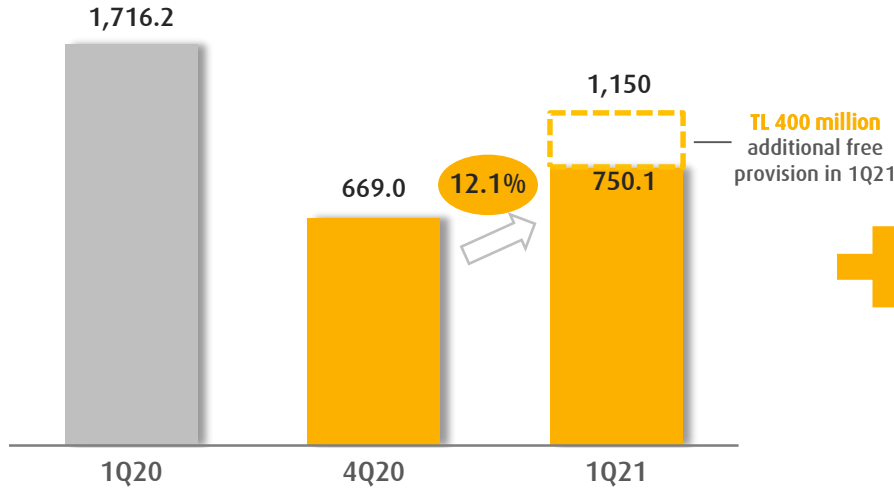




Earnings Presentation
BRSA Bank-Only 1Q21
May 6, 2021

1Q21 Earnings and Ratios

Net Income (TL million)



Conservative CPI estimation of
9.4% for YE21
11.63% for Oct – Oct in 1Q21

TL1,072 million
 free provisions in 2020



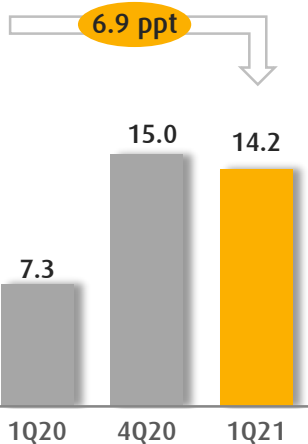
TL 400 million
 free provisions in 1Q21



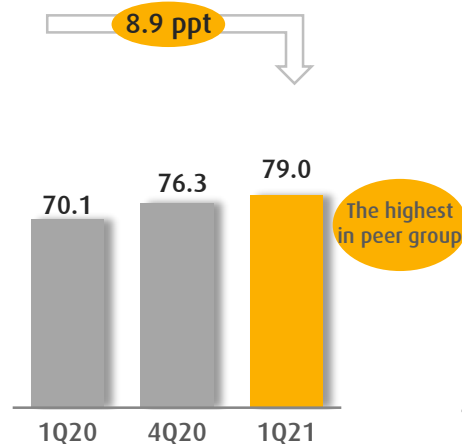
TL 1,472 million
 free provisions in the balance sheet

Coverage Ratios (%)

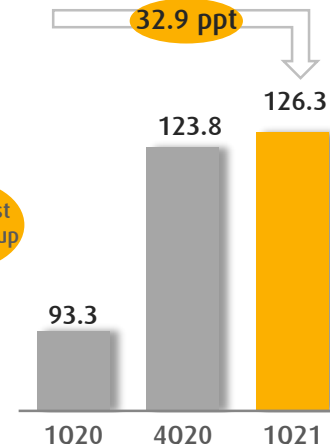
Stage II Coverage Ratio



Stage III Coverage Ratio



Total Coverage Ratio



Key Highlights of 1Q21

Net Income

- 1Q21 bank-only net income came at **TL 750 million**, up by **12.1%** QoQ.
 - Net income would be **TL 1,150 million** if adjusted with additional free provision amount of **TL 400 million**.
 - Quarterly net income growth would be **29.4%*** if adjusted with additional free provisions.
 - NII would be higher **~TL 250 mio** in case of 14% CPI exp. used in 1Q21.

Robust revenue generation capacity remained intact

- Total revenues are up by **12%** QoQ reaching at **TL 6.6 billion** despite NIM pressure.
- Additional revenues of around **TL 3 billion** through NPL collections and trading activities.

Strong coverage ratios

- Stage-II coverage ratio increased to **14.2%** in 1Q 2021 from 7.3% in 1Q 2020.
- Stage-III coverage ratio further increased to **79%** in 1Q 2021 from 70.1% in 1Q 2020.
- Total NPL coverage ratio also increased to **126.3%** in 1Q 2021 from 93.3% in 1Q 2020.
- Free provisions increased to **TL 1,5 billion**.

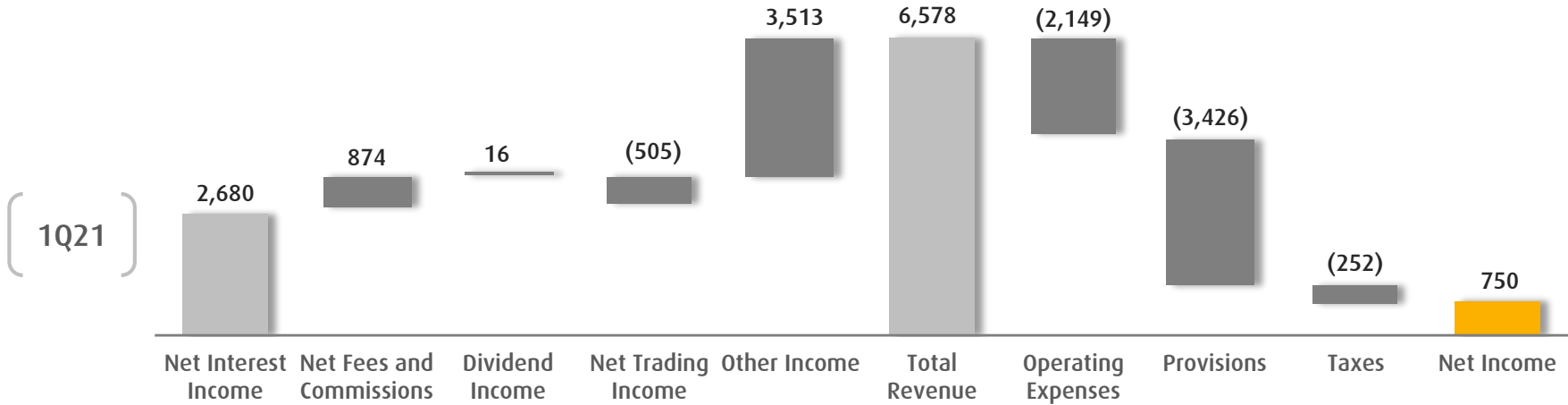
Further Improved liquidity levels

- Liquidity ratios are above regulatory thresholds;
 - FC LCR is at **302%** vs min threshold of 80%.
 - Total LCR is at **122%** vs min threshold of 100%.

A good start to the year with pioneer external funding transactions

- In March 2021, a new DPR securitization with an amount of **USD 1 billion 750 million** which is the largest DPR securitization transaction in a lump in the Turkish banking sector.
- In April 2021, a new syndication loan amounting **USD 1.1 billion** equivalent in total with 105% roll-over ratio, the first sustainable syndicated loan of the Bank.

