

TL 394 billion support to the Turkish economy from VakıfBank

VakıfBank announced its first quarter of 2020 unconsolidated financial results. While VakıfBank's total asset size reached TL 464 billion, its support to the national economy through cash and non-cash loans exceeded TL 394 billion. Setting aside TL 412 million tax provisions from its TL 2 billion 128 million gross income in the same period, VakıfBank delivered TL 1 billion 716 million net income.

Continuing to be the strength on the side of Turkey with the steps taken towards corona virus pandemic effecting the whole world, VakıfBank announced the financial results for the period of March 2020. Assessing the financial performance of the Bank, VakıfBank's CEO Mr. Abdi Serdar Üstünsalih stated "As VakıfBank, we continue to support our customers in a period that the pandemic's impact on daily life and national economy is felt intensely. In this challenging period, as VakıfBank family, we work with the great dedication at all levels from our branches to the top management of the Bank, and we do our best to be the part of the solution."

Mentioning that the support provided within the scope of 'Economic Stability Support Package' having 9 articles, Mr. Üstünsalih said "We deferred the loans amounting TL 23.5 billion of 43 thousand customers including SME, commercial and corporate customers. We deferred the loans and credit card installments amounting TL 17.7 billion of approximately 346 thousand retail customers. We have restructured the existing loans of many customers in line with their cash flows. We support all enterprises in many areas which have financial needs through Business Continuity Support Loan under CGF guarantee, payroll and cheque payments. We continue to support our low-income citizens with Retail Need Support Package loan."

'13.6% increase in cash loans'

Remarking that VakıfBank provided TL 394 billion support to the real economy in the first quarter of 2020, Mr. Üstünsalih stated the total cash loans exceeded TL 312 billion with an increase of 13.6% in the first three months of the year. Mr Üstünsalih said "Above said growth materialized above the sector average growth of cash loans. In addition, our market share in cash loans reached 10.8% from 9.8%, while the market share in total assets reached 9.5% from 8.8% compared to 2019 year end. The increase in market shares is a clear indicator that we fulfilled our responsibility to support national economy in the best way.

‘Alternative products in deposits’

Indicating that VakıfBank left behind a successful quarter in terms of funding, Mr. Üstünsalih continued his speech “Our main funding source, total deposits reached TL 269 billion with an increase of 7% in the first three months of the year. Undoubtedly, the priority in this field is to reach more customers by making our funding base more granular. We will continue to offer alternative products to our customers.”

‘The Bank that provided the highest amount of international funding’

Remarking that VakıfBank left behind a successful period in non-deposit funding sources, Mr. Üstünsalih declared that:

“We have completed successful transactions such as the largest eurobond issuance in the Bank’s history with an amount of USD 750 million in January, USD 325 million loan from ICBC Turkey with 130% roll over ratio in April, over USD 470 million of bilateral and post financing transactions with our correspondent banks and finally the syndication loan amounting USD 950 million with new correspondent banks included. Thus, we became the Bank that provided the highest amount of international funding year to date. We will continue to support the national economy without interruption by being one of the banks having the highest asset ratio and accordingly, to diversify our funding sources and strengthen our funding base.”

‘We reap the fruits of our timely investments on digitalization’

Emphasizing the significant increase in the number and volume of the transactions carried out on alternative distribution channels as customers’ tendency towards digital channels during the coronavirus pandemic, Mr. Üstünsalih continued his words as follows: ‘Today, we are reaping the fruits of our timely investments on digitalization. Drawing attention to the fact that during the coronavirus pandemic, VakıfBank continued its financial support rapidly without interruption through the digital channels. Mr. Üstünsalih concluded his speech as follows:

“Our customers used VakıfBank Mobile more actively in this process and the total number of transactions carried out on digital platforms increased by 42% in April compared to the average of the first three months of the year. The share of non-branch channel transactions in total reached 94%. We will diligently continue our work in the field of digitalization in order to further strengthen our infrastructure.”

Significant financial indicators of VakıfBank’s unconsolidated balance sheet as of 1Q20:

Net Income Before Tax	TL 2,128 million
Net Income	TL 1,716 million
Total Assets	TL 463,704 million
Total Cash and Non-cash Loans	TL 394,132 million
Cash Loans	TL 312,014 million
Non-cash Loans	TL 82,118 million
Total Deposits	TL 268,969 million
Equity	TL 33,466 million
Funds Borrowed	TL 42,796 million
Securities Issued	TL 36,875 million