

Strong support to Turkish economy from VakıfBank: 'TL 523 billion contribution to the real economy'

According to the unconsolidated financial results, VakıfBank's total asset size reached TL 699 billion in 2020. Providing TL 523 billion support to the national economy through cash and non-cash loans, VakıfBank delivered TL 5 billion 10 million net income by setting aside TL 1 billion 429 million tax provisions from its TL 6 billion 439 million gross income in the same period of the year.

Setting aside additional TL 220 million free provision from the gross income of 2020, VakıfBank's total amount of free provisions reached TL 1 billion 72 million.

Having always been on the side of Turkish economy and customers, VakıfBank announced its 2020 year end financial results. Assessing the financial results, VakıfBank's CEO Mr. Abdi Serdar Üstünsalih underlined that as VakıfBank family, they continue to stand by their customers during the pandemic period in which the economic and social behaviors changed a lot.

"We take responsibility to achieve the goals of our national economy"

Mr. Üstünsalih said "We support every part of the society, producing, adding value, contributing to the employment and making efforts for our country with all our strength. We act in the direction of our government's policies in an absolute harmony. We take responsibility to achieve the goals and sustain the stability of the national economy. We maintain this understanding in a very challenging year of 2020 and strive for to do more. We continue to offer special service and products for the sectors which operates in domestic and national manufacturing, having significance for our country, contributing to the employment and especially contributing positively to the current account balance.

Remarking that the market share in every field within the banking operations increased, Mr. Üstünsalih stated "We increased our market share in almost every field within the scope of banking activities. In 2020, our support to the national economy through cash and non-cash loans reached TL 523 billion. As one of the biggest banks of Turkey with TL 699 billion asset size, we resolutely continue to be on the side of our country and customers."

“The market share in cash loans reached 12%”

Emphasizing that the total cash loans exceeded TL 422 billion with an increase of 53.6% compared to the previous year, Mr. Üstünsalih remarked that the total assets reached TL 699 billion with an increase of 66.6%. Stating that these growth figures materialized above the sector averages, Mr. Üstünsalih said “Thus, while the market share in cash loans reached 12% from 10% in 2019, the market share in total assets increased to 11% from 9% level. Capital injection of the government in 2020 is one of the notable driving forces in this healthy growth.”

“Total deposits growth is well above the sector”

Stating that VakıfBank also left behind a successful year in terms of funding, Mr. Üstünsalih continued his speech:

“In line with our goal of granular deposit base, we continued to offer fast and innovative solutions to the sector this year. The total deposits, our main funding source, exceeded TL 414 billion with an increase of 64.6% compared to the last year. The deposit growth is also well above the sector averages. Thus, our market share in total deposits increased to the level of 12% from 9.8% in 2019 year end.”

“Breaking a new ground in the field of sustainable finance”

Stressing that VakıfBank achieved another first in terms of non-deposit funding, Mr. Üstünsalih stated that VakıfBank successfully completed ‘the first Sustainable Eurobond’ issued by deposit banks amounting USD 750 million. Mr. Üstünsalih continued his speech: “Following that, VakıfBank and the French Development Agency (AFD) signed a new multi-tranche facility agreement amounting EUR 200 million within the scope of "Green Mortgage Project" having the feature of being the largest amount of green mortgage loan in Turkish banking sector. Being the pioneer bank of Turkey in international debt capital markets, VakıfBank obtained USD 5.1 billion new funding from the international markets in 2020 along with the aforementioned successful transactions. We will continue to provide international funding by carrying on our efforts to access sustainable finance in the upcoming periods.”

“Ongoing investment on digitalization”

Remarking that VakıfBank also continues to lead the sector in the field of digitalization in 2020, Mr. Üstünsalih concluded his words as follows:

“Being a bank that closely follows global developments in the field of technology, VakifBank has taken quite significant steps in digitalization. In order to keep up with the changing living conditions during the pandemic period, we maximized the performance of our digital platforms. We increased our investments on this field in order to sustain our service to the customers without interruption. Through the contributions of many innovative digital products and services which have been put into use in 2020, the rate of transactions made via non-branch channels exceeded 95%. The number of our digital banking customers increased by 45% and the total financial amount of transactions carried out on digital platforms of mobile and online banking increased by 123% compared to the previous year.”

Significant financial indicators of unconsolidated balance sheet of VakifBank as of 31 December 2020

| | |
|-------------------------------|--------------------|
| Net Income Before Tax | TL 6,439 million |
| Net Income | TL 5,010 million |
| Total Assets | TL 698,897 million |
| Total Cash and Non-cash Loans | TL 523,279 million |
| Cash Loans | TL 422,043 million |
| Non-cash Loans | TL101,236 million |
| Total Deposits | TL 414,044 million |
| Equity | TL 46,485 million |
| Funds Borrowed | TL 46,987 million |
| Securities Issued | TL 45,513 million |