

VakıfBank's total assets increased by 53% to TL 1.1 trillion

In the first quarter of 2022, VakıfBank continued to strengthen its position as the second biggest bank of Turkey, by increasing its total assets by 53% compared to the previous year and exceeding TL 1.1 trillion.

Supporting the national economy through its cash and non-cash loans amounting TL 865 billion, VakıfBank delivered TL 3 billion 2 million net income by setting aside TL 2 billion 73 million tax provisions from its TL 5 billion 75 million gross income in the first quarter of 2022.

Leaving behind its 68th anniversary of its establishment in April, VakıfBank announced its unconsolidated financial results for the first quarter of 2022 to the public.

“We continue to support the present and the future of our national economy with the strength we derive from our history.” Assessing the unconsolidated financials of the Bank, **VakıfBank's CEO Mr. Abdi Serdar Üstünsalih** remarked that;

“VakıfBank's financial support to the national economy through cash and non-cash loans increased by 53% annually and reached TL 865 billion. Our commercial loans, mostly extended to the strategic sectors, especially in the field of production and export, which are the locomotive for our national economic growth, increased by 51% compared to the same period of the previous year and reached TL 513 billion. In the same period, while our total assets grew by 53% annually and exceeded TL 1.1 trillion, our cash loans increased by 43% annually and reached TL 643 billion.”

Support to local currency savings through the product group of exchange rate protected deposit account

Indicating that they offer different alternatives for local currency savings through the product groups of exchange rate and price protected deposit account, Mr. Üstünsalih said “After being one of the first banks to introduce the Exchange Rate Protected Deposit Account, we launched the products of FX and Price Protected TL Deposit Accounts for those who have FX and gold accounts. VakıfBank has exceeded TL 100 billion threshold in these two product groups and continues to support local currency savings with different product ranges. Through the YUVAM account, we also offer to our citizens living abroad a savings alternative where they can keep their

gains under any circumstances while transfer their savings in Turkey. Finally, we launched the Gold Acceptance System Price Protected TL Deposit Account, which is an important step in bringing physical gold into the economy. Thanks to the innovative products that are available for our customers on all digital platforms, TL deposits increased by 36% quarterly to TL 346 billion. Total deposits exceeded TL 684 billion with an annual increase of 59%.

The first Turkish bank that implemented the sustainability approach to its provision policies

Emphasizing that VakıfBank is one of the most active and pioneer bank of the sector in the field of sustainable banking as well as in international debt capital markets, Mr. Üstünsalih continued his words as follows:

“We are pleased of being the first Turkish bank that implemented the sustainability approach to its provision policies for expected credit loss under TFRS 9. Within the framework of the “Fit for 55 Package” published by the European Union Commission in 2021, the Border Carbon Regulatory Mechanism brings an emission reporting obligation for five carbon-intensive sectors (cement, electricity, fertilizer, iron-steel and aluminium) from 2023 and it imposes an obligation to pay a carbon tax to carbon-intensive sectors from 2026 onwards. Taking into account the risks of transition of the carbon tax to the producers who export to EU countries and cannot switch production methods and technologies which support low carbon emission, our bank has calculated and increased the provisions for expected credit loss of our customers who is operating in the cement, electricity, fertilizer, iron-steel and aluminum sectors within the framework of TFRS 9 legislation. In addition, within the scope of YEKDEM (Renewable Energy Sources Support Mechanism) the Bank takes in to account the positive effect on the probability of default for the loans extended to the costumers that produce renewable energy and therefore are given a purchase guarantee for a certain period of time at a predictable price tariff and expected credit losses were reduced in line with TFRS 9 legislation. Considering the positive impact of renewable energy production for the environment, our customers who support renewable energy production are positively differentiated in all our banking processes. By reflecting responsible banking vision to its financials, VakıfBank became the first Turkish bank in this field and once again demonstrated that the sustainable banking is a strategic priority.”

“Innovative products and solutions for customers in every segment”

Emphasizing the innovative products developed by VakıfBank that broke new ground in foreign trade and cash management processes with Online Tax Collection (API), Gümkart, SMS Customs services, which are used extensively through customers with its competence in digital banking,

Mr. Üstünsalih stated “The first phase of the Turkish Trade Chain Project which we are a part in 2021, has been successfully completed. In the first phase, the "tax payment" and "Customs Tax Collection Receipt" (GVTA) document, which was formed after cash management payments, was written to the blockchain network with test data. We believe that blockchain technology will make data sharing more transparent, traceable, verifiable and controllable by reducing the communication traffic between parties in the foreign trade process that requires many documents. We expect a real impact to be created with the inclusion of all actors of foreign trade, from importer and exporter companies to warehouse operations on the platform. In addition, we recently launched our new product, Practical Collection service, which provides convenience in cash management for companies. With Practical Collection, the operational workload of our businesses arising from manual collection will be eliminated, thus cash flow management will be facilitated by sending daily collection reports, and all collections will be automatically accounted for. Another innovative product for our retail customers is the digital moneybox Vibox, which aims to support the development of saving culture for children at an early age.”

Significant financial indicators of unconsolidated balance sheet of VakıfBank as of 31 March 2022

Net Income Before Tax	TL 5,075 million
Net Income	TL 3,002 million
Total Assets	TL 1,105 billion
Total Cash and Non-cash Loans	TL 865,016 million
Cash Loans	TL 642,825 million
Non-cash Loans	TL 222,191 million
Total Deposits	TL 684,212 million
Equity	TL 75,251 million
Funds Borrowed	TL 94,316 million
Securities Issued	TL 64,648 million