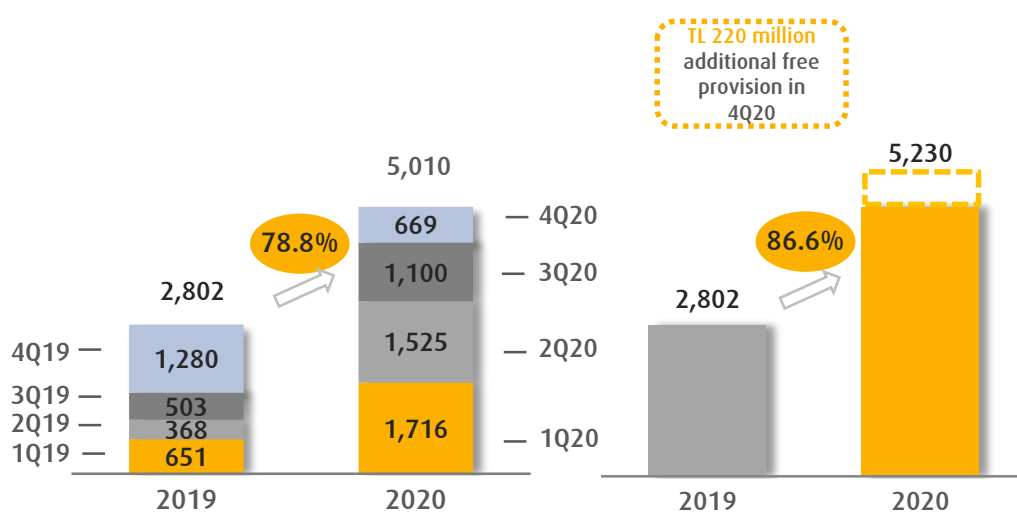




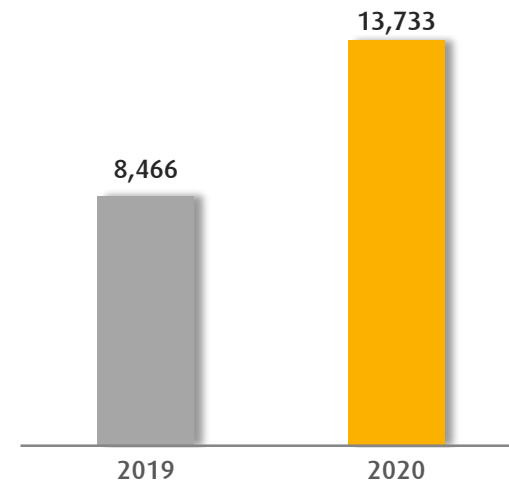
Earnings Presentation
BRSA Bank-Only YE2020
February 9, 2021

YE2020 Earnings and Ratios

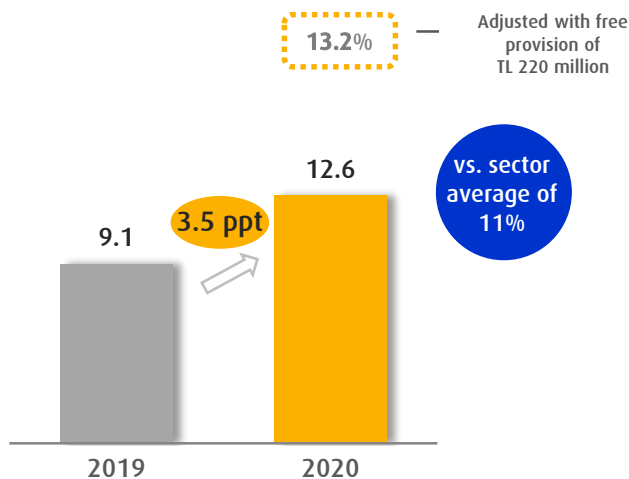
Net Income (TL million)



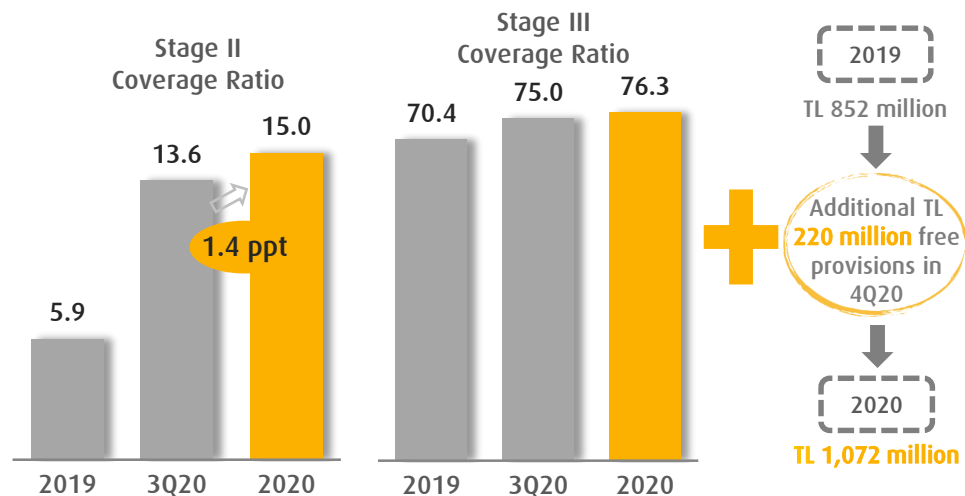
Pre-Provisioning Operating Income (TL million)*



Annual ROAE (%)



Proactively Coverage Increase (%)



Key Highlights of 2020

Above sector average annual ROAE despite challenging macro conditions

- 2020 bank-only net income came at **TL 5,010 million**, up by **79%** YoY vs. sector average of **21%** despite strengthened coverage ratios and additional free provisions.
 - Annual net income would be **TL 5,230 million** if adjusted with additional free provision amount of **TL 220 million**.
- Annual average ROE materialized at **12.6%** vs. sector average of **11%**.
 - Annual average ROE would be **13.2%** if adjusted with additional free provision.

Annual NIM expansion maintained

- Annual NIM widened to **4.30%** from 2019 annual NIM of **4.14%** despite quarterly contraction in core spreads in 4Q20.
- Annual swap adjusted NIM came at **3.74%** vs. 2019 annual swap adjusted NIM of **3.07%**.

Further strengthened coverages with proactive approach

- Stage-II coverage ratio further increased to **15%** in 2020YE from **5.9%** in 2019YE.
- Stage-III coverage ratio further increased to **76.3%** in 2020YE from **70.4%** in 2019YE.
- Total NPL coverage ratio also increased to **123.8%** in 2020YE from **90.4%** in 2019YE.
- Free provisions increased to **TL 1,072 million**.

Strong deposit growth above sector average

- Total deposits were up by **64.6%** YoY vs **34.6%** sector average with a market share of **12%** in 2020 vs **9.8%** in 2019;
 - TL deposits were up by **49.9%** YoY vs **22.8%** sector average,
 - FC deposits were up by **47.3%** YoY in USD terms vs **16.7%** sector average.

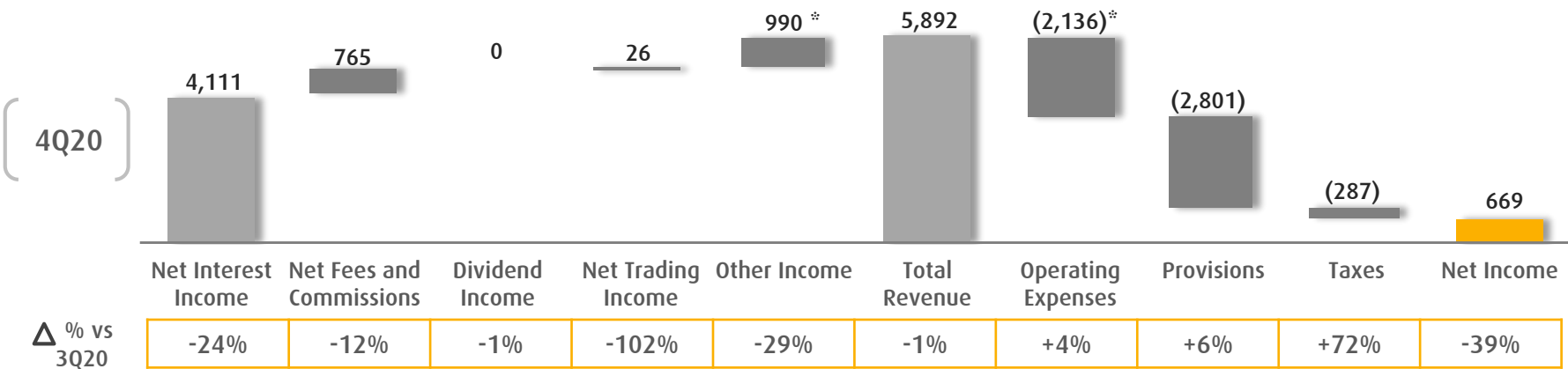
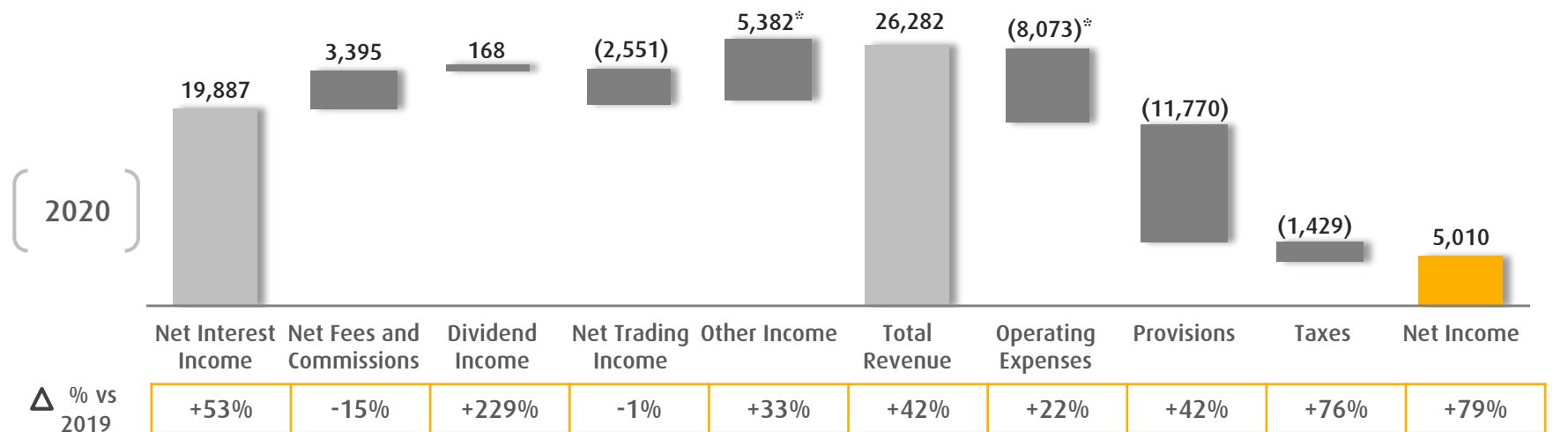
Improved liquidity levels

