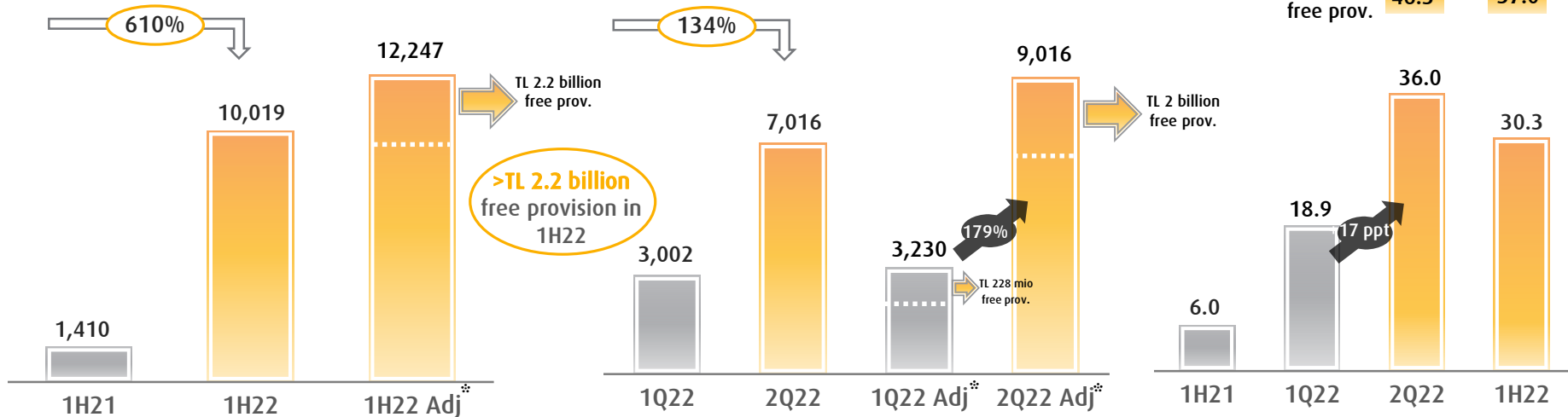




Earnings Presentation BRSA Bank-Only 1H22 August 8, 2022

2Q22 Earnings and Profitability

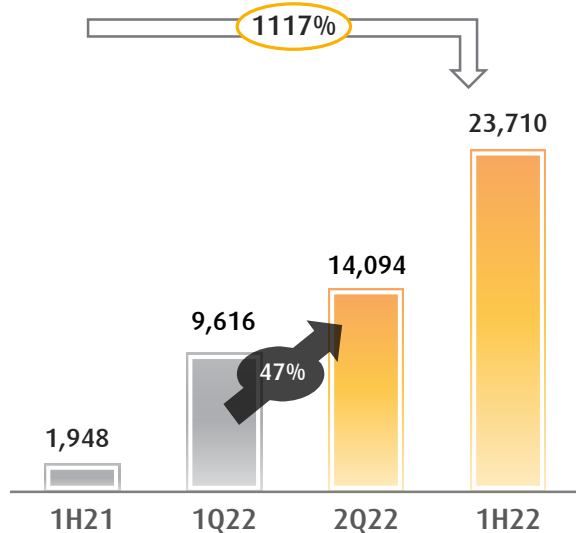
Net Income (TL million)



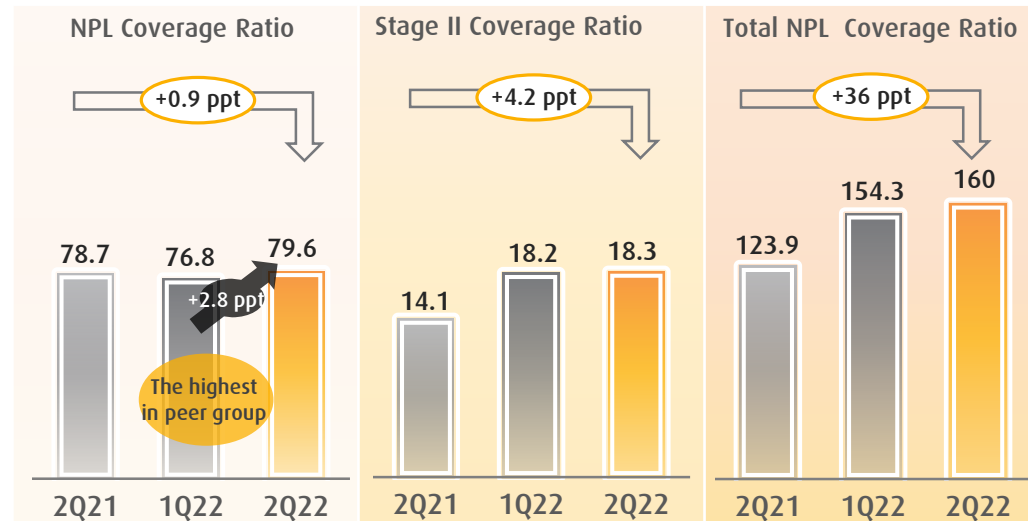
ROAE(%)

Adj. with free prov. **46.3** **37.0**

Pre-Provisions Profit**

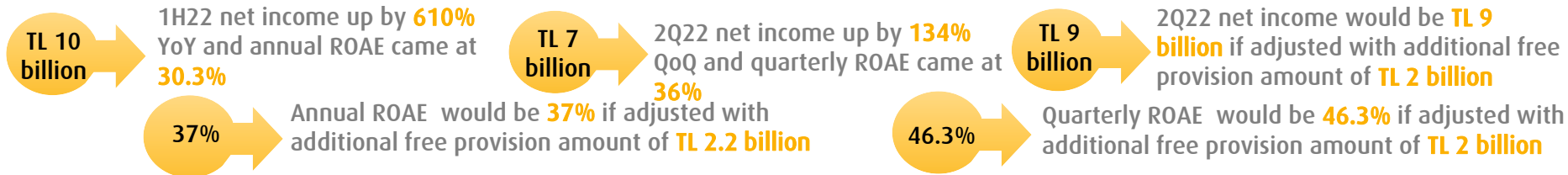


Coverage Ratios (%)