1Q21 P&L Details

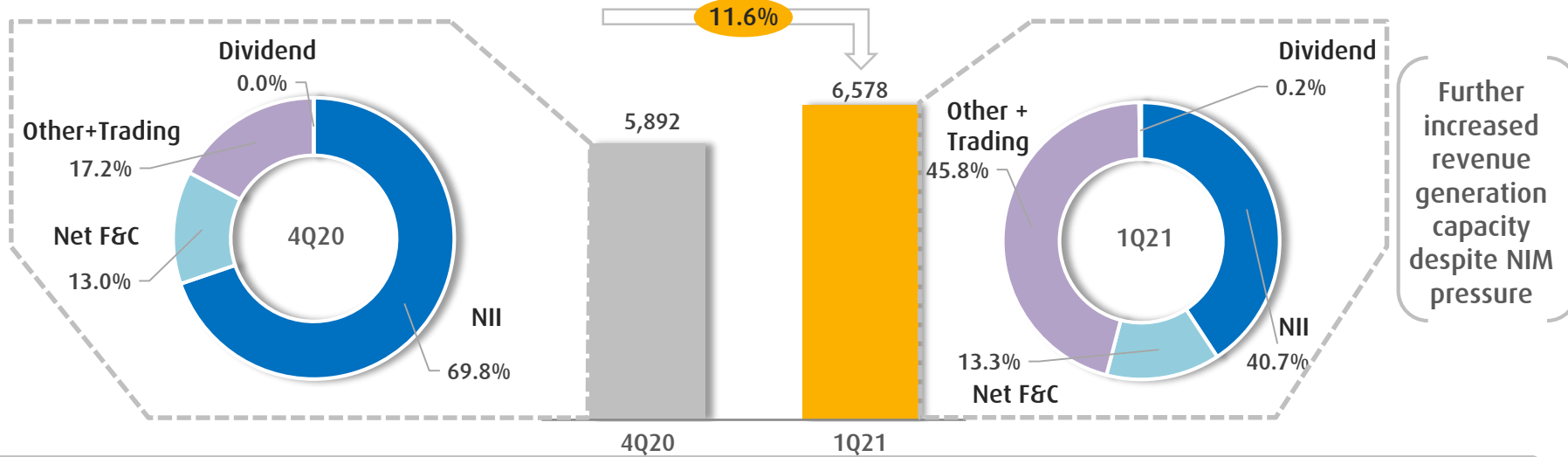


Δ % vs 1Q20	-45%	-14%	-90%	21%	+112%	-7%	+16%	+10%	-39%	-56%
--------------------	------	------	------	-----	-------	-----	------	------	------	------

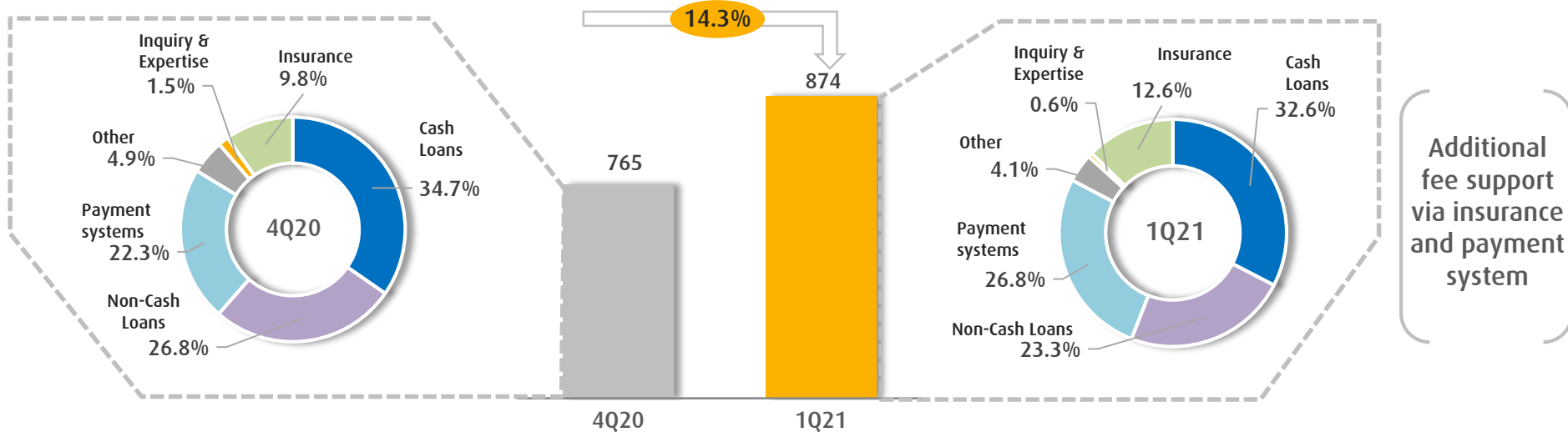
Δ % vs 4Q20	-35%	+14%	+9119%	-2027%	+255%	+12%	+1%	+22%	-12%	12%
--------------------	------	------	--------	--------	-------	------	-----	------	------	-----

Revenue breakdown

Total Revenues – Revenue Breakdown (TL million)

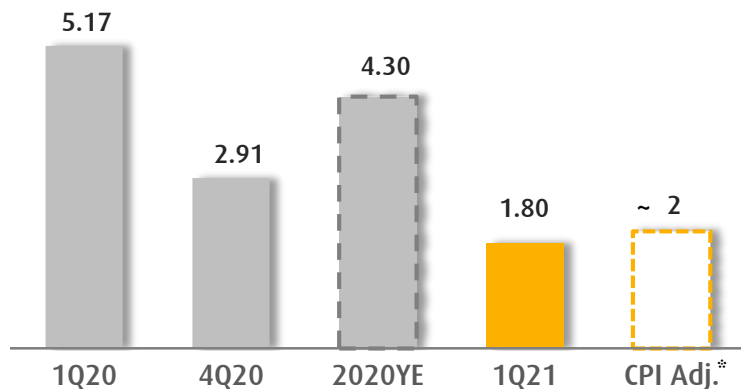


Net Fee & Commission Income Breakdown (TL million)



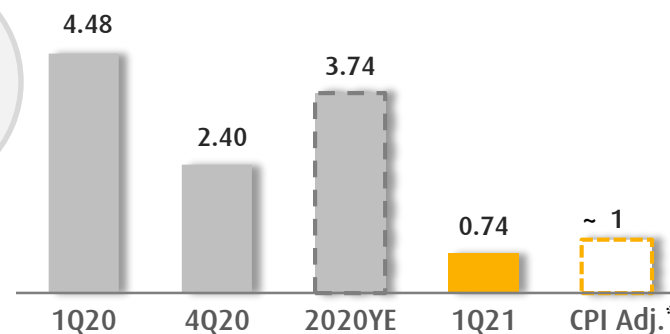
NIM, Spreads & Costs

Net Interest Margin (NIM %)



NII would be higher
~TL 250 mio
in case of 14%
CPI exp. used in
1Q21

Swap Adjusted Net Interest Margin (%)



CPI Expectations

	1Q21	Revised
2021 YE CPI Exp.	9.4%	12.2%
Oct-Oct CPI Exp.	11.63%	14%
Interest Income from CPI	TL 1,465 mio	TL 2,112 mio (2Q21 exp.)

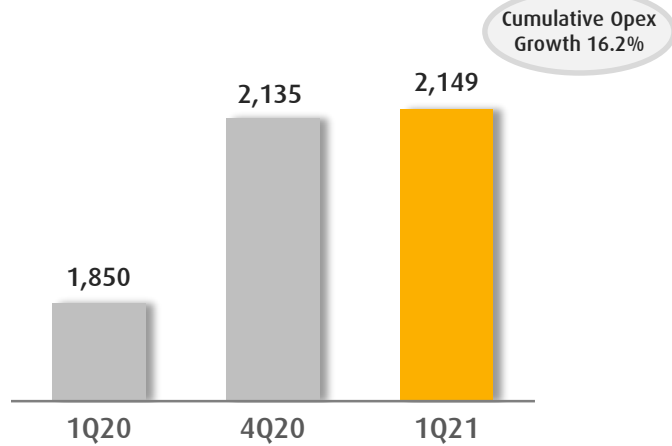
Additional
~TL 650 mio
interest
income in
2Q21
~44 bps
positive
impact on NIM

Total Money Market Funding

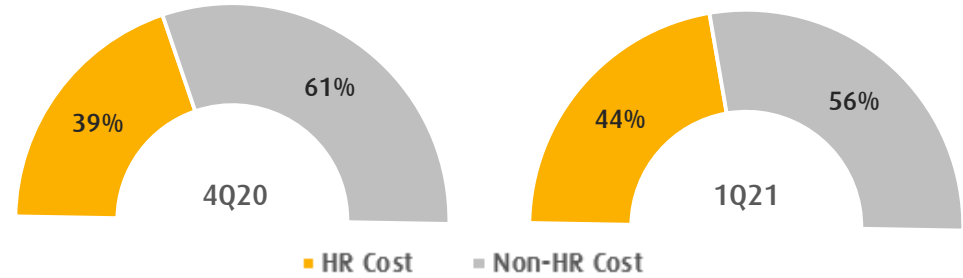
	1Q20	2Q20	3Q20	4Q20	1Q21
Quarterly average total money market funding**	TL 51.2 billion	TL 72.0 billion	TL 68.2 billion	TL 80.9 billion	TL 103.4 billion
Quarterly average cost of money market funding	10.13%	8.19%	8.56%	13.12%	16.38%
Average Swap Usage	TL 27.2 billion	TL 34.9 billion	TL 27.3 billion	TL 27.3 billion	TL 44.2 billion
Swap Cost	TL 652 million	TL 707 million	TL 511 million	TL 724 million	TL 1,582 million

