

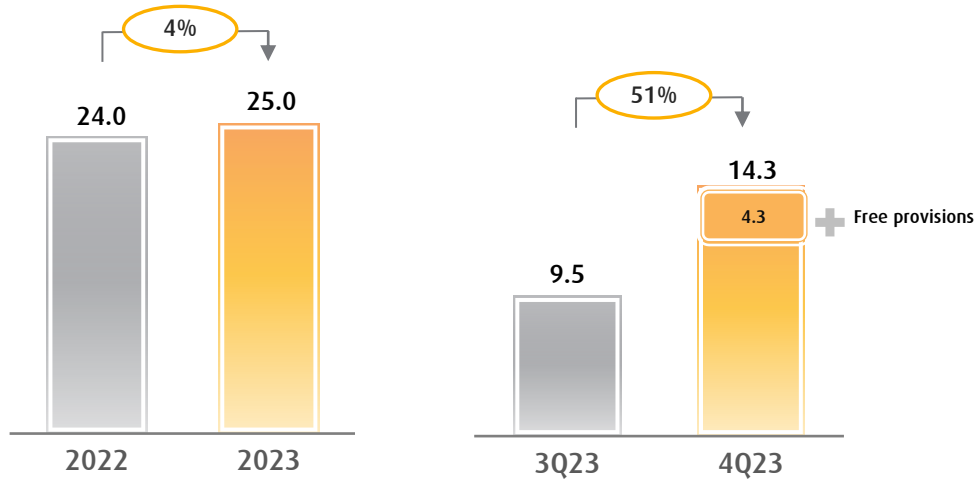


Earnings Presentation BRSA Bank-Only YE23 February 6, 2024

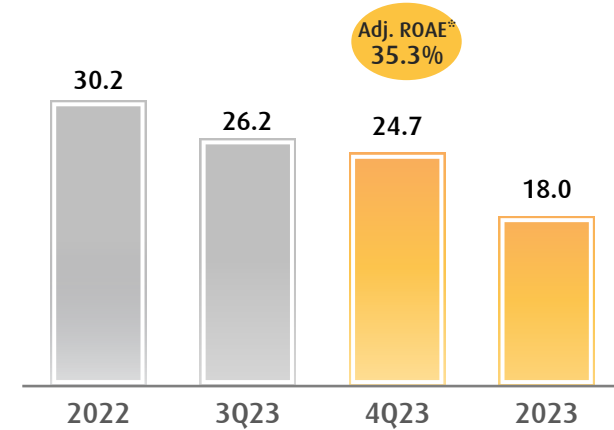


2023 Earnings and profitability

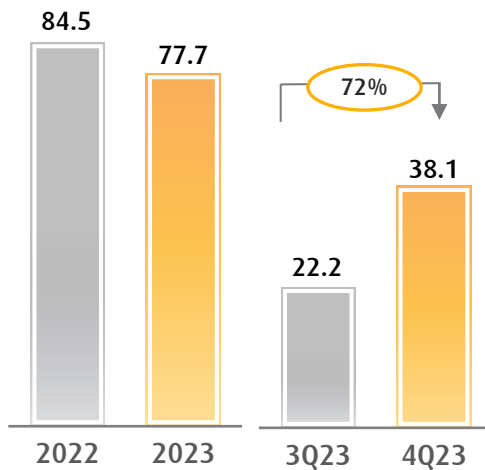
Net Income (TL billion)



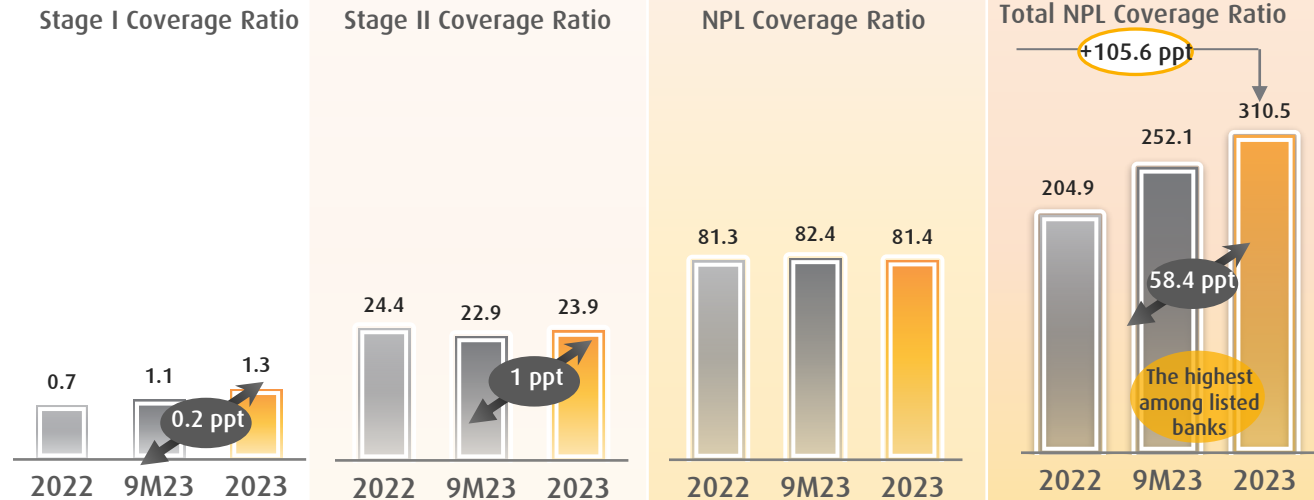
ROAE (%)



Core Banking Revenue (TL billion)



Coverage Ratios (%)



Key highlights of 2023

Further improved core banking revenues supported profitability

TL 25 billion YE23 net income is up by **4.3%** YoY and annual ROAE came at **18%**

TL 10 billion 4Q23 net income is up by **5.3%** QoQ and quarterly ROAE came at **24.7%**

TL 14.3 billion 4Q23 net income would be **TL 14.3 billion** if adjusted with additional free provisions amount of **TL 4.3 billion**

35.3% Adjusted quarterly ROAE would be **35.3%**

NIM improvement driven by both higher TL core spread and strong CPI linker income

2.9% Annual NIM materialized at **2.9%** in YE23

2.3% Annual swap adj. NIM materialized at **2.3%** in YE23

5.3% Quarterly NIM expanded by **214 bps** to **5.3%** in 4Q23 from 3.2% in 3Q23

3.9% Quarterly swap adj. NIM expanded by **127 bps** to **3.9%** in 4Q23 from 2.7% in 3Q23

TL core spreads increased **578 bps** QoQ
33.1 TL billion quarterly CPI linker income
7.3 TL billion quarterly swap cost

Improved contribution of payment systems with 40% share in fee income composition

34.6% Quarterly fee income is up by **34.6%** vs sector avg. of 26%

138.6% Annual fee income is up by **138.6%**

76.3% Quarterly fee/opex ratio increased to **76.3%** in 4Q23 thanks to robust contribution of payment systems

40% Well-balanced fee composition with 40% share of payment systems

Net CoR exceeded budget to build-up additional buffer in line with proactive policy

350 bps Quarterly net CoR increased **350 bps** in 4Q23 from **235 bps** in 3Q23

210 bps Annual net CoR materialized at **210 bps**

TL 4.3 billion additional free provision in 4Q23

Pro-actively increased general provisions

Solid liquidity levels

Short term

FC LCR is at **372%** vs min. threshold of 80%

Total LCR is at **199%** vs min. threshold of 100%

Free Liquidity

FC free liquidity amount is **USD 7.9 billion**

Long Term

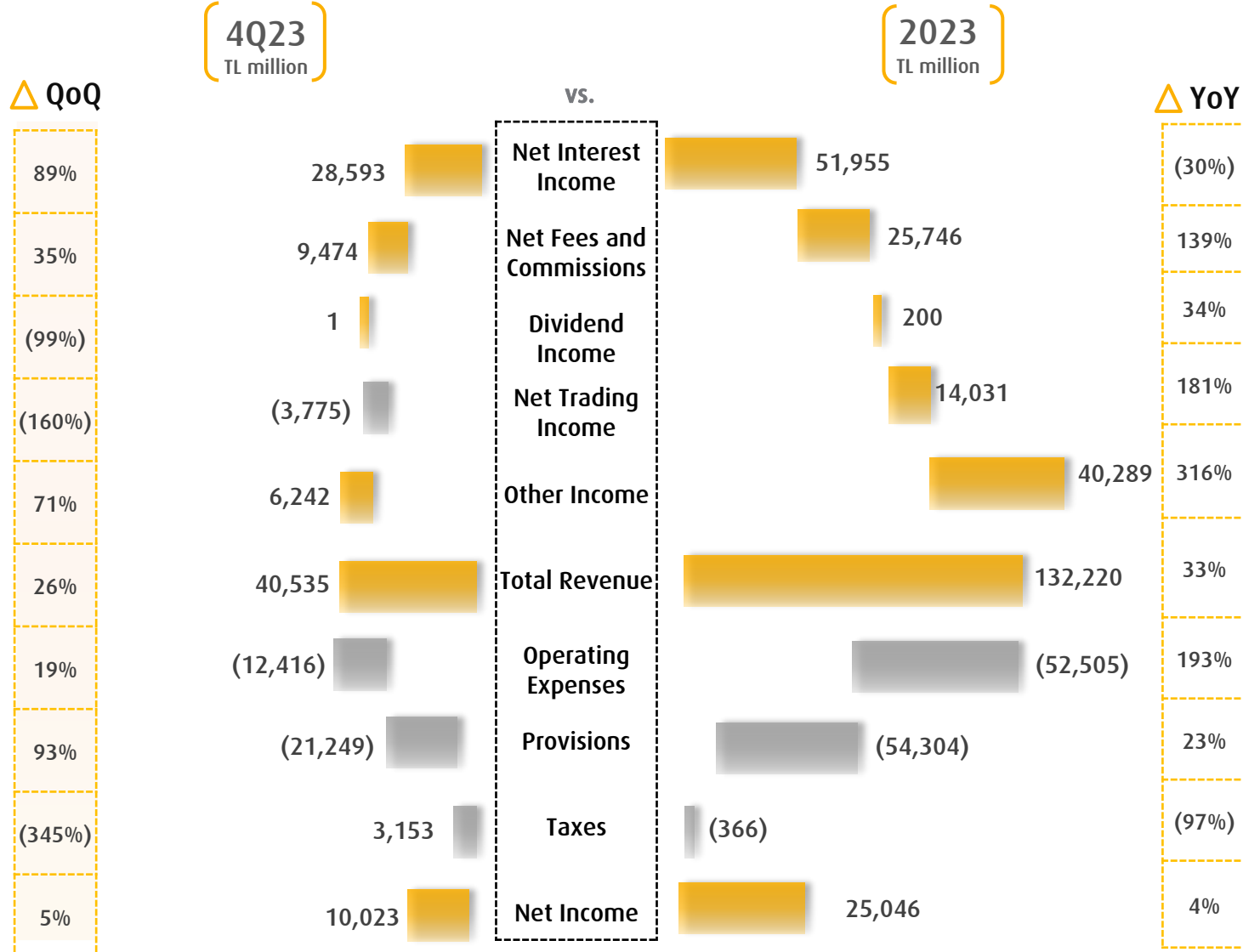
NSFR is at **128%** vs min. threshold of 100%