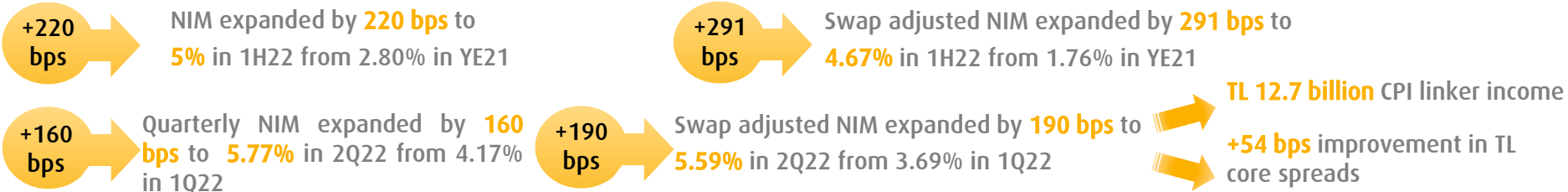


Key Highlights of 2Q22

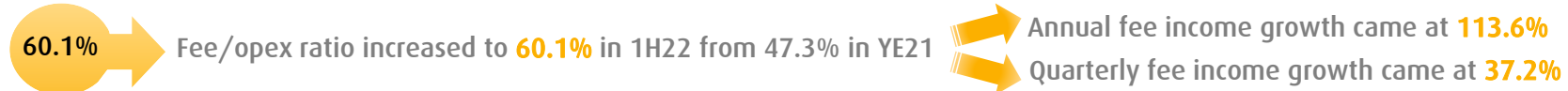
Strong Profitability



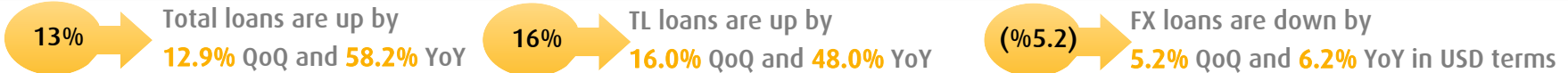
Solid NIM performance



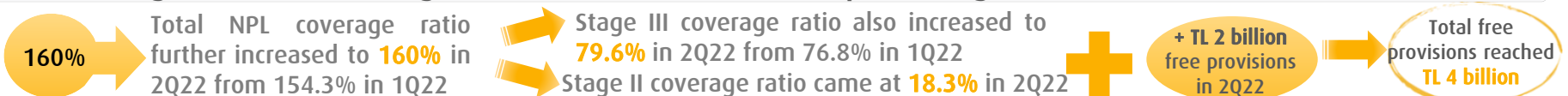
Stellar fee & commission income growth



Ongoing lending growth on selective areas



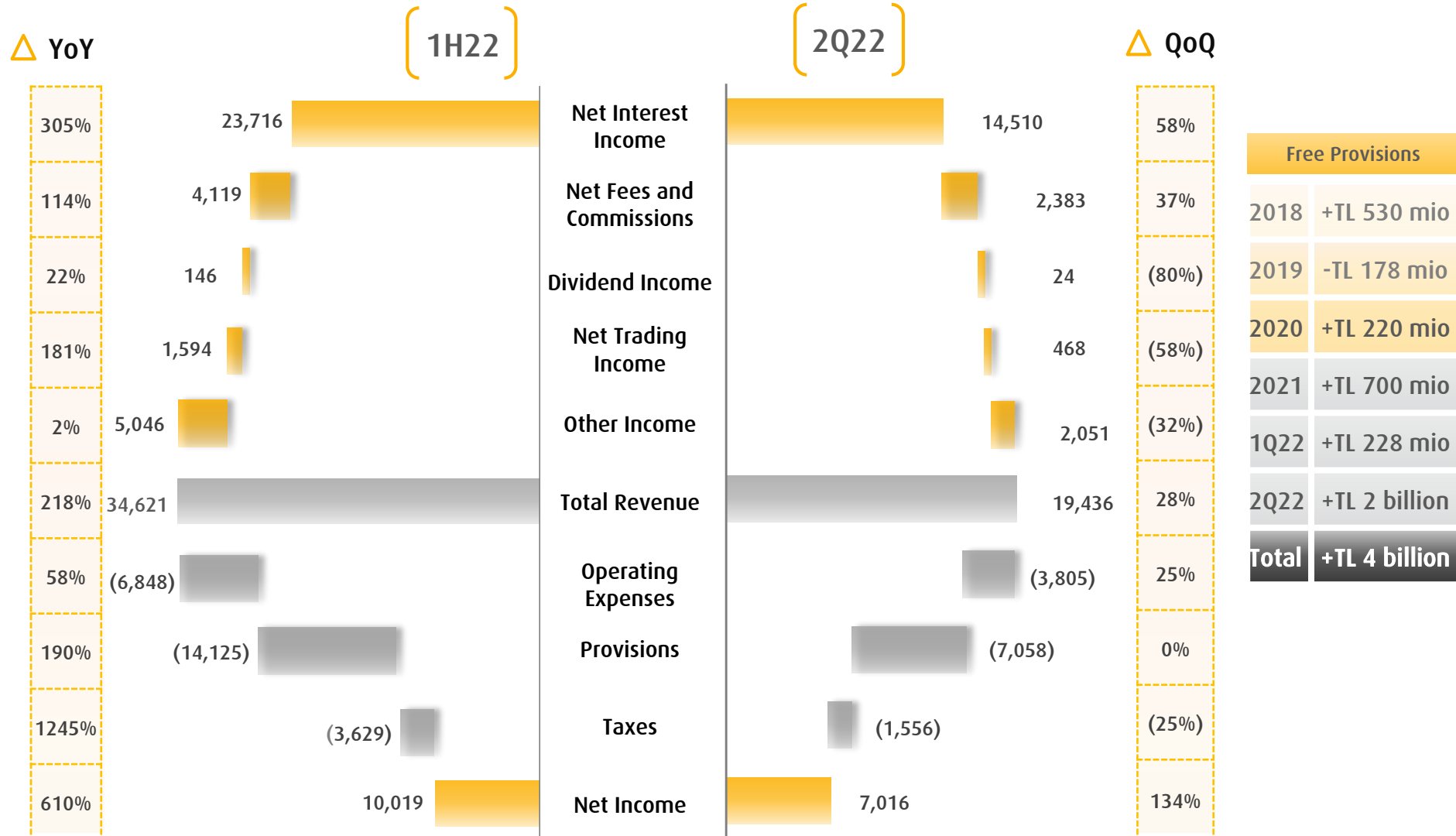
All time high total NPL coverage + Further accumulated free proviosing



Comfortable liquidity levels

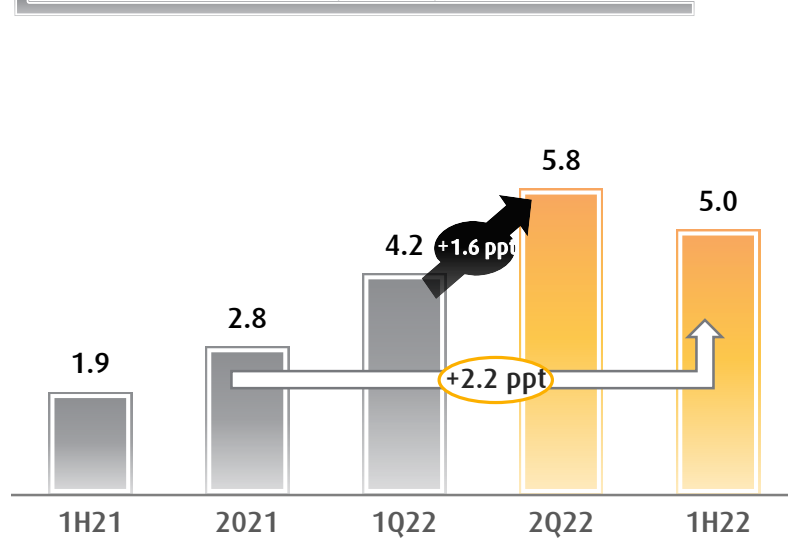


2Q22 P&L Details

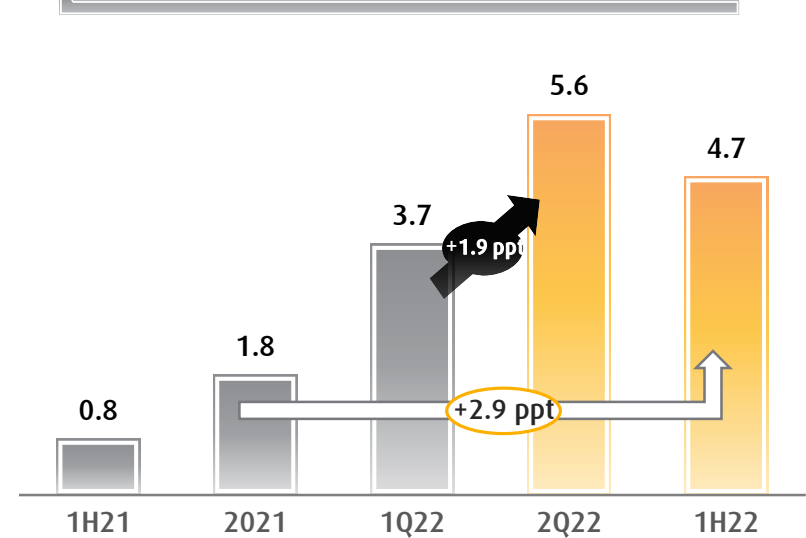


Solid NIM performance

Net Interest Margin (NIM %)



Swap Adjusted Net Interest Margin (%)



CPI Expectation

	1Q22 Oct-Oct CPI 39.9%	2Q22 Oct-Oct CPI 58.2%	3Q22 Oct-Oct CPI 58.2%
CPI linker Income	TL 5.4 billion	TL 12.7 billion	TL 11.6 billion
CPI amount	TL 85 billion	TL 97 billion	TL 97 billion*

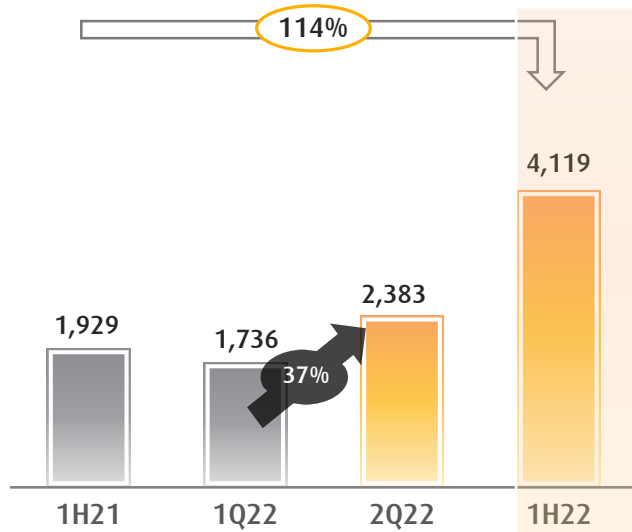
CPI-linkers
reached
120%
of equity

Total Money Market Funding

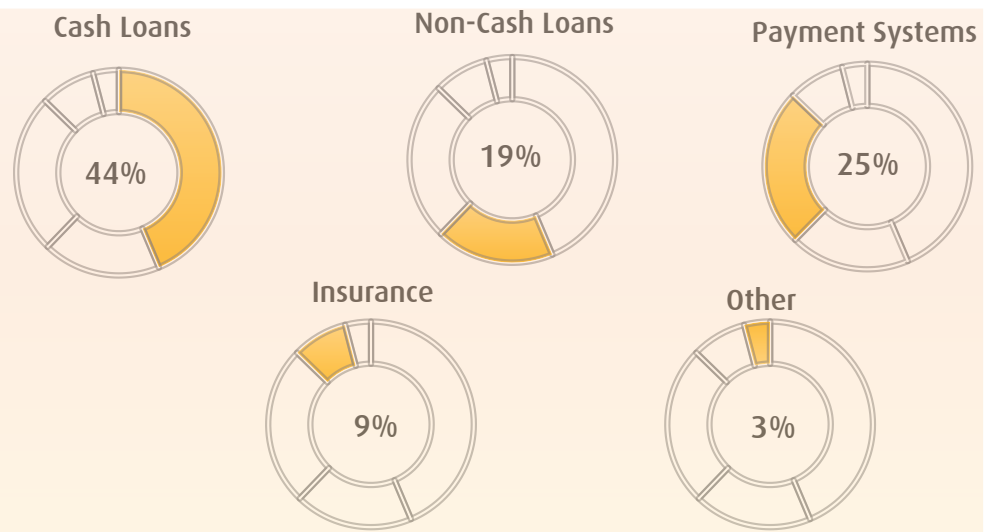
	2Q21	3Q21	4Q21	1Q22	2Q22
Quarterly average total money market funding	TL 112.6 billion	TL 122.1 billion	TL 129.7 billion	TL 119.8 billion	TL 119.0 billion
Quarterly average cost of money market funding	18.55%	18.85%	16.23%	14.06%	13.94%
Average swap usage	TL 42.4 billion	TL 47.6 billion	TL 41.1 billion	TL 32.2 billion	TL 15.5 billion
Swap cost	TL 1,781 million	TL 2,148 million	TL 1,708 million	TL 1,076 million	TL 461 million