OPEX under control

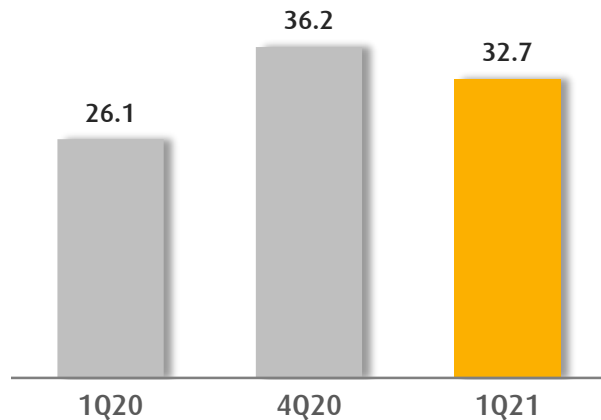
Operating Expenses* (TL million)



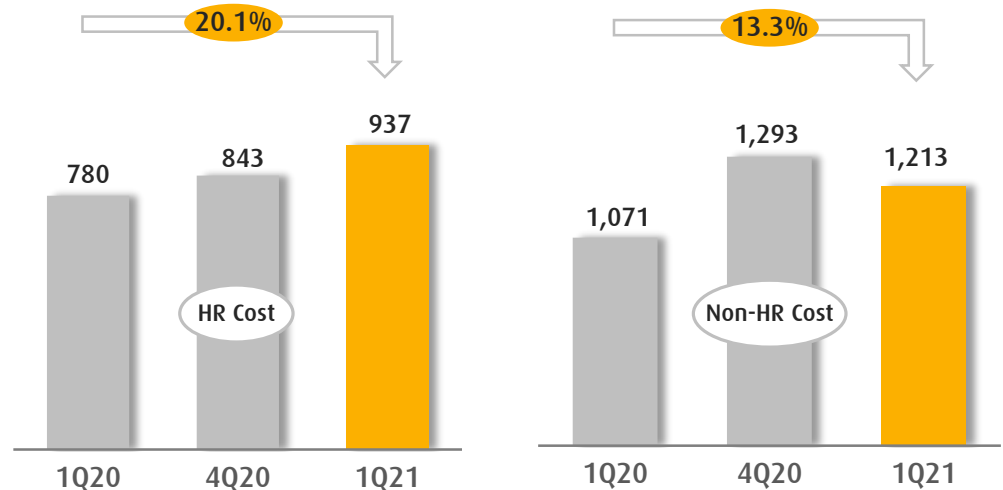
Breakdown of OPEX



Cost/Income (%)

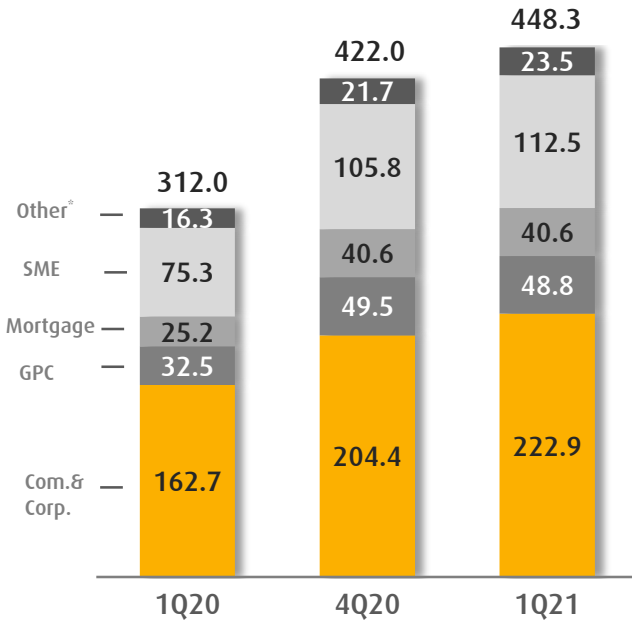


OPEX Breakdown (TL million)

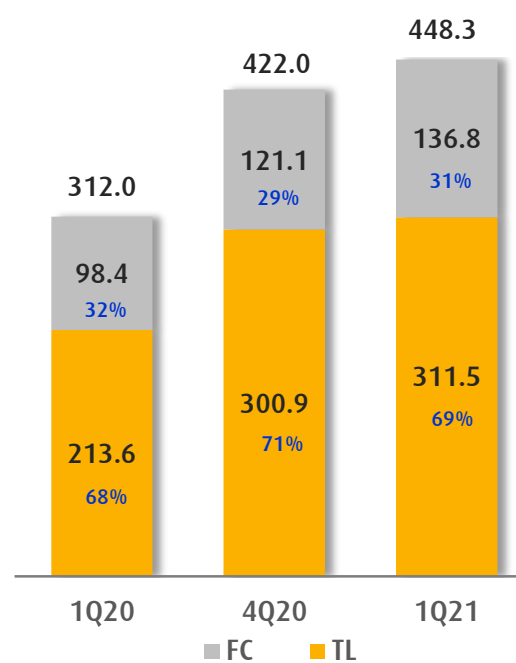


Well-diversified & stable loan breakdown

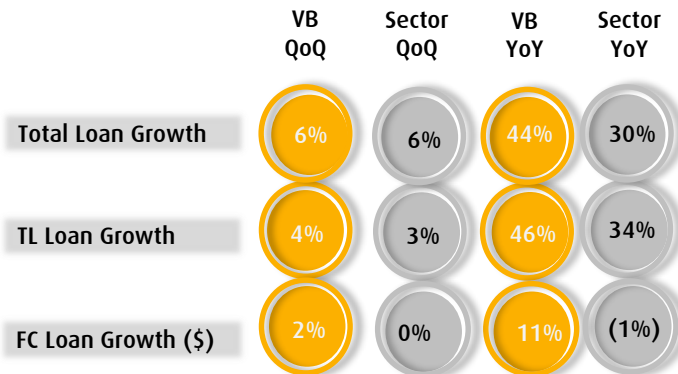
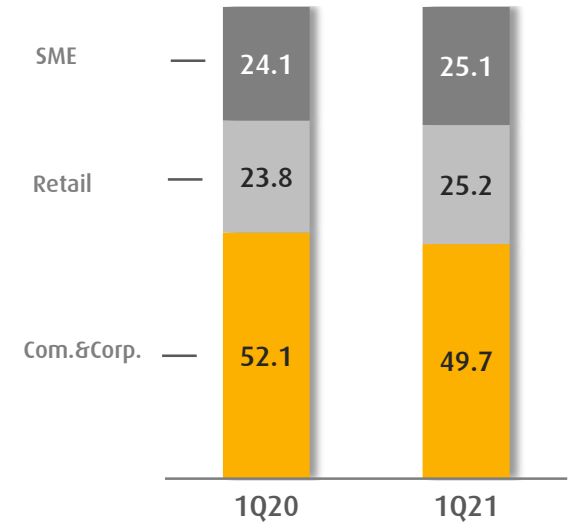
Segment Breakdown of Loans (TL billion)



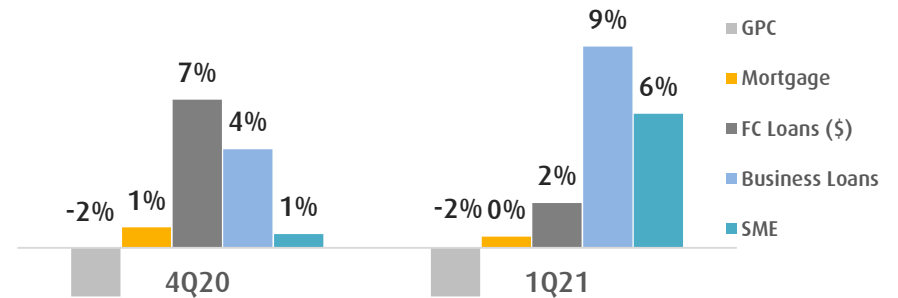
Currency Breakdown of Loans (TL billion)



