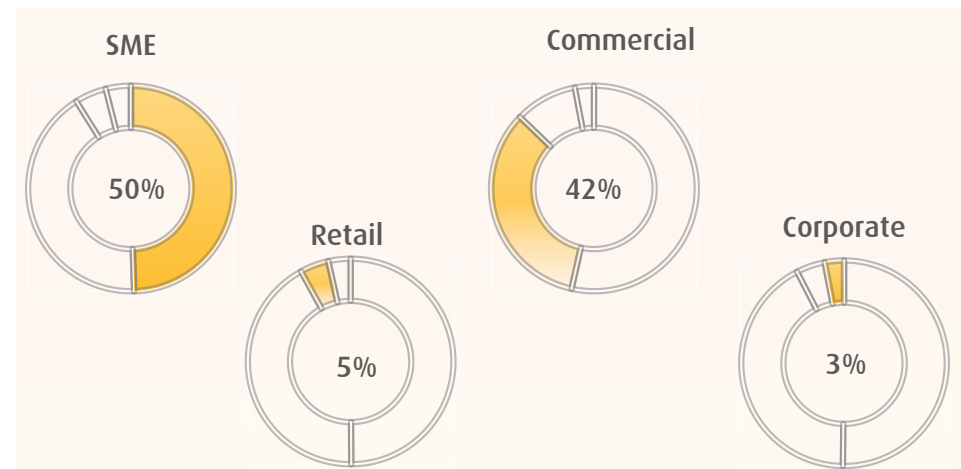
## Breakdown of FC Loans



## CGF Loans (TL billion)

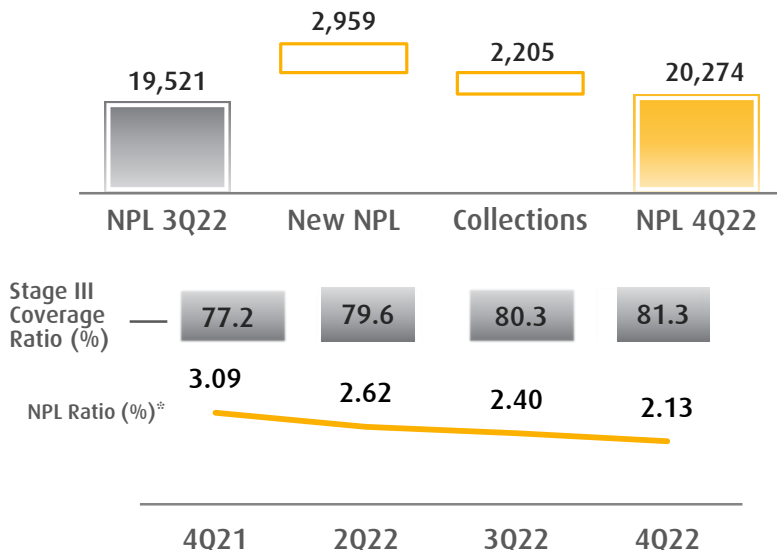
	4Q21	2Q22	3Q22	4Q22
Covid Related Non-Retail CGF Loans	TL 27.5 billion	TL 25.4 billion	TL 21.5 billion	TL 16.9 billion
Covid Related Retail CGF Loans	TL 4.6 billion	TL 2.6 billion	TL 1.7 billion	TL 1 billion
Pre-Covid CGF Loans	TL 6.1 billion	TL 3.9 billion	TL 3.7 billion	TL 3.5 billion
<b>Total CGF Loans</b>	<b>TL 38.2 billion</b>	<b>TL 31.9 billion</b>	<b>TL 26.9 billion</b>	<b>TL 21.4 billion</b>