LtD ratios

Total LtD ratio decreased to **76.4%** in YE23 from 82.8% in YE22

TL LtD ratio decreased to **82.4%** in YE23 from 94.9% in YE22

2023 P&L details



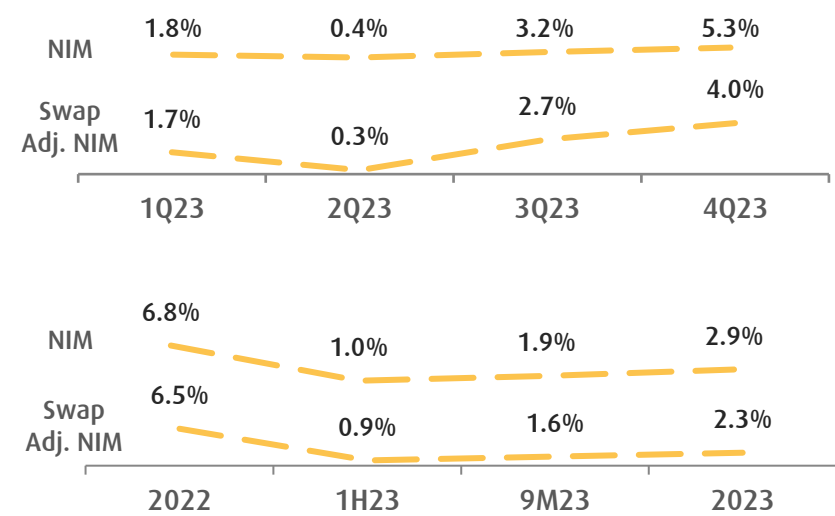
TL 11 billion
free provision in the
b/s as of 2023YE

NIM, CPI linkers and money market funding

CPI Expectation

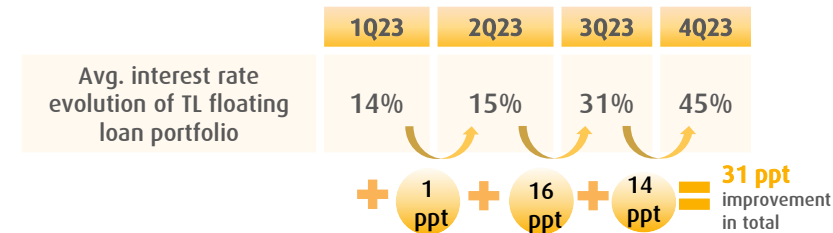
Oct-Oct CPI Exp.	4Q22 85%	1Q23 34%	2Q23 34%	3Q23 50.8%	4Q23 61.4%
CPI linker Income	~TL 29.8 billion	~TL 9.7 billion	~TL 10.3 billion	~TL 26.2 billion	~TL 33.1 billion
CPI Amount	~TL 137.6 billion	~TL 147 billion	~TL 141.5 billion	~TL 193.4 billion	~TL 212.4 billion
Share in equity	~129%	~104%	~103%	~126%	~124%
Avg. real rate	~1%	~2%	~2%	~0.5%	~0.2%

NIM



Total Money Market Funding

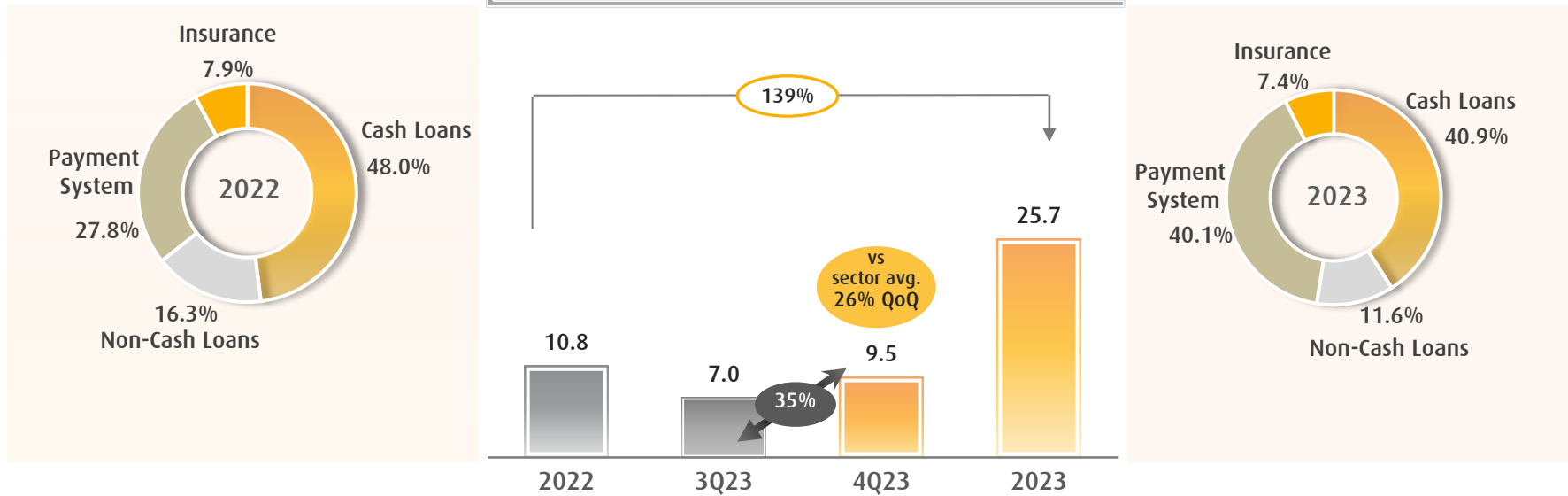
	4Q22	1Q23	2Q23	3Q23	4Q23
Avg. total money market funding	~TL 75 billion	~TL 67 billion	~TL 128 billion	~TL 162 billion	~TL 164 billion
Avg. cost of money market funding	9.9%	8.9%	9.3%	16.7%	27.0%
Avg. swap usage	~TL 48 billion	~TL 42 billion	~TL 51 billion	~TL 100 billion	~TL 145 billion
Swap cost	~TL 849 million	~TL 511 million	~TL 449 million	~TL 2.3 billion	~TL 7.3 billion



1Q24 CPI linker income is expected to be **TL 16.1 billion** with the expected Oct.-Oct. CPI figure of **39%**

Improved contribution of payment systems with 40% share in fee income composition

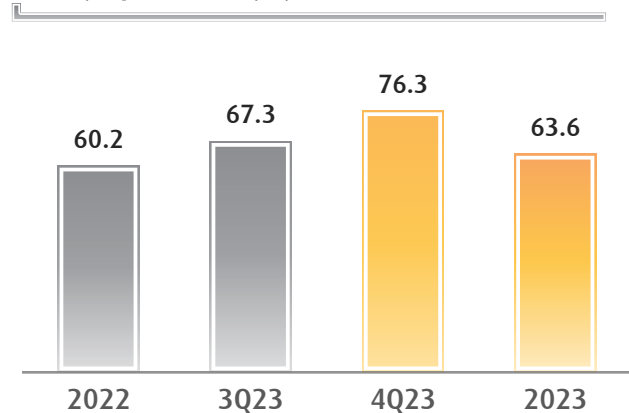
Net Fee & Commission Income Breakdown (TL billion)



2023	Quarterly Growth	Annual Growth
Payment Systems	61%	244%
Cash Loans	23%	103%
Non-Cash Loans	22%	70%

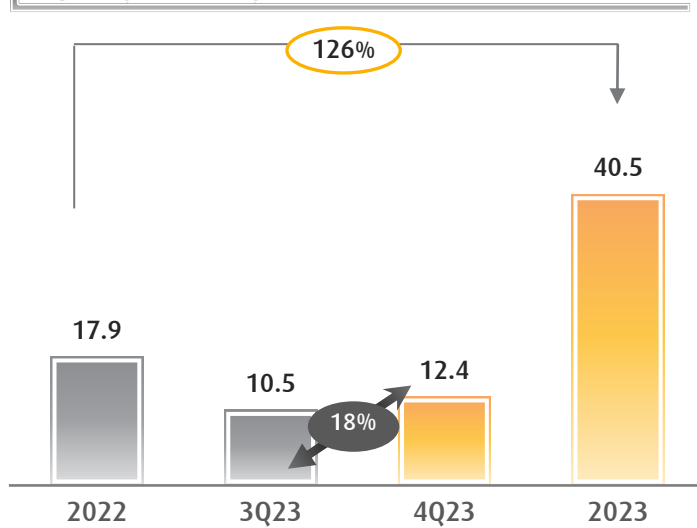
Robust contribution of payment systems is on track