Stellar Fee & Commission income growth

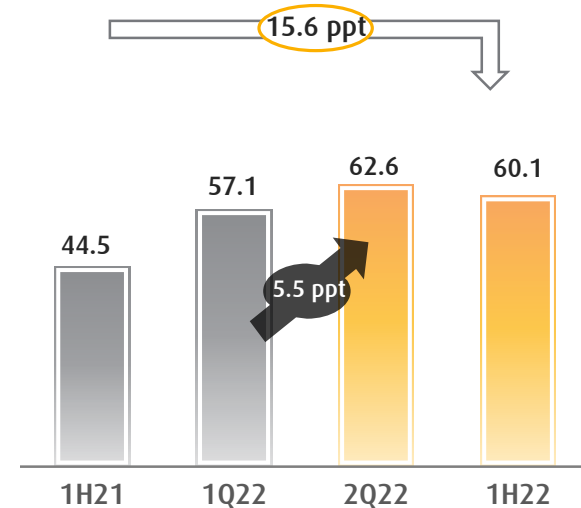
Net Fee & Commission Income (TL million)



Net Fee & Commission Income Breakdown



Fee/Opex Ratio (%)

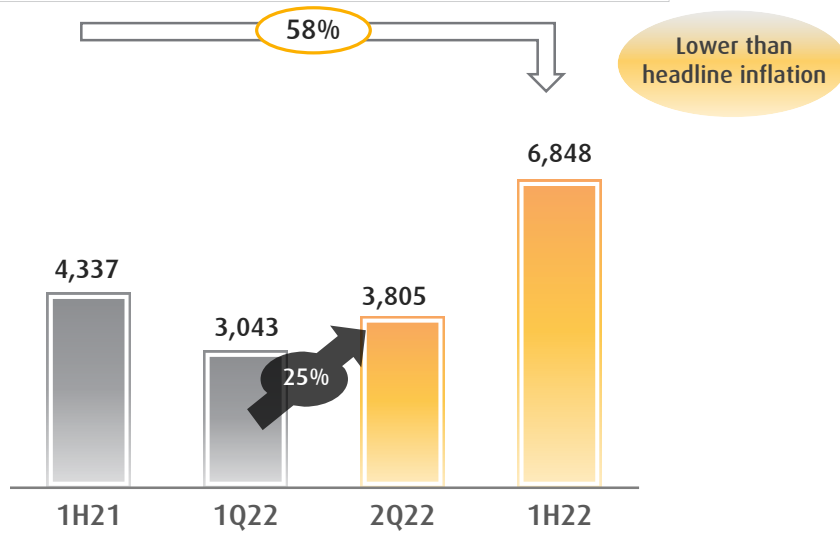


	Quarterly Growth	Annual Growth
Payment Systems	45%	113%
Cash Loans	35%	148%
Non - Cash Loans	18%	83%

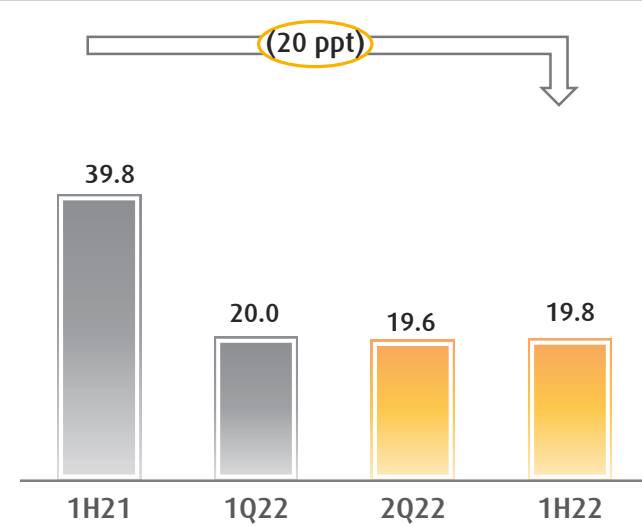
The highest QoQ growth rate

OPEX

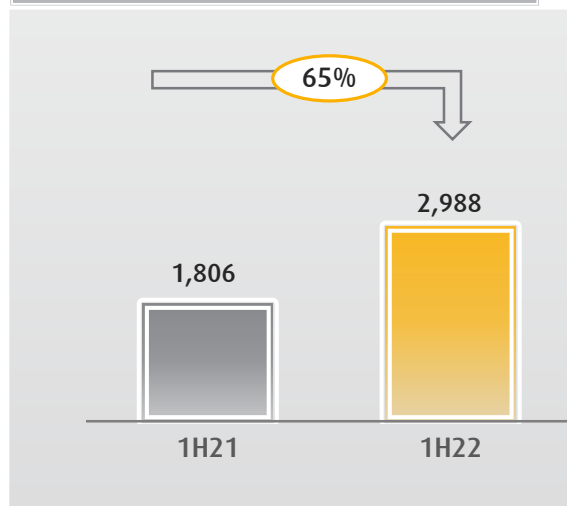
Opex (TL million)



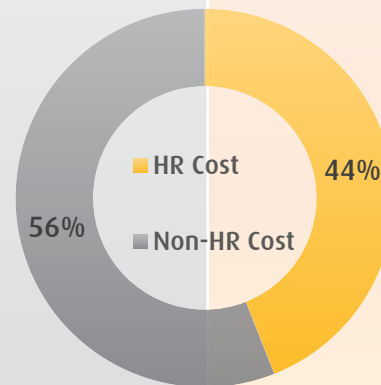
Cost/Income Ratio (%)



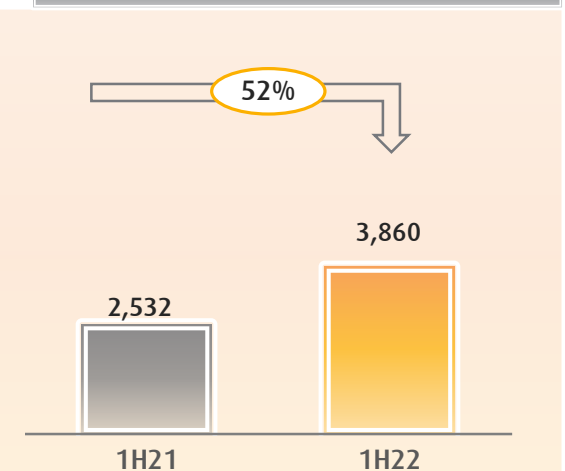
HR Cost (TL million)



Breakdown of OPEX

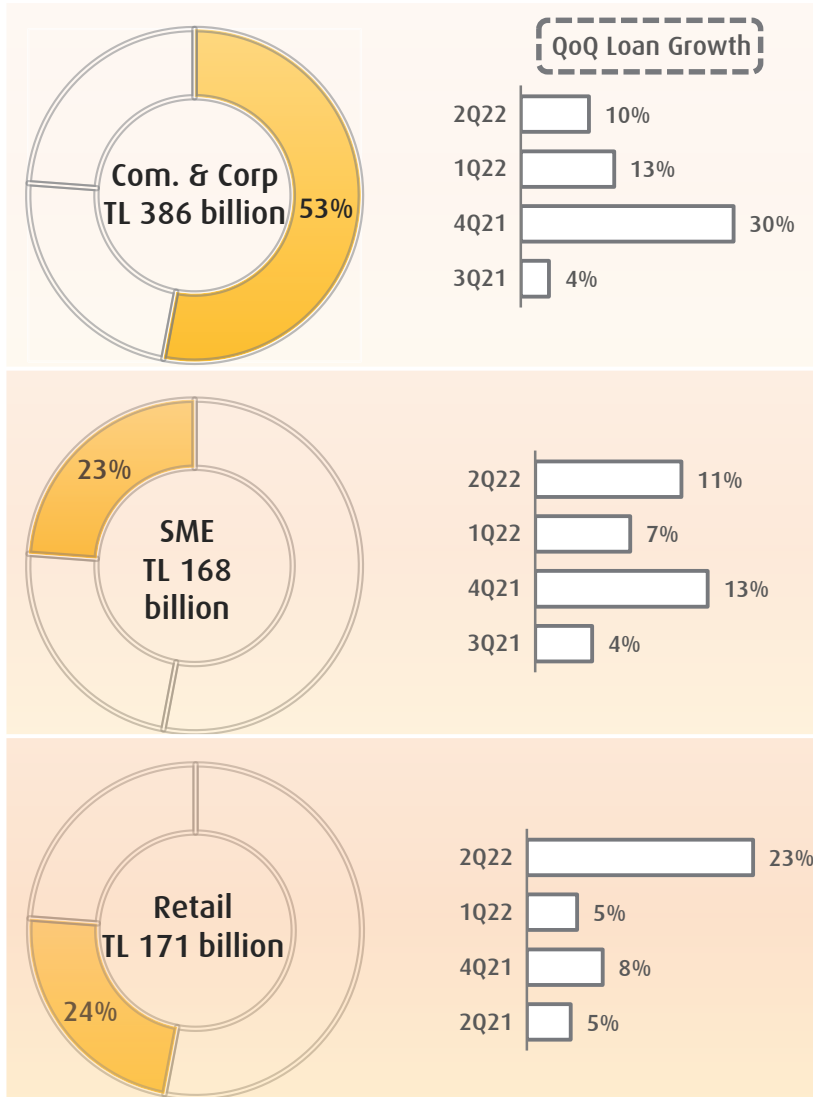


Non-HR Cost (TL million)