## Segment Breakdown of CGF Loans

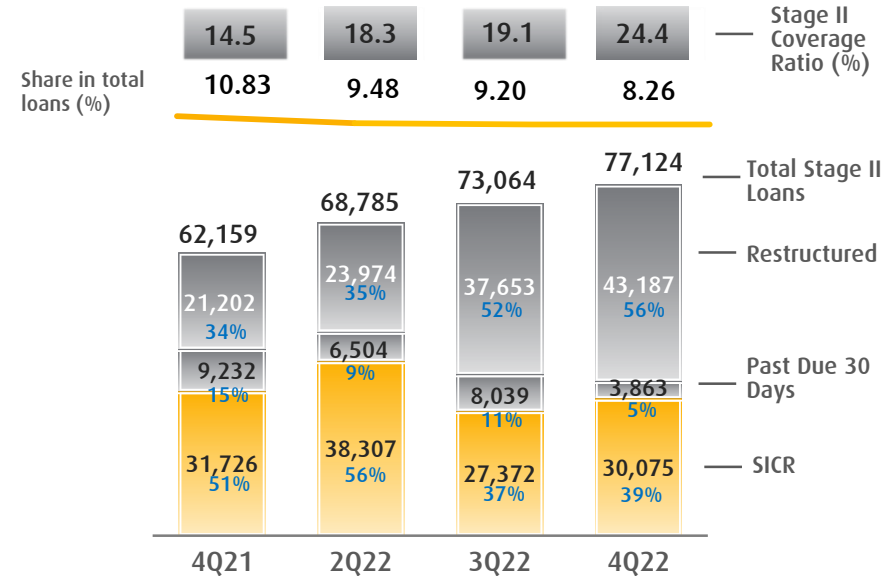


# Asset quality remained intact with all time high coverage ratios

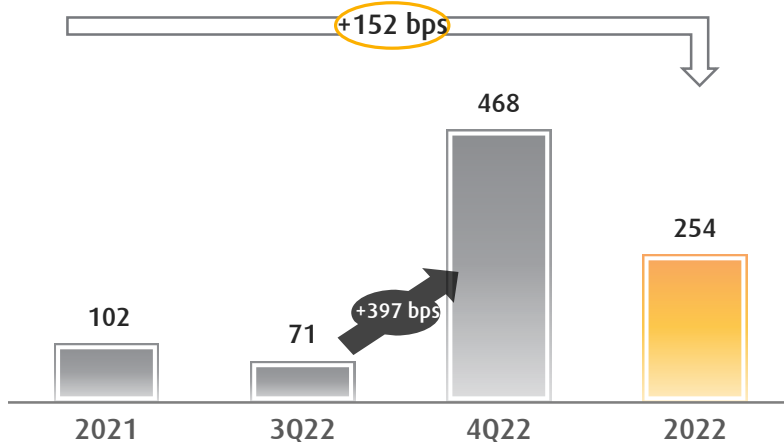
## NPL (TL million)\*



## Stage II Loans Breakdown (TL million)



## Net Cost of Risk (bps)

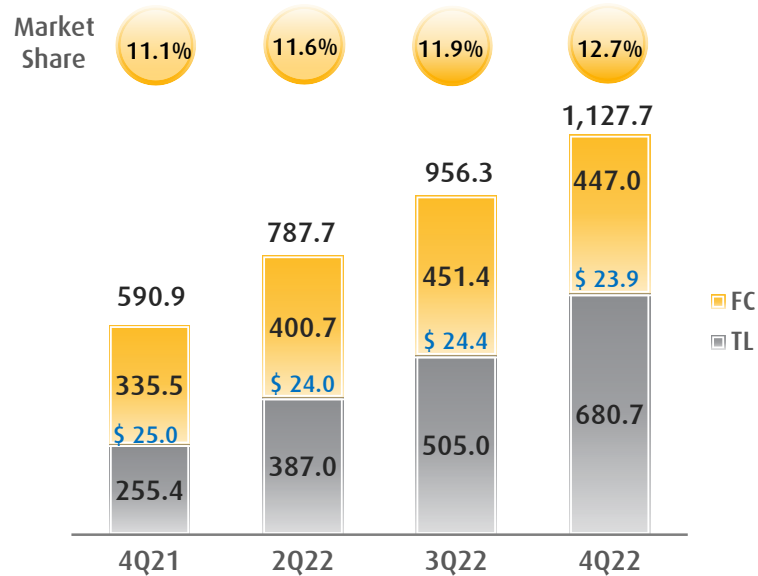


## Net Expected Credit Losses (TL thousand)

	4Q22	2022
Stage I+II+III ECL	11,768,718	26,865,264
Provision Reversals (Stage I+II+III)	1,659,410	7,758,397
Net Expected Credit Losses	10,109,308	19,106,867
Net CoR	468 bps	254 bps

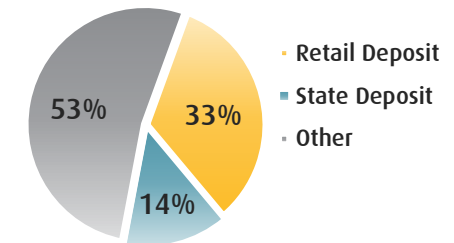
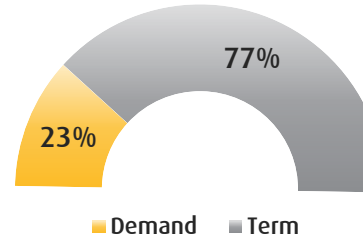
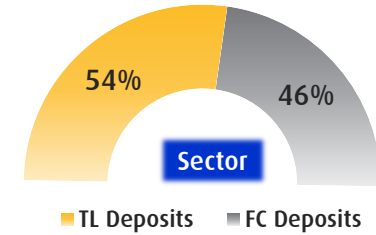
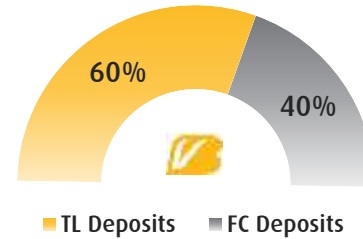
# Well-balanced deposit portfolio

## Total Deposits (TL billion)



	VB QoQ (%)	Sector QoQ (%)	VB YoY (%)	Sector YoY (%)
Total Deposits Growth	17.9	10.1	90.8	67.1
TL Deposits Growth	34.8	28.2	166.5	154.1
FC Deposits Growth (\$)	(2.1)	(6.6)	(4.7)	(14.7)