Fee/Opex Ratio (%)^{*}

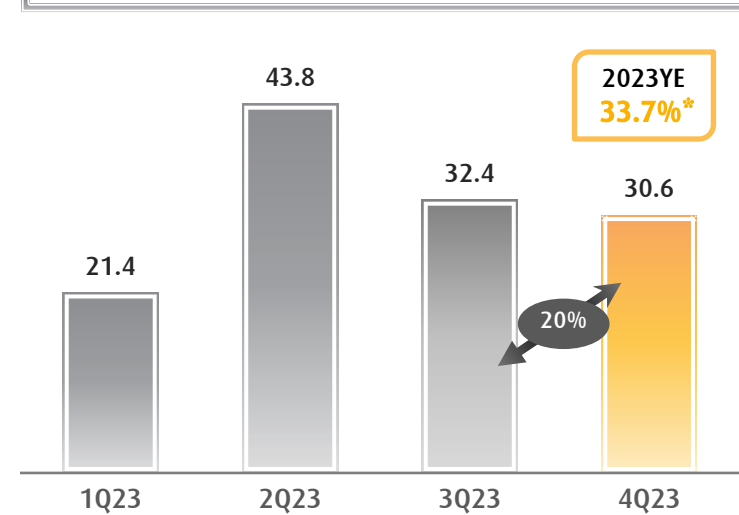


Cost/Income ratio normalized at ~30% level

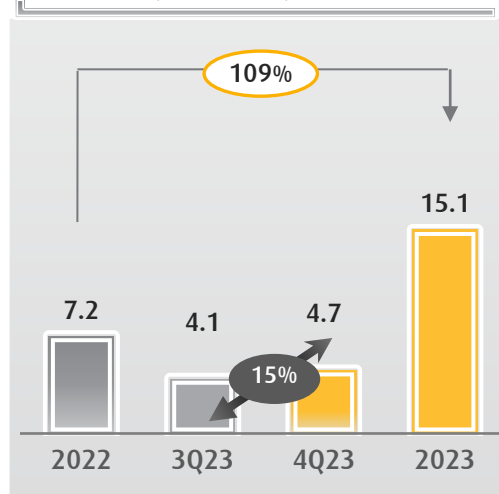
Opex (TL billion)*



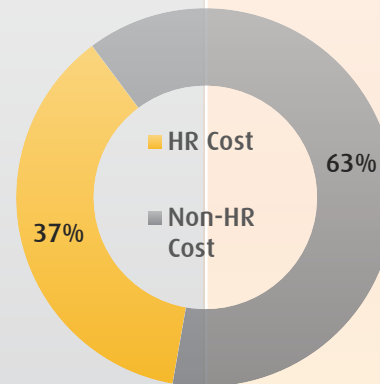
Cost/Income Ratio (%)**



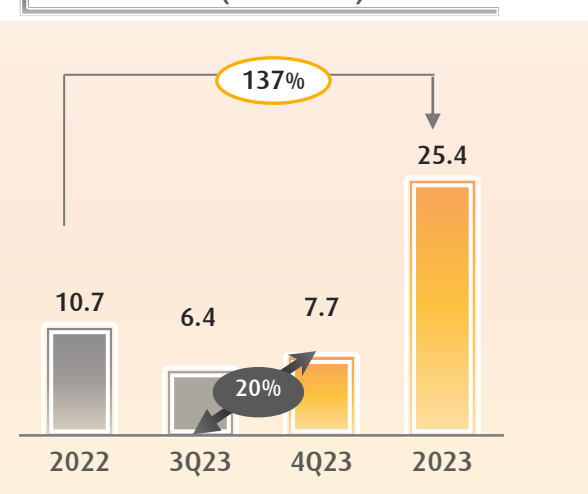
HR Cost (TL billion)



Breakdown of Opex**

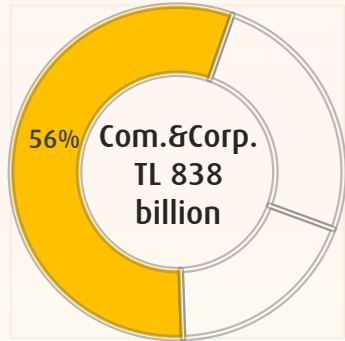


Non-HR Cost (TL billion)*

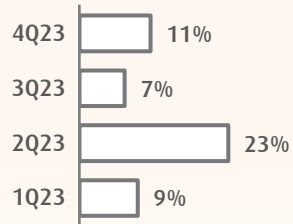


Market share gains in strategically focused areas

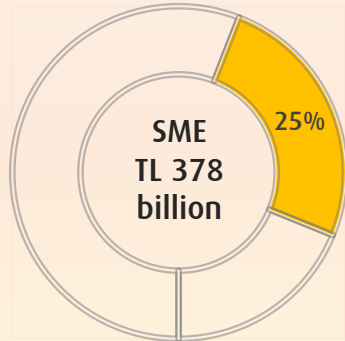
Portfolio Breakdown



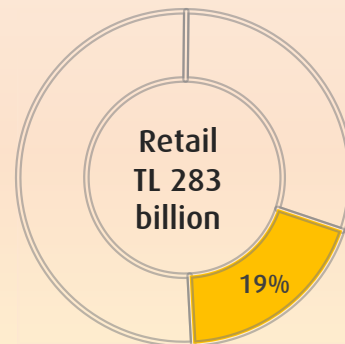
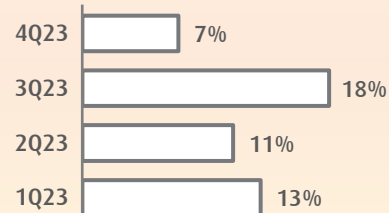
QoQ Loan Growth



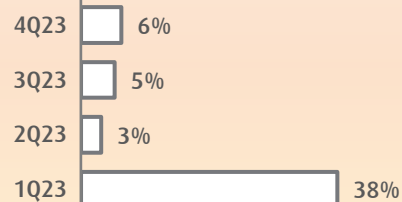
o/w 26% growth in business credit cards



QoQ Loan Growth



QoQ Loan Growth



o/w 17% growth in business credit cards

	VB QoQ (%)	Sector QoQ (%)	VB YoY (%)	Sector YoY (%)
Total Loan Growth	8.4	9.0	60.6	54.0
TL Loan Growth	6.3	8.6	60.2	54.5
FC Loan Growth (\$)	5.1	1.9	2.6	(3.0)

Market Share Ranking*

	Market Share (%)	Ranking*
Total Loan	12.8	#1
TL Loan	13.1	#1
FC Loan (\$)	12.3	#1

TL loans exceeded
TL 1 trillion threshold

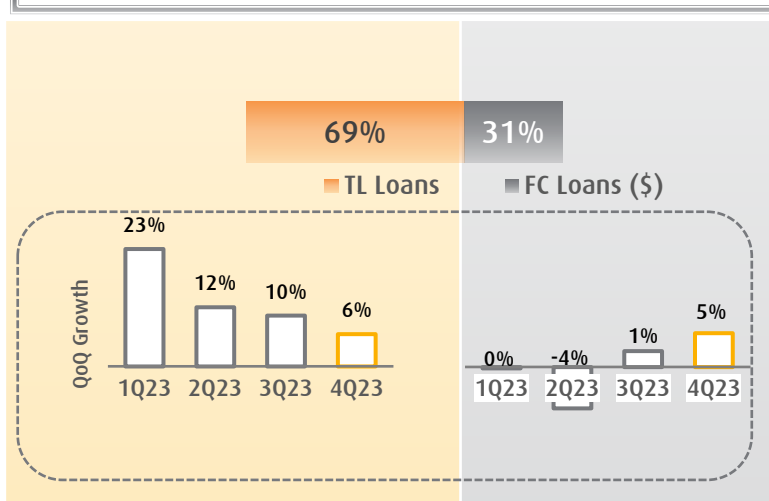
Market Share (%)

	2022	2023
Com.&Corp.	12.7	14.3
SME	11.8	11.8
Total Retail	11.6	10.5

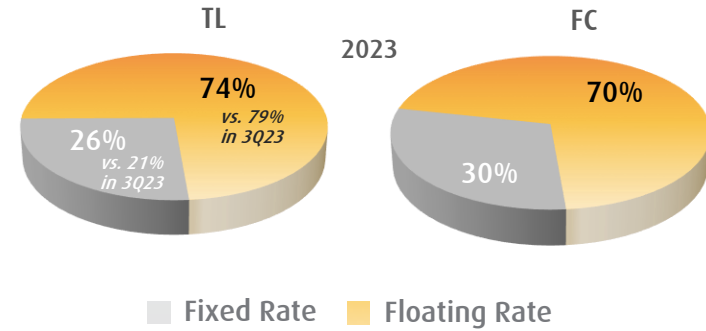
In line with
strategically
focused areas

