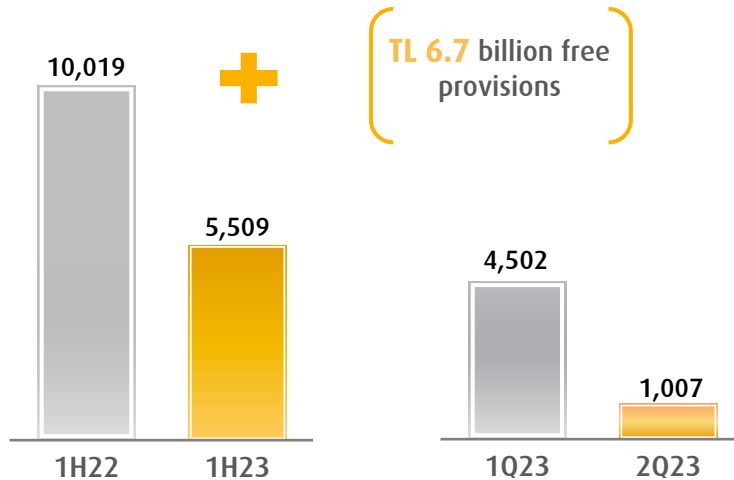


Earnings Presentation BRSA Bank-Only 1H23 August 9, 2023

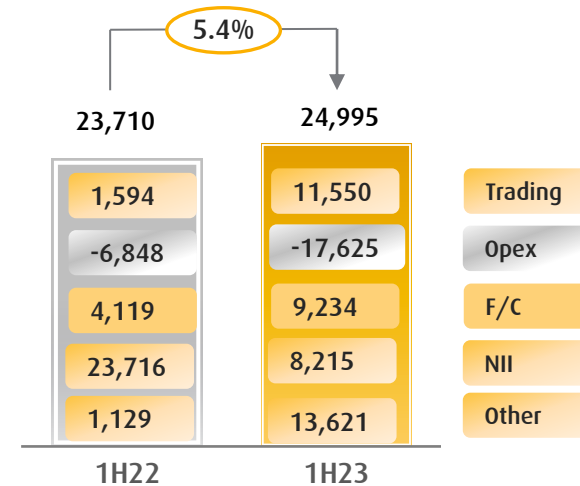


2Q23 Earnings and profitability

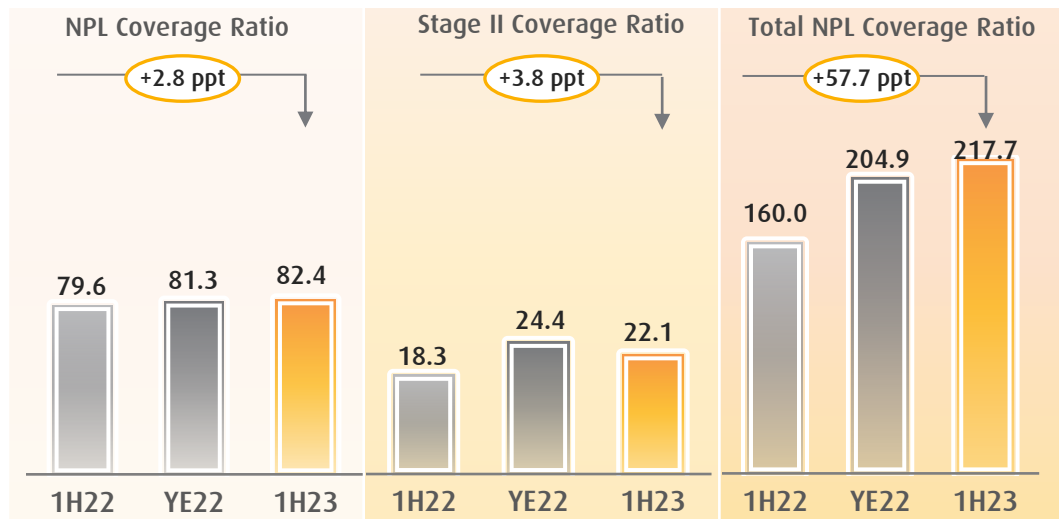
Net Income (TL million)



Pre-Provisioning Profit (TL million) *



Coverage Ratios (%)



Robust 2H23 profitability on horizon driven by;

- Total contribution of **TL 39 billion** CPI linker income in 2H23 vs. **TL 20 billion** in 1H23
- Increased level of widening on TL core spreads

Key highlights of 2Q23

Eye-catching fee income growth on track

25.2% Quarterly fee income growth came at **25.2%**

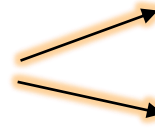
124.2% Annual fee income growth came at **124.2%**



Fee/opex ratio came at **52%** in 1H23

Strong quarterly trading income thanks to both FX exchange transactions and timely trading of securities

TL 9.3 billion 2Q23 trading income is up by **312.9%** QoQ

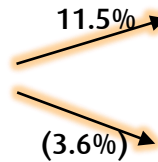


FX exchange gains are up by **364.3%** QoQ

Trading securities gains are up by **244.8%** QoQ

Selective TL loan growth in key segments

16.8% Total loans are up by **16.8%** QoQ



11.5% TL loans are up by **11.5%** QoQ and mainly driven by selective loan growth in key segments

(3.6%) FX loans are down by **(3.6%)** QoQ in USD terms which is in line with the budget

Strategic positioning on interest earning assets

TL loans → 20% Fixed
→ **80% Floating**

TL securities → 33% Fixed
→ **67% Floating**

Solid liquidity levels

Short term

FC LCR is at **400%** vs min. threshold of 80%

Total LCR is at **176%** vs min. threshold of 100%

Free Liquidity

Long Term

FC free liquidity amount is **USD 7.5 billion**

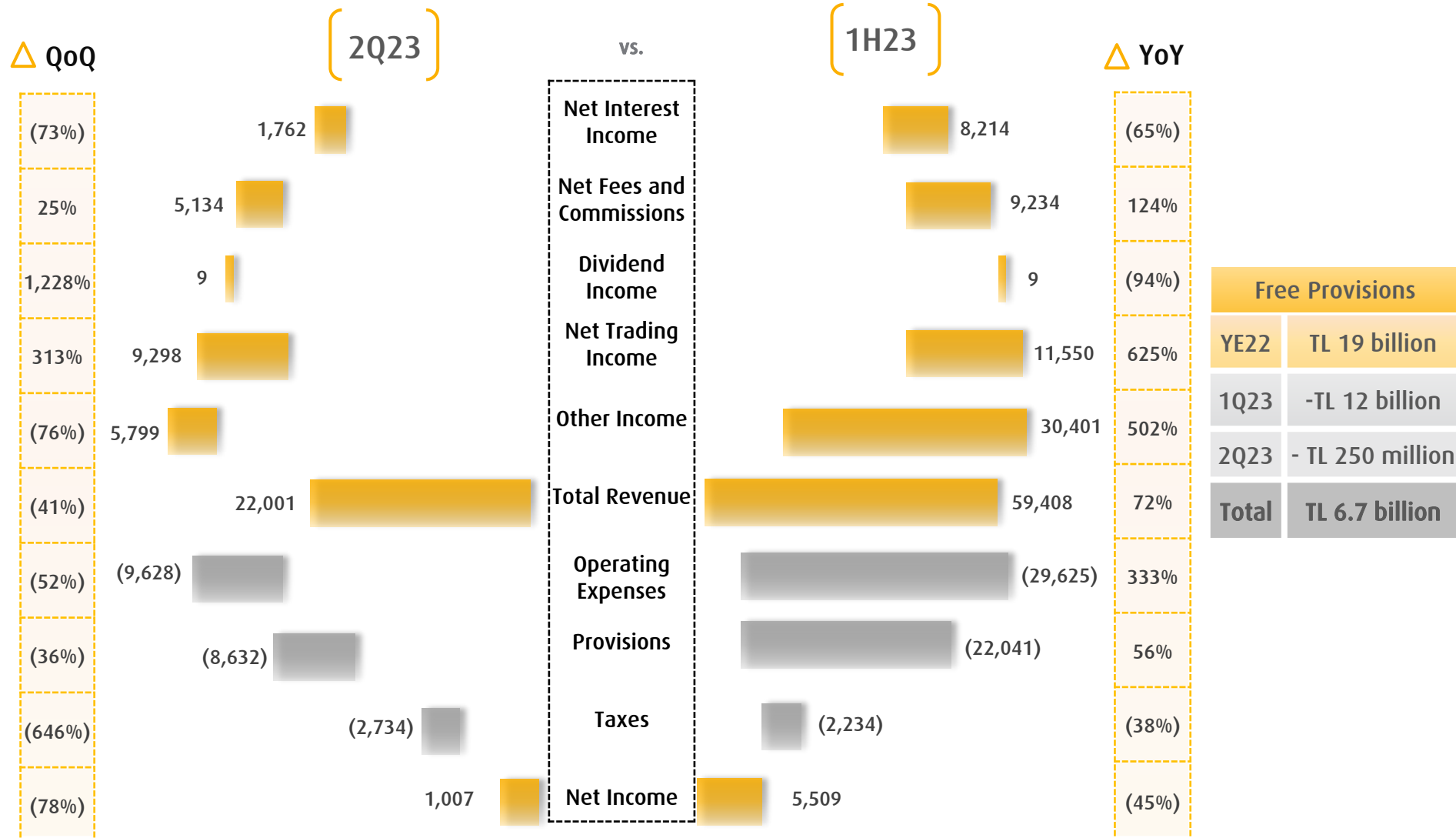
NSFR is at **113%** vs min. threshold of 100%