Portfolio Breakdown (%)

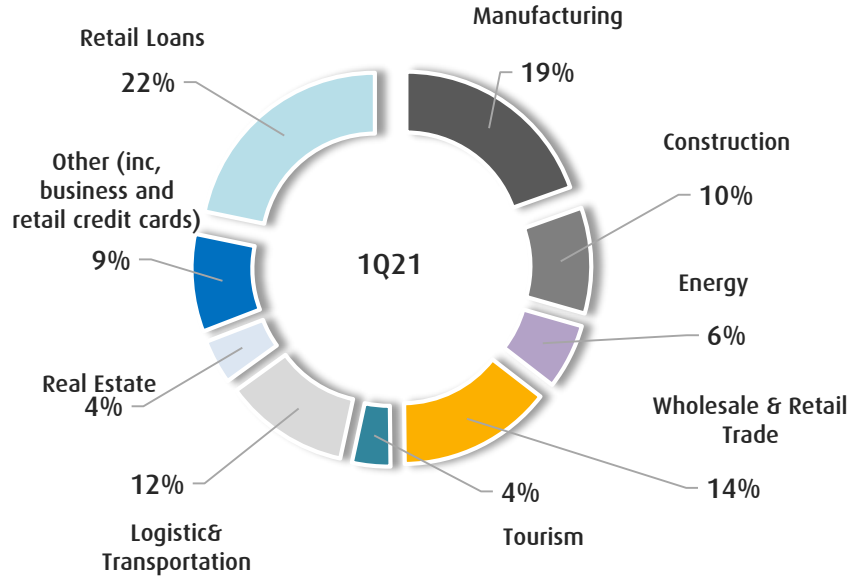


Quarterly Loan Growth



Breakdown of loan portfolio

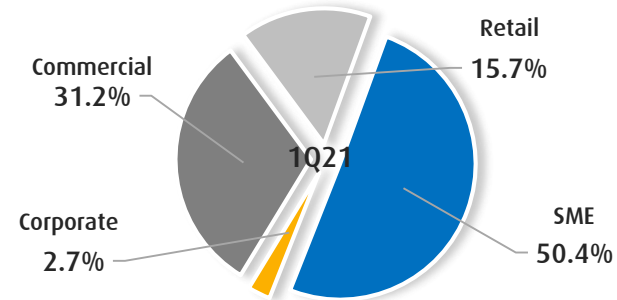
Sector Breakdown of Cash Loans



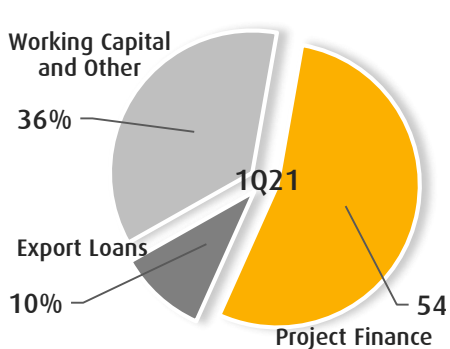
CGF Loans (TL billion)

	4Q20	1Q21
Covid Related Non-Retail CGF Loans	TL 42.7	TL 38.7
Covid Related Retail CGF Loans	TL 10.3	TL 9.0
Pre-Covid CGF Loans	TL 10.7	TL 9.5
Total CGF Loans	TL 63.7	TL 57.2

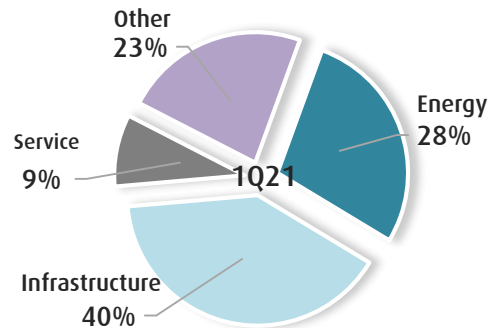
Segment Breakdown of Total Outstanding CGF Loans



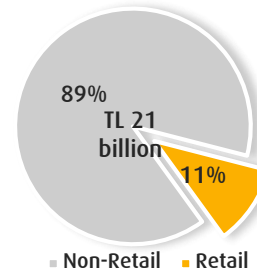
Breakdown of FC Loans



Breakdown of Project Finance



Covid-19 Related Deferral Loans' Payment Performance



Total deferred installment amount: TL 21 billion

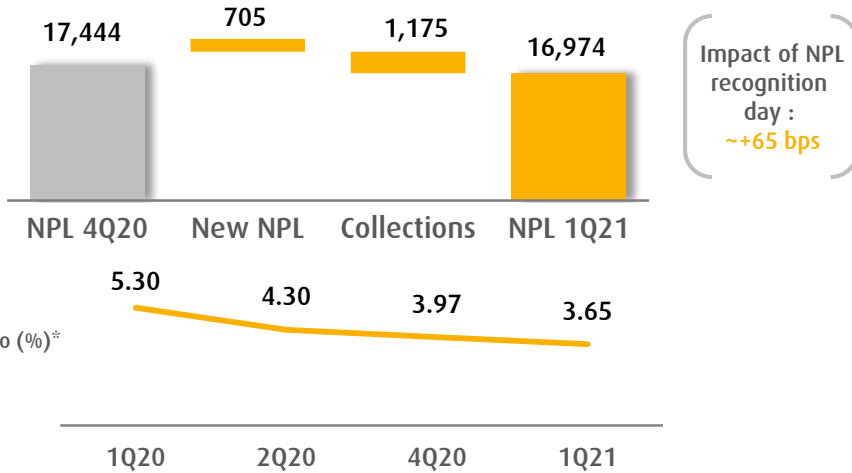
Expired 99%
of which paid 86%

Loan payments deferred due to covid

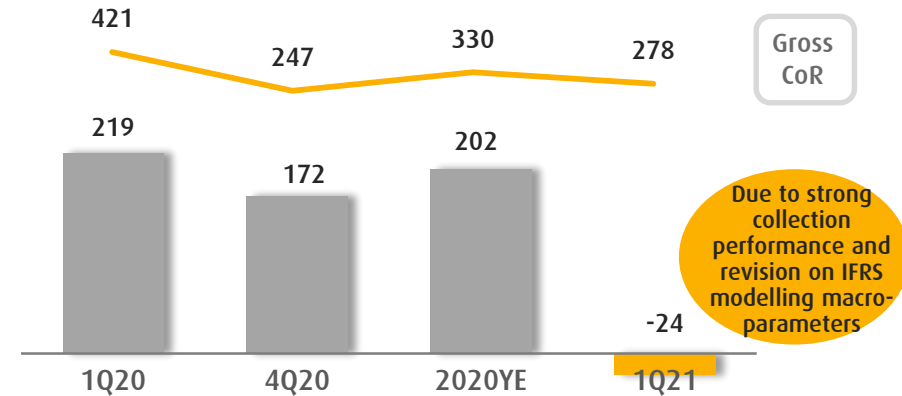
Stage I	89%
Stage II	10%
Stage III	1%

Strong coverage ratios

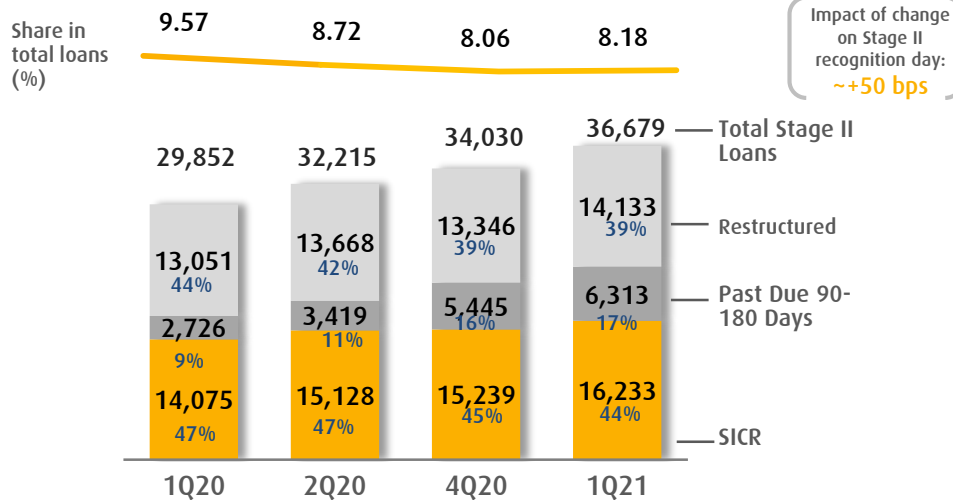
NPL (TL million)*



Net Cost of Risk (bps)