- Liquidity ratios are above regulatory thresholds;
 - FC LCR is at **281%** vs min threshold of **80%**,
 - Total LCR is at **125%** vs min threshold of **100%**.

Fresh and pioneer external funding transactions

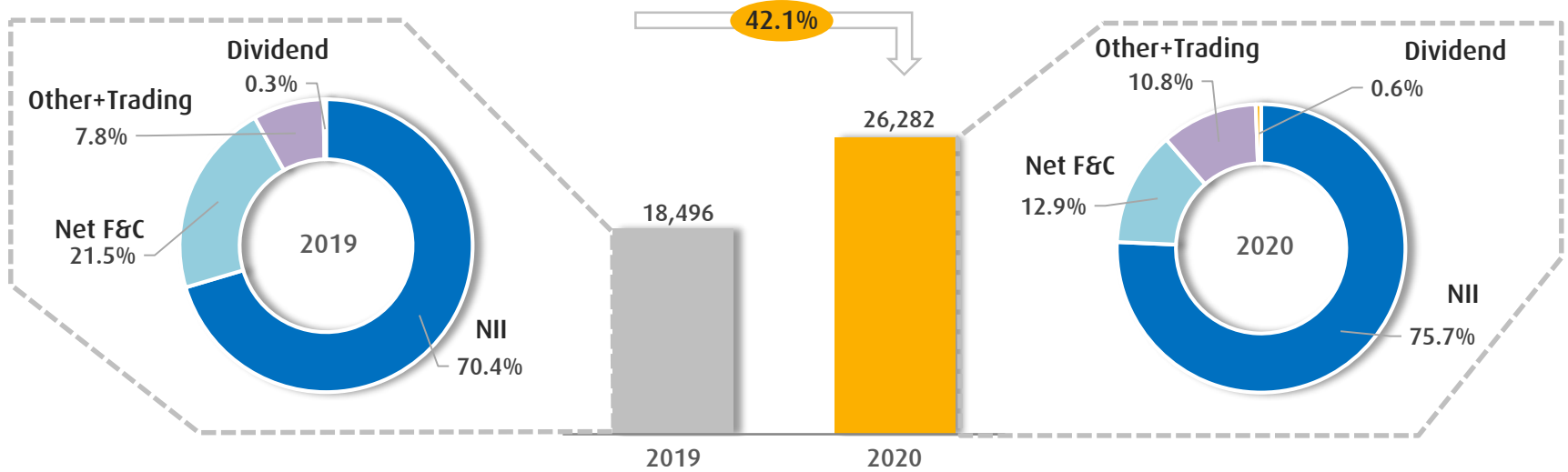
- In December, the first sustainable eurobond, issued by a commercial bank amounting **USD 750 million** with a maturity of 5 years.
- In December, multi-tranche facility agreement with AFD amounting **EUR 200 million** which is the largest amount obtained as “Green Mortgage Project” in Turkish banking sector.
- In November, syndication loan agreement amounting **USD 660 million** with a **109% rollover ratio**.
- Bilateral and post-financing transactions with correspondent banks amounting **USD 1.1 billion** in 2020.

4Q20 P&L Details



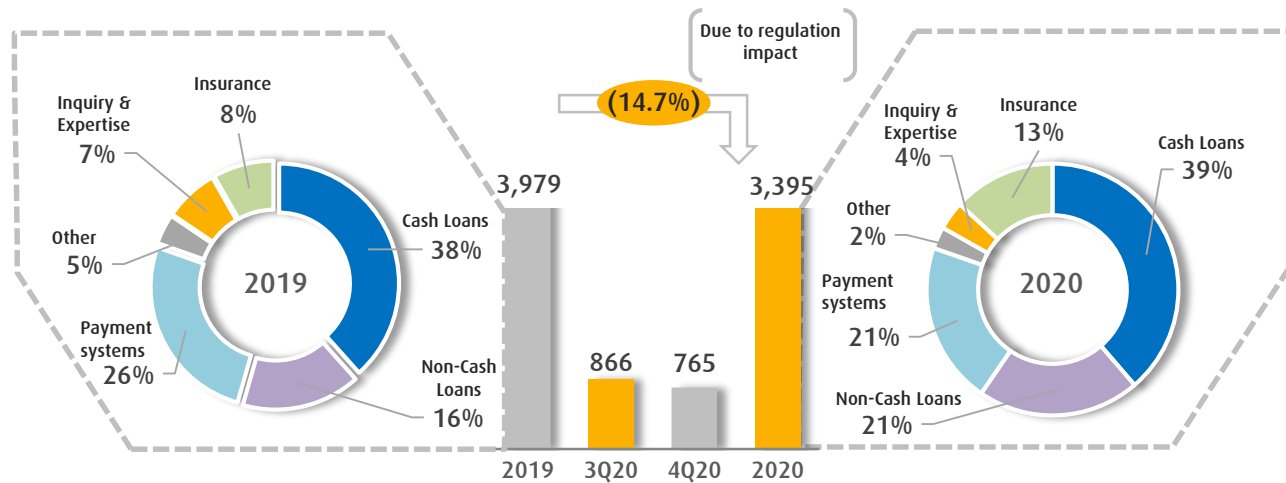
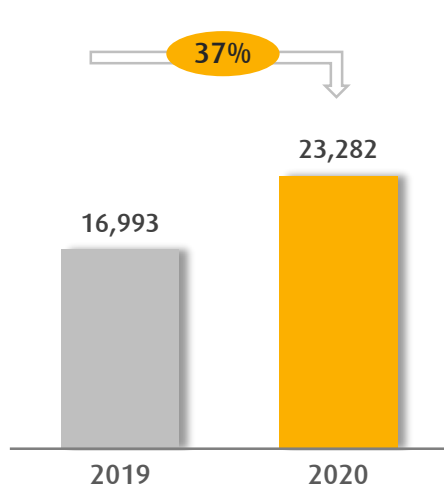
High quality revenue breakdown

Total Revenues** – Revenue Breakdown (TL million)



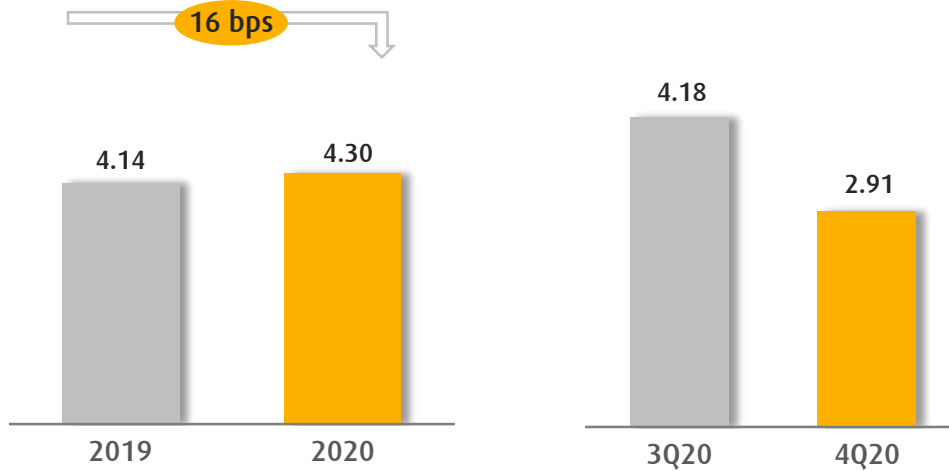
Core Banking Revenues (TL million)**

Net Fee & Commission Income Breakdown (% , TL million)