LtD ratios

Total LtD ratio decreased to **90.6%** in 2Q23 from 92.2% in 2Q22

TL LtD ratio decreased to **106.7%** in 2Q23 from 120.1% in 2Q22

2Q23 P&L details

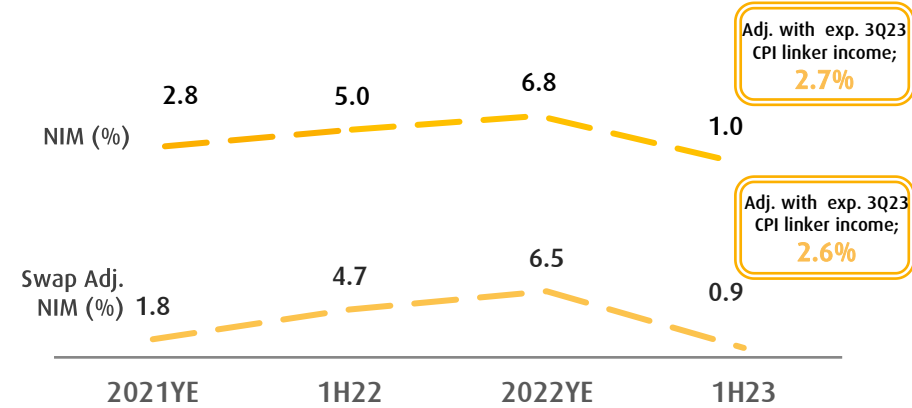


NIM, CPI linkers and money market funding

CPI Expectation

Oct-Oct CPI expectation	2Q22 58.2%	3Q22 58.2%	4Q22 85%	1Q23 34%	2Q23 34%
CPI linker Income	TL 9.5 billion	TL 11.2 billion	TL 29.8 billion	TL 9.7 billion	~TL 10.3 billion
CPI Amount	TL 97 billion	TL 109 billion	TL 137.6 billion	TL 147 billion	TL 141.5 billion
Share in equity	121%	120%	129%	104%	103%
Avg. real rate	~1.5%	~1.5%	~1%	~2%	~2%

NIM / Swap Adj. NIM (%)



Total Money Market Funding

	2Q22	3Q22	4Q22	1Q23	2Q23
Average total money market funding	TL 119 billion	TL 102 billion	TL 75 billion	TL 67 billion	TL 128 billion
Average cost of money market funding	13.94%	13.23%	9.85%	8.91%	9.26%
Average swap usage	TL 15 billion	TL 40 billion	TL 48 billion	TL 42 billion	TL 51 billion
Swap cost	TL 461 million	TL 1 billion	TL 849 million	TL 511 million	TL 449 million

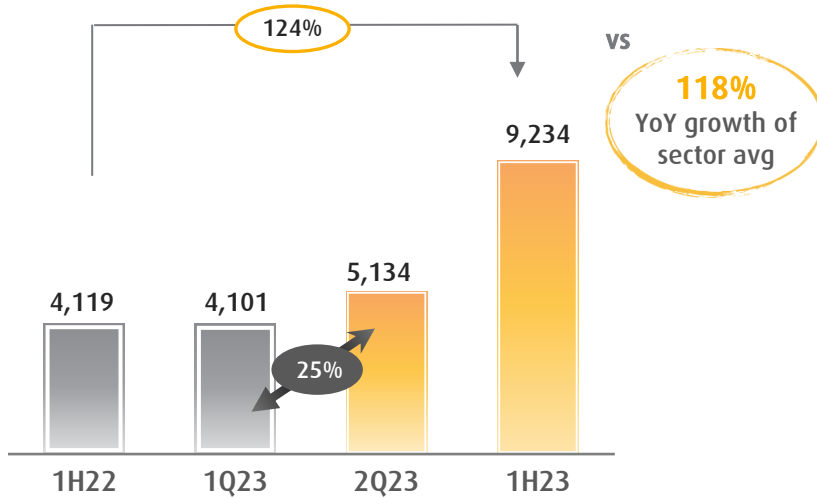
Expected 3Q23
CPI linker income
impact on quarterly
NIM
+316 bps

Expected 3Q23
CPI linker income
impact on annual
NIM
+168 bps

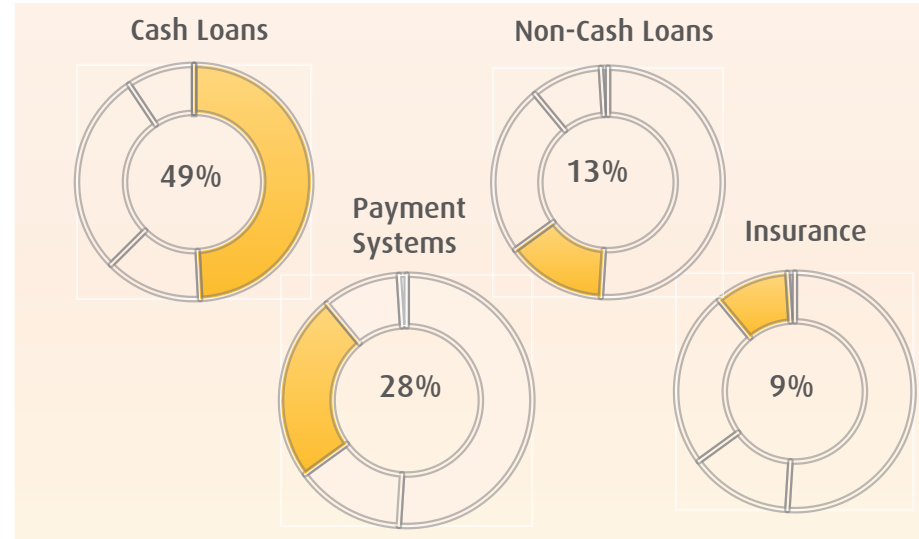
Expected CPI linker income calculated with
50.8% Oct-Oct inflation;
3Q23 : **TL 23.5 billion**
4Q23: **TL 15.8 billion**

Eye-catching fee income growth on track

Net Fee & Commission Income (TL million)



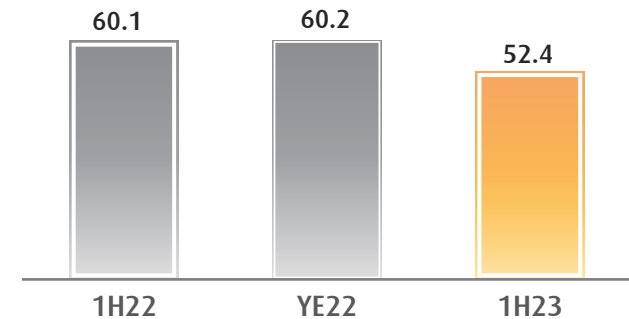
Net Fee & Commission Income Breakdown



	Quarterly Growth	Annual Growth
Payment Systems	58%	115%
Cash Loans	16%	151%
Non -Cash Loans	15%	61%

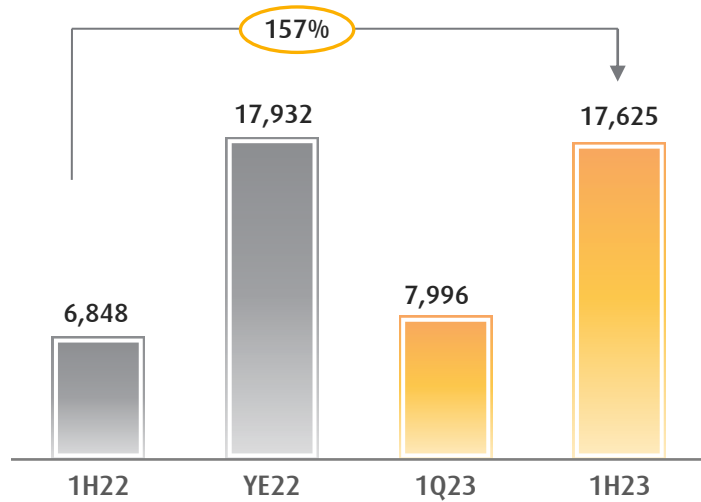
Strong quarterly contribution from payment systems