## Breakdown of Deposits



FX-indexed deposits reached **TL 125 billion\***

49%  
Retail

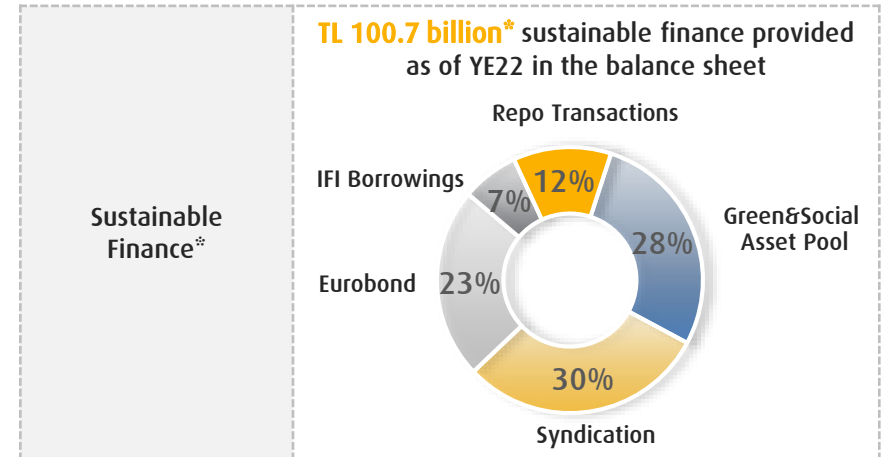
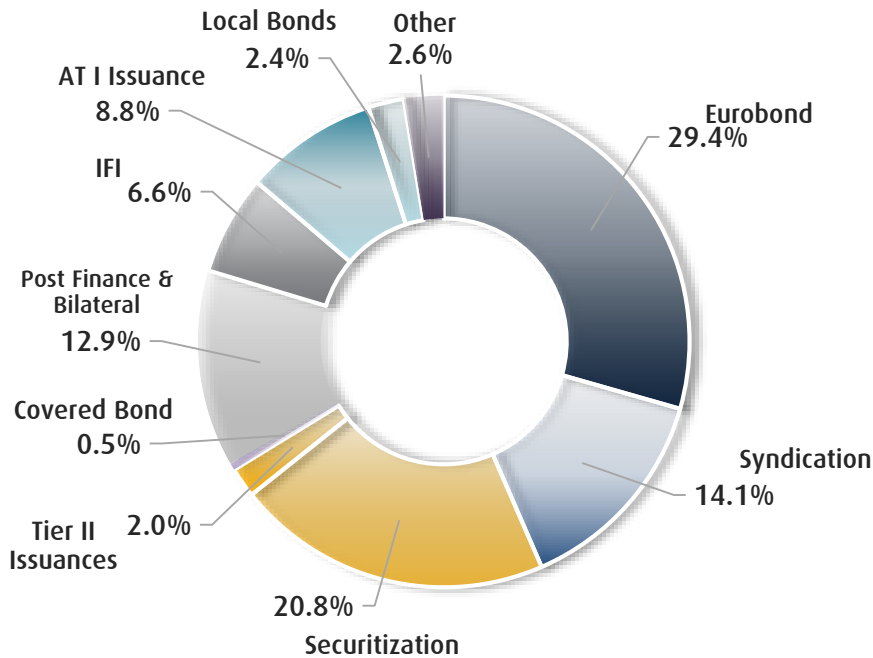
51%  
Corporate

## Enhanced Liquidity

	YE21	YE22
Total loan to deposit ratio	97.10%	82.77%
TL loan to deposit ratio	141.66%	94.86%
FC loan to deposit ratio	63.18%	64.37%

# Well diversified external funding

## Breakdown of Wholesale Funding



**FC LCR: 451%**  
vs 80% minimum threshold

**NSFR: 123%**  
vs 100% minimum threshold

~USD 10.7 billion total international funding

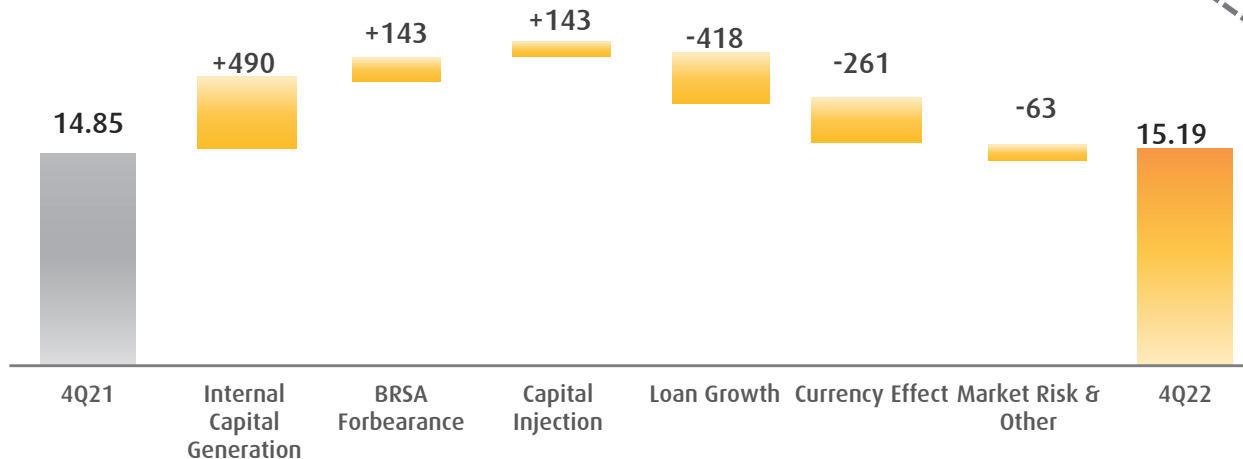
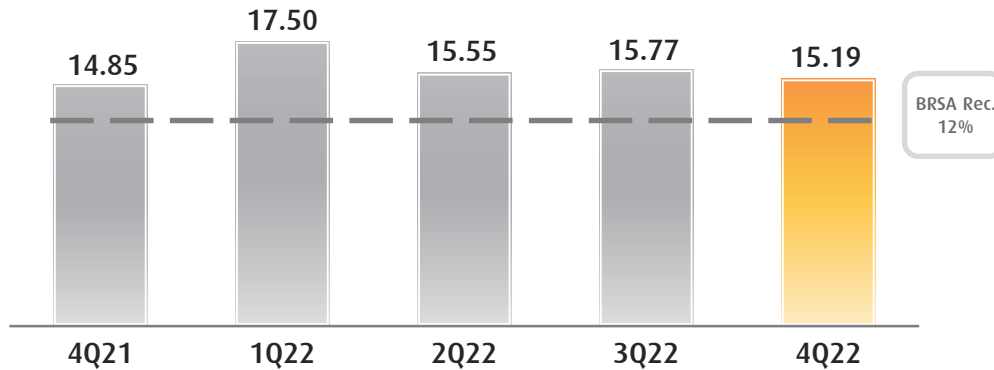
USD 845 million annual fresh international funding outstanding amount via post financing & Bilateral loans and private placements under GMTN programme



Sustainability-linked secured funding transaction amounting **EUR 400 million** with 2-year maturity

# Solvency ratios

## Capital Adequacy Ratio (%)



(%)	Solvency ratios without BRSA forbearance	Solvency ratios including free provision amount of TL 19 billion
CAR	13.76	15.58
Tier I	12.17	13.99
CET I	10.35	12.17