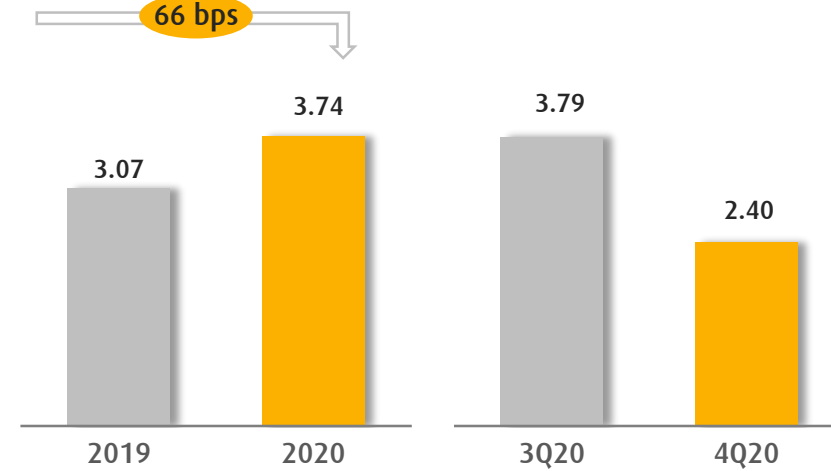


NIM, Spreads & Costs

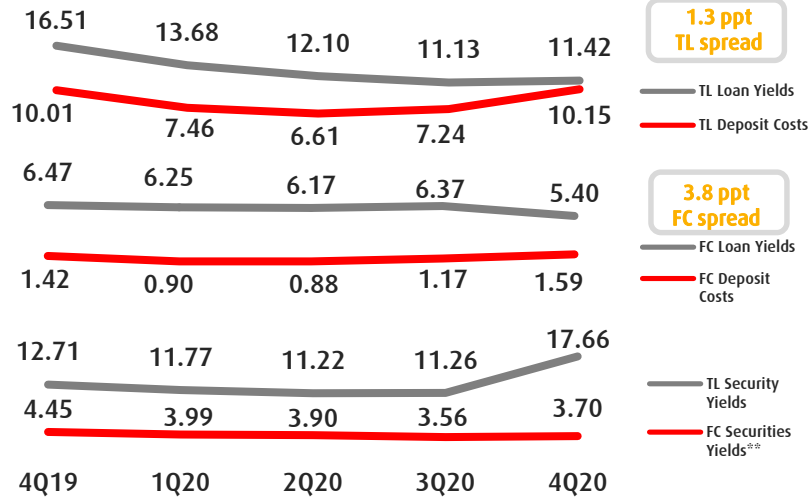
Net Interest Margin (NIM %)



Swap Adjusted Net Interest Margin (%)



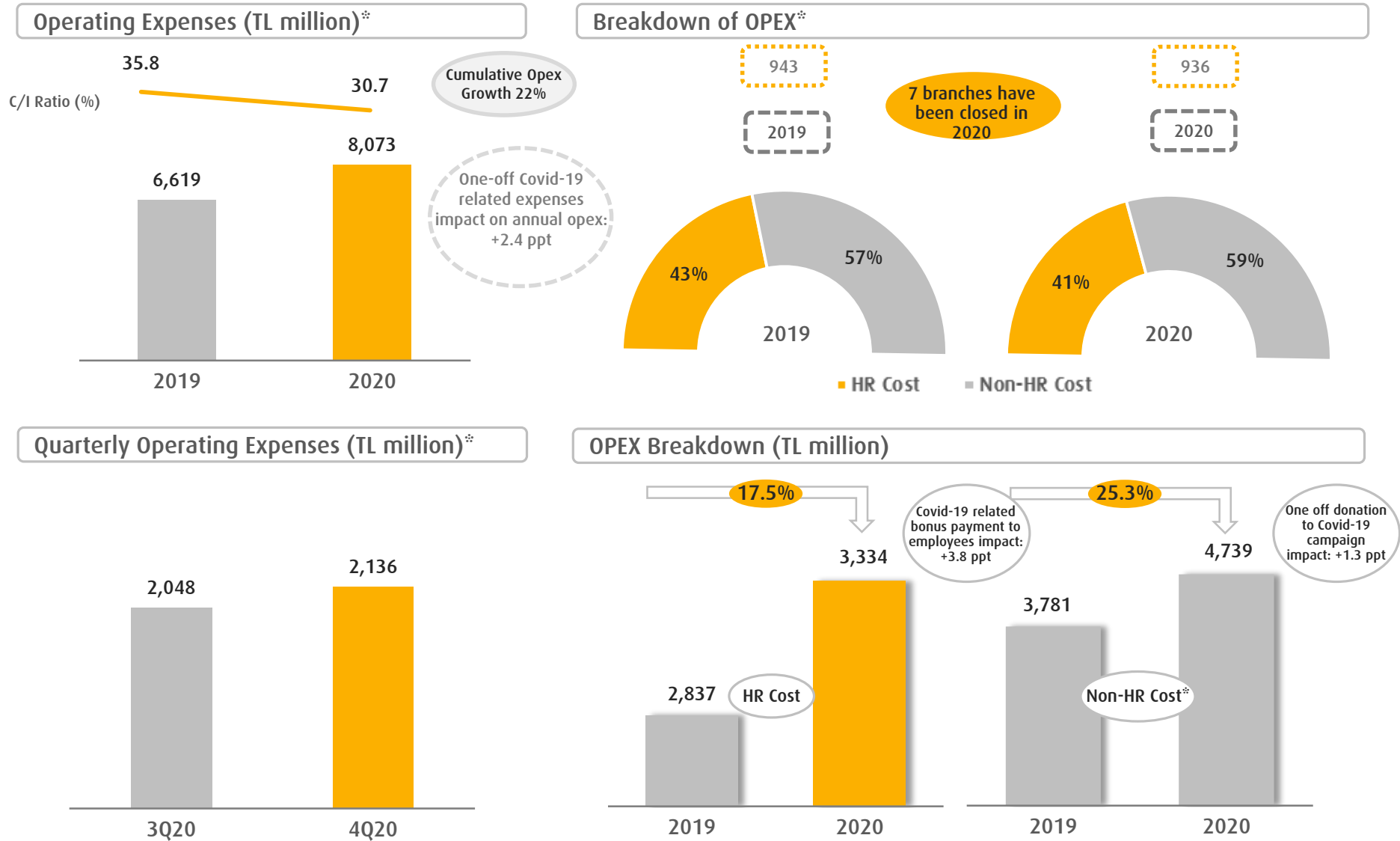
Core Spreads (%)



Total Money Market Funding

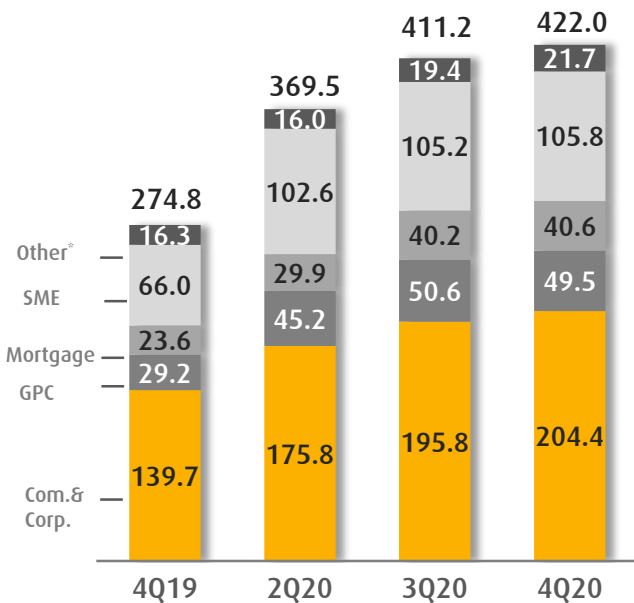
	1Q20	2Q20	3Q20	4Q20
Quarterly average total money market funding*	TL 51.2 billion	TL 72.0 billion	TL 68.2 billion	TL 80.9 billion
Quarterly average cost of money market funding	10.13%	8.19%	8.56%	13.12%
Average Swap Usage	TL 27.2 billion	TL 34.9 billion	TL 27.3 billion	TL 27.3 billion
Swap Cost	TL 652 million	TL 707 million	TL 511 million	TL 724 million

The lowest cost/income ratio among peer group despite one-off Covid-19 related expenses

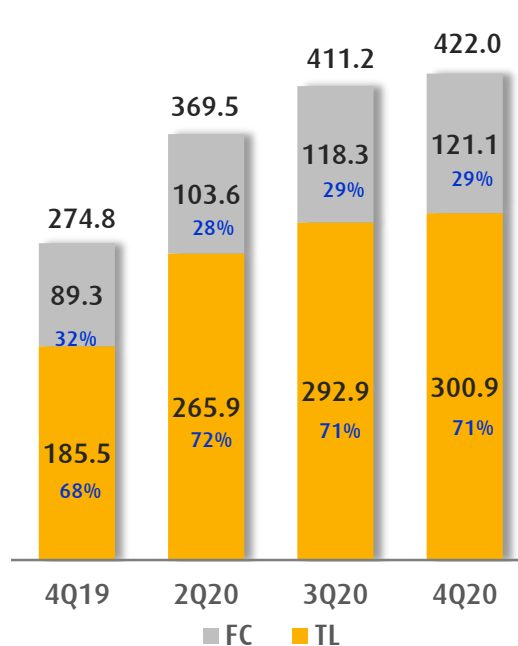


Well-diversified & stable loan breakdown

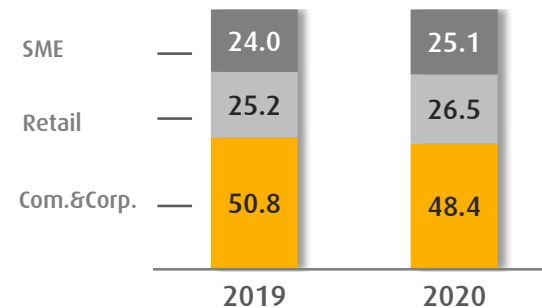
Segment Breakdown of Loans (TL billion)



