

VakıfBank increased its support to Turkish economy by 43% to TL 564 billion compared to the previous year

According to the unconsolidated financial results of VakıfBank, the support to the real economy through cash and non-cash loans increased by 43% and exceeded TL 564 billion, while the amount of asset size reached TL 721 billion in the first quarter of 2021. Setting aside TL 252 million tax provisions from its TL 1 billion gross income, VakıfBank delivered TL 750 million net income in the same period of the year. VakıfBank also increased its total free provisions to TL 1 billion 472 million by setting aside additional TL 400 million free provision from the gross income in the first quarter of 2021.

VakıfBank announced its unconsolidated financial results for the first quarter of 2021.

Assessing the unconsolidated financial results of the Bank, **VakıfBank's CEO Mr. Abdi Serdar Üstünsalih** remarked that;

“While providing service to our customers without interruption, we also continued our technological infrastructure investments in order to further increase the service quality in the first quarter of the year, as always. In this period, the support to the national economy through cash and non-cash loans exceeded TL 564 billion. Last year, despite all negative impacts of pandemic on financial markets, VakıfBank became the second largest bank of Turkey in terms of asset size by increasing its market share in almost every field. At the end of the first quarter of this year, we continued to be on the side of our country with a total asset size of TL 721 billion, which is up by 3.1% on a quarterly basis.

“Ongoing market share gaining”

Stating that they are working with the aim of providing the highest level of service to all VakıfBank customers, especially manufacturers and exporters who support employment and contribute to local production and export, Mr. Üstünsalih stated “In the first three months of the year, our total cash loans exceeded TL 448 billion with an increase of 6.2%, which is above the sector average. Our market share increased significantly compared to the same period of previous year. Our market share in cash loans increased from 10.8% in the first quarter of 2020, to 11.9%; our market share in total assets increased from 9.5% to over 11%. Being aware of our responsibility to

contribute to economic stability, we will continue to support the national economy at the highest level in the upcoming periods.”

“A successful start to the year in terms of international funding”

Evaluating the financial indicators related to the funding side, Mr. Üstünsalih said that total deposits, the main funding source of the Bank, increased by 3.9% in the first three months of the year and exceeded TL 430 billion while the market share in total deposits increased from 9.6% in the same period last year to 11.8% in the first quarter of this year.

Defining their priorities on the deposit side as reaching more customers through products that will expand the granular deposit base, as a reflection of VakıfBank's strong financial service in every field, Mr. Üstünsalih continued his speech regarding the non-deposit funding side as follows:

“We made a successful start to the year in terms of providing international funding sources to our country. Within the scope of DPR securitization program based on future flow transactions, we issued a securitization loan amounting USD 1 billion 750 million which is the largest securitization transaction in a lump in Turkish banking sector and thereby we had a new record in this field. At the end of April, we also finalized the first sustainable syndicated loan transaction in the Bank’s history by obtaining a total amount of USD 1.1 billion with 105% rollover rate. All these transactions have confirmed the credibility of VakıfBank and the Turkish banking sector in the international debt capital markets once more.

“The first bank to establish the Integrated Management System”

Emphasizing that sustainable banking is their strategic priority, Mr. Abdi Serdar Üstünsalih stated that they are further increasing their environmental, social and governance performances day by day. VakıfBank successfully completed the Integrated Management System audits performed by German audit firm TÜV-SÜD by obtaining ISO 9001 Quality Management System, ISO 14001 Environmental Management System and ISO 45001 Occupational Health and Safety Management System certificates, which are crucial for international brand management standards. Thus VakıfBank achieved to become the first bank to establish the Integrated Management System in Turkey, Mr. Üstünsalih completed his words as follows:

“In addition, in line with our goals within the scope of struggling with climate change, we continued our environmentalist approach by balancing more than our greenhouse gas emissions and became a carbon negative company consecutively for the last two years. This year, we aim to take our sustainability practices one step further and increase our share of electricity generated from renewable sources to over 50%. With our understanding of contributing to society and the environment, we will continue our work in this field constantly.”

Significant financial indicators of unconsolidated balance sheet of VakıfBank as of 31 March 2021

Net Income Before Tax	TL 1,002 million
Net Income	TL 750 million
Total Assets	TL 720,729 million
Total Cash and Non-cash Loans	TL 564,127 million
Cash Loans	TL 448,296 million
Non-cash Loans	TL 115,832 million
Total Deposits	TL 430,320 million
Equity	TL 47,988 million
Funds Borrowed	TL 57,092 million
Securities Issued	TL 47,939 million