The positive impact of free provision amount of TL 19 billion on solvency ratios is **~182 bps**

The effect of TL 0.1 decrease /increase in USD/TL parity on CAR is **~2.5 bps**

# Appendix

Pg. 15	Sustainable banking approach
Pg. 16	Sustainable loan products
Pg. 17	The first Turkish bank incorporated sustainability approach to its provisioning policy
Pg. 18	Improved efficiency with enhanced digital platforms
Pg. 19	Composition of assets & liabilities
Pg. 20	Well-positioned security portfolio
Pg. 21	Retail lending portfolio
Pg. 22	Diversified funding sources via non-deposit funding
Pg. 23	Unconsolidated key financial ratios
Pg. 24	Unconsolidated balance sheet
Pg. 25	Unconsolidated income statement

# Sustainable banking approach

## Indices



## Initiatives



United Nations  
Global Compact

In support of



SCIENCE  
BASED  
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

**WOMEN'S  
EMPOWERMENT  
PRINCIPLES**

Established by UN Women and the  
UN Global Compact Office

## Sustainability Rating



Climate

- B Score in 2022
- 1st assessment in 2015



Water

- B- Score in 2022
- 1st assessment in 2022



**MSCI**  
ESG RATINGS



CCC B BB **BBB** A AA AAA

RATING ACTION DATE: October 29, 2020

LAST REPORT UPDATE: January 17, 2023

**S&P Global**

- Score: 48 in 2022

## Sustainability Reporting



INTEGRATED  
REPORTING



# Sustainable loan products



## Green Mortgage Loan

- Aiming to support the reduction of residential energy consumption and greenhouse gas emissions from the residential construction industry to accompany Turkey on a more sustainable development path.
- Energy efficient houses with A and B Energy Performance Certificate



## Women in Business Loan

- For a business that is managed or owned by women, having less than 250 employees and completing the year with a profit with attractive interest rates



## Environment-Friendly Auto Loan

- For retail customers; hybrid and electrical vehicles which have much less carbon emissions.





# The first Turkish bank incorporated sustainability approach to its provisioning policy



Proactive provisioning policy in accordance with CBAM (Carbon Border Adjustment Mechanism) and 'Fit for 55' principles



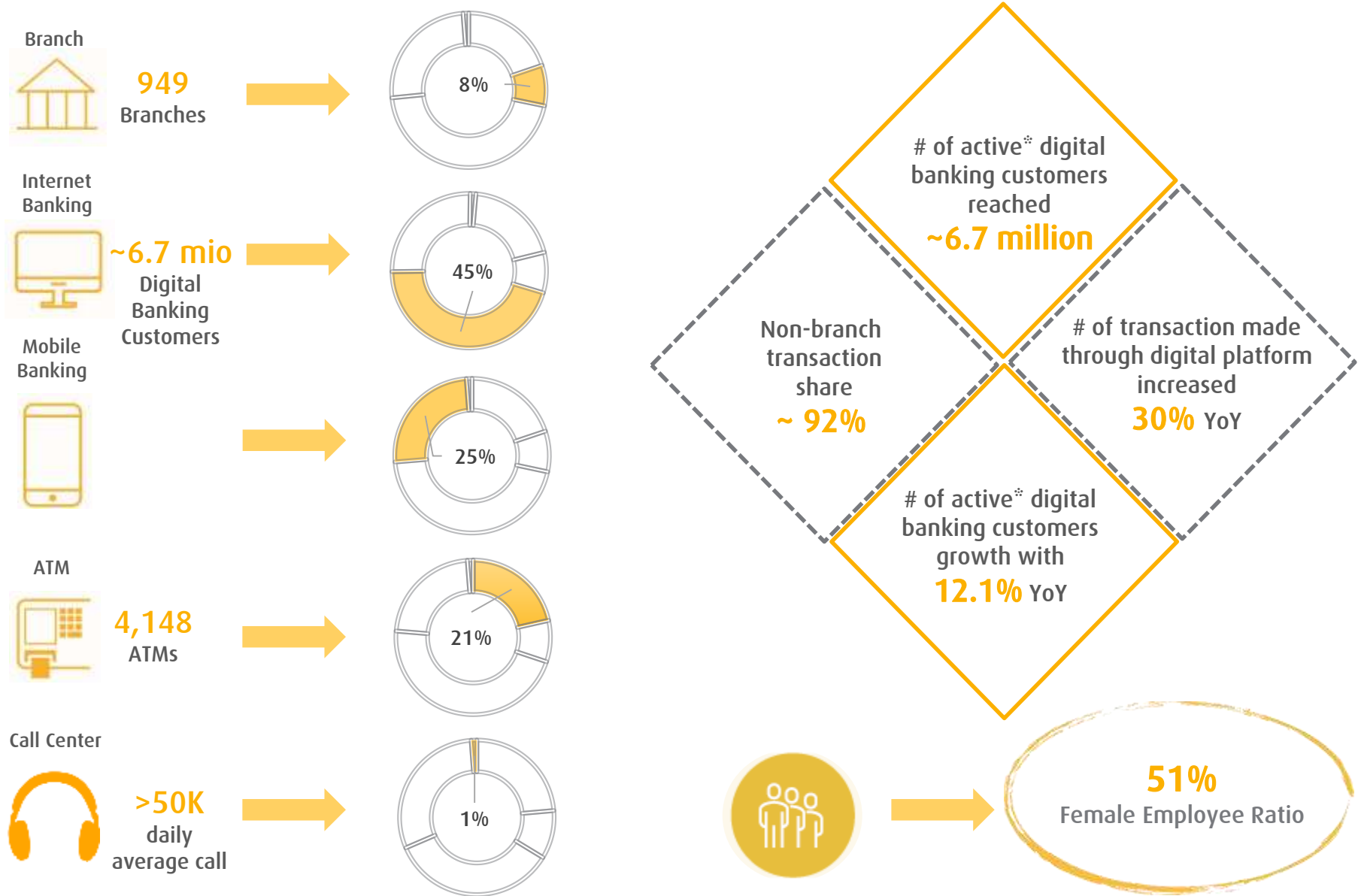
To eliminate the transformation risk of these companies, VakıfBank set aside **100% additional provisioning** for carbon-intensive industries such as cement, electricity, fertilizers, iron-steel and aluminium.