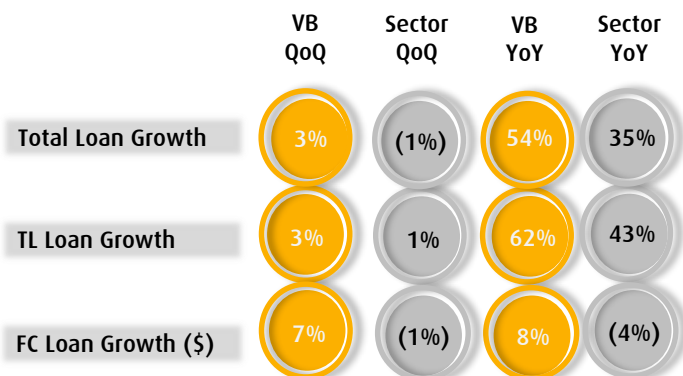
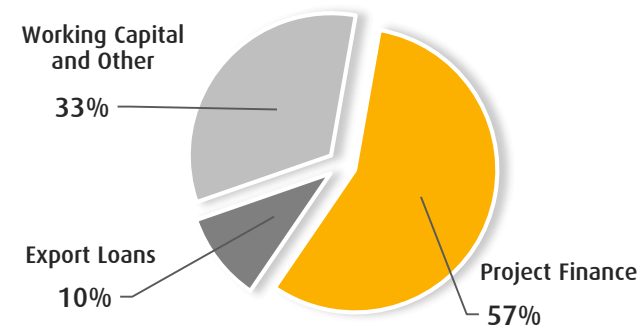
Currency Breakdown of Loans (TL billion)



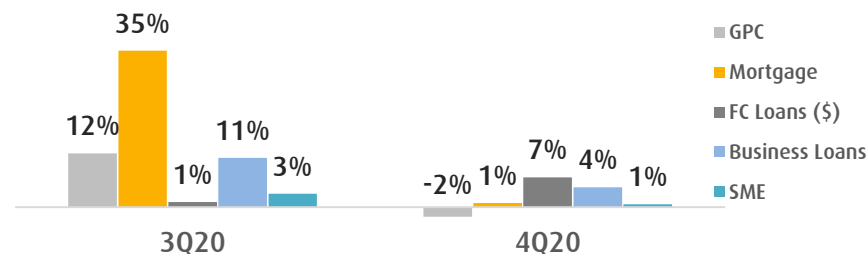
Portfolio Breakdown (%)



Breakdown of FC Loans

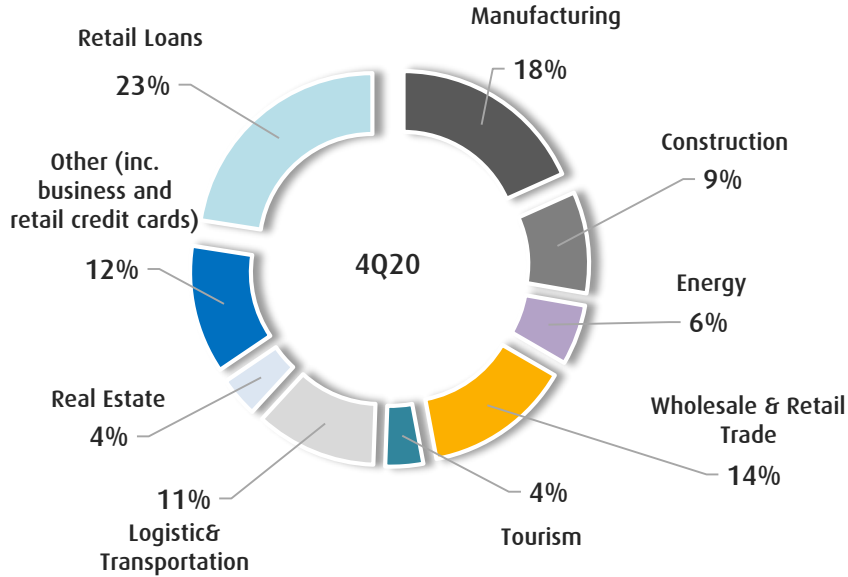


Quarterly Loan Growth

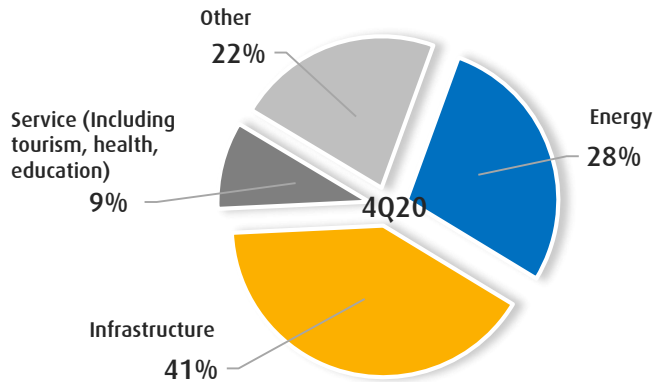


Breakdown of loan portfolio

Sector Breakdown of Cash Loans



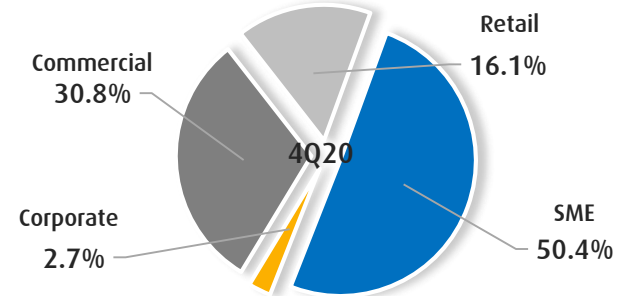
Breakdown of Project Finance



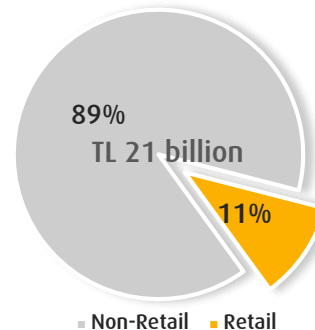
2020 Covid Related CGF Package

(TL billion)	Outstanding Amount
Non-Retail CGF Loans	TL 42.8
Retail CGF Loans	TL 10.3

Segment Breakdown of Total Outstanding CGF Loans



Covid-19 Related Deferral Loans' Payment Performance



Total deferred installment amount: TL 21 billion

Expired : 55%

of which paid: 90%

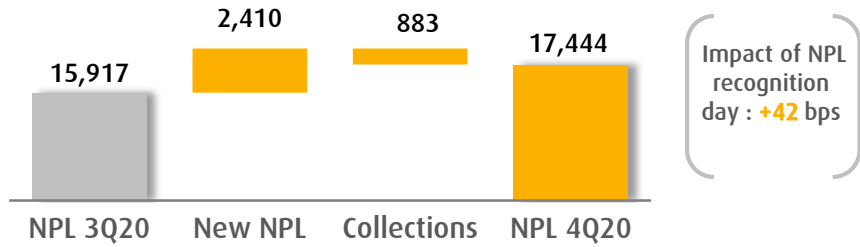
Loan payments deferred due to covid

Stage I 92%

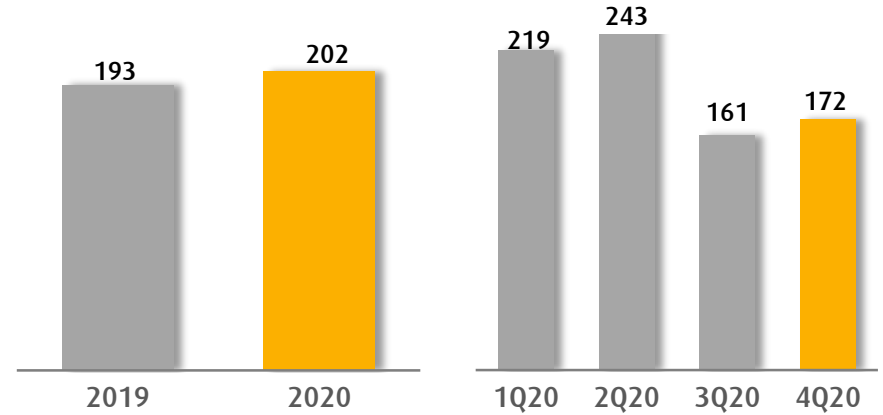
Stage II 8%

Further strengthened coverages with proactive approach

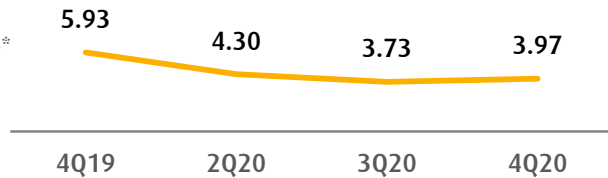
NPL (TL million)*



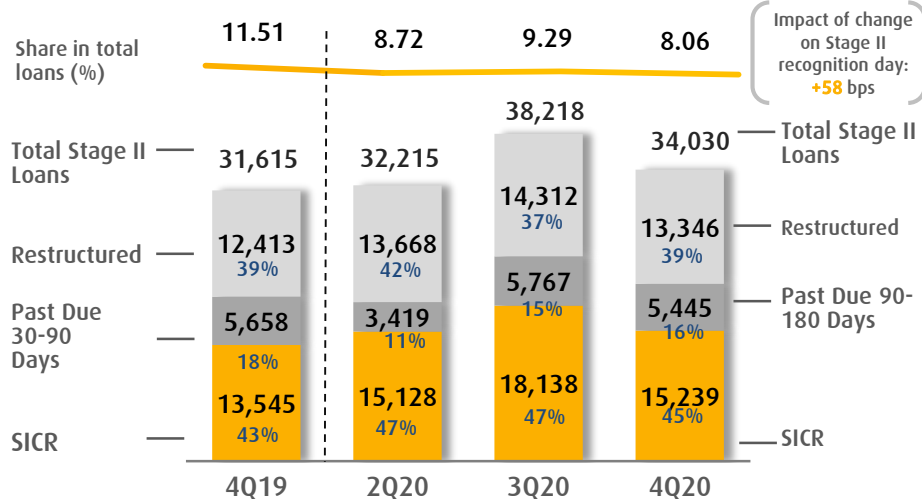
Net Cost of Risk (bps)**



NPL Ratio (%)**



Stage II Loans Breakdown (TL million)