Fee/Opex Ratio (%)*

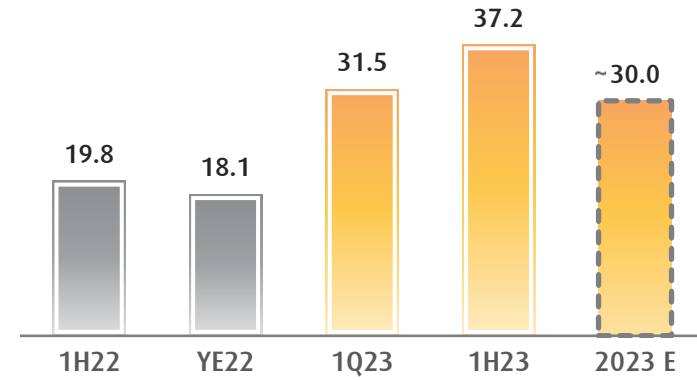


Expected improvement in cost/income ratio to ~30% level

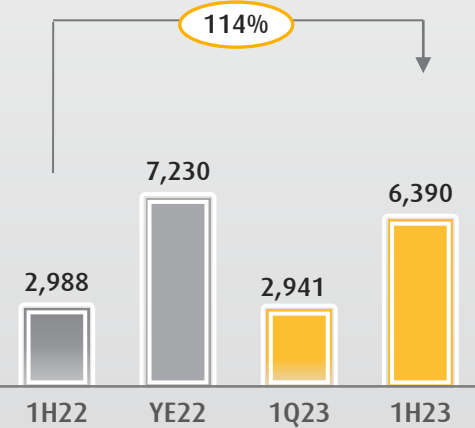
Opex (TL million)*



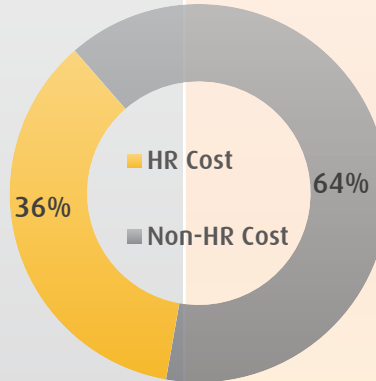
Cost/Income Ratio (%)**



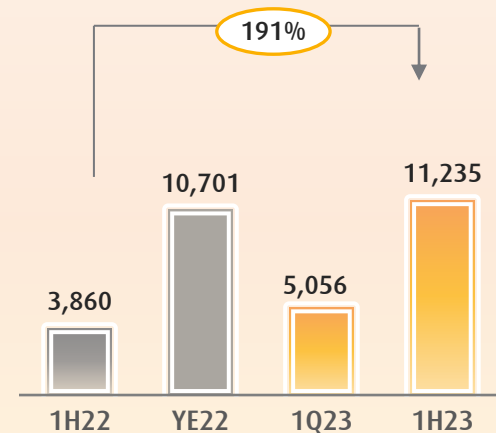
HR Cost (TL million)



Breakdown of Opex *

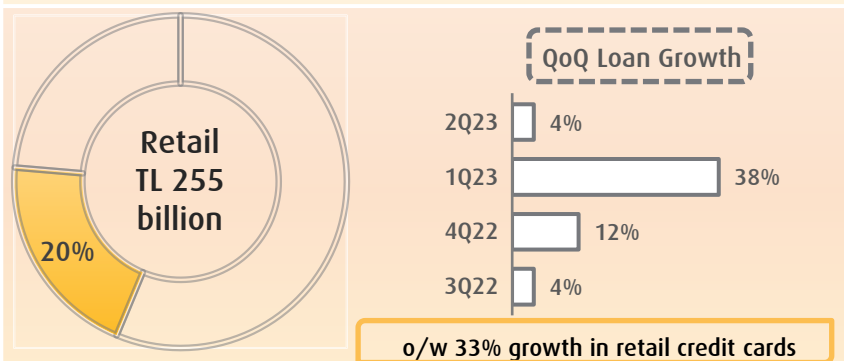
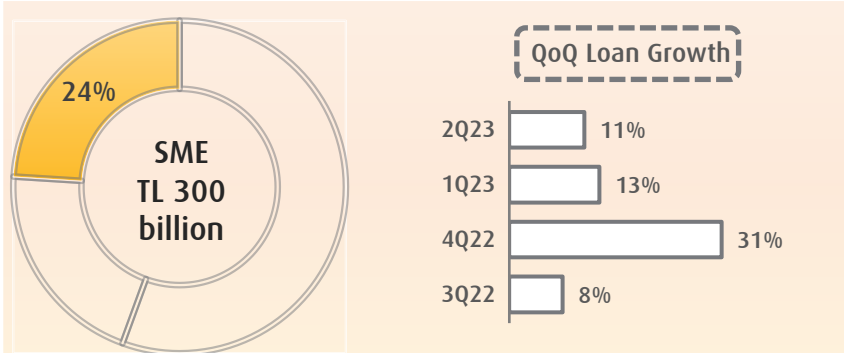
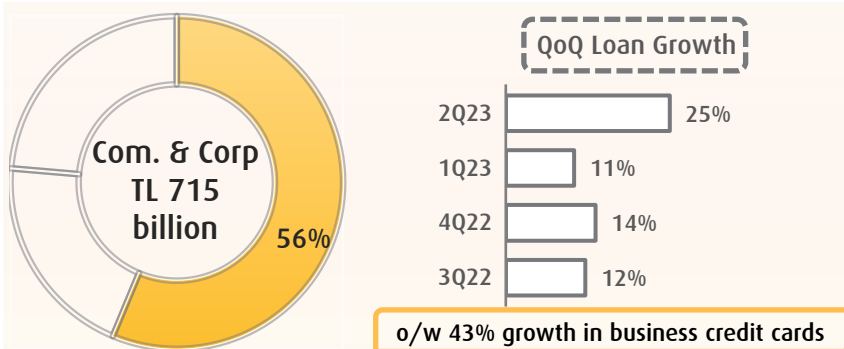


Non-HR Cost (TL million)*



Selective TL loan growth in key segments

Portfolio Breakdown



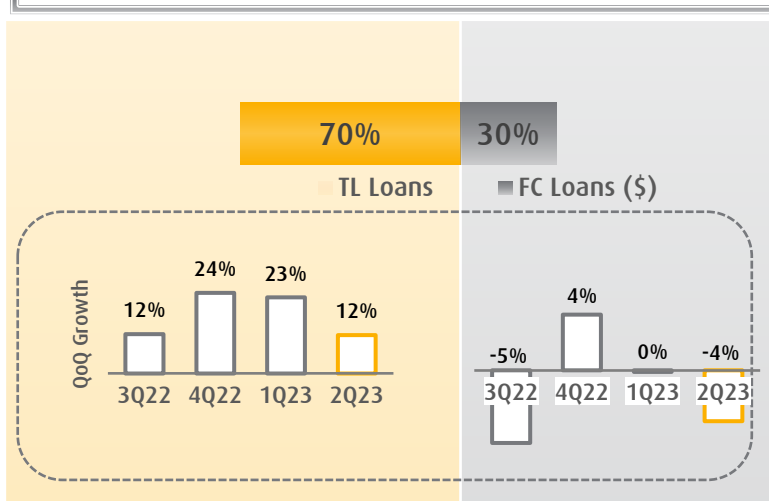
	VB QoQ (%)	Sector QoQ (%)	VB YoY (%)	Sector YoY (%)
Total Loan Growth	16.8	17.5	75.0	59.4
TL Loan Growth	11.5	11.6	90.3	73.1
FC Loan Growth (\$)	(3.6)	(3.1)	(5.4)	(11.9)

	Market Share (%)	Ranking
Total Loan	12.7	#2
TL Loan	13.2	#3
FC Loan (\$)	11.6	#3

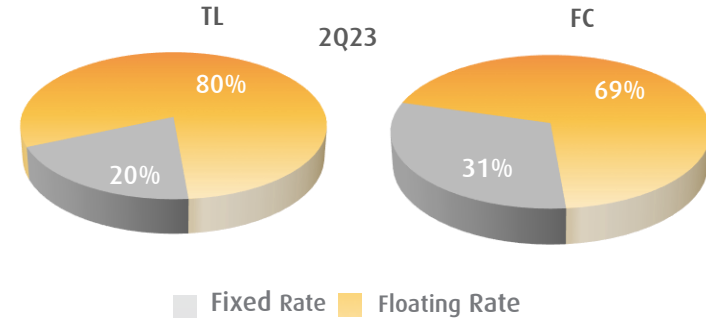
Non-retail lending volume exceeded TL 1 trillion threshold