**50% less provisioning** requirement for renewable energy loans

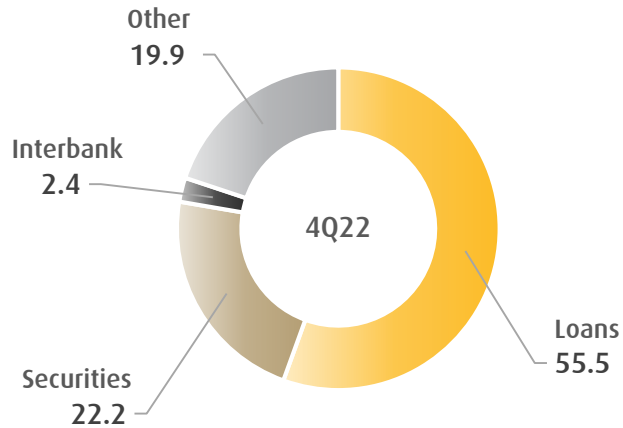


# Improved efficiency with enhanced digital platforms



# Composition of asset&liabilities

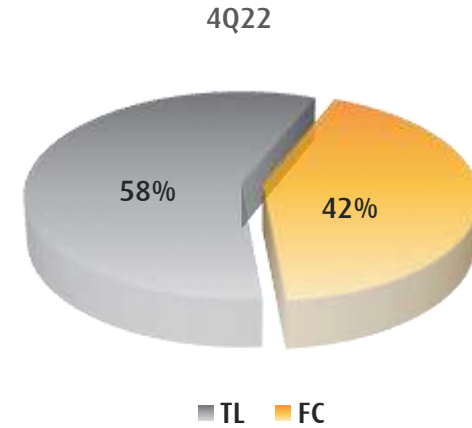
## Breakdown of Assets (%)



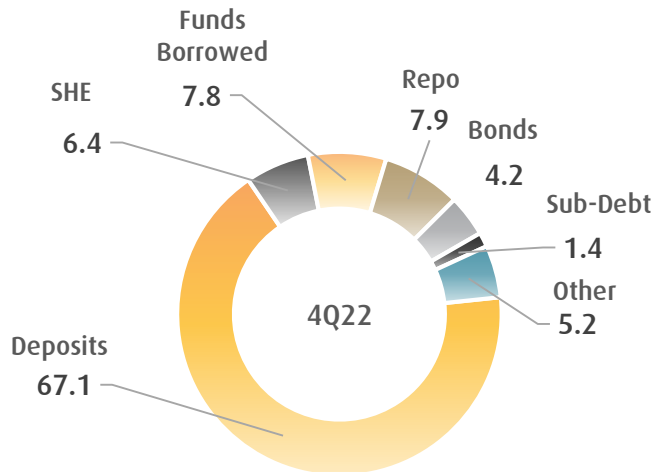
The biggest listed bank of Turkey in terms of asset size with **12%** market share

The share of IEA **80%** in total assets

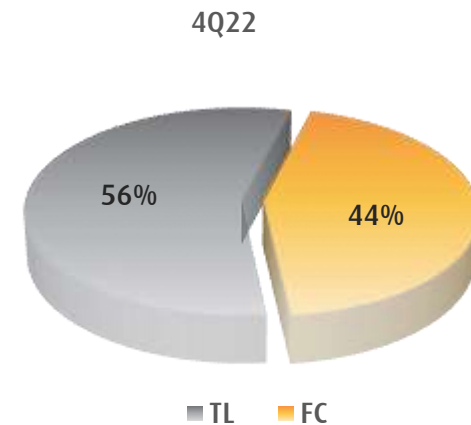
## Currency Breakdown of Total Assets



## Breakdown of Liabilities (%)

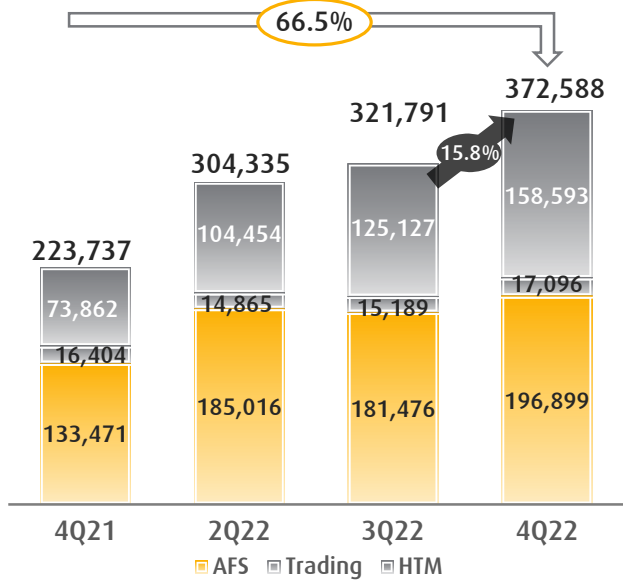


## Currency Breakdown of Total Liabilities

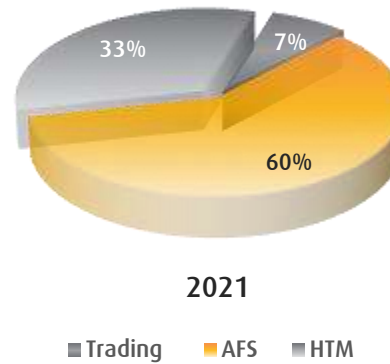


# Well-positioned security portfolio

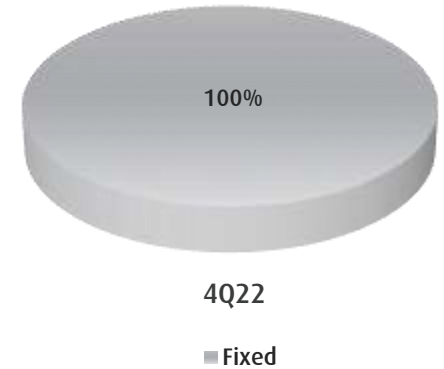
Total Securities (TL million)