Coverage Ratios (%)

	YE19	1Q20	2Q20	3Q20	YE20
Stage I	0.7	0.7	0.7	0.7	0.8
Stage II	5.9	7.3	12.0	13.6	15.0
Stage III	70.4	70.1	73.1	75.0	76.3
Total	90.4	93.3	110.5	124.4	123.8

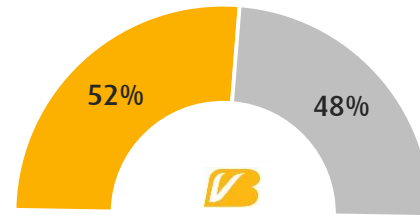
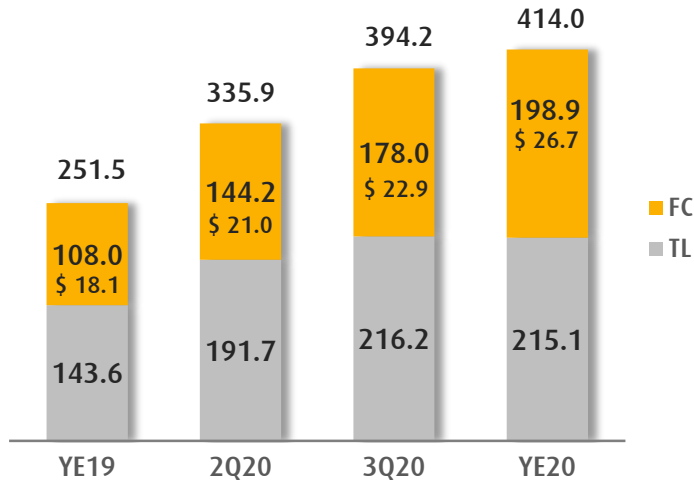
TL 1,072 million free provision

Strong market share on deposits maintained

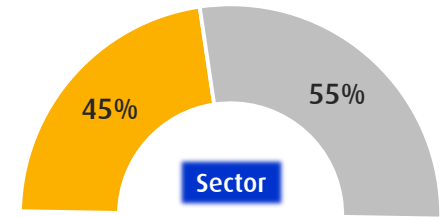
Total Deposits (TL billion)

Breakdown of Deposits

Market Share



■ TL Deposits ■ FC Deposits

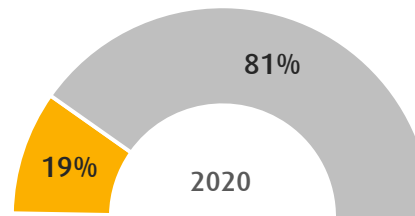


■ TL Deposits ■ FC Deposits

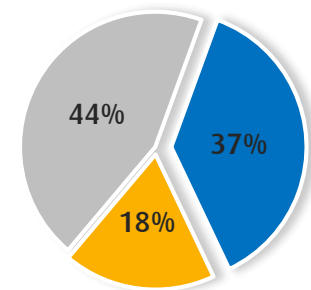
The share of customer deposit is **59%** in total liabilities

Demand deposits growth
QoQ: **3.8%**
YoY: **58.9%**

	VB QoQ	Sector QoQ	VB YoY	Sector YoY
Total Deposits Growth	5%	(1%)	65%	35%
TL Deposits Growth	0%	1%	50%	23%
FC Deposits Growth (\$)	16%	2%	47%	17%



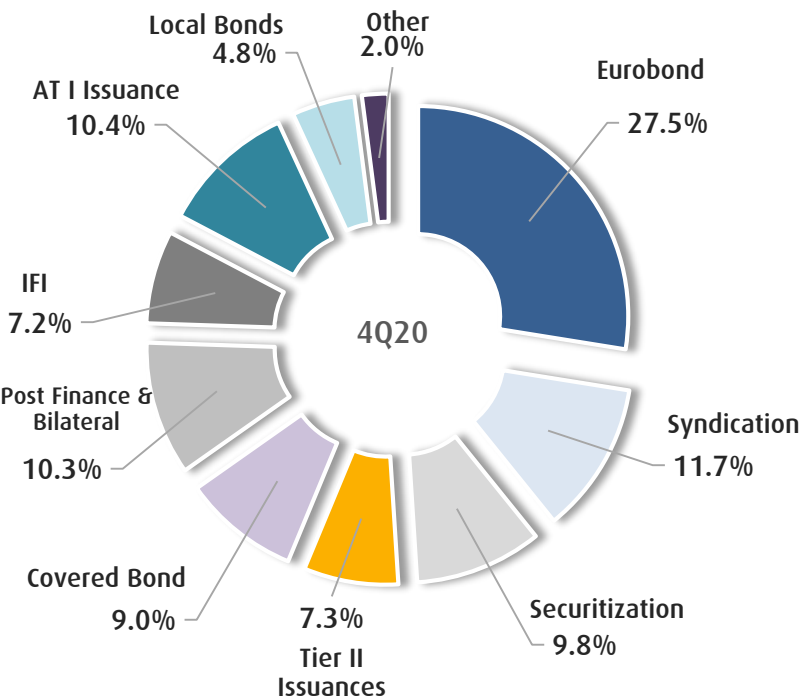
■ Demand ■ Term



■ Retail Deposit ■ State Deposit ■ Other

Fresh and pioneer external funding transactions

Breakdown of Wholesale Funding



USD 5.1 billion fresh funding despite challenging macro conditions in 2020

The first sustainable eurobond issued by a deposit bank amounting **USD 750 million** with a maturity of 5 years

Multi-tranche facility agreement with AFD amounting **EUR 200 million** which is the largest amount obtained as **"Green Mortgage Project"** in Turkish banking sector

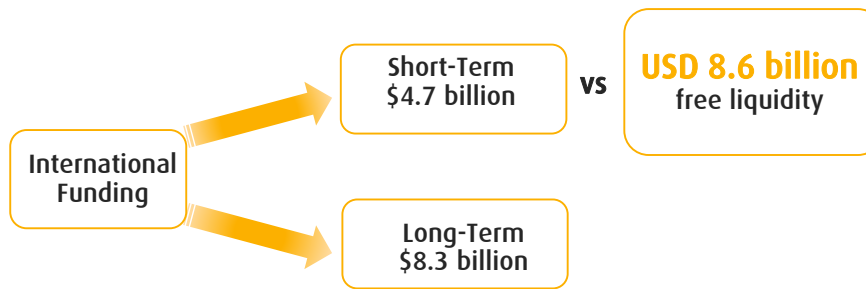
Syndication loan agreement amounting **USD 660 million** with a **109%** rollover ratio

Bilateral & post-financing transactions with correspondent banks amounting **USD 1.1 billion** in 2020

Share of total international funding in total liabilities **16%** in YE20

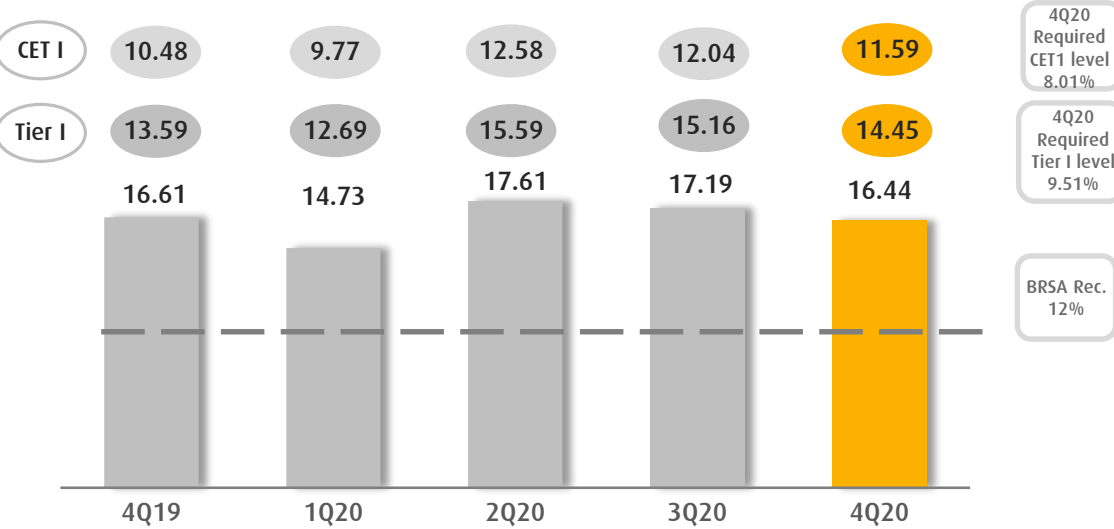
~USD 13.5 billion total international funding