Breakdown of loan portfolio

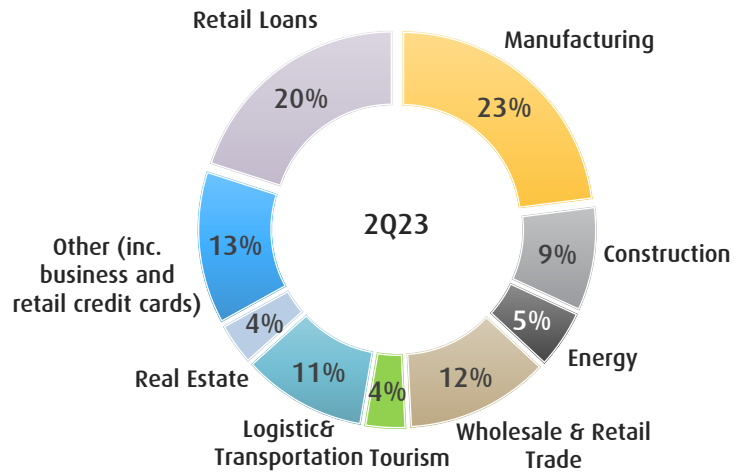
Currency Breakdown



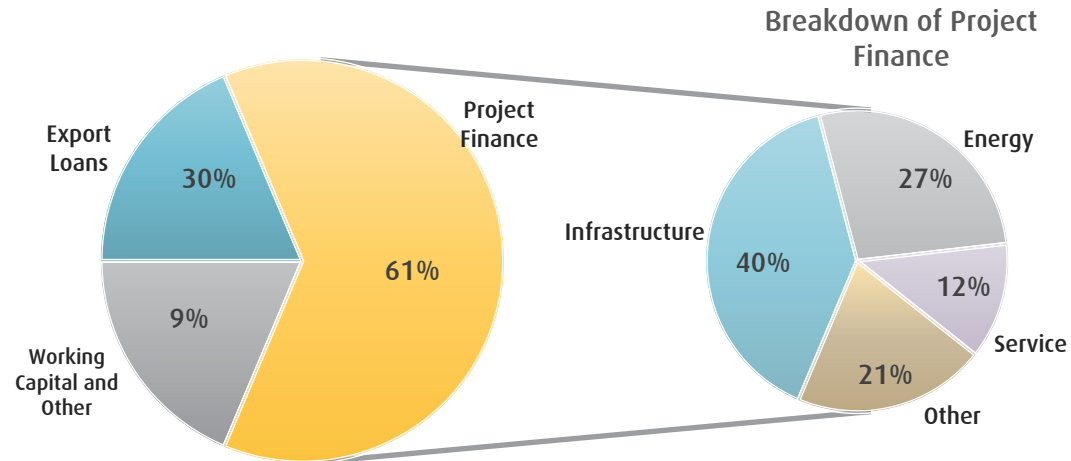
Loans by Interest Structure



Sectoral Breakdown of Cash Loans

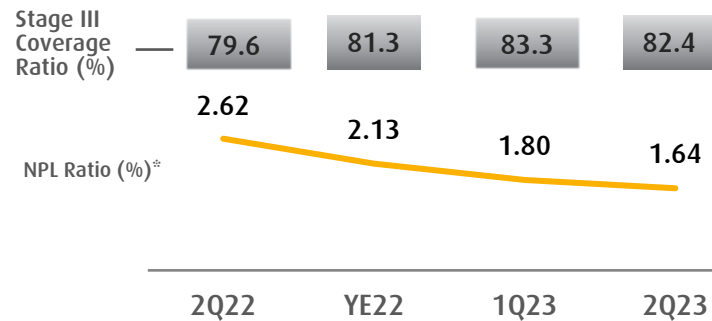
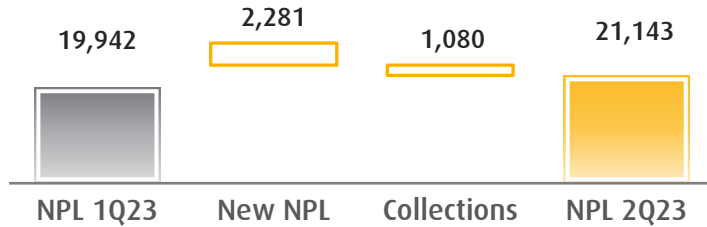


Breakdown of FC Loans

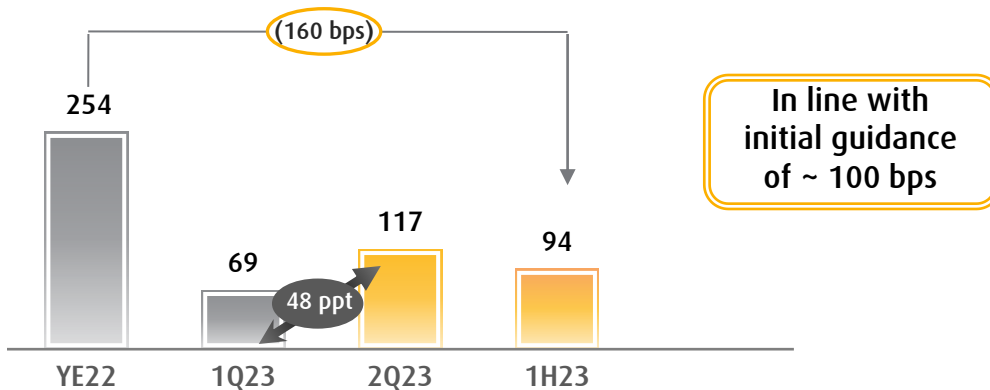


Net CoR in line with guidance

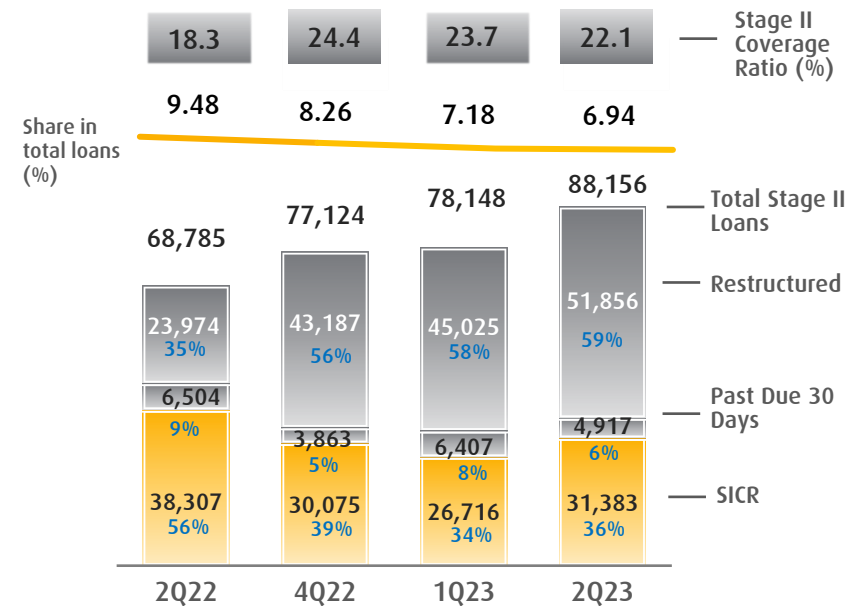
NPL (TL million)*



Net Cost of Risk (bps)



Stage II Loans Breakdown (TL million)

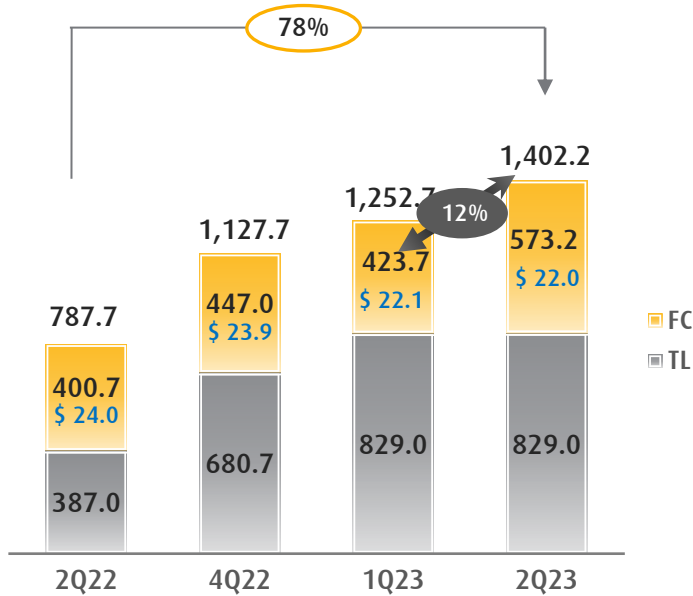


Net Expected Credit Losses (TL thousand)

	2Q23	1H23
Stage I+II+III ECL	8,649,458	21,970,477
Provision Reversals (Stage I+II+III)	5,212,033	16,788,305
Net Expected Credit Losses	3,437,425	5,182,172
Net CoR	117 bps	94 bps

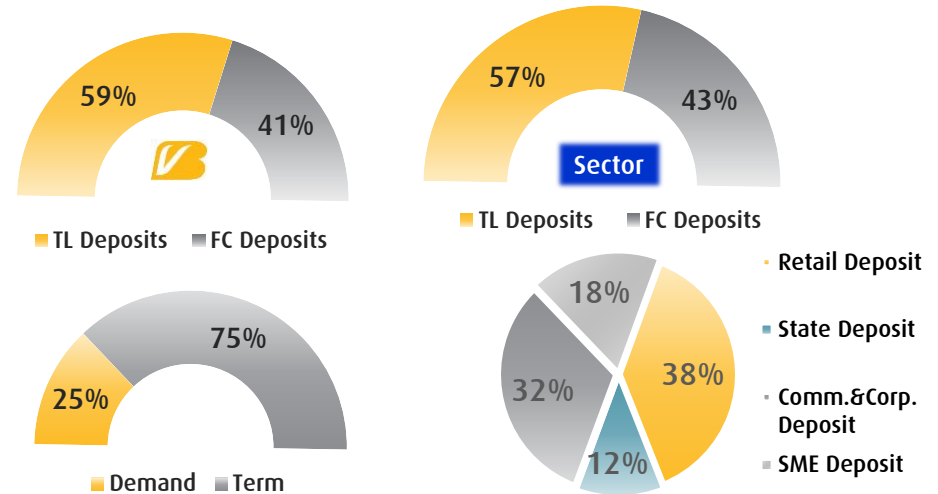
Well-balanced deposit portfolio

Total Deposits (TL billion)