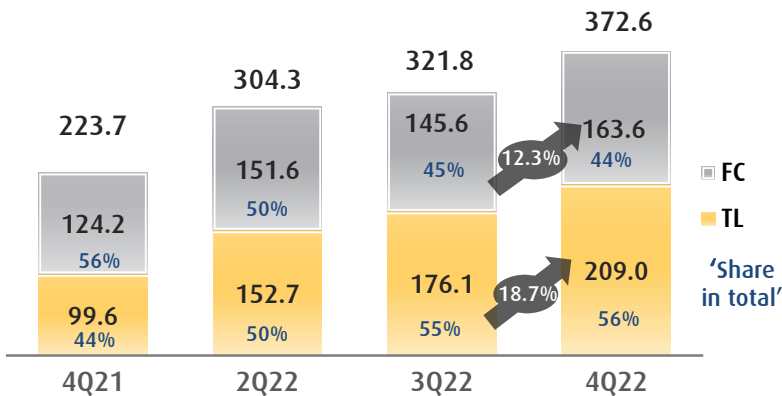
Portfolio Structure



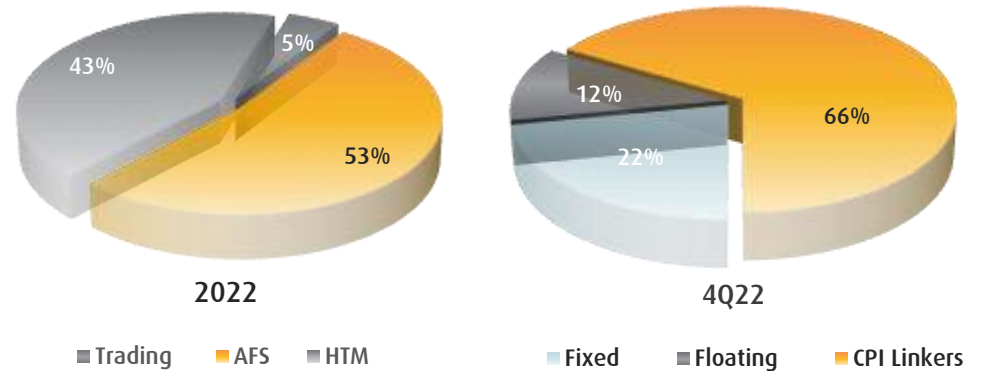
Breakdown of FC Securities



Security Breakdown (TL billion)



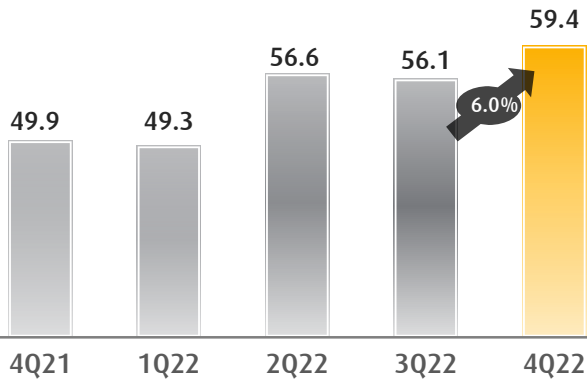
Breakdown of TL Securities



# Retail Lending Portfolio

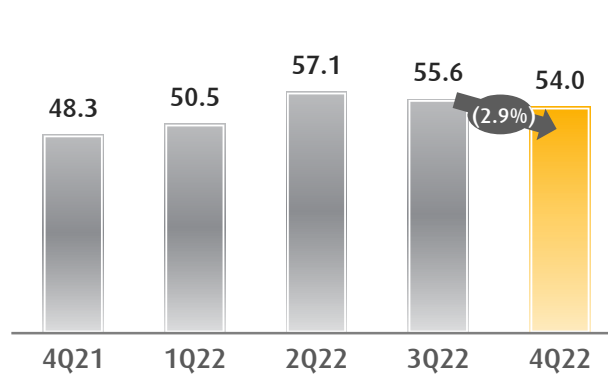
## General Purpose Consumer (TL billion)

19.2%



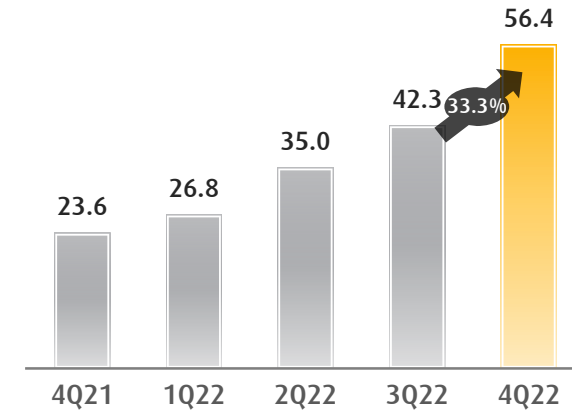
## Residential Mortgages (TL billion)