Breakdown of loan portfolio

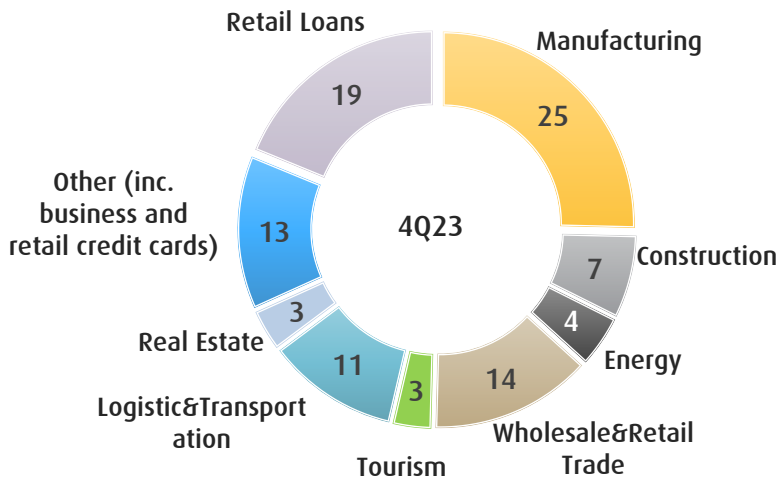
Currency Breakdown



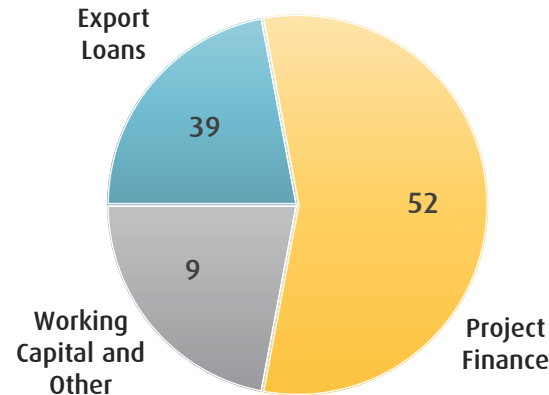
Loans by Interest Structure



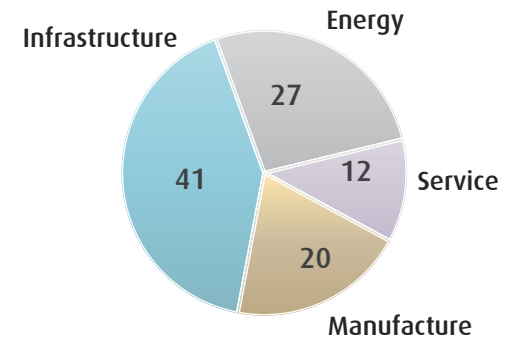
Sectoral Breakdown of Cash Loans (%)



Breakdown of FC Loans (%)



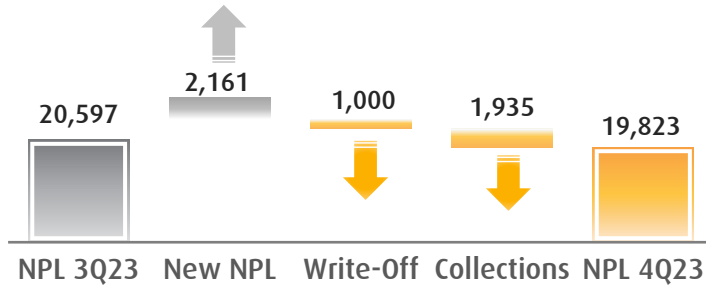
Breakdown of Project Finance (%)



Share of export loans increased to 39% in YE2023 from 26% in YE2022

Net CoR exceeded budget to build-up additional buffer in line with pro-active policy

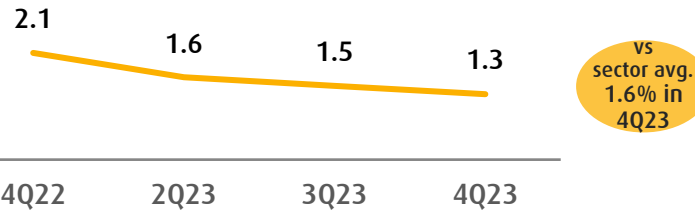
NPL (TL million)*



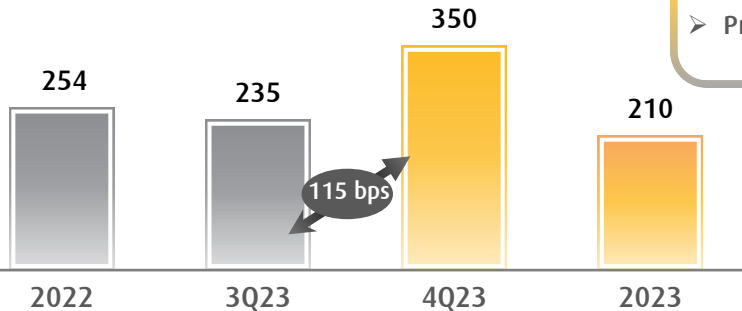
Stage III Coverage Ratio (%)



NPL Ratio (%)*

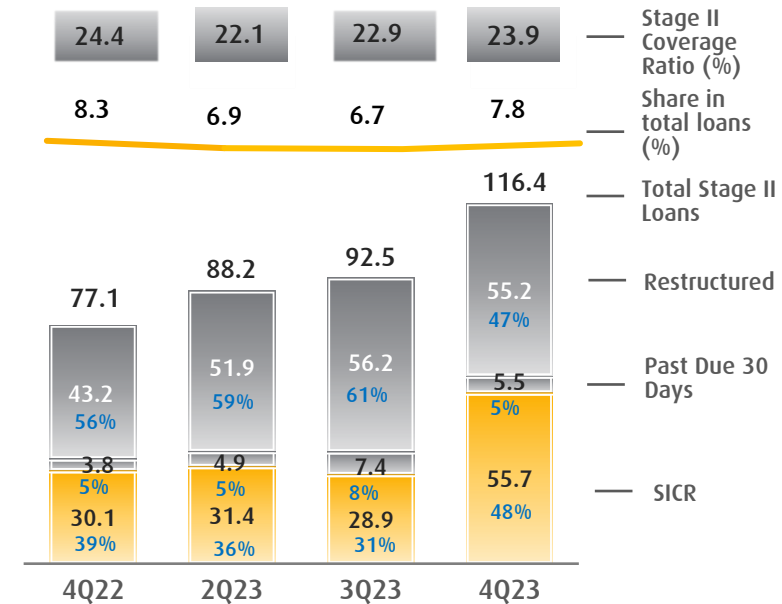


Net Cost of Risk (bps)



- TL 4.3 bn additional free provisions in 4Q23
- Pro-actively increased general provisions

Stage II Loans Breakdown (TL billion)



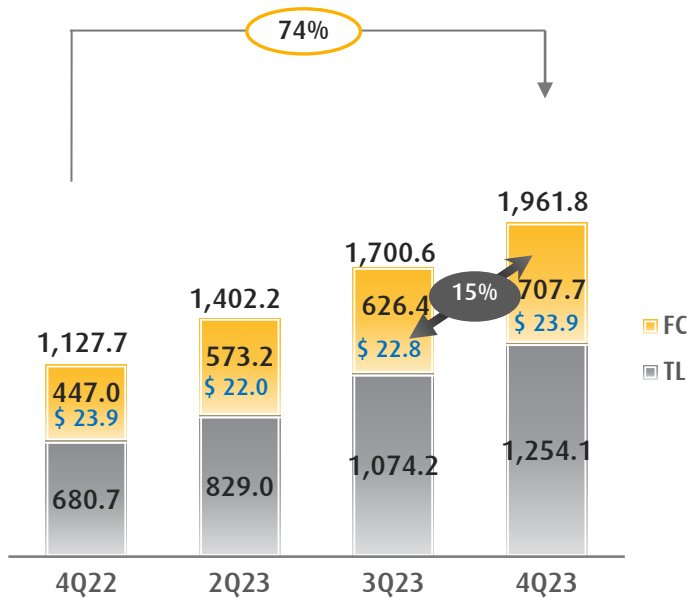
Net Expected Credit Losses (TL billion)

	4Q23	2023
Stage I	4.9	19.4
Stage II+III ECL	12.0	30.6
Provision Reversals (Stage I+II+III)	4.4	24.4
Net Expected Credit Losses	12.5	25.4
Net CoR	350 bps	210 bps

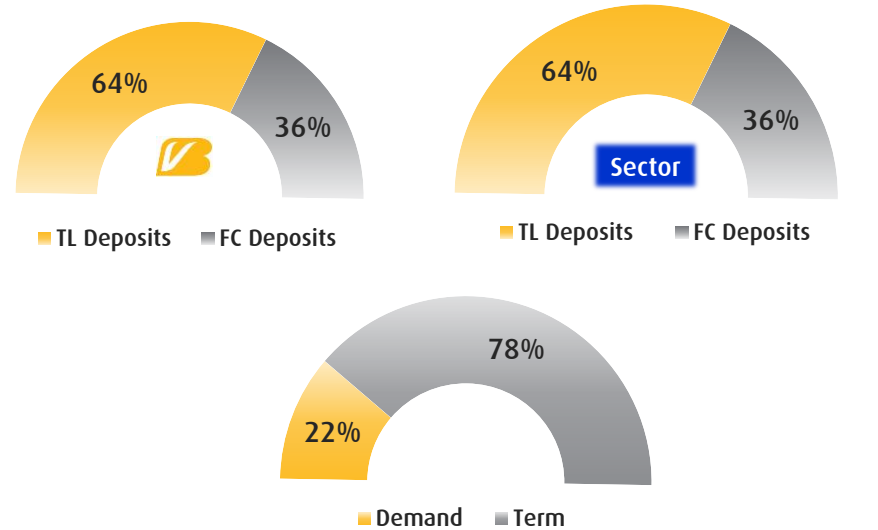
TL 11 billion free provisions

Well-balanced deposit portfolio

Total Deposits (TL billion)