	VB QoQ (%)	Sector QoQ (%)	VB YoY (%)	Sector YoY (%)	Market Share (%)	Ranking
Total Deposits Growth	11.9	17.0	78.0	71.4	12.0	#3
TL Deposits Growth	0.1	11.6	114.2	124.9	12.6	#3
FC Deposits Growth (\$)	(0.4)	(8.1)	(8.4)	(16.1)	11.3	#4

Breakdown of Deposits



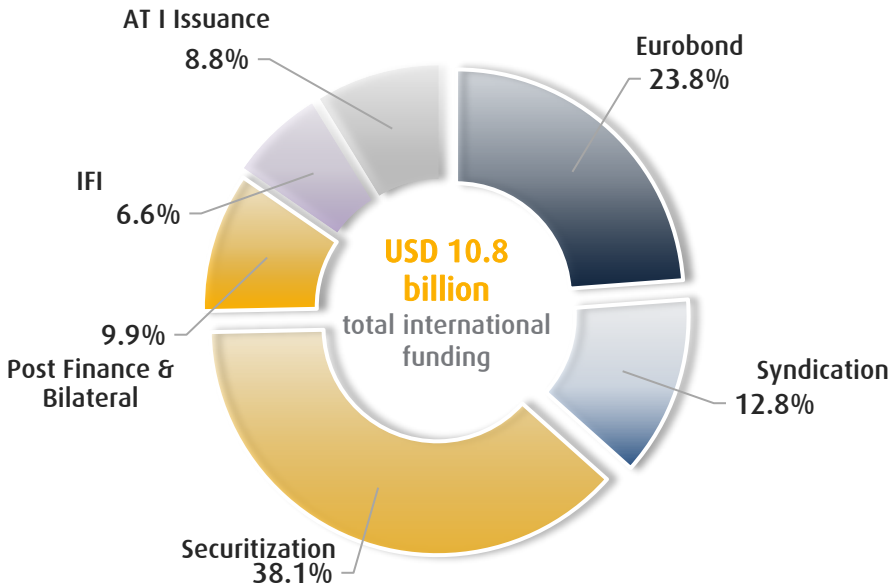
In line with CBRT regulations, TL deposits/total deposits share for retail and commercial segments are **60%** and **61%**, respectively as of 2Q23

Exceeded CBRT threshold of **57%**

Enhanced Liquidity	2022	2023
Total loan to deposit ratio	92.16%	90.57%
TL loan to deposit ratio	120.13%	106.72%
FC loan to deposit ratio	65.14%	67.22%

Fresh funding amounting USD 500 million with 5 years maturity

Breakdown of International Funding



International Funding

Short term
\$4.5 billion

vs

**Free FX liquidity
~\$ 7.5 billion

Long term
\$6.3 billion

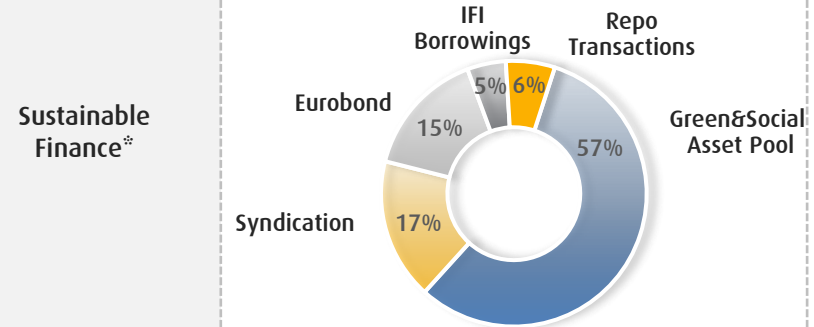
Coverage
1.7X

**FC LCR: 400%
vs 80% minimum
threshold

NSFR: 113%
vs 100% minimum
threshold

~USD 10.8 billion total international funding as of 2Q23

TL 210 billion* sustainable finance provided as of 2Q23 in the balance sheet



Collateralized fresh funding amounting **USD 500 million** with a maturity of 5 years in August/23



Collateralized fresh funding amounting **USD 100 million** with a maturity of 6 months in July/23



Syndication facility renewal amounting **USD 825 million** with participation of **5 new banks** in May/23



The largest DPR transaction funding among Turkish banking sector amounting **USD 2 billion** in Feb/23

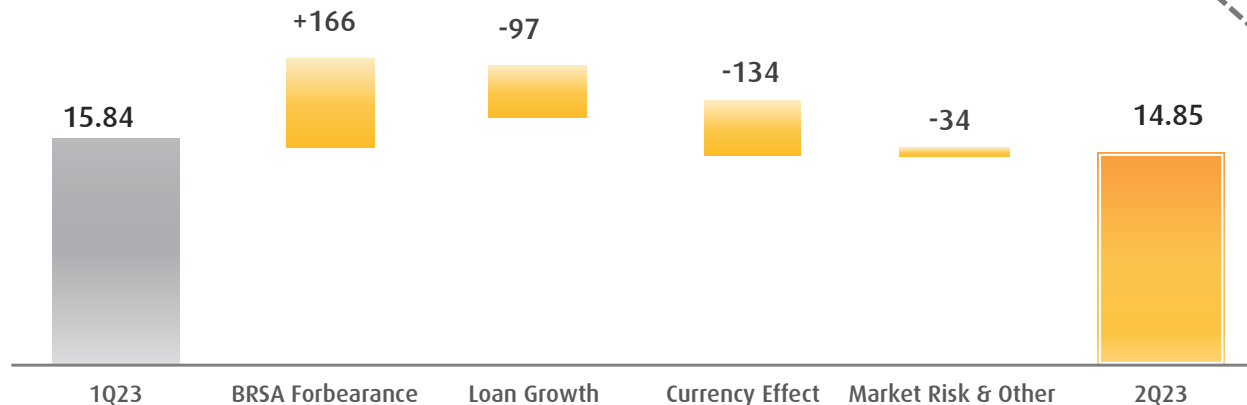
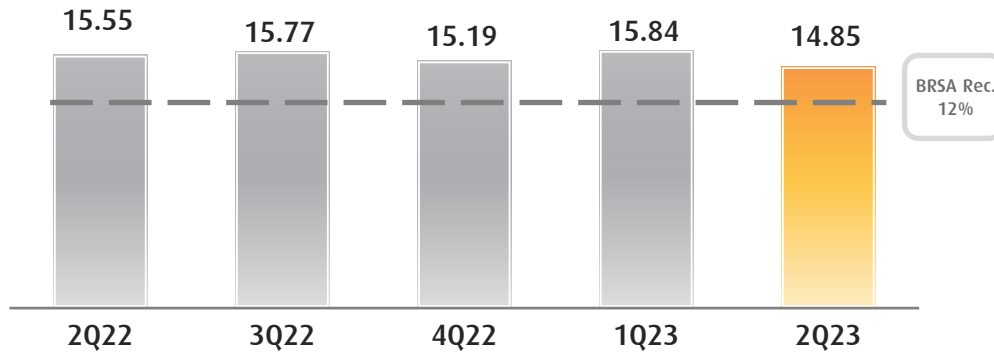


USD 650 million eurobond redemption in January/23

Solvency ratios

Capital Adequacy Ratio (%)

CET I	11.36	11.69	11.52	12.58	11.33	Required CET1 level 8.5%
Tier I	13.68	13.90	13.55	14.32	13.36	Required Tier I level 10%



(%)	Solvency ratios without BRSA forbearance	Solvency ratios including free provision amount of TL 6.7 billion
CAR	13.19	15.40
Tier I	11.73	13.91
CET I	9.92	11.88

TL 6.7 billion free provision positive impact is 55 bps on CAR

The effect of TL 1 decrease /increase in USD/TL parity on CAR is ~16 bps

Appendix

Pg. 15	Sustainable banking approach
Pg. 16	Sustainable loan products
Pg. 17	Firsts in sustainable banking
Pg. 18	Sustainable customer base thanks to enhanced digital platforms
Pg. 19	Composition of assets & liabilities
Pg. 20	~70% of TL security book is floating
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



Moody's | ESG Solutions

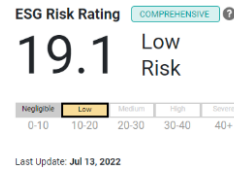
MSCI
ESG RATINGS



S&P Global

Score: 48 in 2022

- B Score in 2022
- 1st assessment in 2015
- B- Score in 2022
- 1st assessment in 2022



CCC B BB **BBB** A AA AAA

RATING ACTION DATE: October 29, 2020
LAST REPORT UPDATE: January 17, 2023

Sustainability Reporting



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.

Loans to Young Enterprises



- For SMEs (Small and Medium Enterprises) with less than five (5) years of operation.

Loans to Enterprises in Less Developed Regions



- For SMEs located outside the boundaries of metropolitan cities.

Earthquake Support Loans



- For retail customers affected by the earthquake with attractive interest rates amounting up to TL 100,000.