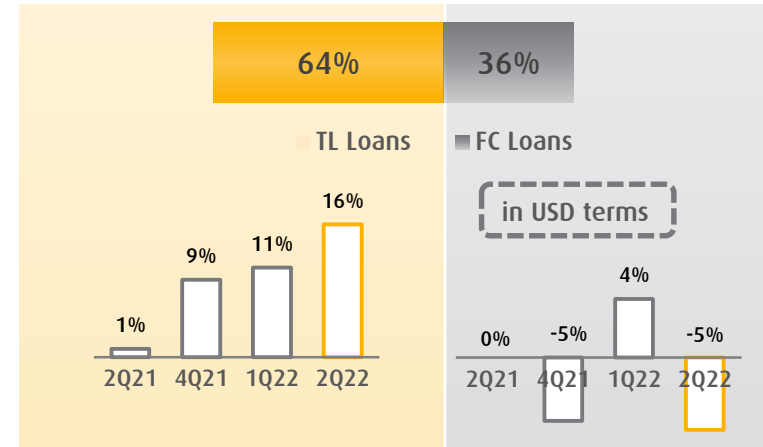


Ongoing lending growth on selective areas

Portfolio Breakdown (%)



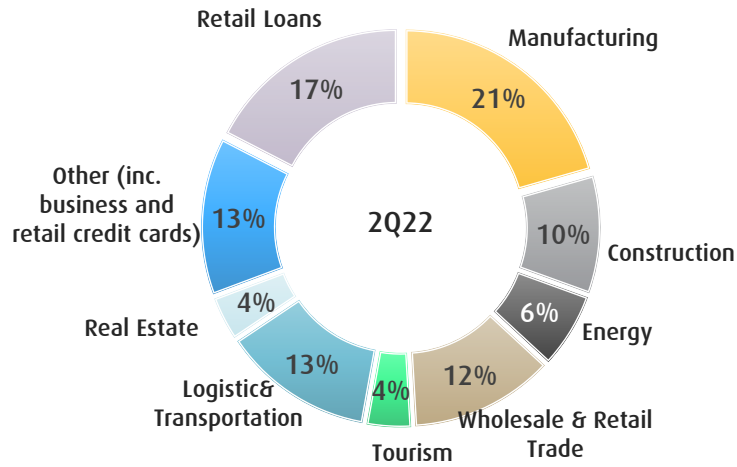
Portfolio Breakdown (%)



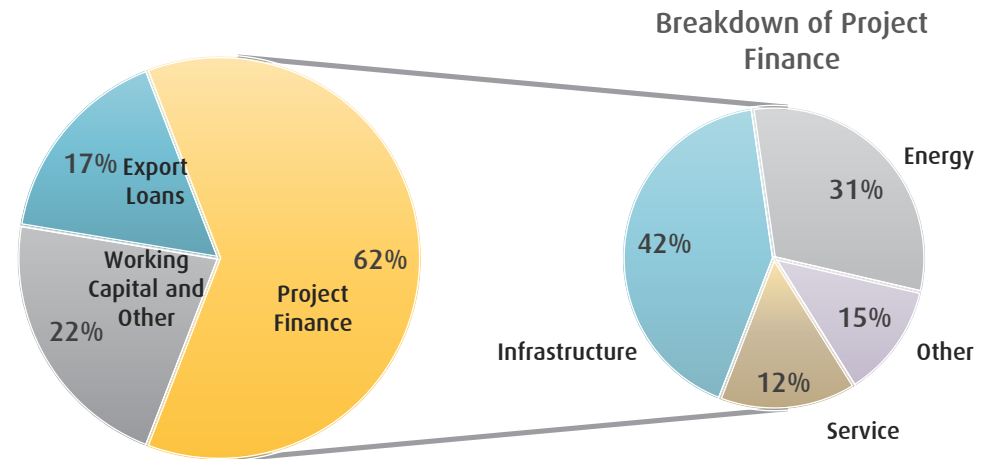
	VB QoQ	Sector QoQ	VB YoY	Sector YoY	Market Share	Ranking
Total Loan Growth	12.9%	14.1%	58.2%	60.3%	11.6%	2nd
TL Loan Growth	16.0%	20.0%	48.0%	55.7%	12.0%	2nd
FC Loan Growth (\$)	(5.2%)	(7.0)	(6.2%)	(12.5%)	10.8%	3rd

Breakdown of loan portfolio

Sector Breakdown of Cash Loans



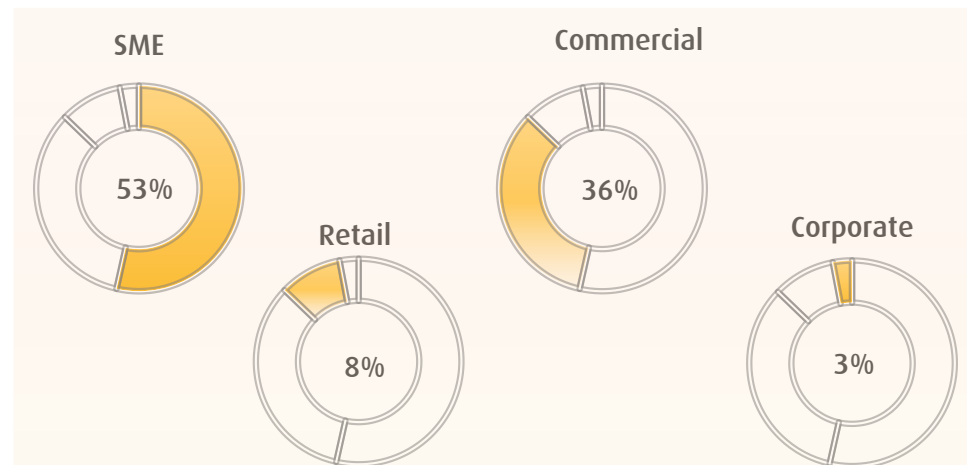
Breakdown of FC Loans



CGF Loans (TL billion)

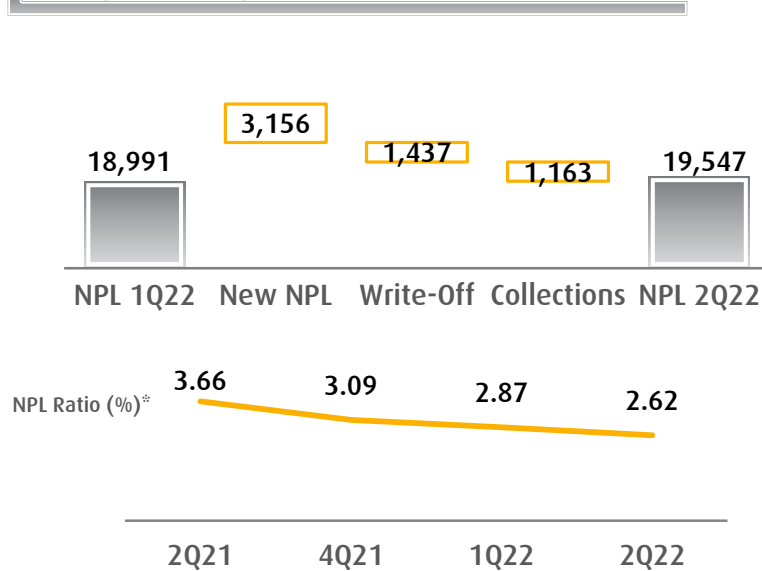
	2Q21	4Q21	1Q22	2Q22
Covid Related Non-Retail CGF Loans	TL 35.0 billion	TL 31.0 billion	TL 27.5 billion	TL 25.4 billion
Covid Related Retail CGF Loans	TL 7.3 billion	TL 6.0 billion	TL 4.6 billion	TL 2.6 billion
Pre-Covid CGF Loans	TL 8.1 billion	TL 6.8 billion	TL 6.1 billion	TL 3.9 billion
Total CGF Loans	TL 50.4 billion	TL 43.8 billion	TL 38.2 billion	TL 31.9 billion