FC LCR: 281% vs 80% minimum threshold

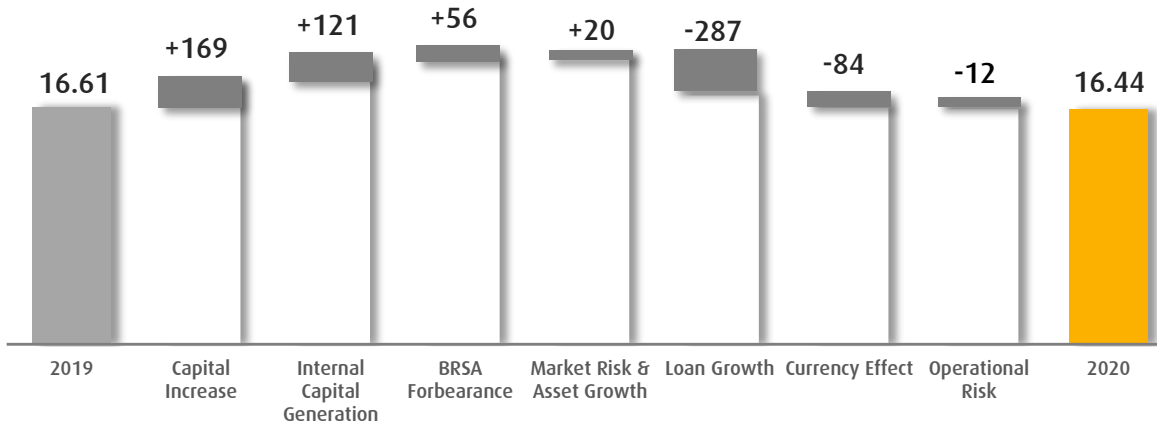


Solvency ratios

Capital Adequacy Ratio (%)



Solvency ratios without forbearances (% - 4Q20)	
CAR	15.88
Tier I	13.92
CET I	11.16



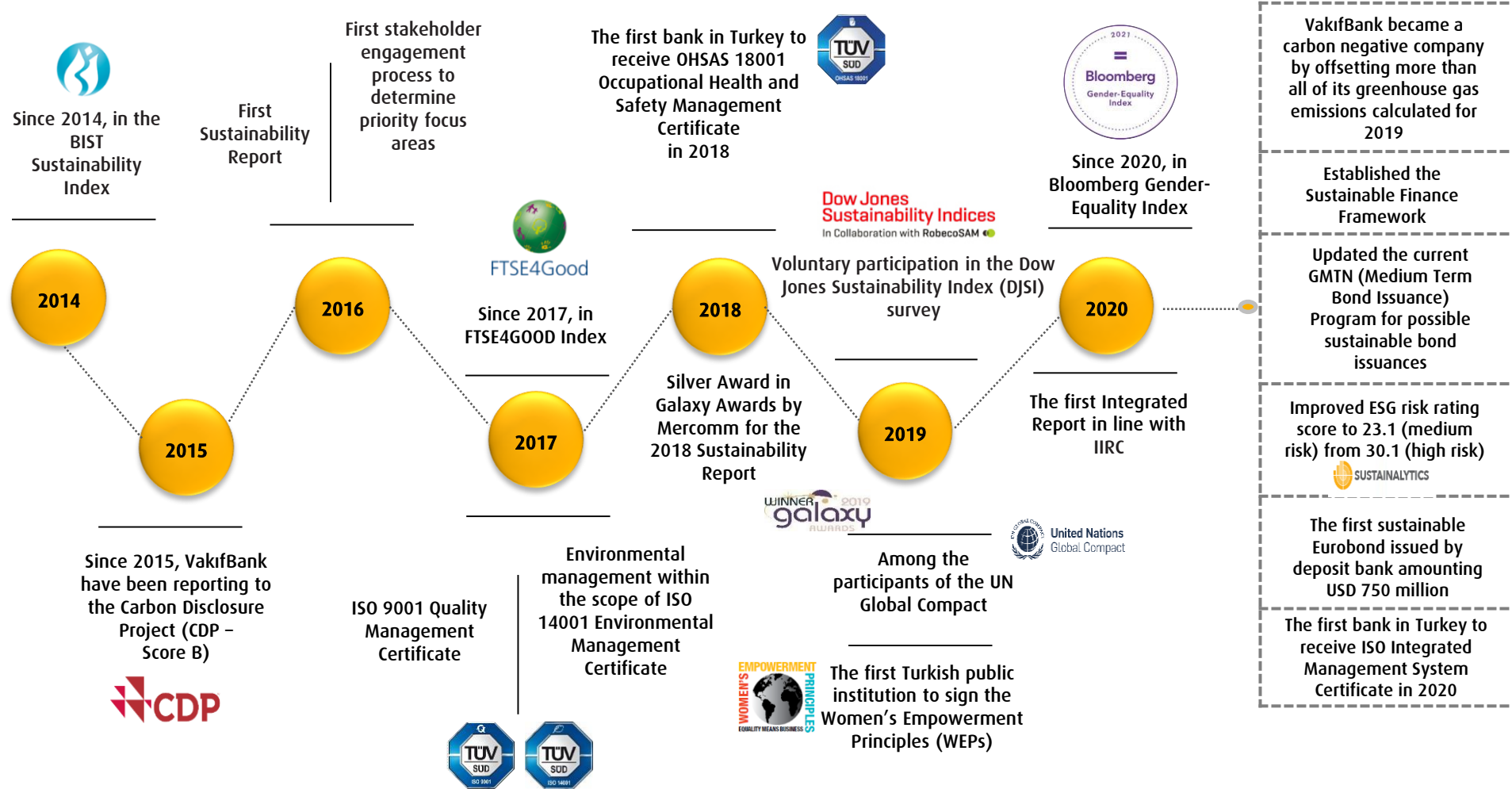
The effect of 1 ppt interest rate increase/ decrease on CAR is **~10 bps**

The effect of TL 0.1 decrease /increase in USD/TL parity on CAR is **~6 bps**

Appendix

Pg. 15	Milestones on the sustainable banking approach
Pg. 16	Improved efficiency with enhanced digital platforms
Pg. 17	Composition of assets&liabilities
Pg. 18	Well-positioned security portfolio
Pg. 19	Retail Lending Portfolio
Pg. 20	Diversified funding sources via non-deposit funding
Pg. 21	Unconsolidated Key Financial Ratios
Pg. 22	Unconsolidated Balance Sheet
Pg. 23	Unconsolidated Income Statement

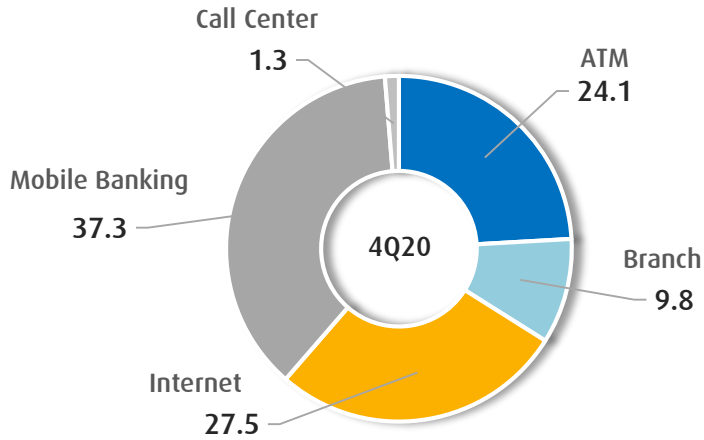
Milestones on the sustainable banking approach



Improved efficiency with enhanced digital platforms

Non-branch transaction share**

~90%



of active* digital banking customers reached **5.2 million** with **45%** growth YoY

The volume of the transaction made through digital platform increased **123%** YoY

of transaction made through digital platform increased **36%** YoY

of active* digital banking customers growth with **5.1%** QoQ

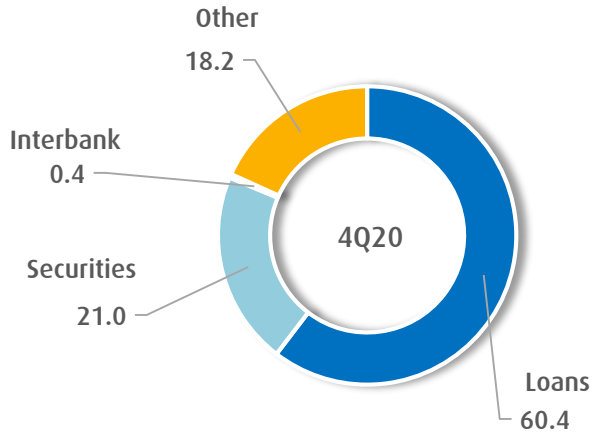
936
Branches

4,247
ATMs

5,223K
Digital Banking Customers

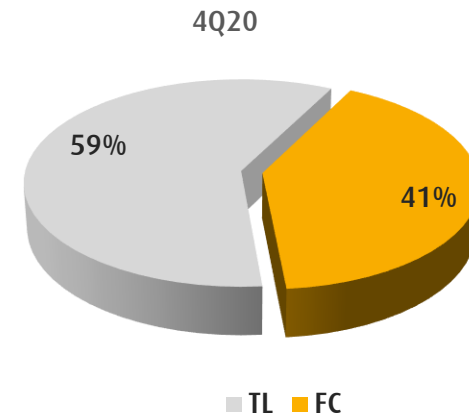
Composition of asset&liabilities

Breakdown of Assets (%)