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

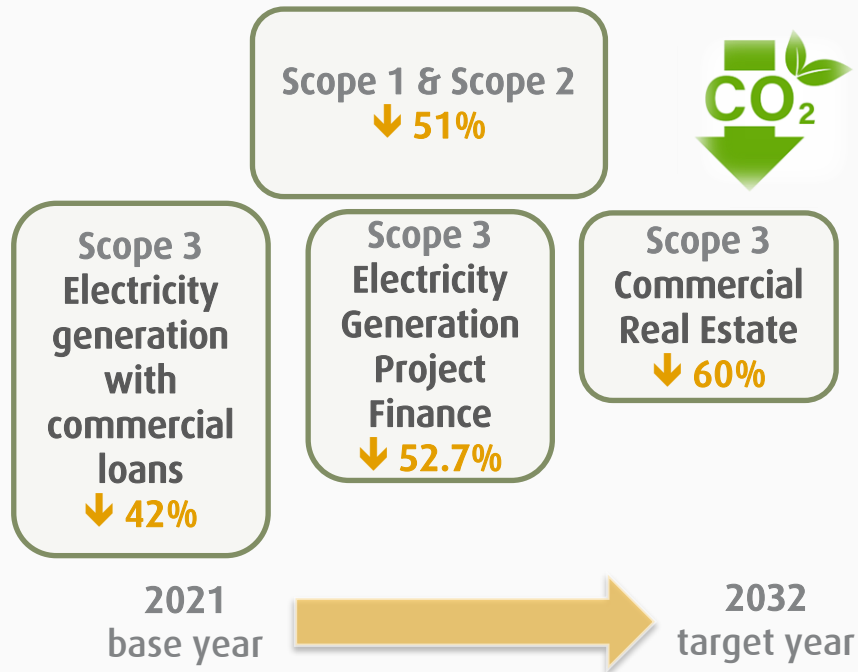
Energy Efficiency Loans



- For Retail customers
- Natural Gas Conversion Loans
- Heat Insulation Loans.

Firsts in sustainable banking

The first Turkish bank to have its targets validated by
Science Based Targets initiative (SBTi)



DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

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

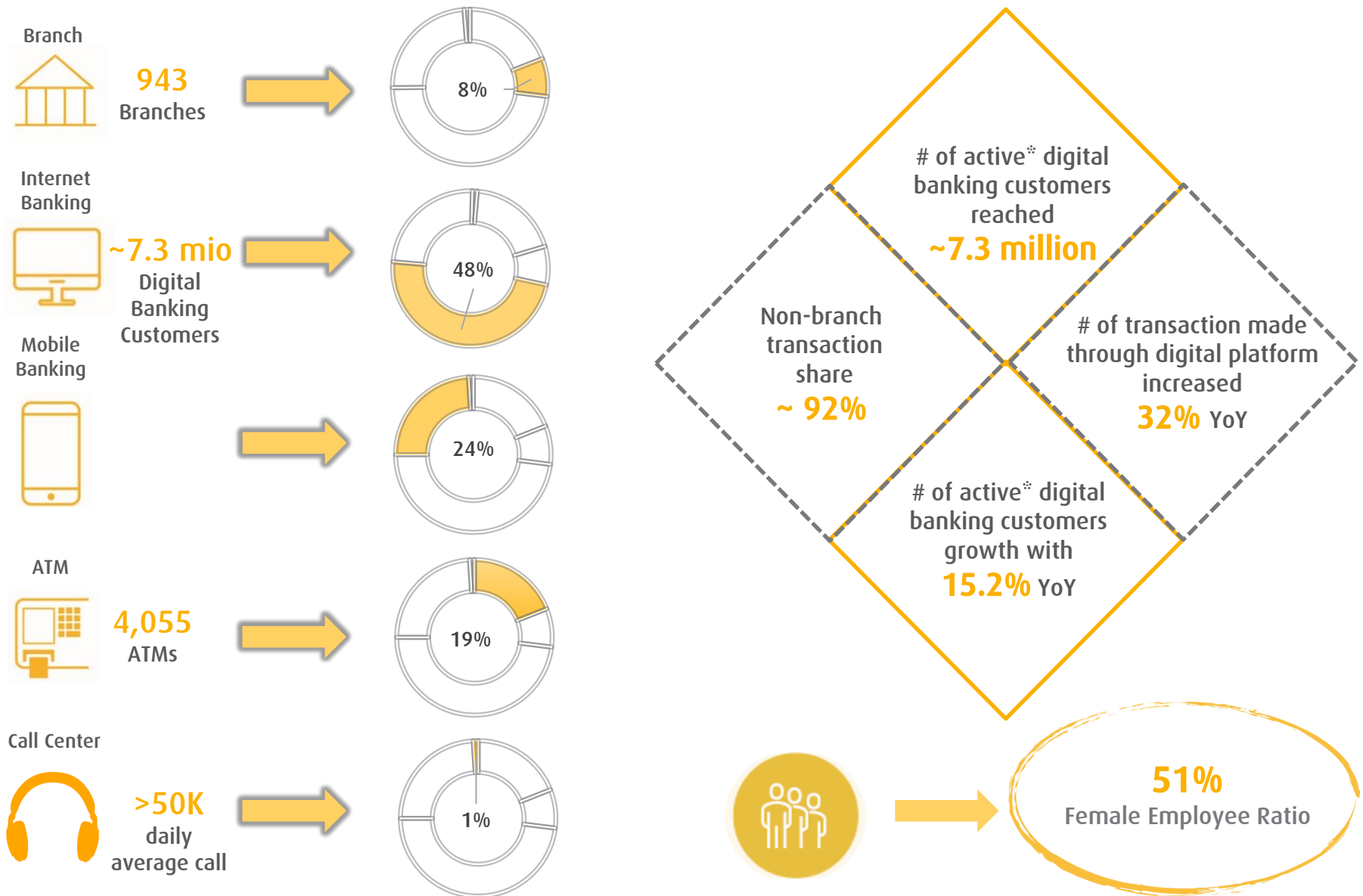


To eliminate the transformation risk of these companies, VakıfBank set aside
100% additional provisioning
for carbon-intensive industries such as cement, electricity, fertilizers, iron-steel and aluminium.

50% less provisioning
requirement for renewable energy loans

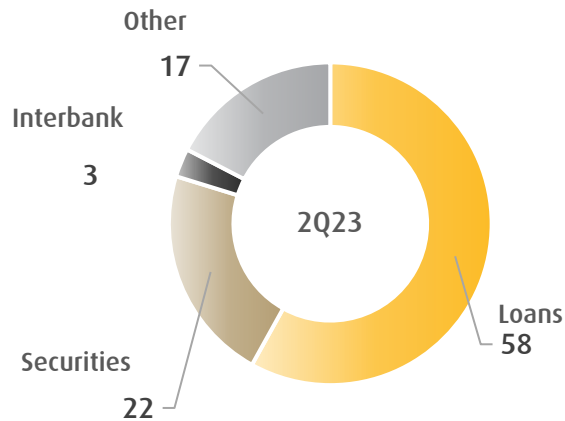


Sustainable customer base thanks to enhanced digital platforms



Composition of asset & liabilities

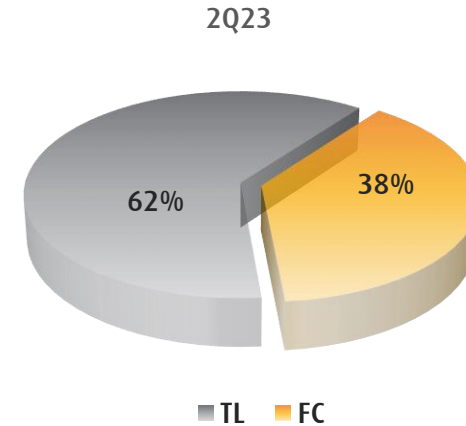
Breakdown of Assets (%)



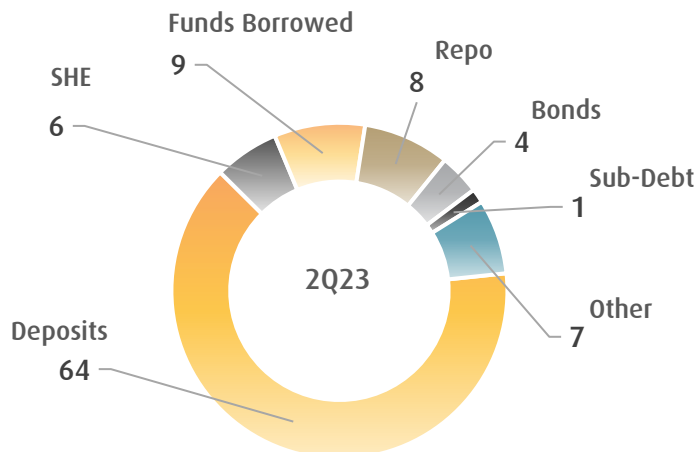
The biggest listed bank in terms of asset size with **11.5%** market share among Turkish banks

The share of IEA **83%** in total assets

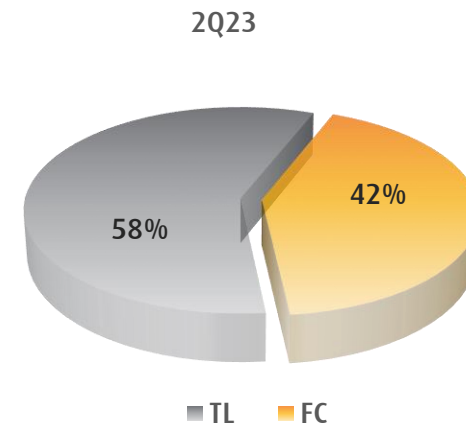
Currency Breakdown of Total Assets



Breakdown of Liabilities (%)