Segment Breakdown of CGF Loans

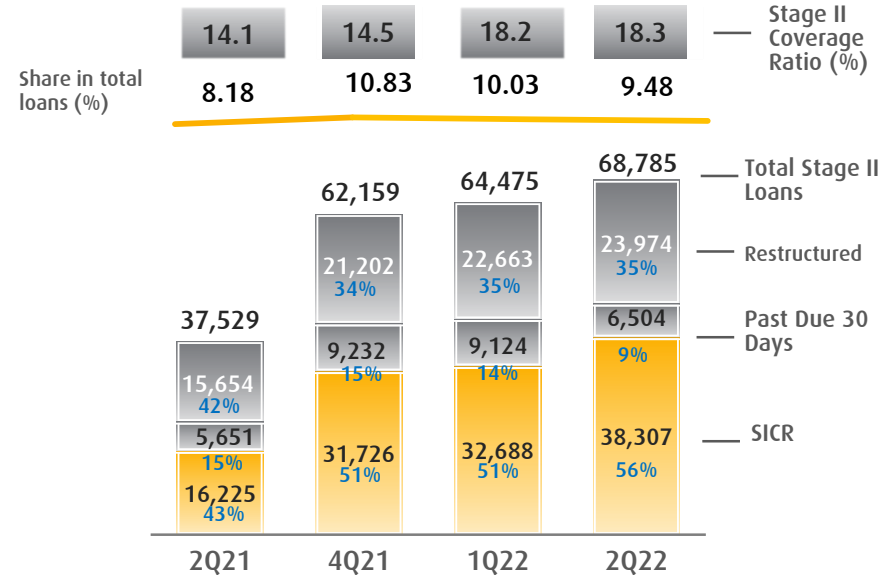


Net CoR reflects conservative provisioning policy

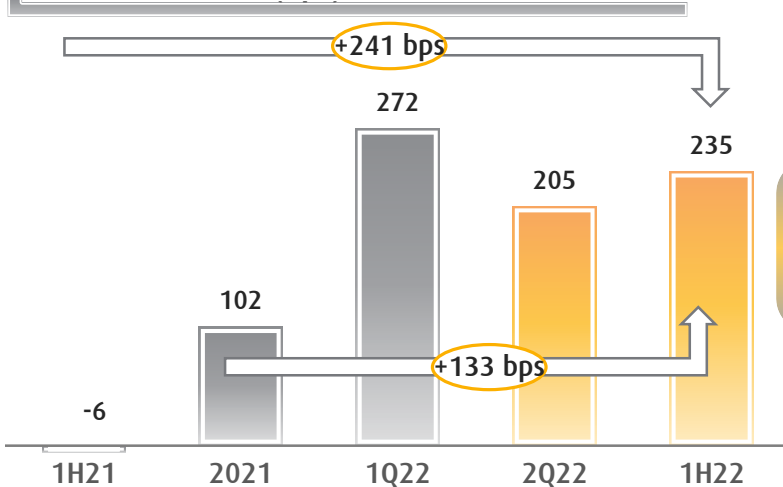
NPL (TL million)*



Stage II Loans Breakdown (TL million)



Net Cost of Risk (bps)



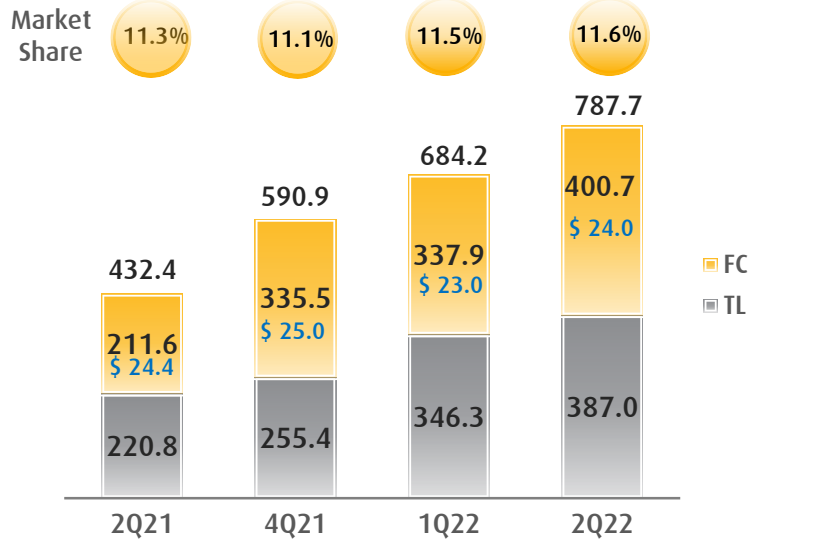
Reflection of conservative provisioning policy

Net Expected Credit Losses (TL thousand)

	2Q22	1H22
Expected Credit Losses	7,058,284	14,125,087
Provision Reversals under other income	1,536,309	4,062,879
Net Expected Credit Losses	5,521,975	10,062,208
Net CoR	205 bps	235 bps

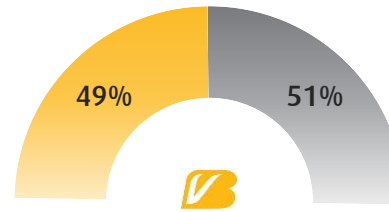
Well-balanced deposit portfolio

Total Deposits (TL billion)

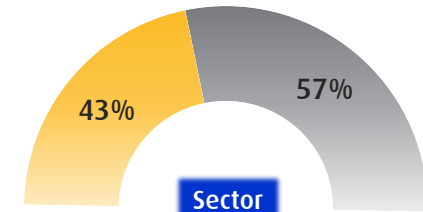


	VB QoQ	Sector QoQ	VB YoY	Sector YoY	Ranking
Total Deposits Growth	15.1%	13.8%	82.2%	75.6%	2nd
TL Deposits Growth	11.8%	17.1%	75.3%	70.1%	2nd
FC Deposits Growth (\$)	4.3%	(2%)	(1.6%)	(6.4%)	4th

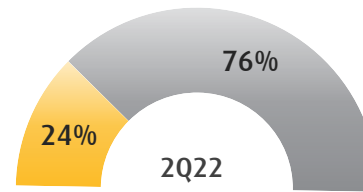
Breakdown of Deposits



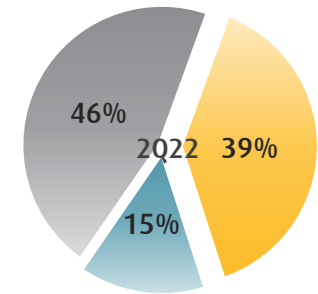
■ TL Deposits ■ FC Deposits



■ TL Deposits ■ FC Deposits



■ Demand ■ Term

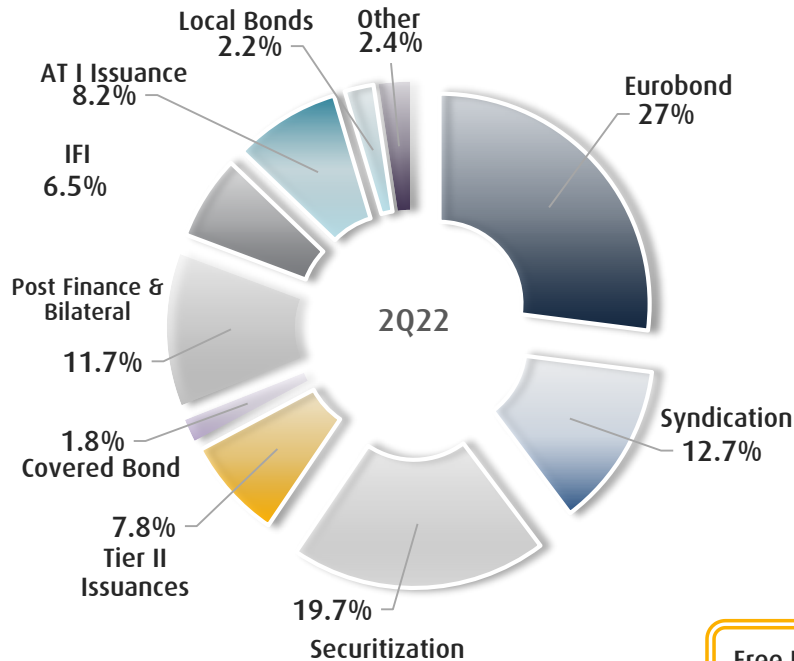


■ Retail Deposit ■ State Deposit ■ Other

FX-indexed deposits reached to TL 130 billion

Well diversified external funding

Breakdown of Wholesale Funding



~USD 12.2 billion total international funding

USD 600 million YtD fresh international funding via post financing & Bilateral loans and private placements under GMTN programme

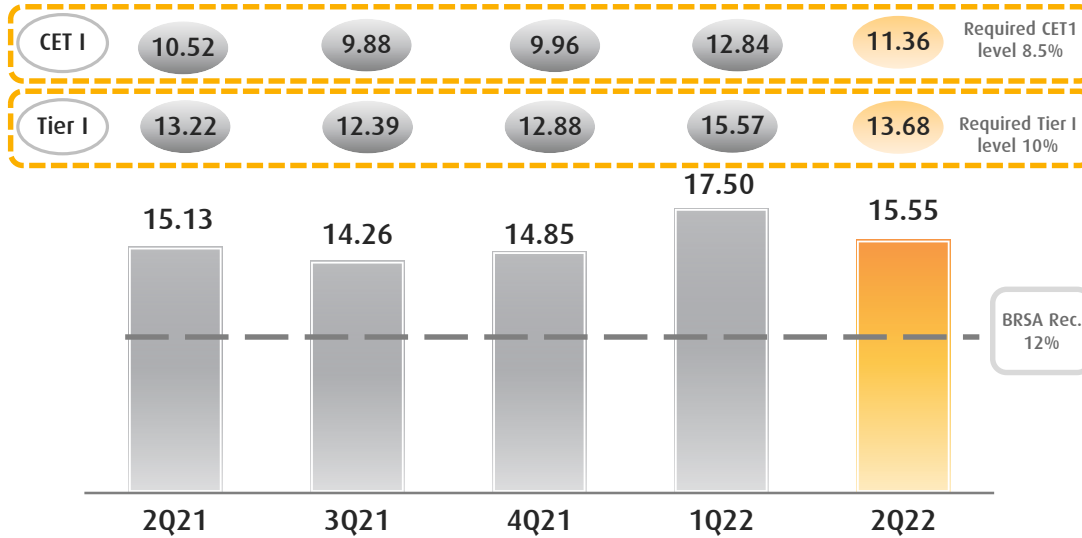
Sustainable Finance*	<p>TL 81.1 billion sustainable finance provided as of 2022 in the balance sheet</p>
Sustainable Syndication Loan	<p>Entire syndication loan amount has been transformed into ESG-linked.</p> <p>In April/22, sustainable syndication amounting USD 1 billion with above 100% roll over ratio.</p>
Sustainable EuroBond	<p>USD 750 million issuance in Dec/20</p> <p>USD 500 million issuance in Sep/21</p> <p>USD 1.250 million the highest amount of sustainable Eurobond issuance in Turkey</p>