11.9%



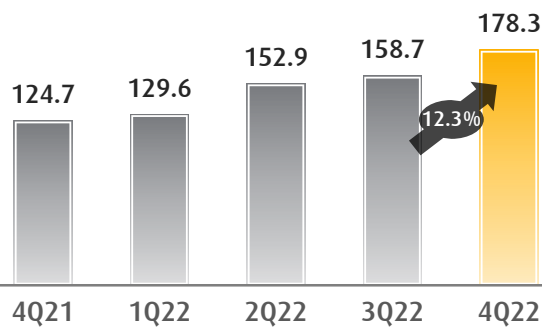
## Credit Card Loans (TL billion)\*\*

139%

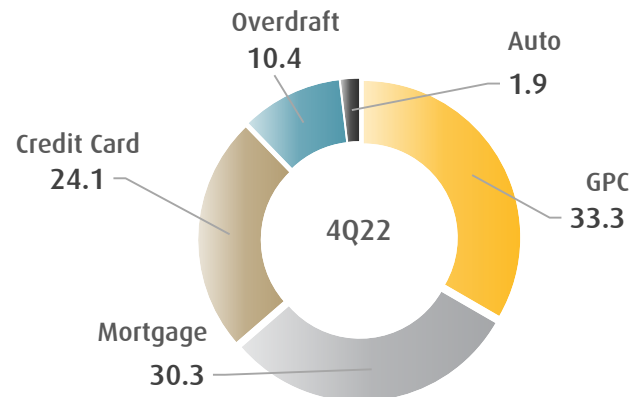


## Total Retail (TL billion)

42.9%



## Breakdown of Retail Loans (%)



**Total Retail Customers** 22 million

**Total Payroll Customers** 2 million

# Diversified funding sources via non-deposit funding

## Syndication

### USD 1.6 billion outstanding

- **Nov'22:** USD 560 million equivalent syndicated loan, SOFR +4.25%, Euribor +4.00% for 1 year, 21 banks from 16 countries
- **Apr'22:** USD 1 billion equivalent syndicated loan, Libor +2.75%, Euribor +2.10% for 1 year, 37 banks from 16 countries

## Subordinated Bonds

### TL 4.250 million outstanding Tier II and TL 5 billion & EUR 700 million Tier I

- **Oct'22:** TL 1,725 million floating rate Tier II notes, 10 years maturity, call option at the end of 5th year
- **Oct'22:** TL 1,250 million floating rate Tier II notes, 10 years maturity, call option at the end of 5th year
- **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

## IFI Borrowing

### USD 761.8 million outstanding

- **World Bank:** outstanding funding USD 322.4 million
- **EBRD:** outstanding funding USD 9.1 million (USD 5.6 million under DPR Program included)
- **EIB:** outstanding funding USD 172.1 million
- **KfW:** outstanding funding USD 85.3 million
- **AFD:** outstanding funding USD 172.9 million

## Post Finance & Bilateral

### USD 1.4 billion outstanding

- **Post Finance:** EUR 212.6 million and USD 462 million outstanding
- **Mar'20:** USD 325 million bilateral loan with ICBC, 3 years maturity
- **Dec'21:** CNY 3.15 billion bilateral loan with China Development Bank, 3 years maturity

## Eurobonds and Private Placements

### USD 3.3 billion outstanding Eurobonds and USD 134.8 million outstanding Private Placements

- **Sep'22-Dec'22:** USD 74.5 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

## DPR Securitizations

### USD 2.4 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

## Covered Bond

### TL 1 billion outstanding

- **Dec'18:** TL 1 billion, 5 years maturity

## Local Bonds

### TL 5.1 billion outstanding

# Unconsolidated Key Financial Ratios

	2021	4Q21	3Q22	4Q22	2022
<b>Profitability</b>					
ROAE	8.5%	15.9%	26.1%	34.0%	30.2%
ROAA	0.5%	0.9%	1.7%	2.2%	1.8%
Cost / Income	34.7%	25.6%	19.8%	15.7%	18.1%
Cost / Assets	0.9%	1.1%	1.3%	1.6%	1.1%
Fee / Cost	47.3%	49.5%	68.7%	54.4%	60.2%
NIM	2.8%	4.8%	5.6%	10.9%	6.8%
Swap-adj NIM	1.8%	3.9%	5.2%	10.7%	6.5%
<b>Liquidity</b>					
Loans / Deposits	97.1%	97.1%	83.1%	82.8%	82.8%
<i>TL Loans / Deposits</i>	<i>141.7%</i>	<i>141.7%</i>	<i>103.0%</i>	<i>94.9%</i>	<i>94.9%</i>
Liquidity Coverage Ratio (Total)	143.1%	143.1%	182.4%	197.8%	197.8%
FC Liquidity Coverage Ratio	341.0%	341.0%	431.8%	450.7%	450.7%
<b>Asset Quality</b>					
NPL Ratio	3.1%	3.1%	2.4%	2.1%	2.1%
Stage II Ratio	10.8%	10.8%	9.2%	8.3%	8.3%
Stage II Coverage	14.5%	14.5%	19.1%	24.4%	24.4%
Stage III Coverage Ratio	77.2%	77.2%	80.3%	81.3%	81.3%
Net Cost of Risk	102 bps	329 bps	71 bps	468 bps	254 bps
<b>Solvency</b>					
CAR	14.9%	14.9%	15.8%	15.2%	15.2%
Tier I Ratio	12.9%	12.9%	13.9%	13.6%	13.6%
CET 1 Ratio	10.0%	10.0%	11.7%	11.5%	11.5%
Leverage	18.4x	18.4x	14.2x	14.7x	14.7x