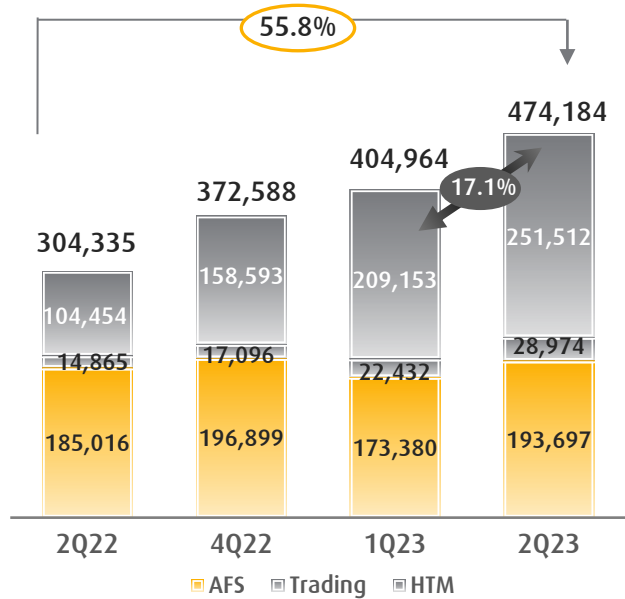


Currency Breakdown of Total Liabilities

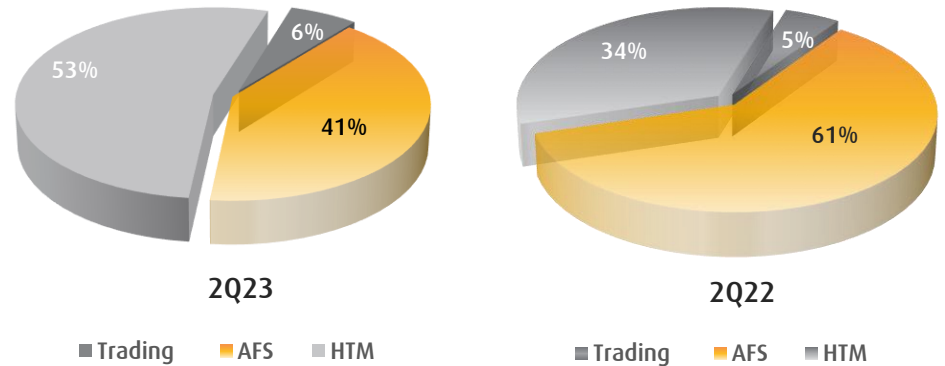


~70% of TL security book is floating

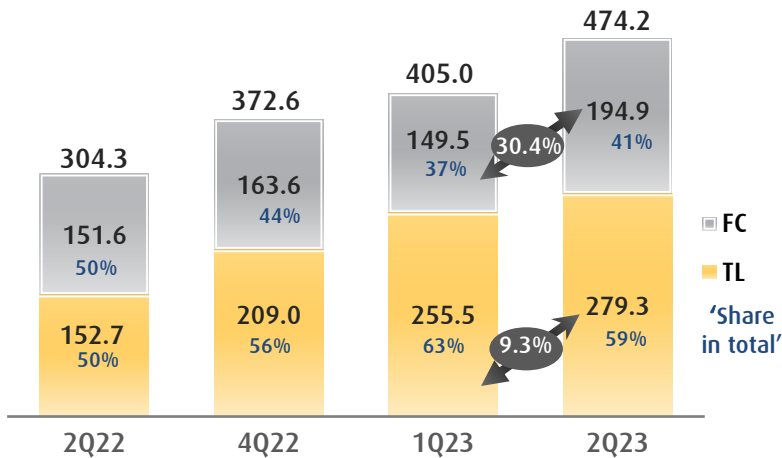
Total Securities (TL million)



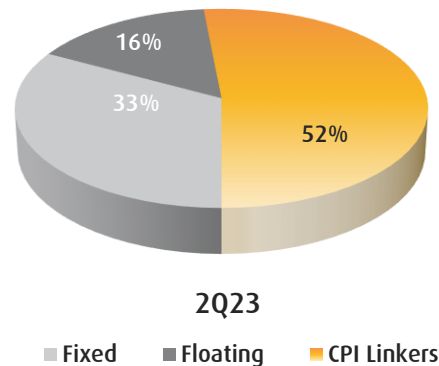
Portfolio Structure



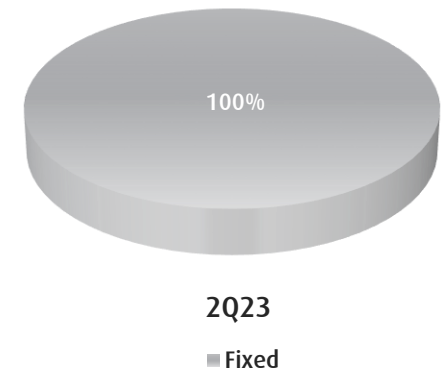
Security Breakdown (TL billion)



Breakdown of TL Securities

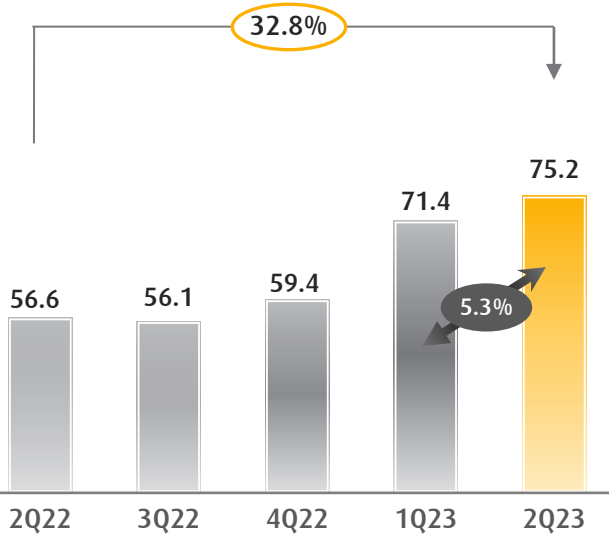


Breakdown of FC Securities

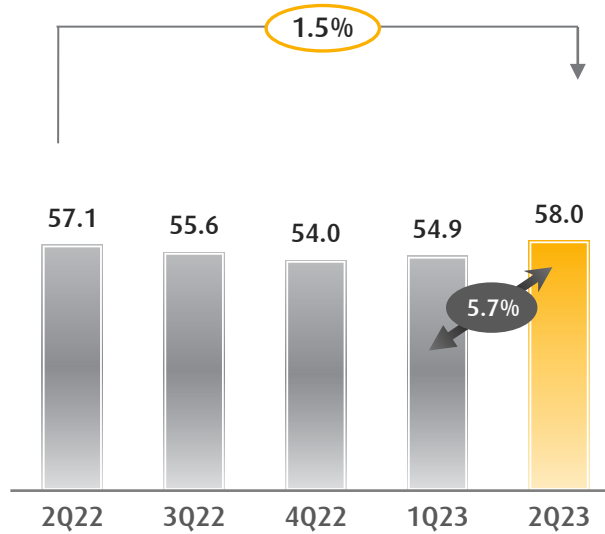


Retail lending

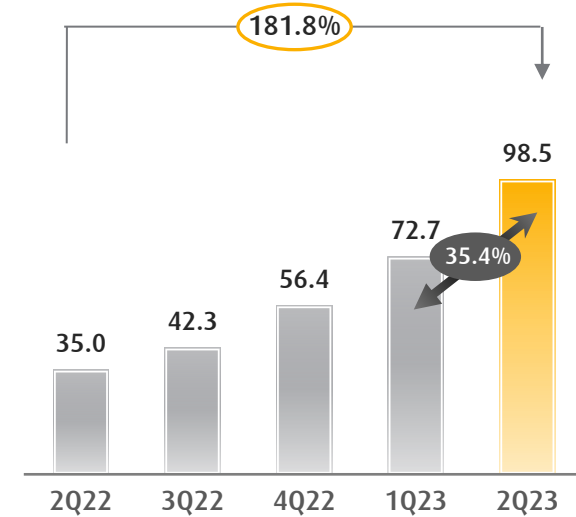
General Purpose Consumer (TL billion)



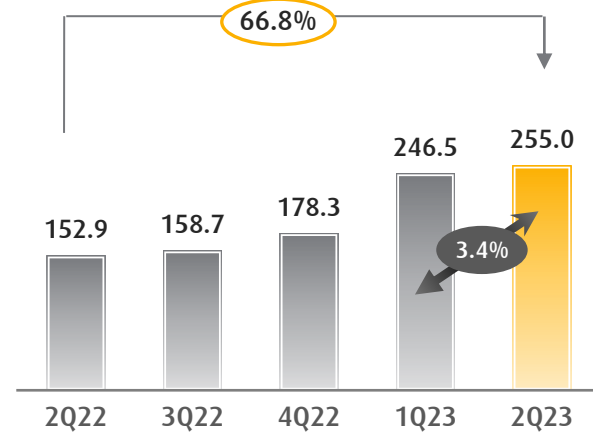
Residential Mortgages (TL billion)