FC LCR: 353%
vs 80% minimum threshold

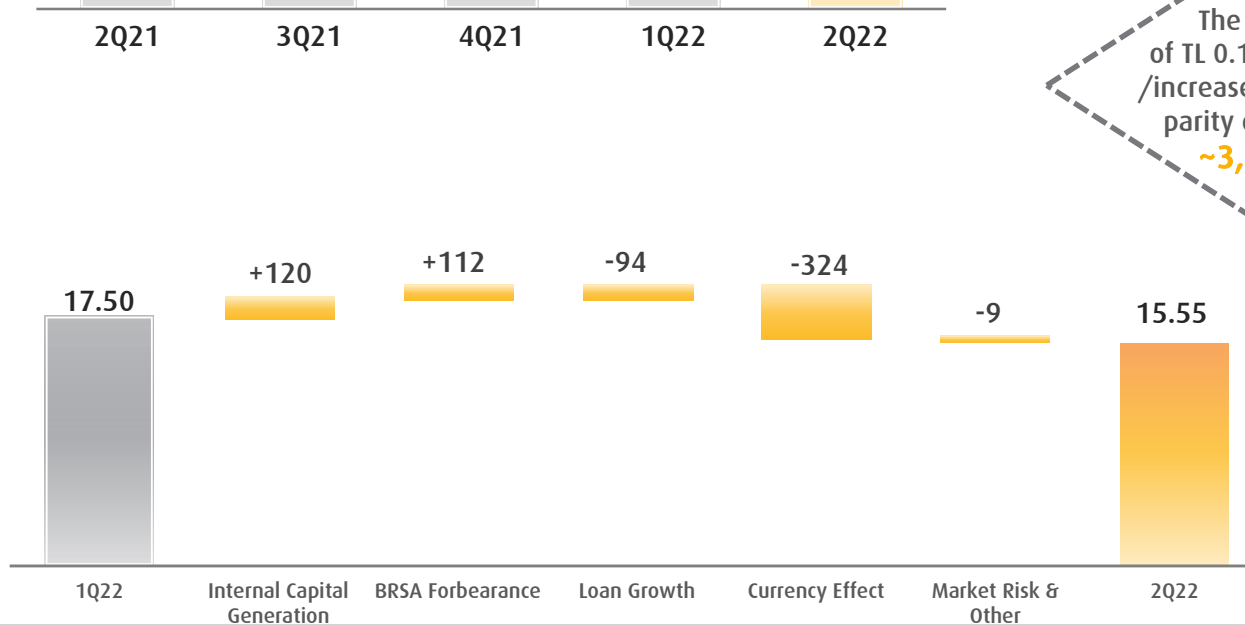
NSFR: 117%
vs 100% minimum threshold

Solvency ratios

Capital Adequacy Ratio (%)



Solvency ratios without BRSA forbearance (% - 2Q22)	
CAR	14.43
Tier I	12.54
CET I	10.40



The effect of TL 0.1 decrease /increase in USD/TL parity on CAR is **~3,3 bps**

The effect of 100 bps interest rate increase /decrease on CAR is **~12 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



SCIENCE
BASED
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

In support of

**WOMEN'S
EMPOWERMENT
PRINCIPLES**

Established by UN Women and the
UN Global Compact Office

Sustainability Rating



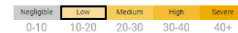
DRIVING SUSTAINABLE ECONOMIES

- ☐ B Score in 2021
- ☐ 1st assessment in 2015



ESG Risk Rating

19.1 Low Risk



Last Update: Jul 13, 2022

MSCI
ESG RATINGS



CCC B BB **BBB** A AA AAA

LAST UPDATE: November 19, 2021

S&P Global

- ☐ Score: 47 in 2021

Sustainability Reporting



INTEGRATED
REPORTING <IR>



Sustainable Loan Products

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



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



Environment-Friendly Auto Loan

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



Sustainability and Resource Efficiency Loan

- Aiming to finance the sustainability and resource efficiency expenditures of commercial firms, regardless of segmentation.
- To ensure energy efficiency, water efficiency, waste water recovery and raw material efficiency.



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



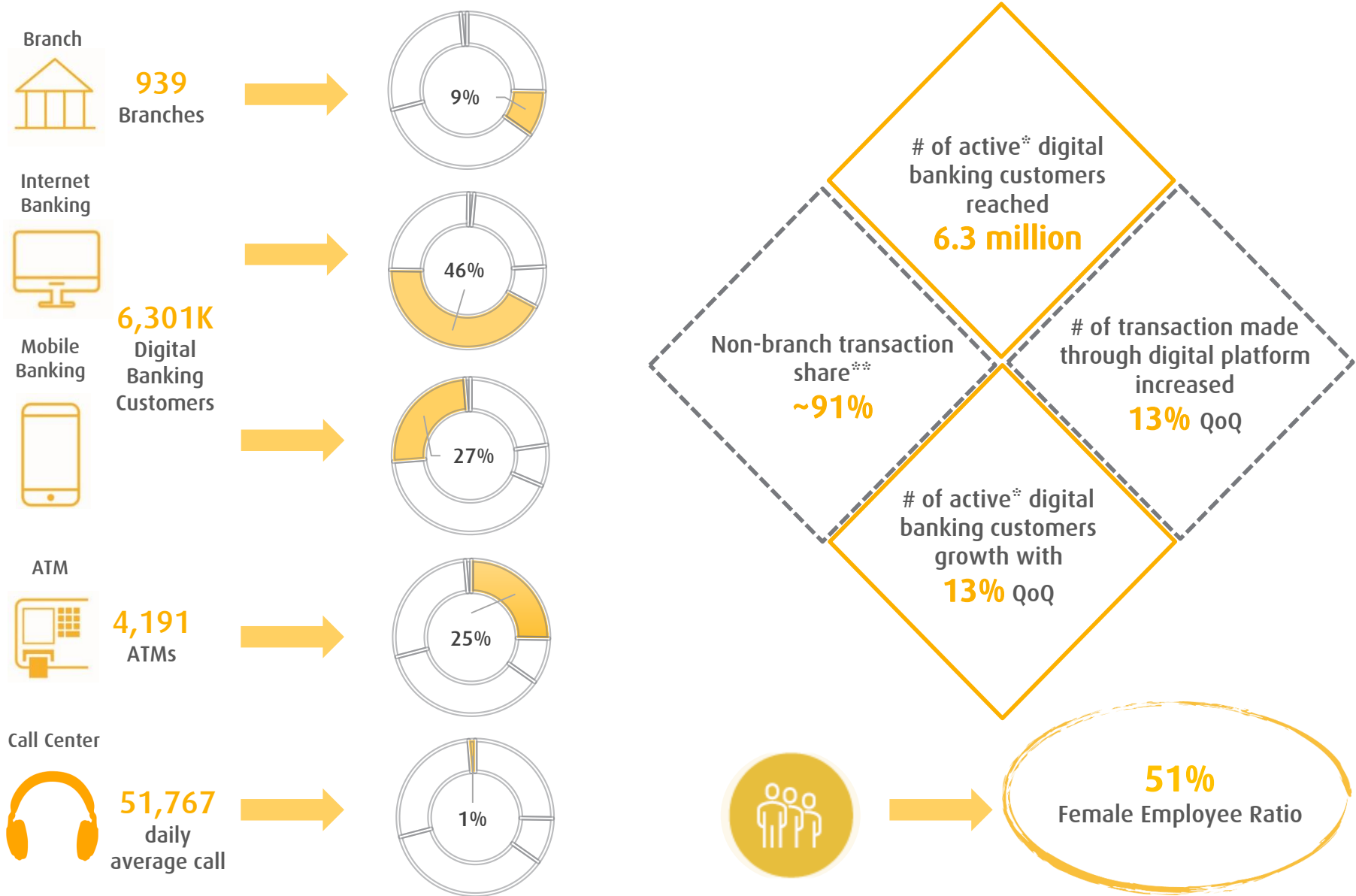
To eliminate the transformation risk of these companies, VakıfBank set aside **100% additional provisioning** for carbon-intensive industries such as cement, electricity, fertilizers, iron-steel and aluminium.



50% less provisioning requirement for renewable energy loans

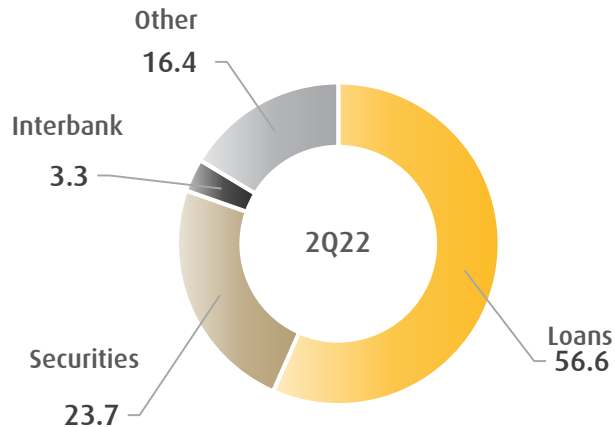


Improved efficiency with enhanced digital platforms



Composition of asset&liabilities

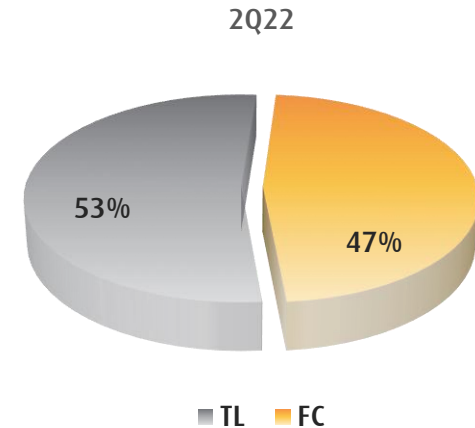
Breakdown of Assets (%)