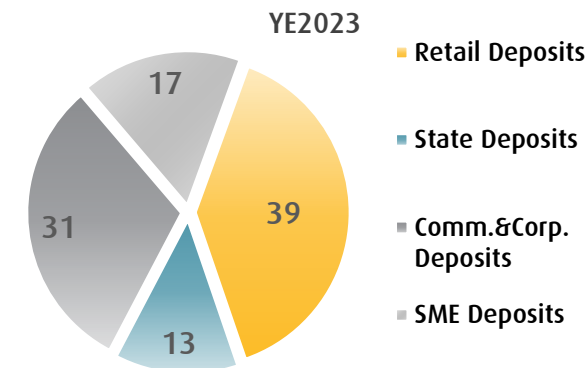


Breakdown of Deposits



TL term deposits exceeded **TL 1 trillion** treshold

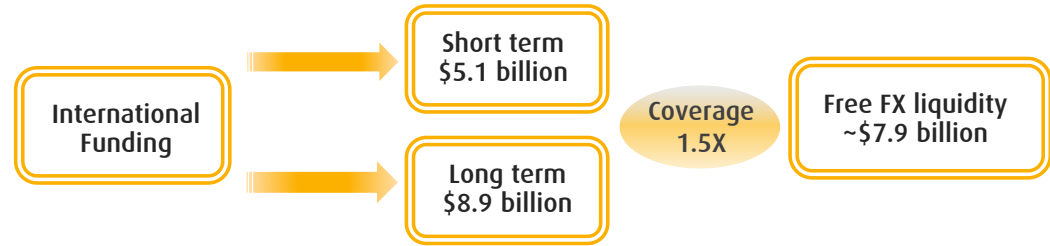
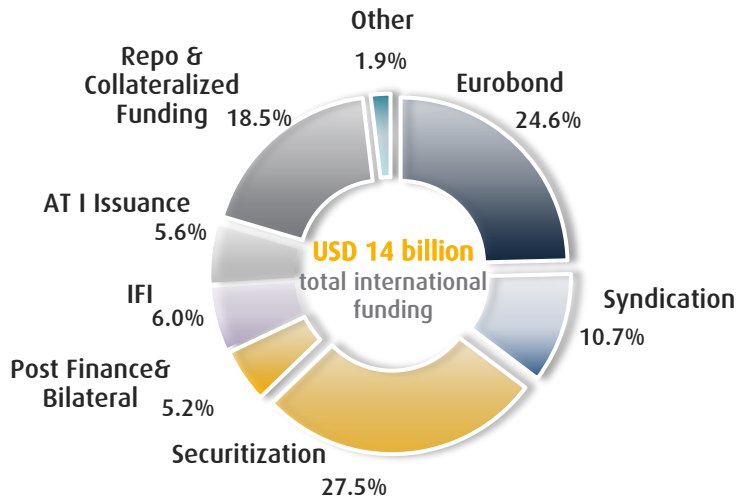
Breakdown of Deposits (%)



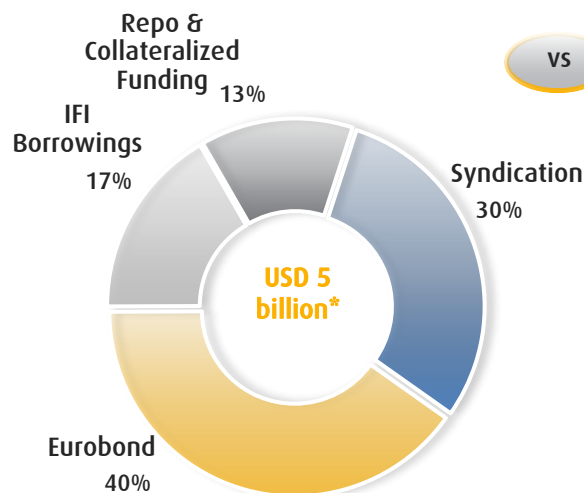
	VB QoQ (%)	Sector QoQ (%)	VB YoY (%)	Sector YoY (%)	Market Share (%)	Ranking*
Total Deposits Growth	15.4	11.6	74.0	67.6	13.2	#1
TL Deposits Growth	16.8	12.8	84.3	86.2	14.1	#1
FC Deposits Growth (\$)	4.7	1.9	0.3	(7.6)	11.9	#1

The most active Turkish Bank in international funding

Breakdown of International Funding



Sustainable Funding



vs

USD 5.4 billion sustainable lending portfolio within the scope of SFF

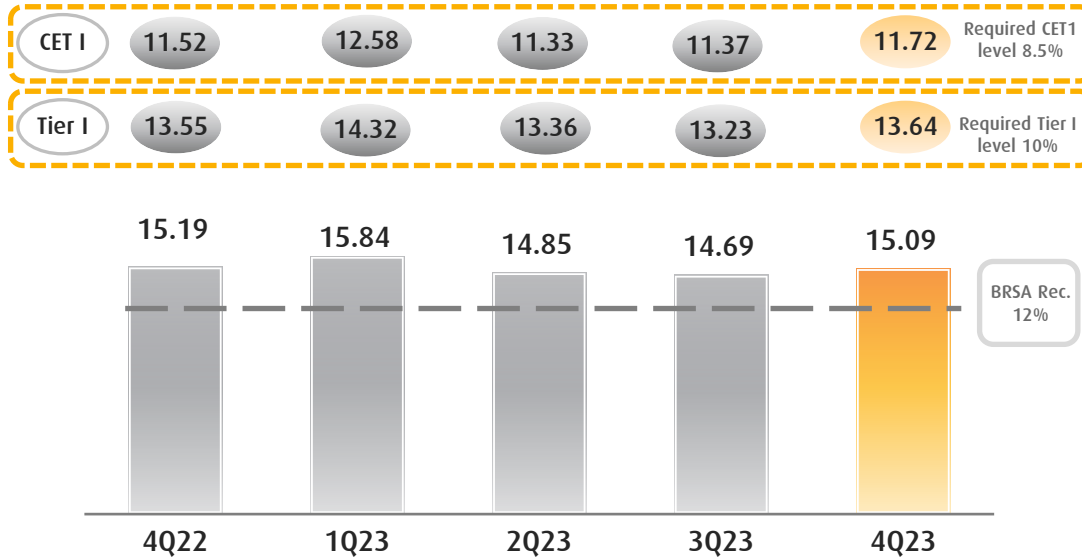
Sustainable funding share in total international funding is 36%**

The most active Turkish Bank in international markets with total fresh funding amount of **USD 6.3 billion** in 2023

- + The biggest outstanding sustainable eurobond portfolio among peer banks
- + Significantly increasing share of sustainable IFI funding thanks to long-lasting cooperation with almost all reputable institutions

Solvency ratios

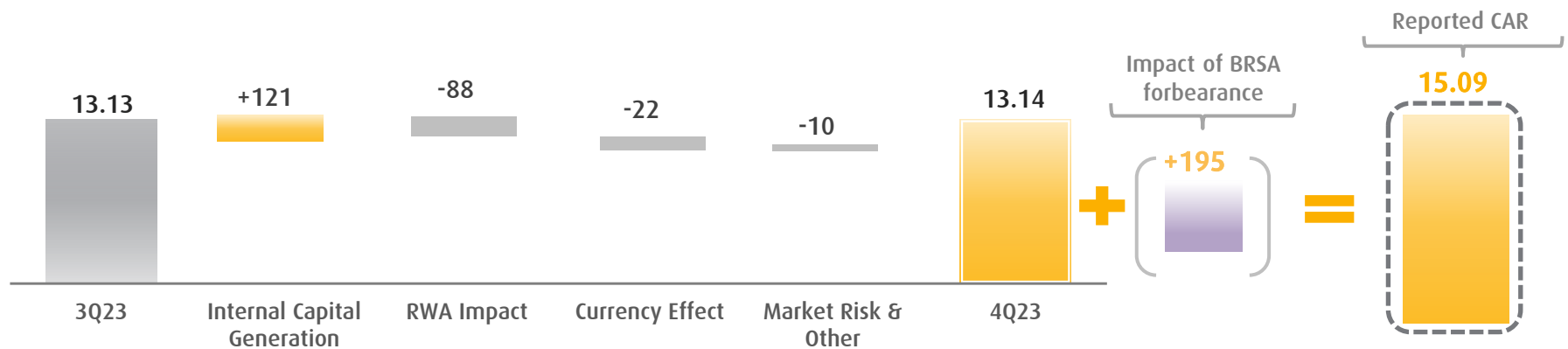
Capital Adequacy Ratio (%)



(%)	Solvency ratios w/o BRSA forbearance	Reported solvency ratios including free provision amount of TL 11 billion
CET I	10.07	10.82
Tier I	11.72	12.47
CAR	13.14	13.89



Quarterly evolution of Capital Adequacy Ratio w/o forbearances (%)



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	Well positioned TL 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



Moody's | ESG Solutions

MSCI
ESG RATINGS



S&P Global

Score: 44 in 2023

Score and Risk Category

18.4 Low Risk



SG OVERALL SCORE



CCC B BB **BBB** A AA AAA

RATING ACTION DATE: October 29, 2020

LAST REPORT UPDATE: January 17, 2023

Climate

- A Score in 2023
- 1st assessment in 2015

Water

- A- Score in 2023
- 1st assessment in 2022

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



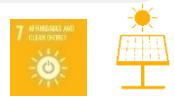
- For retail customers affected by the earthquake with attractive interest rates amounting up to TL 100,000.
- For SMEs operating in the earthquake areas to minimize the devastating effects of the earthquake.

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.