# Unconsolidated Balance Sheet

	(TL-thousand, %)		YE21		3Q22		YE22		TL		USD	
			TL	USD	TL	USD	TL	USD	ΔYoY	ΔQoQ	ΔYoY	ΔQoQ
<b>Assets</b>	Cash & Balances with Central Bank		144,148,987	10,757,387	166,081,366	8,967,676	268,935,221	14,358,528	86.6%	61.9%	33.5%	60.1%
	Interbank		28,220,738	2,106,025	48,466,117	2,616,961	40,641,494	2,169,861	44.0%	(16.1%)	3.0%	(17.1%)
	Securities		223,736,789	16,696,775	321,791,395	17,375,345	372,587,589	19,892,557	66.5%	15.8%	19.1%	14.5%
	<b>Loans</b>		<b>573,799,672</b>	<b>42,820,871</b>	<b>794,466,830</b>	<b>42,897,777</b>	<b>933,450,970</b>	<b>49,837,211</b>	<b>62.7%</b>	<b>17.5%</b>	<b>16.4%</b>	<b>16.2%</b>
	Subsidiaries & Investments		6,697,833	499,838	8,253,072	445,630	14,201,803	758,238	112.0%	72.1%	51.7%	70.1%
	Property & Equipment		4,866,852	363,198	8,741,899	472,025	11,991,371	640,223	146.4%	37.2%	76.3%	35.6%
	Other		25,742,826	1,921,106	36,948,500	1,995,059	39,252,175	2,095,685	52.5%	6.2%	9.1%	5.0%
<b>Total Assets</b>		<b>1,007,213,697</b>	<b>75,165,201</b>	<b>1,384,749,179</b>	<b>74,770,474</b>	<b>1,681,060,623</b>	<b>89,752,302</b>	<b>66.9%</b>	<b>21.4%</b>	<b>19.4%</b>	<b>20.0%</b>	
<b>Liabilities &amp; SHE</b>	<b>Deposits</b>		<b>590,943,387</b>	<b>44,100,253</b>	<b>956,320,254</b>	<b>51,637,163</b>	<b>1,127,701,975</b>	<b>60,208,328</b>	<b>90.8%</b>	<b>17.9%</b>	<b>36.5%</b>	<b>16.6%</b>
	Funds Borrowed		91,430,530	6,823,174	115,153,082	6,217,769	130,746,242	6,980,579	43.0%	13.5%	2.3%	12.3%
	Repo		137,805,660	10,284,004	45,698,969	2,467,547	132,113,364	7,053,570	(4.1%)	189.1%	(31.4%)	185.9%
	Securities Issued		61,974,897	4,624,992	70,197,883	3,790,382	69,854,008	3,729,525	12.7%	(0.5%)	(19.4%)	(1.6%)
	Other		34,213,084	2,553,215	59,211,201	3,197,149	65,951,110	3,521,148	92.8%	11.4%	37.9%	10.1%
	Subordinated Loans		28,968,427	2,161,823	35,257,462	1,903,751	24,043,286	1,283,678	(17.0%)	(31.8%)	(40.6%)	(32.6%)
<b>Shareholders' Equity</b>		<b>51,952,740</b>	<b>3,877,070</b>	<b>90,824,842</b>	<b>4,904,149</b>	<b>106,984,889</b>	<b>5,711,953</b>	<b>105.9%</b>	<b>17.8%</b>	<b>47.3%</b>	<b>16.5%</b>	
<b>Off-B.S.</b>	Guarantees		192,139,328	14,338,756	247,035,388	13,338,844	274,248,526	14,642,206	42.7%	11.0%	2.1%	9.8%
	Commitments		165,526,765	12,352,744	296,493,452	16,009,366	341,017,330	18,207,012	106.0%	15.0%	47.4%	13.7%
	Derivatives		349,829,823	26,106,703	473,473,470	25,565,522	403,311,547	21,532,918	15.3%	(14.8%)	(17.5%)	(15.8%)



# Unconsolidated Income Statement

(TL thousand, %)	2021	3Q22	4Q22	2022	YoY	QoQ
<b>Net Interest Income (Inc. Swap Cost)</b>	<b>12,323,517</b>	<b>14,667,219</b>	<b>33,480,990</b>	<b>70,326,695</b>	<b>470.7%</b>	<b>128.3%</b>
<i>Swap Cost</i>	<i>-7,219,864</i>	<i>-1,002,728</i>	<i>-848,615</i>	<i>-3,388,468</i>	(53.1%)	(15.4%)
Net Fee & Com. Income	4,501,363	3,079,260	3,594,559	10,792,735	139.8%	16.7%
Dividend Income	120,849	2,003	723	149,074	23.4%	(63.9%)
Net Trading Income (Exc. Swap Cost)	2,470,079	2,510,121	2,737,887	8,378,638	239.2%	9.1%
Other Income	1,158,099	310,139	625,809	1,919,490	65.7%	101.8%
Operating Expenses	-9,508,389	-4,480,244	-6,603,660	-17,931,787	88.6%	47.4%
<b>Pre-Provision Profit</b>	<b>11,065,518</b>	<b>16,088,498</b>	<b>33,836,308</b>	<b>73,634,845</b>	<b>565.4%</b>	<b>110.3%</b>
<b>Net Provisions</b>	<b>-5,060,268</b>	<b>-1,354,351</b>	<b>-10,109,308</b>	<b>-19,106,867</b>	<b>277.6%</b>	<b>646.4%</b>
<i>Expected Credit Loss</i>	<i>-11,849,562</i>	<i>-3,390,459</i>	<i>-11,768,718</i>	<i>-26,865,264</i>	126.7%	247.1%
<i>Provisions Reversals</i>	<i>6,789,294</i>	<i>2,036,108</i>	<i>1,659,410</i>	<i>7,758,397</i>	14.3%	(18.5%)
<b>Other Provisions</b>	<b>-1,820,257</b>	<b>-9,140,781</b>	<b>-15,456,365</b>	<b>-30,454,363</b>	<b>1573.1%</b>	<b>69.1%</b>
<i>Tax Provisions</i>	<i>-1,120,257</i>	<i>-3,640,781</i>	<i>-5,956,365</i>	<i>-13,226,363</i>	1080.7%	63.6%
<i>Free Provisions</i>	<i>-700,000</i>	<i>-5,500,000</i>	<i>-9,500,000</i>	<i>-17,228,000</i>	2361.1%	72.7%
<b>Net Income</b>	<b>4,175,464</b>	<b>5,591,502</b>	<b>8,407,116</b>	<b>24,017,232</b>	<b>475.2%</b>	<b>50.4%</b>