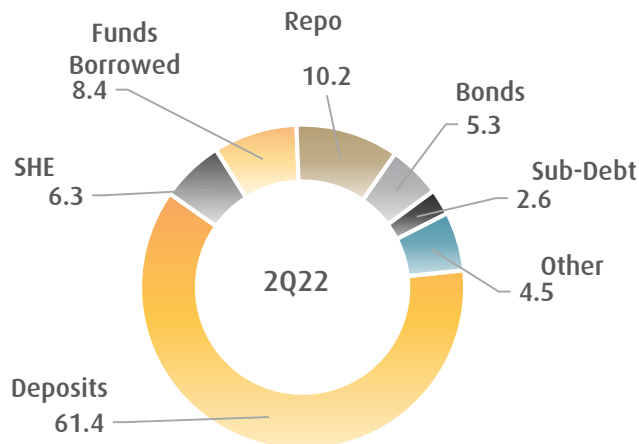
The biggest listed bank of Turkey in terms of asset size with **12.6%** market share

The share of IEA **84%** in total assets

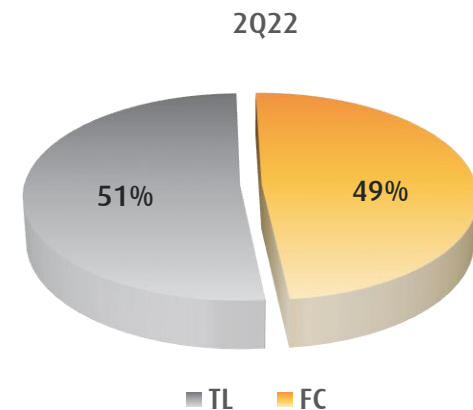
TL/FC Mix in Total Assets



Breakdown of Liabilities (%)

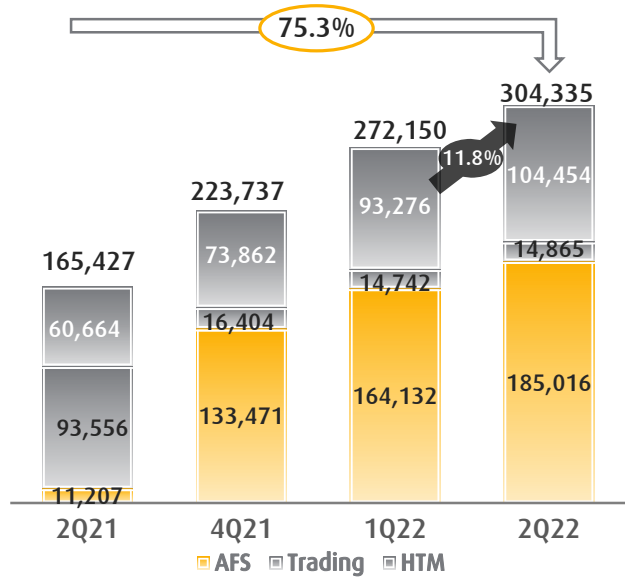


TL/FC Mix in Total Liabilities

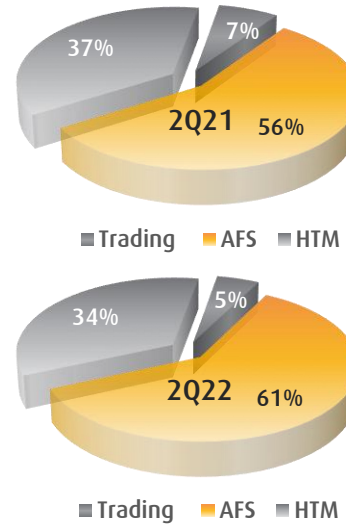


Well-positioned security portfolio

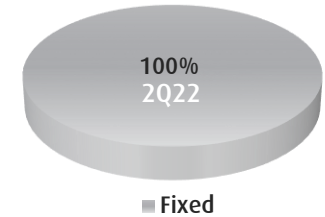
Total Securities (TL million)



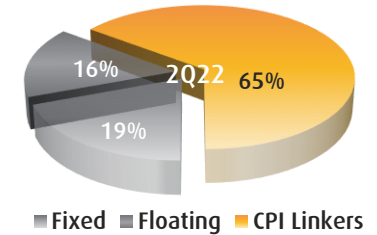
Portfolio Structure



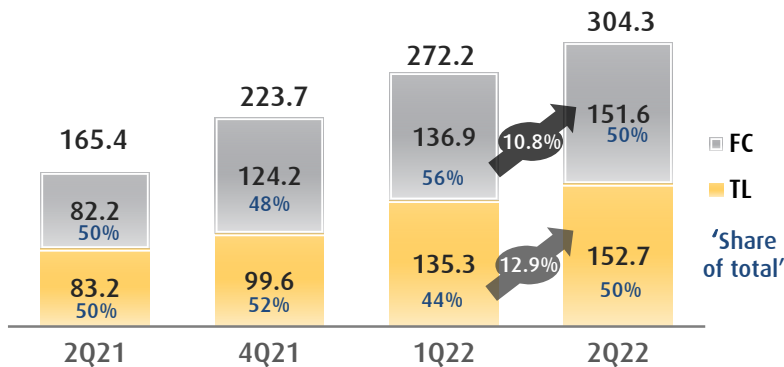
Breakdown of FC Securities



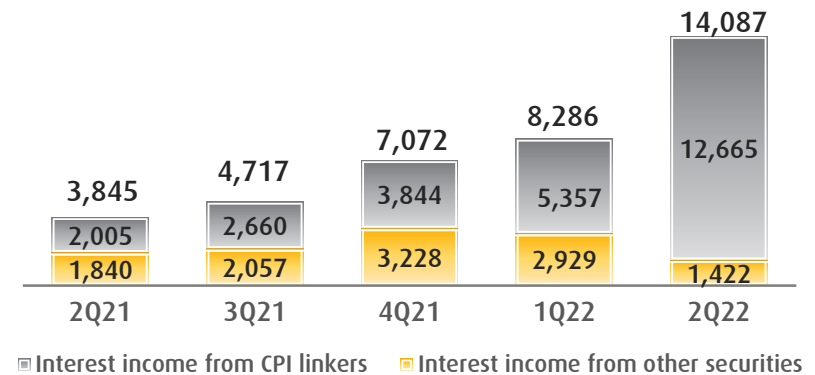
Breakdown of TL Securities



Security Breakdown (TL billion)



Breakdown of Interest Income from Securities (TL million)

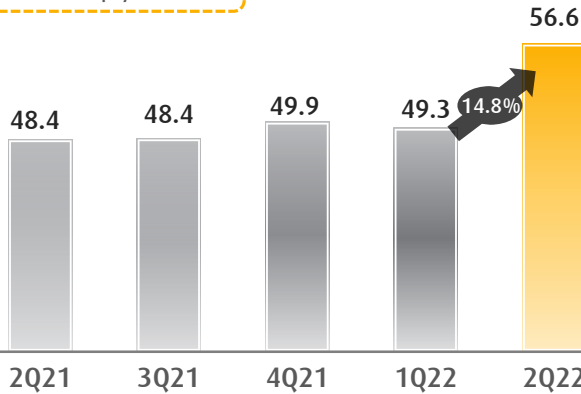


Retail Lending Portfolio

General Purpose Consumer (TL billion)

17.1%

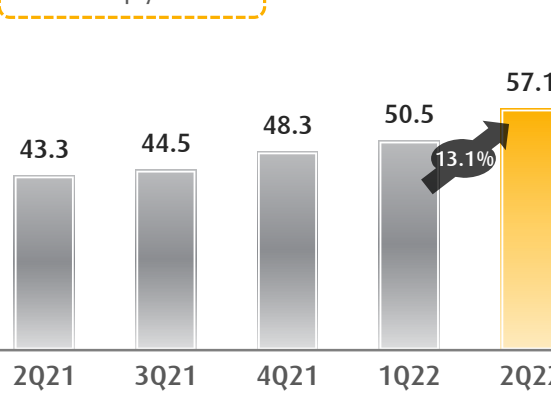
~70% of GPC loans extended to payroll clients



Residential Mortgages (TL billion)

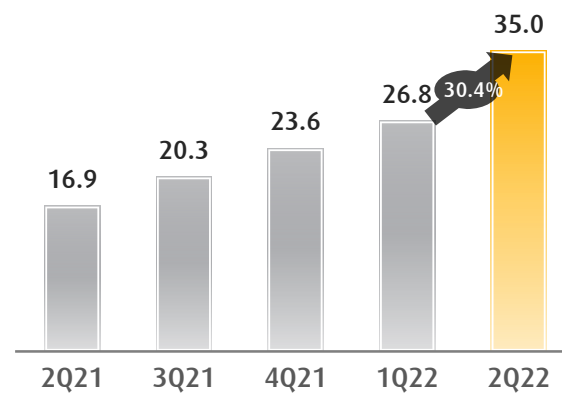
32%

~30% of mortgages extended to payroll clients



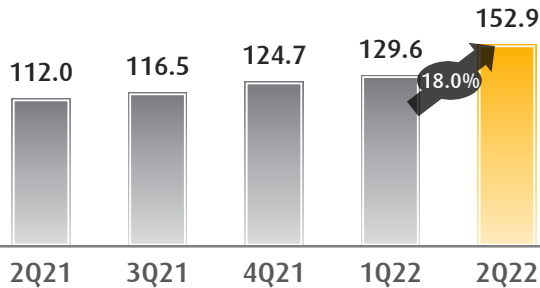
Credit Card Loans (TL billion)**

106.5%

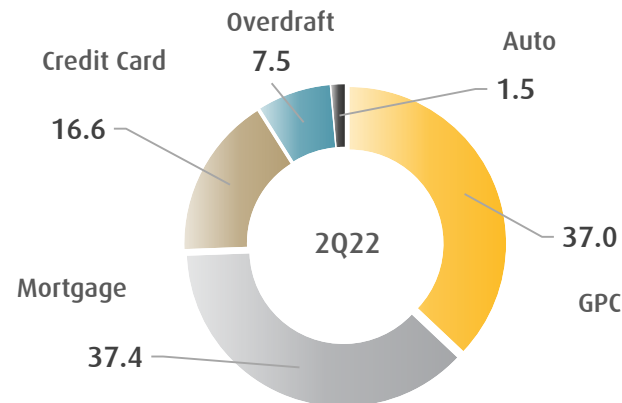


Total Retail (TL billion)