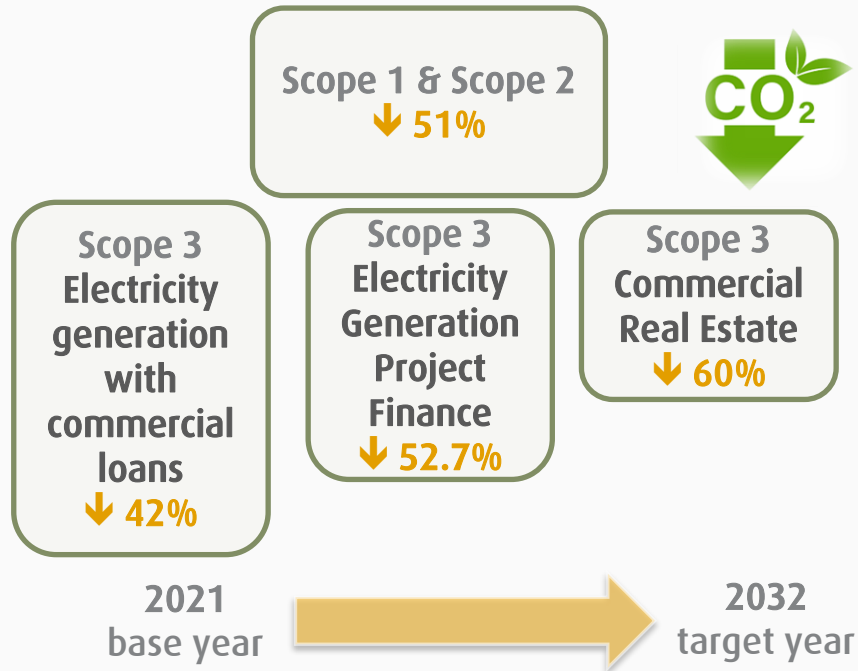
Renewable Energy Loans



- For all kind of renewable energy project including; SPP (Solar Power Plant), HPP (Hydro Power Plant), GPP (Geothermal Power Plant), WPP (Geothermal Power Plant), Biogas, Biomass

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

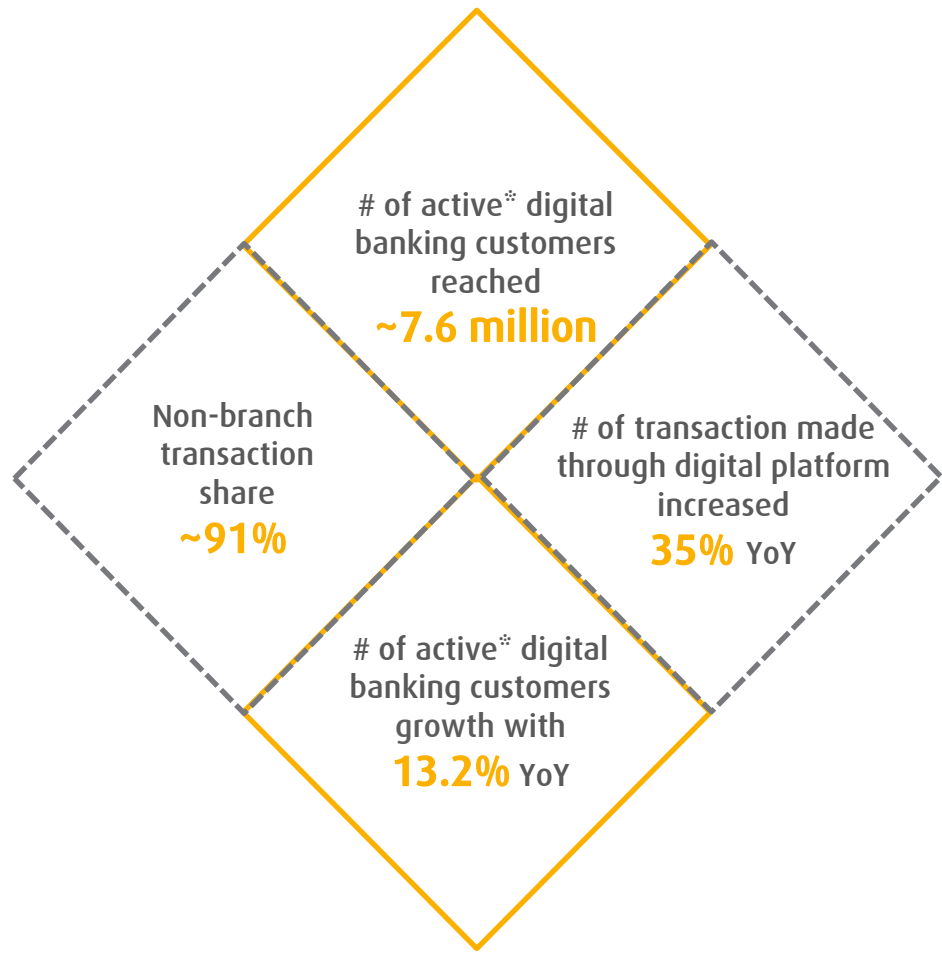
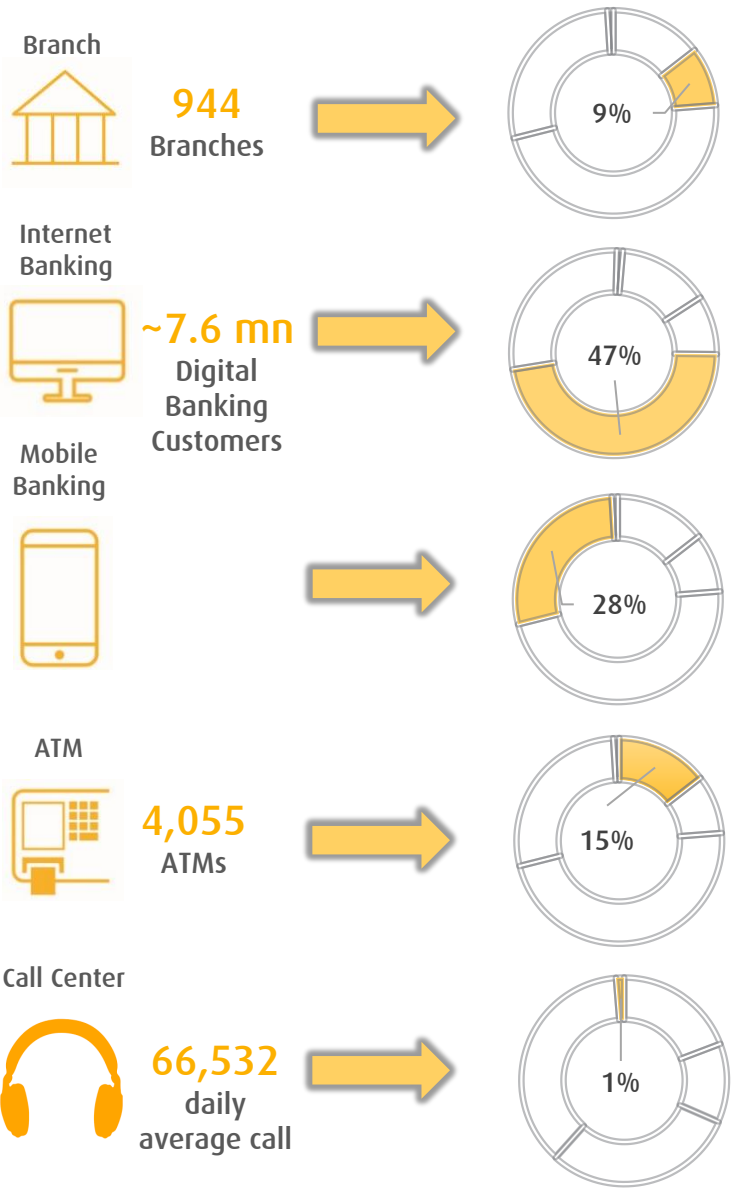


To eliminate the transformation risk of these companies, VakıfBank set aside **100% additional provisioning** for carbon-intensive industries such as cement, electricity, fertilizers, iron-steel and aluminium.

50% less provisioning requirement for renewable energy loans



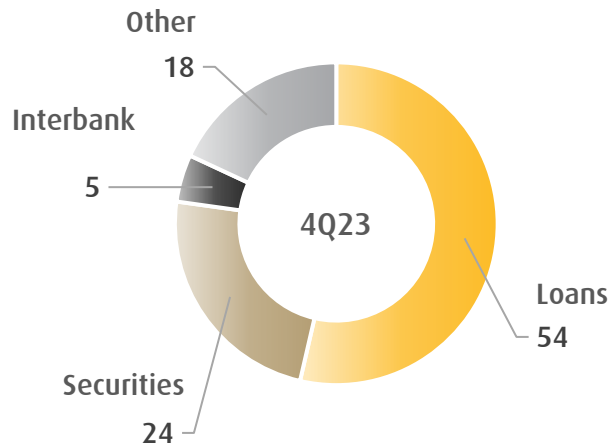
Sustainable customer base thanks to enhanced digital platforms



51%
Female Employee Ratio

Composition of asset & liabilities

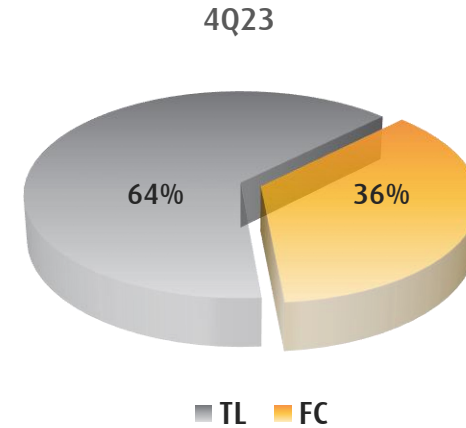
Breakdown of Assets (%)



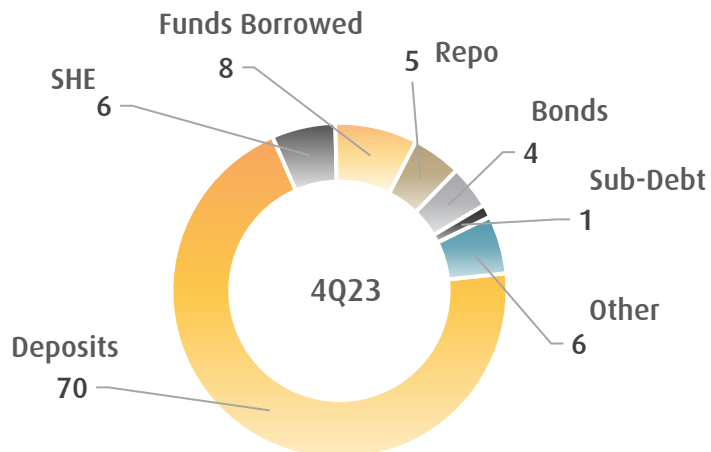
The biggest listed bank in terms of asset size with **11.9%** market share among Turkish banks

