

VakıfBank's asset size increased by 66% YoY and reached to TL 2.8 trillion by the end of 2023

VakıfBank's financial support to the national economy through cash and non-cash loans by the end of 2023 increased by 65% on an annual basis and exceeded TL 1.9 trillion. In the same period, while cash loans increased by 61% annually, reaching to TL 1.5 trillion, total assets grew by 66% and reached to TL 2.8 trillion. Thus, the market shares for cash loans and total assets were 12.8% and 11.9%, respectively.

VakıfBank delivered a net income of TL 25 billion 46 million in 2023 and increased its total free provisions to TL 11 billion by setting aside additional TL 4.3 billion free provisions in the last quarter.

VakıfBank, synthesise its rooted 70-year history seamlessly with a sense of social responsibility and focusing on creating sustainable value for all stakeholders, has announced its unconsolidated year-end financial results for 2023.

"TL loans exceeded to TL 1 trillion level for the first time."

Assessing the financial results of 2023, VakıfBank's CEO Mr. Abdi Serdar Üstünsalih "In 2023, particularly in the second half of the year, Türkiye witnessed numerous positive developments, reaffirming the resilience of the Turkish banking sector under any circumstances. It was a period that once again demonstrated how robust Turkish economy is, thanks to the macroeconomic policies pursued by our economic management. The positive perceptions of foreign investors towards Türkiye and Turkish banks have been steadily increasing. As the second-largest bank in Türkiye, we have continued our uninterrupted support to the country's economy through efficient balance sheet management and our pioneering role in international markets.

Üstünsalih, stating that they support export and investment-focused projects, which are key components for economic growth, continued his words as follows:

"With our growth strategy in corporate&commercial and SME loans contributing to employment of the country, the total size of our commercial loan portfolio has exceeded TL 1.2 trillion, and our portfolio in TL loans has surpassed TL 1 trillion for the first time. While continuing our financial support to the real economy and businesses, on the other hand, we increased our provisions across all areas in line with our prudent approach. Thus, for the first time, VakıfBank's total NPL coverage ratio reached a historic high level above 300%. This ratio is an indicator of VakıfBank's prudent and robust stance against potential risks. In the upcoming period, we will continue to provide the necessary financial support to the real economy in line with our selective lending policy."

"TL term deposits surpassed to TL 1 trillion level for the first time."

Indicating about the performance on the deposit side, which is the main funding source of the Bank, Mr. Üstünsalih" With our granular deposit base and customer portfolio strategy, we continue to develop oriented-basis products and provide solutions tailored to the needs of all our customers in this area. Total deposits approached to TL 2 trillion with an increase of 74% annually. Thus, our market share in this field increased from 12.7% to 13.2% compared to the same period of the previous year. TL term deposits surpassed to TL 1 trillion level for the first time. While accurately managing customers' savings on one hand, we continue our efforts to be the primary bank where they conduct all banking transactions, addressing all their financial needs."

"The most active Turkish bank providing the highest amount of funding from international markets with USD 6.3 billion"

Mr. Üstünsalih stated, " In terms of international funding in 2023, VakıfBank issued a DPR securitization transaction amounting to USD 2 billion, is prominent as both the largest funding and the largest DPR securitization transaction in a lump among Turkish banks. Following that, we continued to maintain our position as the most active Turkish bank in international markets with a sustainable Eurobond transaction of 750 million dollars, syndicated loans, collateralized funding transactions, and operations carried out with IFI's"

Emphasizing the importance of international funding for Türkiye and Turkish banking sector, Mr. Üstünsalih concluded his words as follows:

"Throughout the year, with the fresh funds obtained from international markets amounting to USD 6.3 billion, international funding portfolio reached to USD 14 billion. I believe that, in addition to the improved foreign investor perception towards Türkiye and Turkish banks, an inevitable credit rating upgrade for Türkiye is expected in the second half of the year from rating agencies. Undoubtedly, I believe that the year 2024 is a highly productive year for the country and VakıfBank."

Significant financial indicators of unconsolidated balance sheet of VakıfBank as of 31 December 2023

Net Income Before Tax	TL 25,412 million
Net Income	TL 25,046 million
Total Assets	TL 2,797 billion
Total Cash and Non-cash Loans	TL 1,989 billion
Cash Loans	TL 1,499 billion
Non-cash Loans	TL 489,392 million
Total Deposits	TL 1,962 billion
Equity	TL 171,428 million
Funds Borrowed	TL 221,678 million
Securities Issued	TL 118,329 million