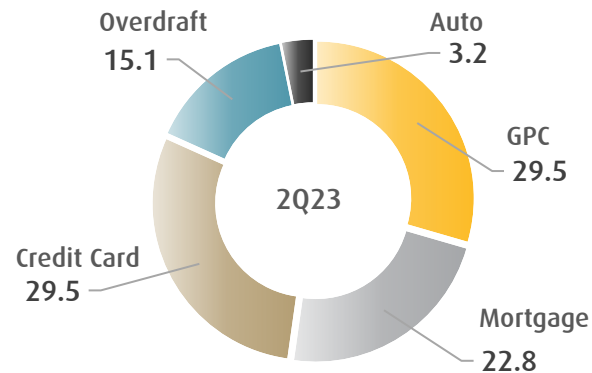
Credit Card Loans (TL billion)**



Total Retail (TL billion)



Breakdown of Retail Loans (%)



Total Retail Customers 23 million

Total Payroll Customers 2 million

Diversified funding sources via non-deposit funding

Syndication

USD 1.4 billion outstanding

- **May'23:** USD 815 million equivalent syndicated loan, SOFR +4.25%, Euribor +4.00% for 1 year, 36 banks from 20 countries
- **Nov'22:** USD 560 million equivalent syndicated loan, SOFR +4.25%, Euribor +4.00% for 1 year, 21 banks from 16 countries

Subordinated Bonds

TL 4,225 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 725.3 million outstanding

- **World Bank:** outstanding funding USD 333.7 million
- **EBRD:** outstanding funding USD 2.8 million
- **EIB:** outstanding funding USD 151.4 million
- **KfW:** outstanding funding USD 65.4 million
- **AFD:** outstanding funding USD 172 million

Post Finance & Bilateral

USD 820 million outstanding

- **Post Finance:** EUR 104 million and USD 270 million outstanding
- **Dec'21:** CNY 3.2 billion bilateral loan with China Development Bank, 3 years maturity

Eurobonds and Private Placements

USD 2.6 billion outstanding Eurobonds and USD 632.5 million outstanding Private Placements

- **Mar'23-June'23:** USD 106.4 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

DPR Securitizations

USD 4.1 billion outstanding

- **Feb'23 - Mar'23** USD 2 billion equivalent (USD and Euro), 7 tranches, 5 years maturity
- **Mar'21:** USD 1.7 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

Covered Bond

TL 1 billion outstanding

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

Repo and collateralized funding transactions

- **Aug'23:** USD 500 million, 5 years maturity
- **July'23:** USD 100 million, 6 months maturity
- **Dec'22:** EUR 400 million, 2 years maturity (sustainable themed transaction)
- **Dec'21:** EUR 200 million, 4 years maturity (sustainable themed transaction)

Local Bonds

TL 1.1 billion outstanding

Unconsolidated Key Financial Ratios

	1H22	2022	1Q23	2Q23	1H23
Profitability					
ROAE	30.3%	30.2%	14.5%	2.9%	9.03%
ROAA	1.8%	1.8%	1.0%	0.2%	0.6%
Cost / Income	19.8%	18.1%	31.5% ^{**}	43.8%	37.2% ^{**}
Cost / Assets	1.1%	1.1%	4.4%	1.8%	2.7%
Fee / Cost	60.1%	60.2%	51.3% ^{**}	53.3% ^{**}	52.4% ^{**}
NIM	5.0%	6.8%	1.8%	0.4%	1.0%
Swap-adj NIM	4.7%	6.5%	1.7%	0.3%	0.9%
Liquidity					
Loans / Deposits	92.2%	82.8%	86.8%	90.6%	90.6%
<i>TL Loans / Deposits</i>	120.1%	94.9%	95.7%	106.7%	106.7%
Liquidity Coverage Ratio (Total)	195.0%	197.8%	176.6%	176.0%	176.0%
FC Liquidity Coverage Ratio	353.4%	450.7%	465.7%	400.0%	400.0%
Asset Quality					
NPL Ratio	2.6%	2.1%	1.8%	1.6%	1.6%
Stage II Ratio	9.5%	8.3%	7.2%	6.9%	6.9%
Stage II Coverage Ratio	18.3%	24.4%	23.7%	22.1%	22.1%
Stage III Coverage Ratio	79.6%	81.3%	83.3%	82.4%	82.4%
Net Cost of Risk	235 bps	254 bps	69 bps	117 bps	94 bps
Solvency					
CAR	15.6%	15.2%	15.8%	14.9%	14.9%
Tier I Ratio	13.7%	13.6%	14.3%	13.4%	13.4%
CET 1 Ratio	11.4%	11.5%	12.6%	11.3%	11.3%
Leverage	14.9x	14.7x	11.9x	15.0x	15.0x

Unconsolidated Balance Sheet

	(TL-thousand, %)		2Q22		1Q23		2Q23		ΔYoY	ΔQoQ
			TL	USD equivalent	TL	USD equivalent	TL	USD equivalent		
Assets	Cash & Balances with Central Bank		160,491,468	9,616,026	212,922,730	11,098,367	229,435,856	8,805,271	43.0%	7.8%
	Interbank		42,414,914	2,541,337	45,822,414	2,388,444	62,570,734	2,401,335	47.5%	36.6%
	Securities		304,335,011	18,234,572	404,964,415	21,108,333	474,183,617	18,198,180	55.8%	17.1%
	Loans		725,890,356	43,492,532	1,087,639,550	56,692,036	1,270,028,484	48,741,050	75.0%	16.8%
	Subsidiaries & Investments		7,323,963	438,823	11,889,797	619,743	13,974,012	536,293	90.8%	17.5%
	Property & Equipment		6,458,376	386,961	12,760,052	665,104	13,509,023	518,448	109.2%	5.9%
	Other		46,960,723	2,813,704	64,244,891	3,348,696	148,312,056	5,691,908	215.8%	130.9%
	Total Assets		1,282,117,200	76,819,485	1,817,190,853	94,719,110	2,187,079,335	83,935,553	70.6%	20.4%
Liabilities & SHE	Deposits		787,671,622	47,194,225	1,252,725,686	65,296,973	1,402,197,896	53,813,437	78.0%	11.9%
	Funds Borrowed		107,061,573	6,414,714	163,006,657	8,496,546	191,455,108	7,347,649	78.8%	17.5%
	Repo		131,345,862	7,869,734	84,499,052	4,404,422	182,369,793	6,998,973	38.8%	115.8%
	Securities Issued		67,490,988	4,043,798	65,646,560	3,421,756	86,168,266	3,306,959	27.7%	31.3%
	Other		52,282,142	3,132,543	73,713,201	3,842,221	144,989,143	5,564,382	177.3%	96.7%
	Subordinated Loans		33,067,403	1,981,270	24,937,483	1,299,839	29,982,440	1,150,664	(9.3%)	20.2%
	Shareholders' Equity		80,517,356	4,824,287	141,108,205	7,355,113	137,013,362	5,258,288	70.2%	(2.9%)
Off-B.S.	Guarantees		238,672,160	14,300,309	297,988,682	15,532,338	358,873,070	13,772,802	50.4%	20.4%
	Commitments		251,731,676	15,082,785	436,275,459	22,740,387	473,688,952	18,179,196	88.2%	8.6%
	Derivatives		318,750,415	19,098,287	458,806,954	23,914,817	706,683,781	27,121,053	121.7%	54.0%

Unconsolidated Income Statement

(TL thousand, %)	1H22	1Q23	2Q23	1H23	YoY	QoQ
Net Interest Income (Inc. Swap Cost)	22,178,486	5,941,206	1,312,944	7,254,150	(67.3%)	(77.9%)
<i>Swap Cost</i>	<i>-1,537,125</i>	<i>-511,322</i>	<i>-448,944</i>	<i>-960,266</i>	<i>(37.5%)</i>	<i>(12.2%)</i>
Net Fee & Com. Income	4,118,916	4,100,531	5,133,733	9,234,264	124.2%	25.2%
Dividend Income	146,348	660	8,768	9,428	(93.6%)	(1,228.5%)
Net Trading Income (Exc. Swap Cost)	1,539,505	2,251,914	9,297,686	11,549,600	624.8%	312.9%
Other Income	983,542	1,025,142*	587,251	13,612,393	1,284.0%	(42.7%)
Operating Expenses	-6,847,883	-7,996,483*	-9,628,459	-17,624,942*	157.4%	20.4%
Pre-Provision Profit	22,172,914	5,322,970	6,711,923	24,034,893	8.4%	26.1%
Net Provisions	-10,062,208	-1,744,747	-3,437,425	-5,182,172	(48.5%)	97.0%
<i>Expected Credit Loss</i>	<i>-14,125,087</i>	<i>-13,321,019</i>	<i>-8,649,458</i>	<i>-21,970,477</i>	<i>55.5%</i>	<i>(35.1%)</i>
<i>Provisions Reversals</i>	<i>4,062,879</i>	<i>11,576,272</i>	<i>5,212,033</i>	<i>16,788,305</i>	<i>313.2%</i>	<i>(55.0%)</i>
Other Provisions	-5,857,217	500,739	-2,734,405	-2,233,666	(61.9%)	(646.1%)
<i>Tax Provisions</i>	<i>-3,629,217</i>	<i>500,739</i>	<i>-2,734,405</i>	<i>-2,333,666</i>	<i>(38.5%)</i>	<i>(646.1%)</i>
<i>Free Provisions</i>	<i>-2,228,000</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
Net Income	10,018,614	4,502,598	1,006,561	5,509,159	(45.0%)	(77.6%)



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