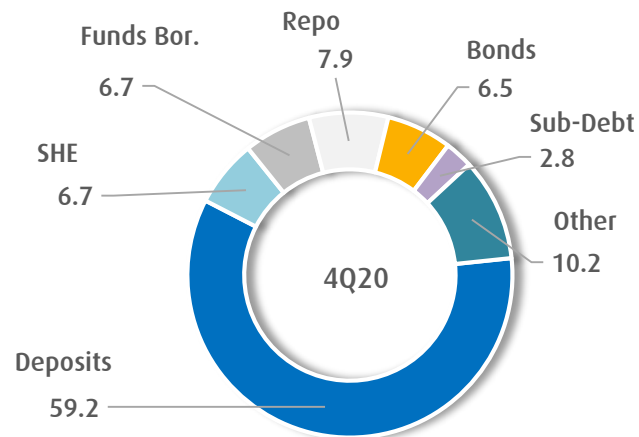


The share of IEA
81.8%
in total assets

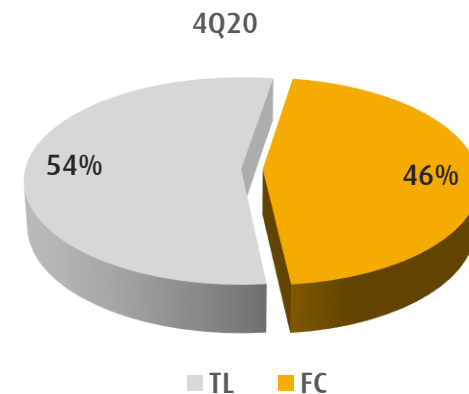
TL/FC Mix in Total Assets



Breakdown of Liabilities (%)

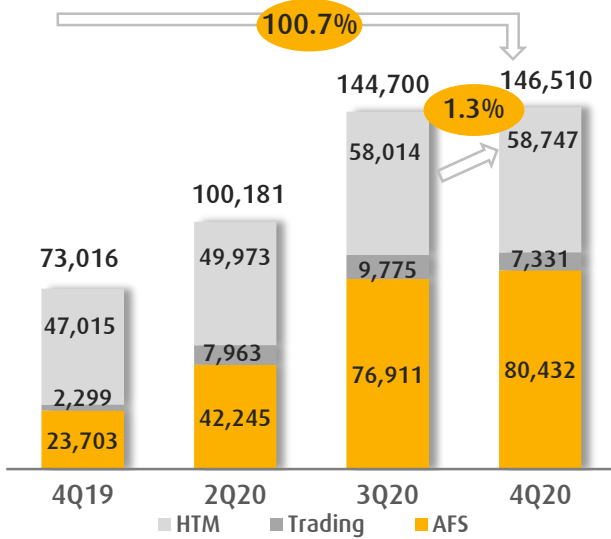


TL/FC Mix in Total Liabilities

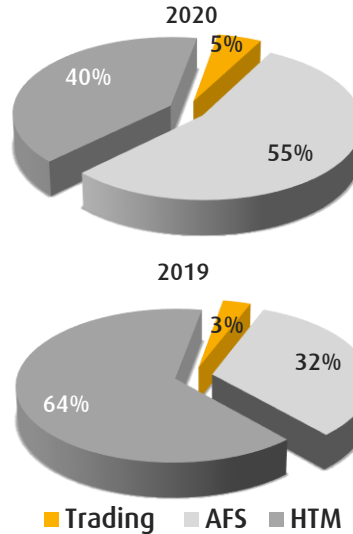


Well-positioned security portfolio

Total Securities (TL million)



Portfolio Structure

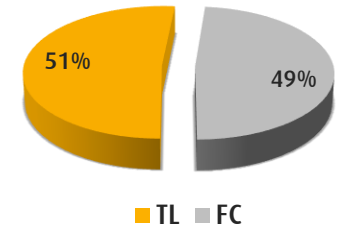


Breakdown of FC Securities

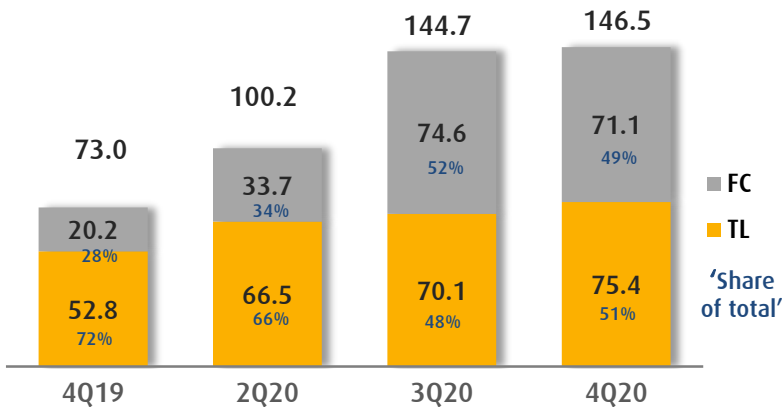
Share of Fixed: 100%

Breakdown of TL Securities

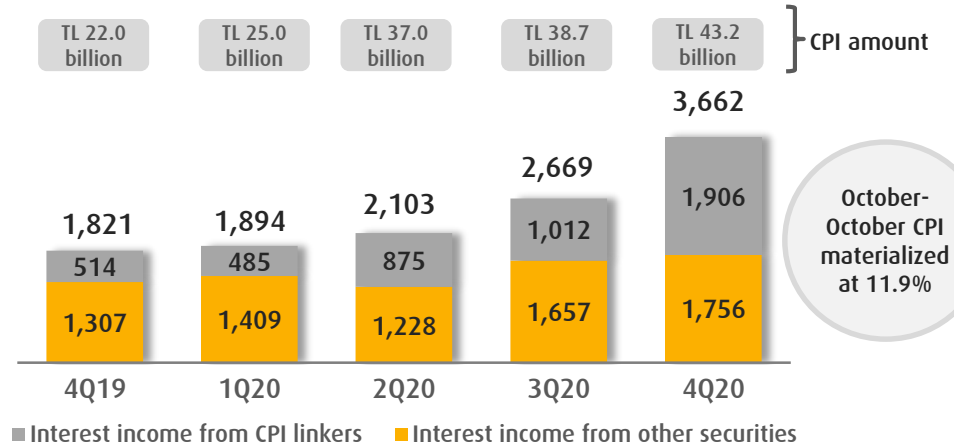
Share of Fixed: 26%
Share of Floating: 17%
Share of CPI Linkers: 57%



Security Breakdown (TL billion)

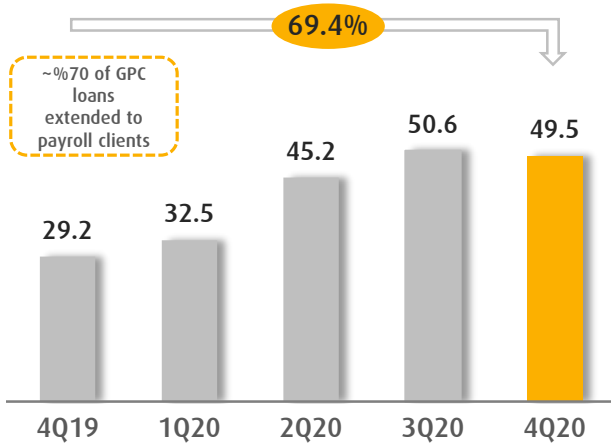


Breakdown of Interest Income from Securities (TL million)

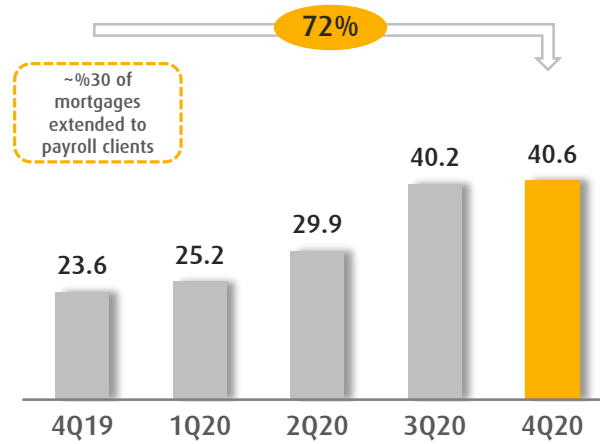


Retail Lending Portfolio

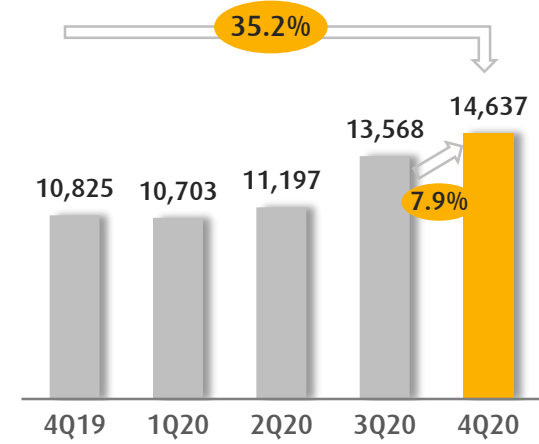
General Purpose Consumer (TL billion)