Stage II Loans Breakdown (TL million)



Coverage Ratios (%)

	1Q20	4Q20	1Q21
Stage I	0.7	0.8	0.7
Stage II	7.3	15.0	14.2
Stage III	70.1	76.3	79.0
Total	93.3	123.8	126.3

TL 1.5 billion free provision

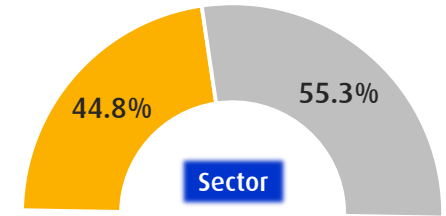
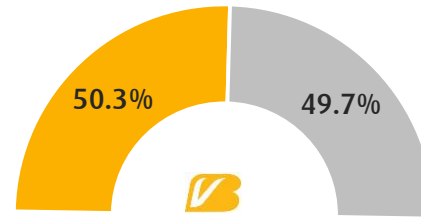
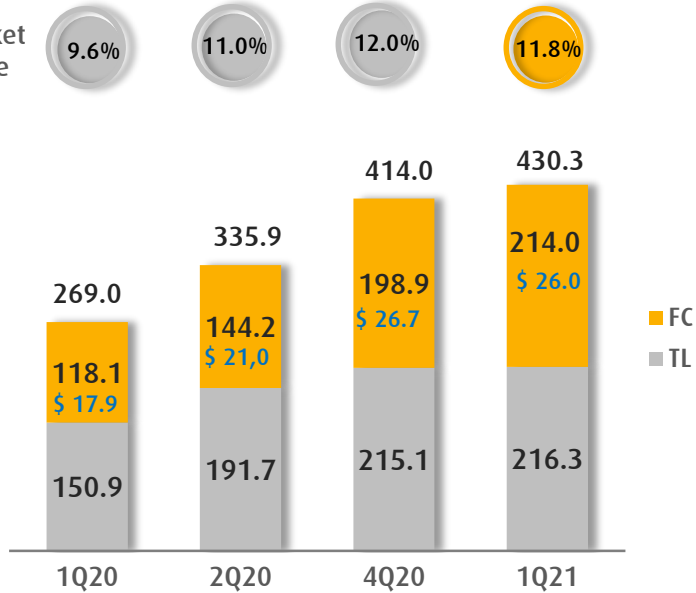
The highest in peer group

Well-balanced deposit portfolio

Total Deposits (TL billion)

Breakdown of Deposits

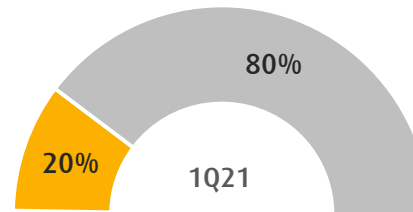
Market Share



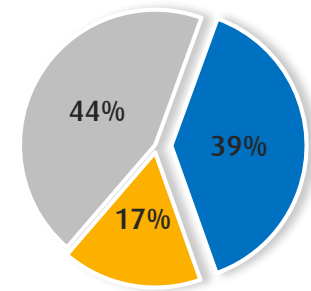
■ TL Deposits ■ FC Deposits

■ TL Deposits ■ FC Deposits

The share of customer deposit:
60% in total liabilities



■ Demand ■ Term

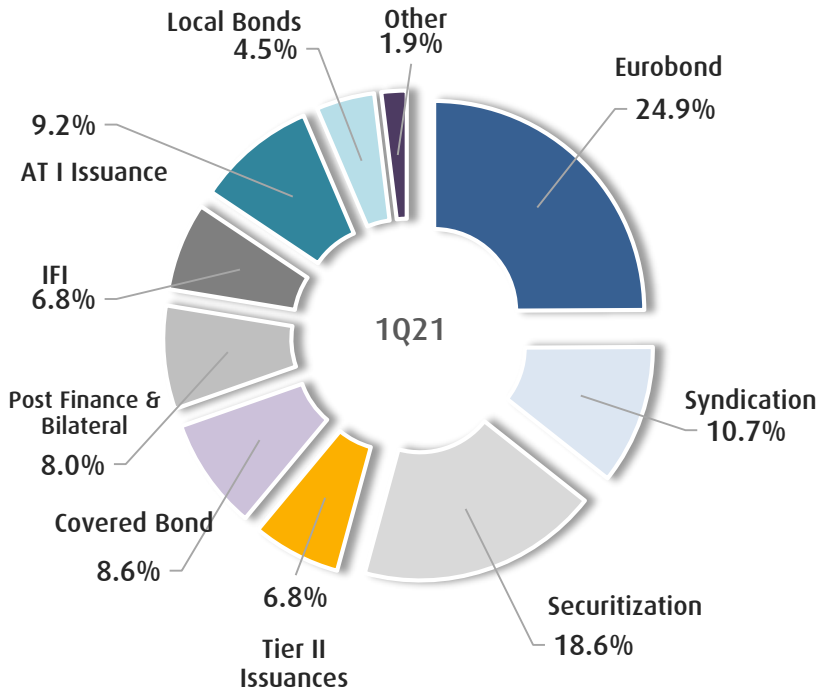


■ Retail Deposit ■ State Deposit ■ Other

	VB QoQ	Sector QoQ	VB YoY	Sector YoY
Total Deposits Growth	4%	5%	60%	30%
TL Deposits Growth	1%	6%	43%	21%
FC Deposits Growth (\$)	(3%)	(5%)	45%	11%

A good start to the year with pioneer external funding transactions

Breakdown of Wholesale Funding



Share of total international funding in total liabilities **18.1%** in 1Q21

~USD 15 billion total international funding

In March 2021, VakıfBank issued a new DPR securitization with an amount of **USD 1 billion 750 million** which is the largest DPR securitization transaction in the Turkish banking sector

In April 2021, VakıfBank obtained a new syndication loan amounting **USD 1.1 billion** equivalent in total with **105% roll-over ratio** the first sustainable syndicated loan of the Bank

FC LCR: 302%
vs 80% minimum threshold

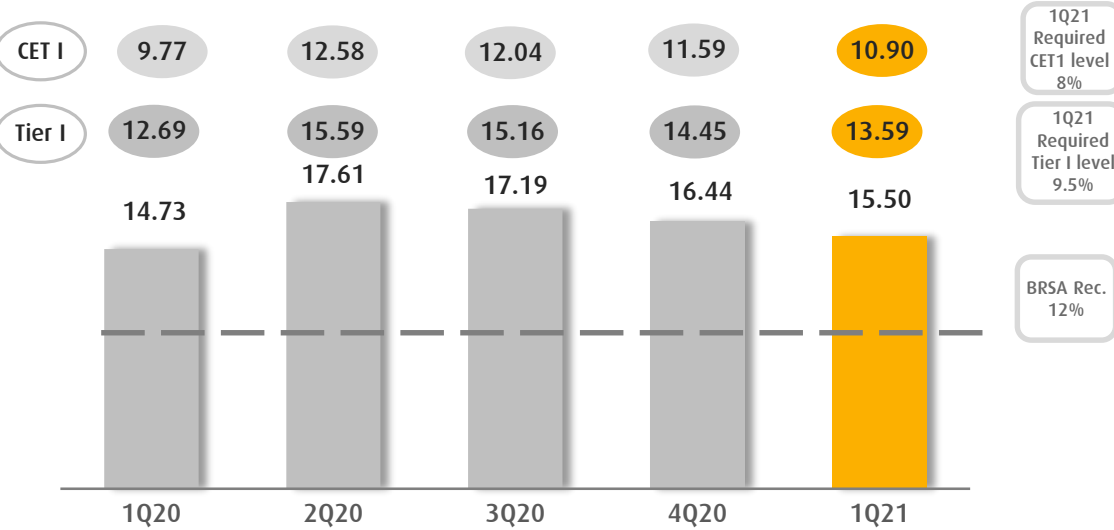
International Funding

Short-Term
\$4.2 billion

Long-Term
\$10.8 billion

Solvency ratios

Capital Adequacy Ratio (%)

