

VakifBank provided TL 352 billion support to the national economy

VakifBank, the 4th largest bank of Turkey by asset size, announced its unconsolidated financial results. While the amount of asset size exceeded TL 419 billion, the support to the national economy through cash and non-cash loans was over TL 352 billion. Setting aside TL 810 million tax provisions from its TL 3 billion 613 million gross income in the same period, VakifBank delivered TL 2 billion 802 million net income in 2019.

With its innovative products and services tailored to the expectations and needs of customers, VakifBank continued to be the strength on the side of Turkey in 2019. VakifBank's CEO Mr. Üstünsalih, evaluating the financial performance of the Bank, stated in his speech that "VakifBank's support to the real economy in 2019, which we call the balancing year for Turkish economy, exceeding TL 352 billion. The total cash loans soared to TL 275 billion with an increase of 24% annually. This growth is more than double of the average cash loan growth in the banking sector. Compared to previous year, the Bank's market share of cash loans increased to 10.3% from 9.2% and the market share of total assets rose to 9.3% from 8.6%, an indication of the sustained support we provide to the real sector. We managed to increase our market share in every field by leaving behind a difficult year with fluctuations in the global economy. We continued to increase our support to the real sector steadily through the loans we provide."

"Total deposit growth well above the sector average"

Stating that VakifBank left behind a successful year in terms of funding, Mr. Üstünsalih continued his speech: "Total deposit growth reached 40.2% on an annual basis, well above the sector average of 26.1%. Compared to last year, the Bank's market share in deposits went up by 1 percentage point to 9.8%. Thus, the share of total deposits exceeded to TL 251 billion and its share in total liabilities came at 60%. We sustained our granular deposit base by offering new alternative products to our customers on the deposit side.

"Diversified international funding structure with new transactions in 2019 as well"

Mentioning that they left behind a very successful year in non-deposit funding with its pioneering position in the international debt capital markets, Mr. Üstünsalih continued his words as follows: "In order to reduce the funding costs and extend the average maturity of total liabilities, we carried out transactions at different maturities under various structures. Thus, the share of non-deposit funding in total liabilities reached 21%. In 2019, we have

reinforced our leading position in this field by achieving many successful transactions such as the first TLREF indexed Tier II bond out of Turkey with an amount of TL 725 million, DPR securitization transaction amounting USD 417 million, USD 140 million funding from the Export Import Bank of China with which features the first cooperation between two banks, and project loan-backed financing. In the coming periods, we will maintain our pioneering position in this field by focusing on new and different funding alternatives.

“Digitalization continues rapidly”

Emphasizing that the digitalisation process continues in all banking practices, Mr. Üstünsalih concluded his words as follows:

“We continued our digitalisation journey by prioritising the expectations of our customers with many innovative products such as VİBİ, the artificial intelligence application, VLimit being created for tax payments, VBanko Cheque and SKY Limit we developed in 2019. We will continue to create value for all of our stakeholders through our efforts in this field.”

Significant financial indicators of unconsolidated balance sheet of VakıfBank as of 31 December 2019

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| Net Income Before Tax | TL 3,612.6 million |
| Net Income | TL 2,802.3 million |
| Total Assets | TL 419,425.6 million |
| Total Cash and Non-cash Loans | TL 352,112.9 million |
| Cash Loans | TL 274,776.8 million |
| Non-cash Loans | TL 77,336.0 million |
| Total Deposits | TL 251,530.9 million |
| Equity | TL 33,026.3 million |
| Funds Borrowed | TL 41,078.6 million |