36.6%



Breakdown of Retail Loans (%)



Total Retail Customers: 21 million

Total Payroll Customers: 2.2 million

Diversified funding sources via non-deposit funding

Syndication

USD 1.6 billion outstanding

- **Apr'22:** USD 1 billion equivalent syndicated loan, Libor +2.75%, Euribor +2.10% for 1 year, 37 banks from 16 countries
- **Nov'21:** USD 650 million equivalent syndicated loan, Libor +2.15%, Euribor +1.75% for 1 year, 27 banks from 16 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 822.9 billion outstanding

- **World Bank:** outstanding funding USD 308 million
- **EBRD:** outstanding funding USD 15.3 million (USD 11.1 million under DPR Program included)
- **EIB:** outstanding funding USD 221.7 million
- **KfW:** outstanding funding USD 104.2 million
- **AFD:** outstanding funding USD 173.7 million

Post Finance & Bilateral

USD 1.4 billion outstanding

- **Post Finance:** EUR 250 million and USD 414 million outstanding
- **Mar'20:** USD 325 million bilateral loan with ICBC, 3 years maturity
- **Dec'21:** CNY 3.5 billion bilateral loan with China Development Bank, 3 years maturity

Eurobonds and Private Placements

USD 3.3 billion outstanding Eurobonds and USD 142.4 million outstanding Private Placements

- **Mar'22 – Jun'22:** USD 93 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 2.5 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 3.7 billion outstanding

- **Dec'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 5.7 billion outstanding

Unconsolidated Key Financial Ratios

	1H21	2021	1Q22	2Q22	1H22
Profitability					
ROAE	6.0%	8.5%	18.9%	36.0%	30.3%
ROAA	0.4%	0.5%	1.1%	2.4%	1.8%
Cost / Income	39.8%	34.7%	20.0%	19.6%	19.8%
Cost / Assets	1.2%	0.9%	1.1%	1.2%	1.1%
Fee / Cost	44.5%	47.3%	57.1%	62.6%	60.1%
NIM	1.9%	2.8%	4.2%	5.8%	5.0%
Swap-adj NIM	0.8%	1.8%	3.7%	5.6%	4.7%
Liquidity					
Loans / Deposits	106.1%	97.1%	94.0%	92.2%	92.2%
<i>TL Loans / Deposits</i>	142.3%	141.7%	115.8%	120.1%	120.1%
Liquidity Coverage Ratio (Total)	124.5%	143.1%	184.9%	195.0%	195.0%
FC Liquidity Coverage Ratio	269.6%	341.0%	532.3%	353.4%	353.4%
Asset Quality					
NPL Ratio	3.7%	3.1%	2.9%	2.6%	2.6%
Stage II Ratio	8.2%	10.8%	10.0%	9.5%	9.5%
Stage II Coverage	14.1%	14.5%	18.2%	18.3%	18.3%
Stage III Coverage Ratio	78.7%	77.2%	76.8%	79.6%	79.6%
Net Cost of Risk	-6 bps	102 bps	272 bps	205 bps	235 bps
Solvency					
CAR	15.1%	14.9%	17.5%	15.6%	15.6%
Tier I Ratio	13.2%	12.9%	15.6%	13.7%	13.7%
CET 1 Ratio	10.5%	10.0%	12.8%	11.4%	11.4%
Leverage	14.2X	18.4x	13.7x	14.9x	14.9x

Unconsolidated Balance Sheet

	(TL-thousand, %)	2Q21		1Q22		2Q22		TL		USD	
		TL	USD	TL	USD	TL	USD	ΔYoY	ΔQoQ	ΔYoY	ΔQoQ
Assets	Cash & Balances with Central Bank	66,165,072	7,622,704	132,831,962	9,048,499	160,491,468	9,613,722	142.6%	20.8%	26.1%	6.2%
	Interbank	14,243,069	1,640,906	23,928,989	1,630,040	42,414,914	2,540,728	197.8%	77.3%	54.8%	55.9%
	Securities	165,427,192	19,058,432	272,150,037	18,538,831	304,335,011	18,230,203	84.0%	11.8%	-4.3%	-1.7%
	Loans	458,871,694	52,865,402	642,825,319	43,789,191	725,890,356	43,482,111	58.2%	12.9%	-17.7%	-0.7%
	Subsidiaries & Investments	5,616,191	647,026	6,997,918	476,697	7,323,963	438,718	30.4%	4.7%	-32.2%	-8.0%
	Property & Equipment	5,011,962	577,414	5,131,790	349,577	6,458,376	386,868	28.9%	25.9%	-33.0%	10.7%
	Other	17,880,820	2,060,002	31,777,911	2,164,708	46,960,723	2,813,030	162.6%	47.8%	36.6%	29.9%
Total Assets	729,040,478	83,990,838	1,105,304,254	75,293,205	1,282,117,200	76,801,078	75.9%	16.0%	-8.6%	2.0%	
Liabilities & SHE	Deposits	432,412,210	49,817,074	684,211,846	46,608,436	787,671,622	47,182,917	82.2%	15.1%	-5.3%	1.2%
	Funds Borrowed	59,731,112	6,881,464	94,316,343	6,424,819	107,061,573	6,413,177	79.2%	13.5%	-6.8%	-0.2%
	Repo	95,577,406	11,011,221	105,517,515	7,187,842	131,345,862	7,867,848	37.4%	24.5%	-28.5%	9.5%
	Securities Issued	44,520,838	5,129,128	64,648,362	4,403,839	67,490,988	4,042,829	51.6%	4.4%	-21.2%	-8.2%
	Other	24,584,144	2,832,274	46,462,187	3,164,999	52,282,142	3,131,792	112.7%	12.5%	10.6%	-1.0%
	Subordinated Loans	21,159,145	2,437,689	31,034,562	2,114,071	33,067,403	1,980,796	56.3%	6.6%	-18.7%	-6.3%
	Shareholders' Equity	47,852,833	5,512,999	75,250,828	5,126,078	80,517,356	4,823,131	68.3%	7.0%	-12.5%	-5.9%
Off-B.S.	Guarantees	124,792,389	14,377,003	222,191,457	15,135,658	238,672,160	14,296,883	91.3%	7.4%	-0.6%	-5.5%
	Commitments	118,977,049	13,707,033	202,985,630	13,827,359	251,731,676	15,079,171	111.6%	24.0%	10.0%	9.1%
	Derivatives	247,788,588	28,547,072	305,075,370	20,781,701	318,750,415	19,093,711	28.6%	4.5%	-33.1%	-8.1%

Unconsolidated Income Statement

(TL thousand, %)	1H21	1Q22	2Q22	1H22	YoY	QoQ
Net Interest Income (Inc. Swap Cost)	2,494,394	8,129,337	14,049,149	22,178,486	889%	173%
<i>Income on CPI linkers</i>	<i>3,429,358</i>	<i>5,356,846</i>	<i>12,664,672</i>	<i>18,021,518</i>	526%	236%
<i>Swap Cost</i>	<i>-3,364,084</i>	<i>-1,076,403</i>	<i>-460,722</i>	<i>-1,537,125</i>	46%	-26%
Net Fee & Com. Income	1,928,578	1,736,323	2,382,953	4,118,916	213%	137%
Dividend Income	120,245	122,358	23,990	146,348	121%	-19%
Net Trading Income (Exc. Swap Cost)	-1,967,631	1,125,038	468,467	1,593,505	81%	-41%
Other Income	343,356	-243,257	514,606	983,542	286%	%212
Operating Expenses	-4,337,265	-3,042,851	-3,805,032	-6,487,883	158%	125%
Pre-Provision Profit	1,947,761	8,903,351	14,094,495	23,710,039	1217%	158%
Net Provisions	-267,382	-3,828,040	-5,521,975	-10,062,208	3763%	149%
<i>Expected Credit Loss</i>	<i>-4,871,233</i>	<i>-7,066,803</i>	<i>-7,058,284</i>	<i>-14,125,087</i>	290%	0%
<i>Provisions Reversals</i>	<i>4.603.851</i>	<i>2.526.570</i>	<i>1.536.309</i>	<i>4.062.879</i>	-12%	-39%
Other Provisions	-629,916	-2,301,130	-3,556,087	-5,857,217	830%	46%
<i>Tax Provisions</i>	<i>-269,916</i>	<i>-2,073,130</i>	<i>-1,556,087</i>	<i>-3,629,217</i>	1345%	-25%
<i>Free Provisions</i>	<i>-400,000</i>	<i>-228,000</i>	<i>-2,000,000</i>	<i>-2,228,000</i>	457%	777%
Net Income	1,410,463	3,002,181	7,016,433	10,018,614	610%	133%



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