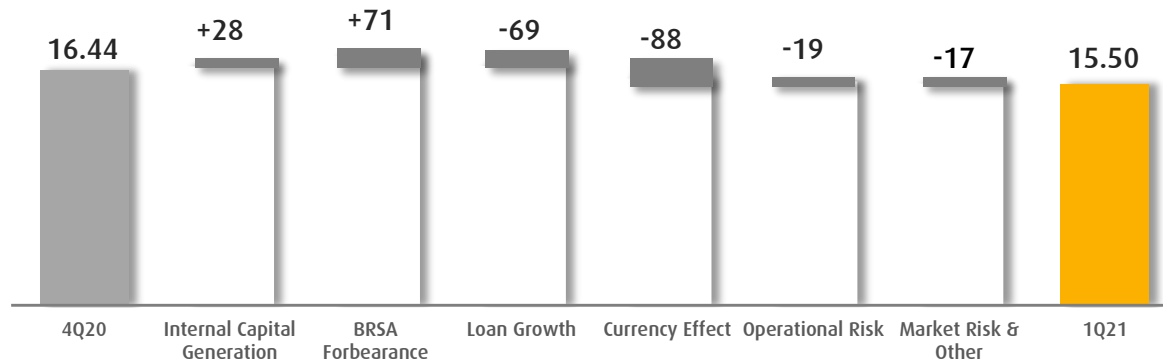


Solvency ratios without forbearances (% - 1Q21)

CAR	14.79
Tier I	12.91
CET I	10.35

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 **~9 bps**



Appendix

Pg. 15	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

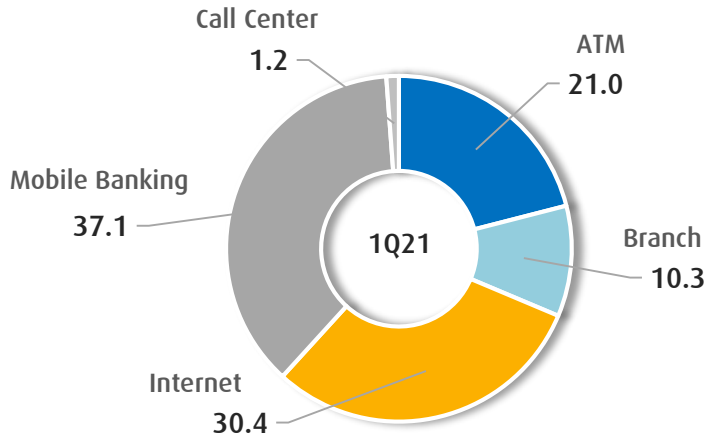
Sustainable banking approach

Indices	Initiatives	Reporting & Certificates	Funding
 <p>Since 2014, in the BIST Sustainability Index</p>  <p>Since 2017, in FTSE4GOOD Index</p>  <p>Since 2019, Voluntary participation in the Dow Jones Sustainability Index (DJSI) survey</p>  <p>Added to Bloomberg Gender-Equality Index twice in a row</p>	 <p>United Nations Global Compact</p> <p>Among the participants of the UN Global Compact</p>  <p>EMPOWERMENT PRINCIPLES EQUALITY MEANS BUSINESS</p> <p>The first Turkish public institution to sign the Women's Empowerment Principles (WEPS)</p>  <p>VakıfBank supports UNDP Sustainable Development Goals</p>	 <p>2014- 2019 Sustainability Reports, since 2019 Integrated Report in line with IIRC</p>  <p>Since 2015, VakıfBank have been reporting to the Carbon Disclosure Project (CDP – Score B)</p>  <p>Since 2017 Environmental, Quality, Occupational Health and Safety Management Certificates and in 2020 put together them under the umbrella of Integrated Management System Certificate</p>  <p>Improved ESG risk rating score to 23.1 (medium risk) from 30.1 (high risk)</p>  <p>Since 2019, VakıfBank became a Carbon Negative company by offsetting more than all of its greenhouse gas emissions</p> 	 <p>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 4Q20</p> <p>The first sustainable Eurobond issued by deposit bank amounting USD 750 million in 4Q20</p> <p>The first sustainable syndicated loan transaction amounting USD 1.1 billion equivalent in 1Q21</p>

Improved efficiency with enhanced digital platforms

Non-branch transaction share**

~90%



of active* digital banking customers reached
5.4 million with **42%** growth YoY

of transaction made through digital platform increased **54%** YoY

of active* digital banking customers growth with **4%** QoQ

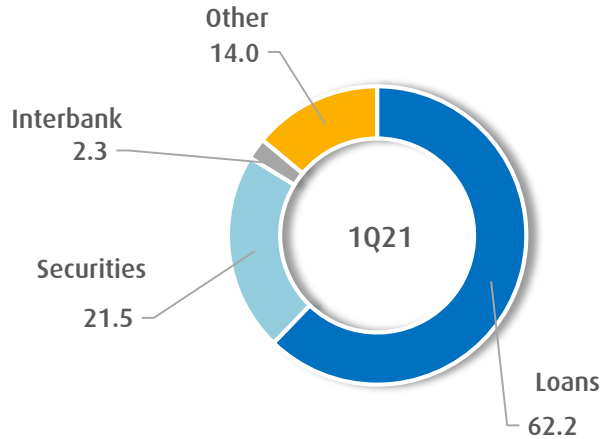
938
Branches

4,222
ATMs

5,429K
Digital Banking Customers

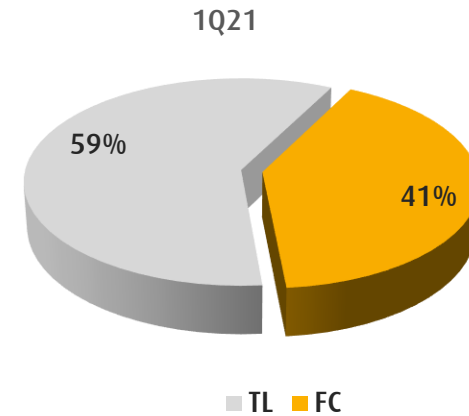
Composition of asset&liabilities

Breakdown of Assets (%)

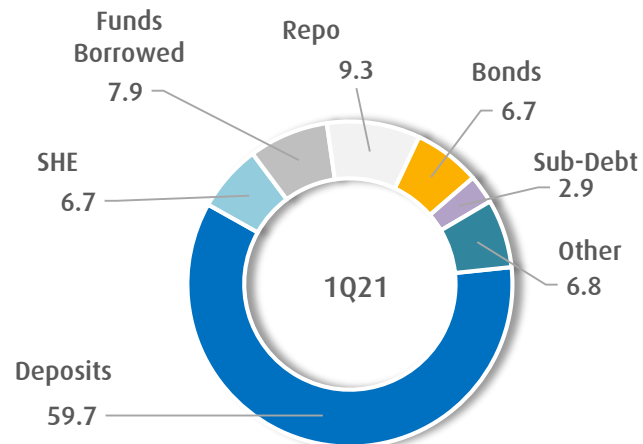


The share of IEA
86%
in total assets

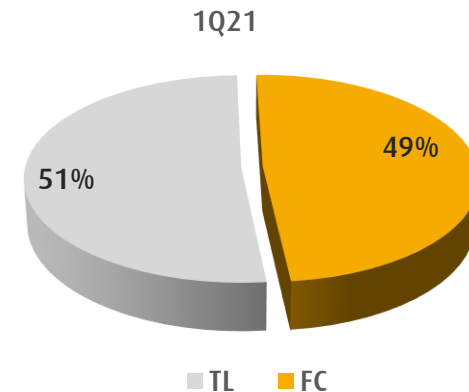
TL/FC Mix in Total Assets



Breakdown of Liabilities (%)