The share of IEA **82%** in total assets

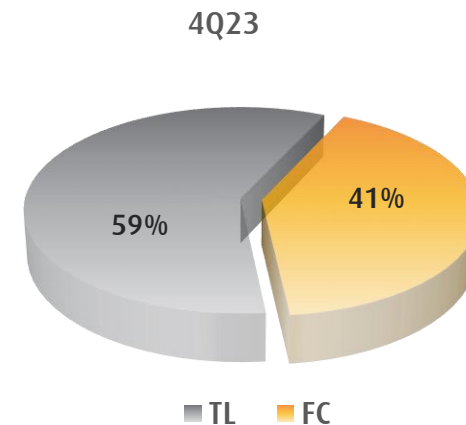
Currency Breakdown of Total Assets



Breakdown of Liabilities (%)

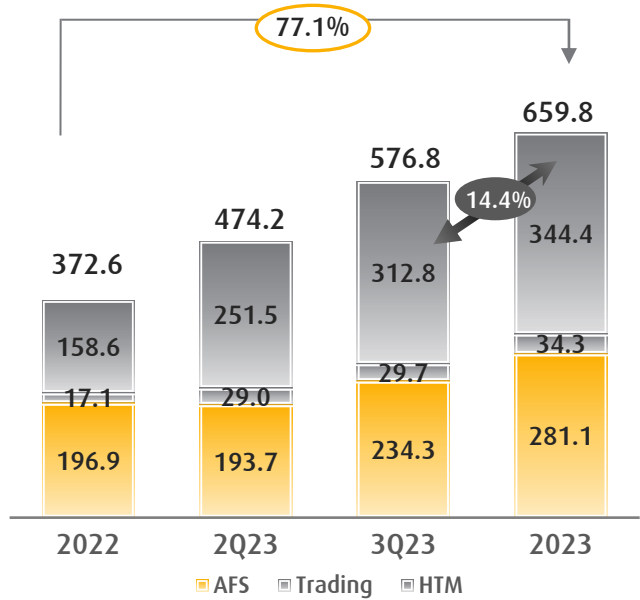


Currency Breakdown of Total Liabilities

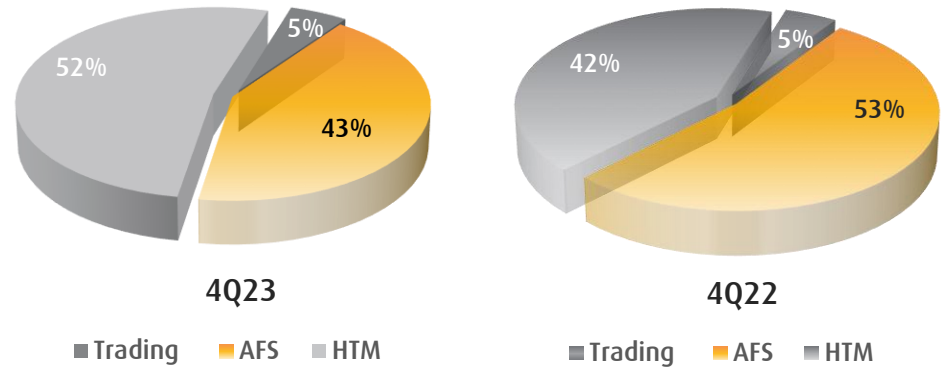


Well positioned TL security portfolio

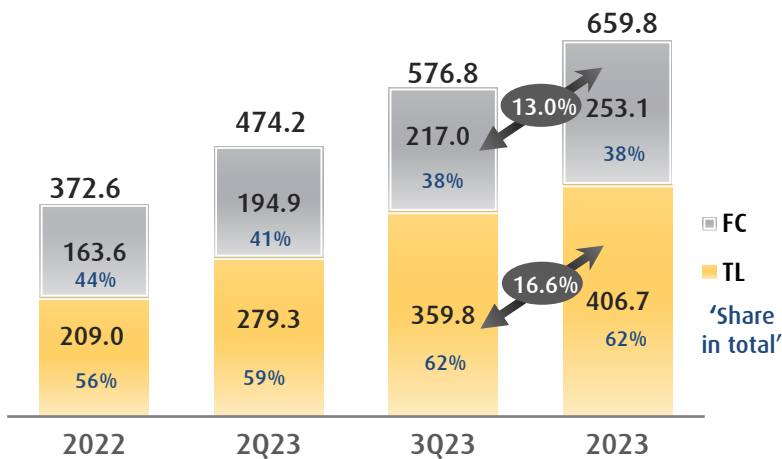
Total Securities (TL billion)



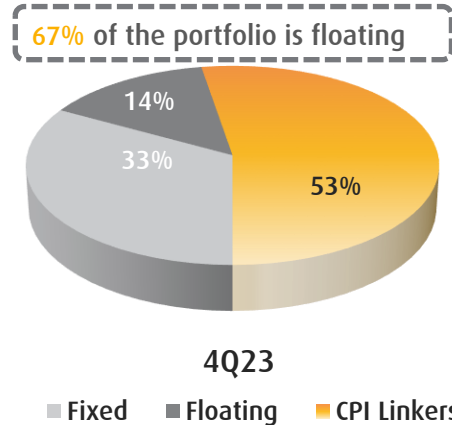
Portfolio Structure



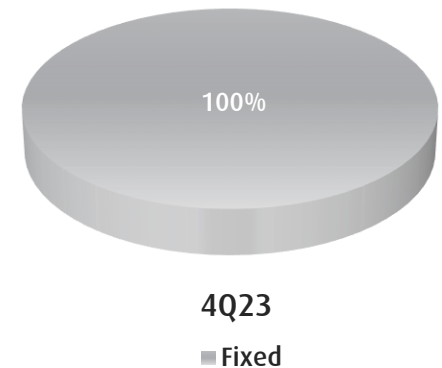
Security Breakdown (TL billion)



Breakdown of TL Securities

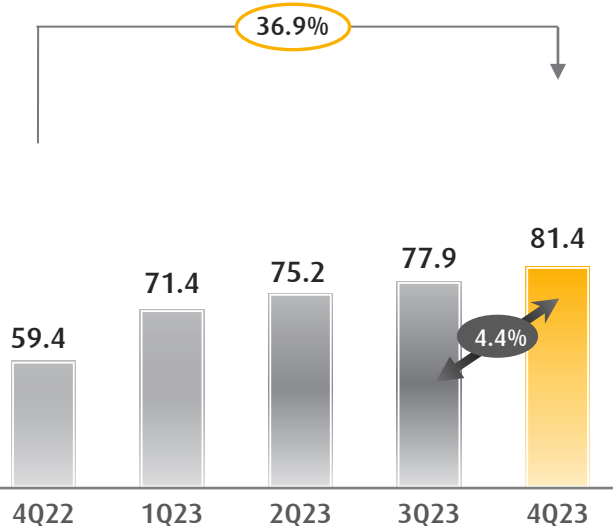


Breakdown of FC Securities

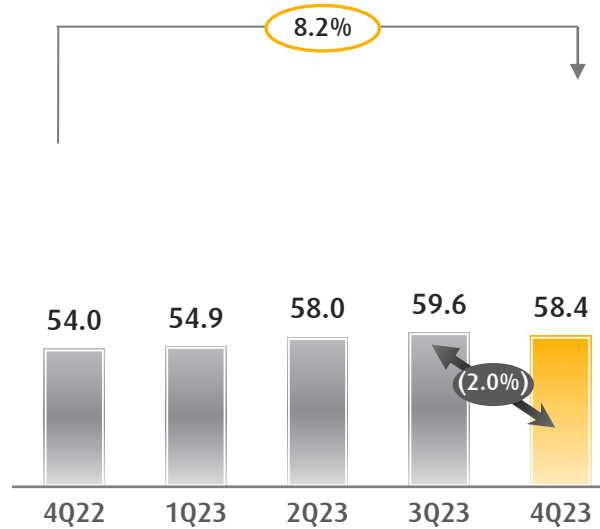


Retail lending portfolio

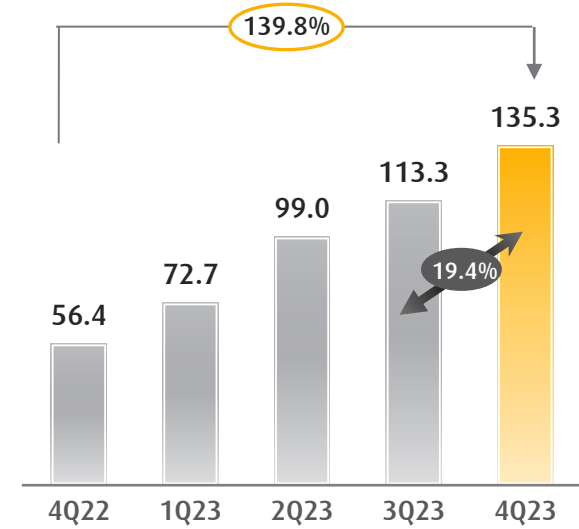
General Purpose Consumer (TL billion)



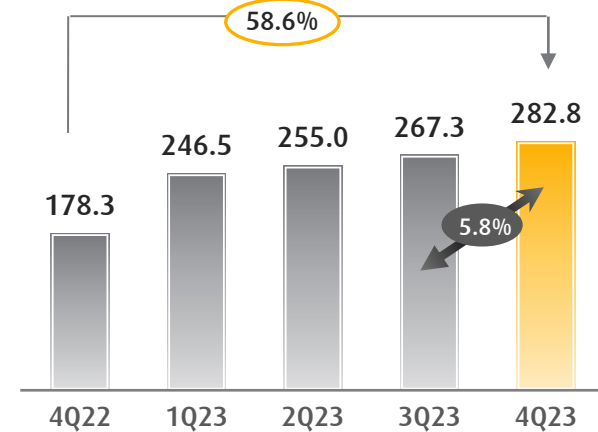
Residential Mortgages (TL billion)