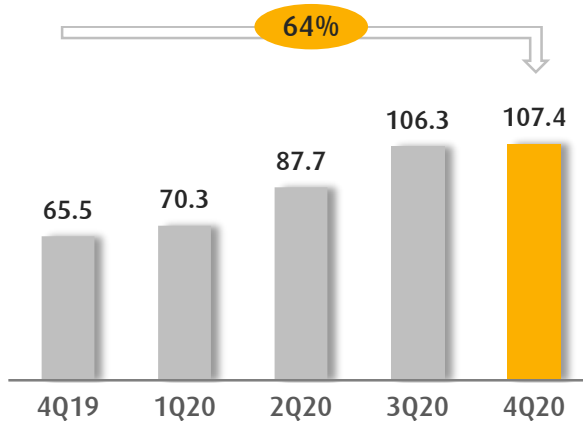
Residential Mortgages (TL billion)



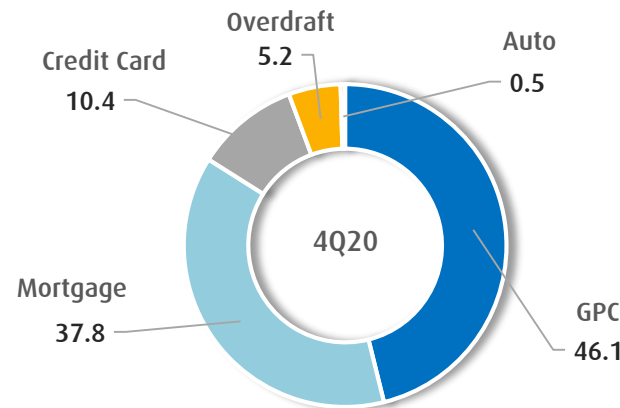
Credit Card Loans (TL million)*



Total Retail (TL billion)



Breakdown of Retail Loans (%)



Total Retail Customers: 20.3 million

Total Payroll Customers: 2.4 million

Diversified funding sources via non-deposit funding

Syndication

USD 2 billion outstanding

- **Mar'20:** USD 325 million bilateral loan with ICBC, 3 years maturity
- **Apr'20:** USD 950 million equivalent syndicated loan, Libor +2.25%, Euribor +2,00% for 1 year, 33 banks from 16 countries
- **Nov'20:** USD 660 million equivalent syndicated loan, Libor +2.50%, Euribor +2.25% for 1 year, 27 banks from 17 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 1.17 billion outstanding

- **World Bank:** outstanding funding USD 223.3 million
- **EBRD:** outstanding funding USD 124.4 million (USD 56.6 million under DPR Program and EUR 50 million under Covered Bond Program included)
- **EIB:** outstanding funding USD 528.6 million
- **KfW:** outstanding funding USD 196.6 million
- **AFD:** outstanding funding USD 98.3 million

Post Finance&Bilateral

- EUR 340 million and USD 689 million outstanding

Eurobonds and Private Placements

USD 3.75 billion outstanding Eurobonds and USD 292.8 million outstanding Private Placements

- **Mar'20 – Dec'20:** USD 392 million equivalent, 16 Private Placements
- **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
- **May'17:** USD 500 million, 5.625% coupon rate, 5 years maturity
- **Oct'16:** USD 500 million, 5.5% coupon rate, 5 years maturity

DPR Securitizations

USD 1.4 billion outstanding

- **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
- **Oct'16:** USD 890 million equivalent (USD and Euro), USD 354.4 million has 5 years maturity, USD 537.5 million has 7 years maturity, seven tranches

Covered Bond

EUR 500 million and TL 6.2 billion outstanding

- **Feb'19:** TL 1.118,2 million, 8 years maturity
- **Jan'19:** TL 396.3 million, 8 years maturity
- **Dec'18:** TL 1 billion, 5 years maturity
- **Feb'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
- **May'16:** EUR 500 million, 2.375% coupon rate, 5 years maturity

Local Bonds

- TL 5.3 billion outstanding

Unconsolidated Key Financial Ratios

	2019	4Q19	3Q20	4Q20	2020
Profitability					
ROAE	9.1%	16.1%	10.0%	5.9%	12.6%
ROAA	0.7%	1.3%	0.7%	0.4%	0.9%
Cost / Income*	35.8%	30.2%	34.4%	36.2%	30.7%
Cost / Assets*	1.6%	1.7%	1.3%	1.2%	1.2%
Fee / Cost**	60.1%	59.1%	42.3%	35.8%	42.1%
Liquidity					
Loans / Deposits	109.2%	109.2%	104.3%	101.9%	101.9%
<i>TL Loans / Deposits</i>	129.2%	129.2%	135.5%	139.9%	139.9%
Liquidity Coverage Ratio (Total)**	130.2%	130.2%	112.1%	125.2%	125.2%
FC Liquidity Coverage Ratio***	510.4%	510.4%	184.7%	280.6%	280.6%
Asset Quality					
NPL Ratio	5.9%	5.9%	3.7%	4.0%	4.0%
Stage III Coverage Ratio	70.4%	70.4%	75.0%	76.3%	76.3%
Net Cost of Risk*	1.9%	2.6%	1.6%	1.7%	2.0%
Solvency					
CAR	16.6%	16.6%	17.2%	16.4%	16.4%
Tier I Ratio	13.6%	13.6%	15.2%	14.5%	14.5%
Leverage	11.7x	11.7x	13.4x	14.0x	14.0x

Unconsolidated Balance Sheet

	YE19		3Q20		YE20		TL		USD	
(thousand)	TL	USD	TL	USD	TL	USD	Δ YoY	Δ QoQ	Δ YoY	Δ QoQ
Assets										
Cash & Balances with Central Bank	36,495,220	6,128,500	43,588,854	5,617,120	93,188,786	12,508,562	155.3%	113.8%	104.1%	122.7%
Interbank	5,861,343	984,273	2,721,482	350,706	2,772,672	372,171	-52.7%	1.9%	-62.2%	6.1%
Securities	73,016,285	12,261,341	144,699,994	18,646,906	146,510,383	19,665,823	100.7%	1.3%	60.4%	5.5%
Loans	274,776,822	46,142,204	411,216,322	52,991,794	422,043,159	56,650,088	53.6%	2.6%	22.8%	6.9%
Subsidiaries & Investments	2,801,276	470,407	3,940,323	507,774	5,045,540	677,254	80.1%	28.0%	44.0%	33.4%
Property & Equipment	3,018,660	506,912	3,981,624	513,096	4,825,602	647,732	59.9%	21.2%	27.8%	26.2%
Other	23,455,947	3,938,866	27,921,129	3,598,084	24,510,976	3,290,064	4.5%	-12.2%	-16.5%	-8.6%
Total Assets	419,425,553	70,432,503	638,069,728	82,225,480	698,897,118	93,811,694	66.6%	9.5%	33.2%	14.1%
Liabilities & SHE										
Deposits	251,530,899	42,238,606	394,205,755	50,799,711	414,043,543	55,576,314	64.6%	5.0%	31.6%	9.4%
Funds Borrowed	41,078,550	6,898,161	48,003,399	6,186,005	46,986,798	6,306,953	14.4%	-2.1%	-8.6%	2.0%
Repo	24,174,182	4,059,476	37,207,900	4,794,832	54,994,594	7,381,825	127.5%	47.8%	81.8%	54.0%
Securities Issued	29,176,369	4,899,474	41,950,290	5,405,965	45,512,967	6,109,123	56.0%	8.5%	24.7%	13.0%
Other	21,193,827	3,558,997	52,947,094	6,823,079	71,415,760	9,586,008	237.0%	34.9%	169.3%	40.5%
Subordinated Loans	19,245,453	3,231,814	19,569,178	2,521,801	19,458,798	2,611,919	1.1%	-0.6%	-19.2%	3.6%
Shareholders' Equity	33,026,273	5,545,974	44,186,112	5,694,087	46,484,658	6,239,551	40.8%	5.2%	12.5%	9.6%
Off-B.S.										
Guarantees	77,336,042	12,986,741	94,724,727	12,206,795	101,236,037	13,588,730	30.9%	6.9%	4.6%	11.3%
Commitments	82,372,881	13,832,558	98,422,506	12,683,313	113,156,641	15,188,811	37.4%	15.0%	9.8%	19.8%
Derivatives	174,863,843	29,364,205	193,046,426	24,877,117	230,090,282	30,884,602	31.6%	19.2%	5.2%	24.1%

Unconsolidated Income Statement

(TL-thousand, %)	2019	3Q20	4Q20	2020	Δ YoY	Δ QoQ
Net Interest Income	13,014,712	5,401,549	4,110,798	19,887,403	52.81%	-23.90%
Net Fee & Com. Income	3,978,688	865,573	764,982	3,395,062	-14.67%	-11.62%
Dividend Income	50939	172	171	167839	229.49%	-0.58%
Net Trading Income	-2,583,694	-1,717,155	26,229	-2,550,724	-1.28%	-101.53%
Other Income [‡]	4,035,254	1,401,191	990,145	5,382,333	33.38%	-29.34%
Total Revenues*	18,495,899	5,951,330	5,892,325	26,281,913	42.10%	-0.99%
Operating Expenses [‡]	-6,618,617	-2,047,756	-2,135,618	-8,073,022	21.97%	4.29%
Provisions	-8,264,699	-2,636,151	-2,800,510	-11,769,618	42.41%	6.23%
Tax Provisions	-810,292	-167,394	-287,157	-1,428,817	76.33%	71.55%
Net Income	2,802,291	1,100,029	669,040	5,010,456	78.80%	-39.18%



For Earnings
Presentations:



For VakıfBank IR
Application:



A member of BIST Sustainability Index



FTSE4Good



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