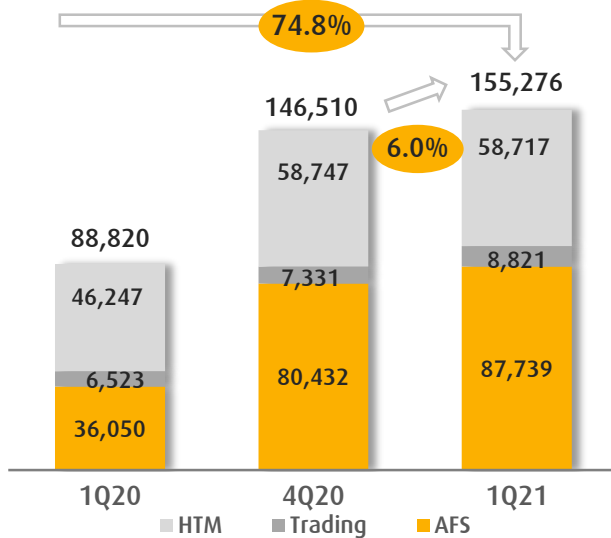


TL/FC Mix in Total Liabilities

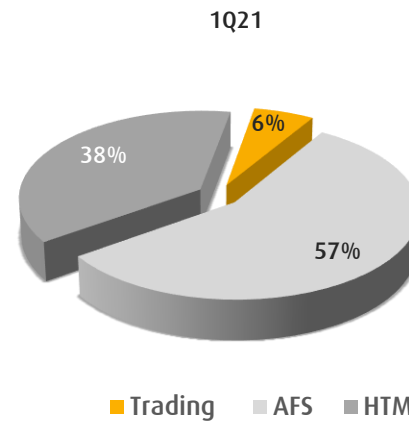


Well-positioned security portfolio

Total Securities (TL million)



Portfolio Structure

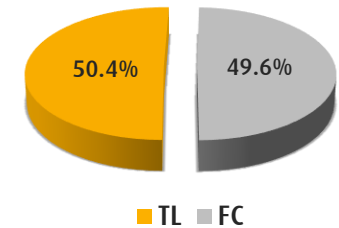


Breakdown of FC Securities

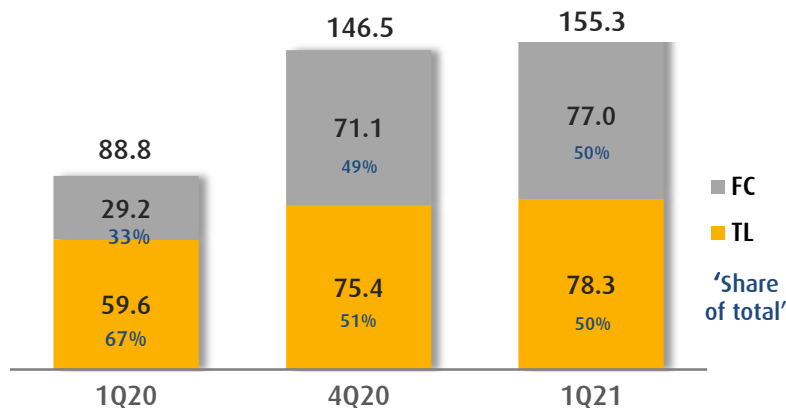
Share of Fixed: **100%**

Breakdown of TL Securities

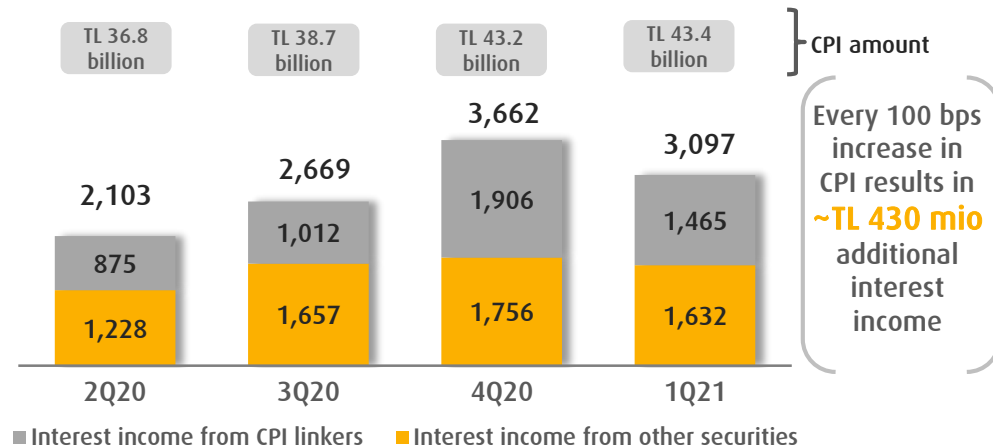
Share of Fixed: **26%**
Share of Floating: **17%**
Share of CPI Linkers: **57%**



Security Breakdown (TL billion)

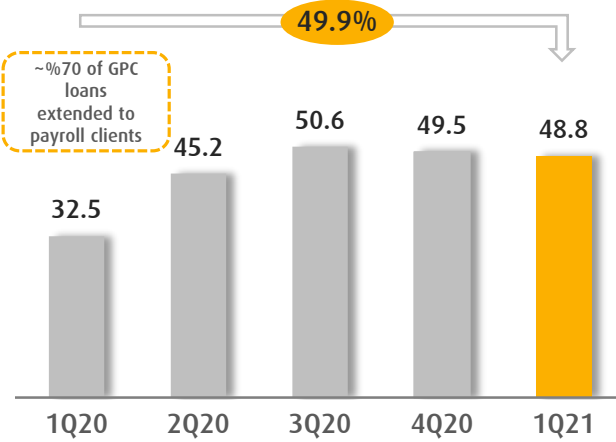


Breakdown of Interest Income from Securities (TL million)

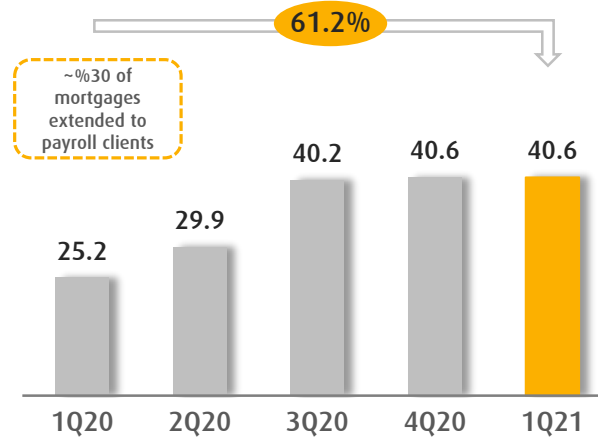


Retail Lending Portfolio

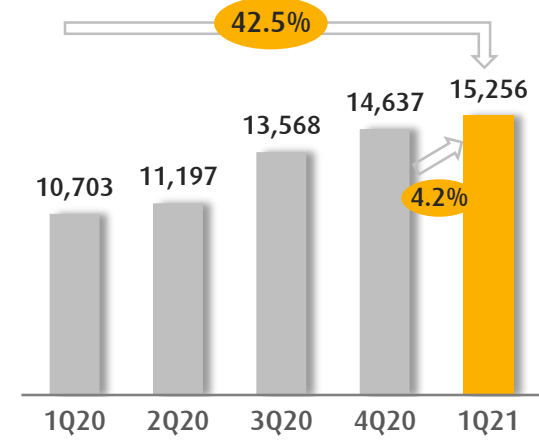
General Purpose Consumer (TL billion)



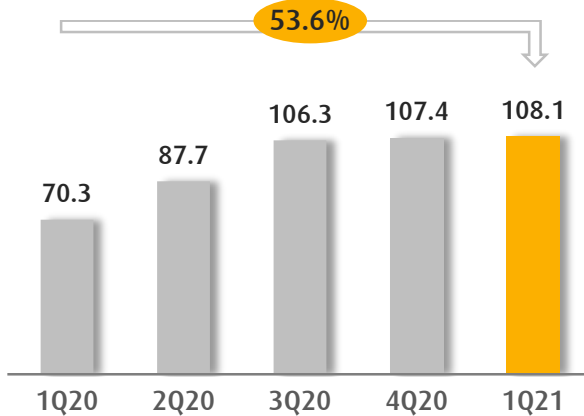
Residential Mortgages (TL billion)