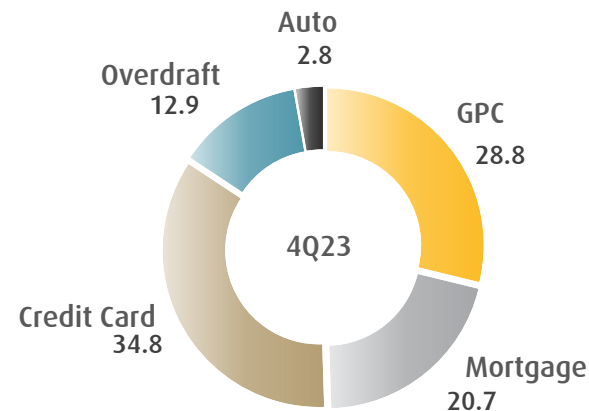
Credit Card Loans (TL billion)*



Total Retail (TL billion)



Breakdown of Retail Loans (%)



Total Retail Customers 23.1 mn

Total Payroll Customers ~2 mn

Diversified funding sources via non-deposit funding

Sustainable-linked syndication

USD 1.5 billion outstanding

- **Nov'23:** USD 658 million equivalent syndicated loan, SOFR +3.50%, Euribor +3.25% for 1 year, 34 banks from 19 countries
- **May'23:** USD 826 million equivalent syndicated loan, SOFR +4.25%, Euribor +4.00% for 1 year, 36 banks from 20 countries

Subordinated Bonds

TL 4,250 million outstanding Tier II and TL 5 billion & EUR 700 million Tier I

- **Oct'22:** TL 1,750 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 TL REF 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 834.3 million outstanding

- **World Bank:** outstanding funding USD 439.5 million
- **EBRD:** outstanding funding USD 2.1 million
- **EIB:** outstanding funding USD 123.4 million
- **KFW:** outstanding funding USD 44.3 million
- **AFD:** outstanding funding USD 225 million

Post Finance & Bilateral

USD 717 million outstanding

- **Post Finance:** EUR 110 million and USD 144 million outstanding
- **Dec'21:** CNY 3.2 billion bilateral loan with China Development Bank, 3 years maturity

Eurobonds and Private Placements

USD 3.5 billion outstanding Eurobonds and USD 522.6 million outstanding Private Placements

- **Sep'23-Dec'23':** USD 80 million private placements
- **Sep'23:** USD 750 million, 9.0% coupon rate, 5 years and 1 month maturity
- **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 3.8 billion outstanding

- **Feb'23 - Mar'23** USD 2 billion equivalent (USD and Euro), 7 tranches, 5 years maturity
- **Mar'21:** USD 1.3 billion equivalent (USD and Euro), 7 tranches, 5-7 years maturity
- **Oct'19:** USD 324 million, 7 years maturity
- **Oct'18:** USD 300 million, 10 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 1.2 billion outstanding

Unconsolidated Key Financial Ratios

	2022	4Q22	3Q23	4Q23	2023
Profitability					
ROAE	30.2%	34.0%	26.2%	24.7%	18.0%
ROAA	1.8%	2.2%	1.6%	1.5%	1.1%
Cost / Income	18.1%	15.7%	32.4%	30.6%	33.7% ^{**}
Cost / Assets	1.1%	1.6%	1.7%	1.8%	1.9%
Fee / Cost	60.2%	54.4%	67.3%	76.3%	63.6% ^{**}
NIM	6.8%	10.9%	3.2%	5.3%	2.9%
Swap-adj NIM	6.5%	10.7%	2.7%	4.0%	2.3%
Liquidity					
Loans / Deposits	82.8%	82.8%	81.3%	76.4%	76.4%
<i>TL Loans / Deposits</i>	<i>94.9%</i>	<i>94.9%</i>	<i>90.5%</i>	<i>82.4%</i>	<i>82.4%</i>
Liquidity Coverage Ratio (Total)	197.8%	197.8%	176.5%	198.6%	198.6%
FC Liquidity Coverage Ratio	450.7%	450.7%	337.8%	372.2%	372.2%
Asset Quality					
NPL Ratio	2.1%	2.1%	1.5%	1.3%	1.3%
Stage II Ratio	8.3%	8.3%	6.7%	7.8%	7.8%
Stage II Coverage Ratio	24.4%	24.4%	22.9%	23.9%	23.9%
Stage III Coverage Ratio	81.3%	81.3%	82.4%	81.4%	81.4%
Net Cost of Risk	254 bps	468 bps	235 bps	350 bps	210 bps
Solvency					
CAR	15.2%	15.2%	14.7%	15.1%	15.1%
Tier I Ratio	13.6%	13.6%	13.2%	13.6%	13.6%
CET 1 Ratio	11.5%	11.5%	11.4%	11.7%	11.7%
Leverage	14.7x	14.7x	15.0x	15.3x	15.3x

Unconsolidated Balance Sheet

	(TL thousand, %)		2022		3Q23		2023		TL		USD	
			TL	USD equivalent	TL	USD equivalent	TL	USD equivalent	Δ YoY	Δ QoQ	Δ YoY	Δ QoQ
Assets	Cash & Balances with Central Bank		268,935,221	14,358,528	335,064,092	12,221,079	385,703,700	13,045,515	43.4%	15.1%	(9.1%)	6.7%
	Interbank		40,641,494	2,169,861	60,488,582	2,206,252	132,518,839	4,482,136	226.1%	119.1%	106.6%	103.2%
	Securities		372,587,589	19,892,557	576,849,841	21,039,937	659,771,028	22,315,194	77.1%	14.4%	12.2%	6.1%
	Loans		933,450,970	49,837,211	1,383,359,440	50,456,450	1,499,288,217	50,709,877	60.6%	8.4%	1.8%	0.5%
	Subsidiaries & Investments		14,201,803	758,238	18,222,407	664,641	20,364,932	688,796	43.4%	11.8%	(9.2%)	3.6%
	Property & Equipment		11,991,371	640,223	13,748,945	501,477	25,723,696	870,043	114.5%	87.1%	35.9%	73.5%
	Other		39,252,175	2,095,685	92,641,637	3,378,998	115,314,479	3,900,239	193.8%	24.5%	86.1%	15.4%
	Total Assets		1,681,060,623	89,752,302	2,448,991,414	89,324,155	2,796,634,132	94,589,533	66.4%	14.2%	5.4%	5.9%
Liabilities & SHE	Deposits		1,127,701,975	60,208,328	1,700,643,549	62,029,024	1,961,761,117	66,351,928	74.0%	15.4%	10.2%	7.0%
	Funds Borrowed		130,746,242	6,980,579	199,682,631	7,283,195	221,677,590	7,497,720	69.5%	11.0%	7.4%	2.9%
	Repo		132,113,364	7,053,570	134,711,827	4,913,459	132,363,434	4,476,880	0.2%	(1.7%)	(36.5%)	(8.9%)
	Securities Issued		69,854,008	3,729,525	108,762,264	3,966,979	118,329,215	4,002,206	69.4%	8.8%	7.3%	0.9%
	Other		65,951,110	3,521,148	107,688,255	3,927,806	134,546,283	4,550,710	104.0%	24.9%	29.2%	15.9%
	Subordinated Loans		24,043,286	1,283,678	30,904,306	1,127,199	34,437,278	1,164,759	43.2%	11.4%	(9.3%)	3.3%
	Shareholders' Equity		106,984,889	5,711,953	153,233,983	5,589,034	171,427,614	5,798,133	60.2%	11.8%	1.5%	3.7%
Off-B.S.	Guarantees		274,248,526	14,642,206	391,637,685	14,284,536	489,391,821	16,552,520	78.4%	25.0%	13.0%	15.9%
	Commitments		341,017,330	18,207,012	692,028,897	25,240,961	738,916,699	24,992,109	116.7%	6.8%	37.3%	(1.0%)
	Derivatives		403,311,547	21,532,918	840,989,100	30,674,113	970,105,046	32,811,508	140.5%	15.4%	52.4%	7.0%

Unconsolidated Income Statement

(TL thousand, %)	2022	3Q23	4Q23	2023	YoY	QoQ
Net Interest Income (Inc. Swap Cost)	70,326,695	12,827,095	21,275,628	41,356,873	(41.2%)	65.9%
<i>Swap Cost</i>	<i>-3,388,468</i>	<i>-2,320,721</i>	<i>-7,317,214</i>	<i>-10,598,201</i>	<i>212.8%</i>	<i>215.3%</i>
Net Fee & Com. Income	10,792,735	7,037,605	9,474,119	25,745,988	138.5%	34.6%
Dividend Income	149,074	189,138	1,174	199,740	34.0%	(99.4%)
Net Trading Income (Exc. Swap Cost)	8,378,638	8,577,010	3,542,235	24,629,111	194.0%	(58.7%)
Other Income	1,919,490	436,558	1,867,479	15,916,430	729.2%	327.8%
Operating Expenses	-17,931,787	-10,463,667	-12,416,345	-40,504,954*	125.9%	18.7%
Pre-Provision Profit	73,634,845	18,603,739	23,744,290	67,343,188	(8.5%)	27.6%
Net Provisions	-19,106,867	-7,801,551	-12,605,007	-25,588,730	33.9%	61.6%
<i>Expected Credit Loss</i>	<i>-26,865,264</i>	<i>-11,011,258</i>	<i>-16,979,327</i>	<i>-49,961,062</i>	<i>86.0%</i>	<i>54.2%</i>
<i>Provisions Reversals</i>	<i>7,758,397</i>	<i>3,209,707</i>	<i>4,374,320</i>	<i>24,372,332</i>	<i>214.1%</i>	<i>36.3%</i>
Other Provisions	-30,454,363	-1,285,024	-1,097,078	-11,365,768	(62.7%)	(14.6%)
<i>Tax Provisions</i>	<i>-13,226,363</i>	<i>-1,285,024</i>	<i>3,152,922</i>	<i>-365,768</i>	<i>(97.2%)</i>	<i>(345.4%)</i>
<i>Free Provisions</i>	<i>-17,228,000</i>	<i>-</i>	<i>-4,250,000</i>	<i>-11,000,000</i>	<i>-</i>	<i>-</i>
Net Income	24,017,232	9,514,109	10,022,642	25,045,910	4.3%	5.3%



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