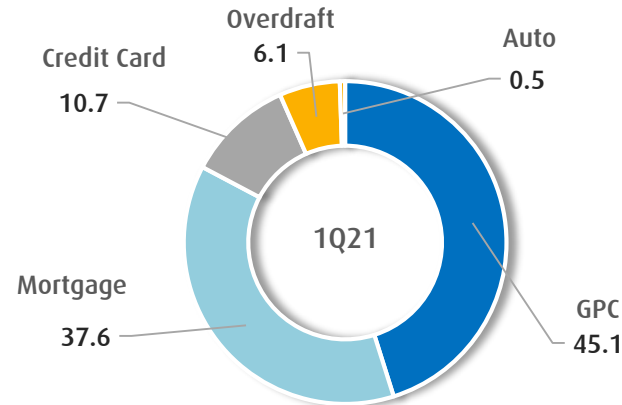
Credit Card Loans (TL million)*



Total Retail (TL billion)



Breakdown of Retail Loans (%)



Total Retail Customers 20.5 million

Total Payroll Customers 2.3 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
- **Nov'20:** USD 660 million equivalent syndicated loan, Libor +2.50%, Euribor +2.25% for 1 year, 27 banks from 17 countries
- **Apr'21:** USD 1.1 billion equivalent syndicated loan, Libor +2.50%, Euribor +2.25% for 1 year, 38 banks from 18 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 1.150 billion outstanding

- **World Bank:** outstanding funding USD 242.9 million
- **EBRD:** outstanding funding USD 109.3 million (USD 44.25 million under DPR Program and EUR 50 million under Covered Bond Program included)
- **EIB:** outstanding funding USD 458.4 million
- **KFW:** outstanding funding USD 187.7 million
- **AFD:** outstanding funding USD 152.5 million

Post Finance&Bilateral

- EUR 409 million and USD 353 million outstanding

Eurobonds and Private Placements

USD 3.75 billion outstanding Eurobonds and USD 99.5 million outstanding Private Placements

- **Jan'21 – Mar'21:** USD 22.5 million equivalent
- **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 2.87 billion outstanding

- **Mar'21** USD 1.74 billion equivalent (USD and Euro), 7 tranches, 5-7 yrs maturity
- **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

Local Bonds

- TL 5.7 billion outstanding

Unconsolidated Key Financial Ratios

	1Q20	4Q20	1Q21
Profitability			
ROAE	20.6%	5.9%	6.4%
ROAA	1.6%	0.4%	0.4%
Cost / Income ^{**}	26.1%	36.2%	32.7%
Cost / Assets ^{**}	1.6%	1.2%	1.2%
Fee / Cost ^{**}	55.2%	35.8%	40.7%
Liquidity			
Loans / Deposits	116.0%	101.9%	104.2%
<i>TL Loans / Deposits</i>	141.5%	139.9%	144.0%
Liquidity Coverage Ratio (Total) ^{**}	126.8%	125.2%	121.6%
FC Liquidity Coverage Ratio ^{**}	500.8%	280.6%	301.5%
Asset Quality			
NPL Ratio	5.3%	4.0%	3.6%
Stage III Coverage Ratio	70.1%	76.3%	79.0%
Net Cost of Risk	2.2%	1.7%	-0.2%
Solvency			
CAR	14.7%	16.4%	15.5%
Tier I Ratio	12.7%	14.5%	13.6%
Leverage	12.9x	14.0x	14.0x

Unconsolidated Balance Sheet

	1Q20		YE20		1Q21		TL		USD	
(thousand)	TL	USD	TL	USD	TL	USD	Δ YoY	Δ QoQ	Δ YoY	Δ QoQ
Assets										
Cash & Balances with Central Bank	22,680,000	3,441,578	93,188,786	12,508,562	68,600,305	8,325,280	202.5%	(26.4%)	141.9%	(33.4%)
Interbank	5,468,693	829,847	2,772,672	372,171	16,732,623	2,030,658	206.0%	503.5%	144.7%	445.6%
Securities	88,819,821	13,477,970	146,510,383	19,665,823	155,276,496	18,844,235	74.8%	6.0%	39.8%	(4.2%)
Loans	312,013,897	47,346,570	422,043,159	56,650,088	448,295,616	54,404,808	43.7%	6.2%	14.9%	(4.0%)
Subsidiaries & Investments	2,745,010	416,542	5,045,540	677,254	6,973,978	846,357	154.1%	38.2%	103.2%	25.0%
Property & Equipment	4,141,995	628,527	4,825,602	647,732	5,169,599	627,379	24.8%	7.1%	(0.2%)	(3.1%)
Other	27,834,749	4,223,786	24,510,976	3,290,064	19,680,518	2,388,412	(29.3%)	(19.7%)	(43.5%)	(27.4%)
Total Assets	463,704,165	70,364,820	698,897,118	93,811,694	720,729,135	87,467,128	55.4%	3.1%	24.3%	(6.8%)
Liabilities & S/E										
Deposits	268,969,178	40,814,746	414,043,543	55,576,314	430,319,802	52,223,277	60.0%	3.9%	28.0%	(6.0%)
Funds Borrowed	42,796,247	6,494,119	46,986,798	6,306,953	57,091,768	6,928,613	33.4%	21.5%	6.7%	9.9%
Repo	44,198,451	6,706,897	54,994,594	7,381,825	66,710,785	8,095,969	50.9%	21.3%	20.7%	9.7%
Securities Issued	36,874,698	5,595,554	45,512,967	6,109,123	47,939,345	5,817,882	30.0%	5.3%	4.0%	(4.8%)
Other	20,077,089	3,046,599	71,415,760	9,586,008	50,109,549	6,081,256	149.6%	(29.8%)	99.6%	(36.6%)
Subordinated Loans	17,322,775	2,628,646	19,458,798	2,611,919	20,570,247	2,496,389	18.7%	5.7%	(5.0%)	(4.4%)
Shareholders' Equity	33,465,727	5,078,259	46,484,658	6,239,551	47,987,639	5,823,743	43.4%	3.2%	14.7%	(6.7%)
Off-B-S, Derivatives										
Guarantees	82,117,761	12,460,965	101,236,037	13,588,730	115,831,776	14,057,254	41.1%	14.4%	12.8%	3.4%
Commitments	87,533,182	13,282,729	113,156,641	15,188,811	110,912,719	13,460,281	26.7%	(2.0%)	1.3%	(11.4%)
Derivatives	196,391,973	29,801,513	230,090,282	30,884,602	291,282,403	35,349,806	48.3%	26.6%	18.6%	14.5%

Unconsolidated Income Statement

(TL-thousand, %)	1Q20	4Q20	1Q21	Δ YoY	Δ QoQ
Net Interest Income	4,908,397	4,110,798	2,680,324	(45.4%)	(34.8%)
Net Fee & Com, Income	1,021,291	764,982	874,355	(14.4%)	14.3%
Dividend Income	151,402	171	15,764	(89.6%)	9118.7%
Net Trading Income	-641,828	26,229	-505,334	(21.3%)	(2026.6%)
Other Income [*]	1,657,433	990,145	3,512,861	111.9%	254.8%
Total Revenues	7,096,695	5,892,325	6,577,970	(7.3%)	11.6%
Operating Expenses [*]	-1,850,474	-2,135,618	-2,149,495	16.2%	0.6%
Provisions	-3,118,400	-2,800,510	-3,426,062	9.9%	22.3%
Tax Provisions	-411,651	-287,157	-252,289	(38.7%)	(12.1%)
Net Income	1,716,170	669,040	750,124	(56.3%)	12.1%

For Earnings
Presentations:



For VakıfBank IR
Application:



A member of BIST Sustainability Index



FTSE4Good



Investor Relations

Saray Mahallesi Dr. Adnan Buyukdeniz Cad. A1 Blok
No: 7a Umraniye/Istanbul
(Akyaka Park Mall)

E-mail: investorrelations@vakifbank.com.tr

Tel (90-216) 724 2685

Fax (90-216) 724 3941

www.vakifbank.com.tr

Disclaimer Notice: This report has been prepared by VakıfBank, Investor Relations Department and is provided for information purposes only. Although the information on which the report is based has been obtained from sources which we believe to be reliable, no representation or warranty is made by VakıfBank for the accuracy or completeness of the information contained herein. Information contained herein is subject to change without notice. VakıfBank accepts no liability whatsoever for any direct or consequential loss of any kind arising out of the use this document or any part of its content.