

Corporate Credit Rating

☐ New ☑ Update

Sector: Banking

Publishing Date: 24.06.2025

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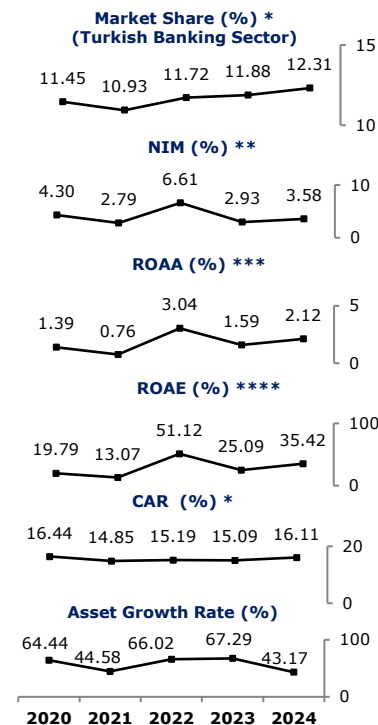
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RATINGS		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	National ICR	AAA (tr)	J1+ (tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB	-
	International FC ICR Outlooks	Stable	-
	International LC ICR	BB	-
	International LC ICR Outlooks	Stable	-
ISRs (Issue Specific Rating Profile)	National ISR	-	-
	International FC ISR	-	-
	International LC ISR	-	-
Sovereign*	Foreign Currency	BB (Stable)	-
	Local Currency	BB (Stable)	-

* Assigned by JCR on May 10, 2024



*Unconsolidated

**According to the Bank's calculations

***ROAA: Profit Before Tax/Total Assets (Avg.)

****ROAE: Profit Before Tax/Equity (Avg.)

Türkiye Vakıflar Bankası T.A.O.

JCR Eurasia Rating, has evaluated the consolidated structure of "Türkiye Vakıflar Bankası T.A.O." in the investment grade category with the highest credit quality, affirmed the Long-Term National Issuer Credit Rating at 'AAA (tr)' and the Short-Term National Issuer Credit Rating at 'J1+ (tr)' with 'Stable' outlooks. On the other hand, the Long-Term International Foreign and Local Currency Issuer Credit Ratings and outlooks were determined as 'BB/Stable', in line with the sovereign ratings and outlooks of Republic of Türkiye.

With a track record dating back to 1954, Türkiye Vakıflar Bankası T.A.O. (hereinafter referred to as 'VakıfBank', 'the Bank' or 'the Group') has consistently expanded its operations and provides the full spectrum of financial services including retail, corporate, commercial, SME, agricultural and private banking along with financial intermediation, factoring and leasing services through its financial subsidiaries. As an integrated financial services group, the Bank has 11 financial affiliates, 10 financial and 4 non-financial subsidiaries. The Bank has a wide geographical reach across Türkiye serving through a total of 971 branches in Türkiye, 5 overseas branches in New York-USA, Erbil-Iraq, Qatar, Bahrain, Dubai and 4,128 ATMs, as of March 31, 2025 (December 31, 2024: 959 branches in Türkiye, 4 overseas branches and 4,093 ATMs).

As of March 31, 2025, the share capital of VakıfBank is TRY 9.92bn, while the Group A-B shares belong to the Ministry of Treasury and Finance of the Republic of Türkiye and other appendant foundations, Group C shares belong to VakıfBank Pension Fund and other individuals and legal entities, whilst Group D shares of the Türkiye Wealth Fund reached 74.79% and Group D listed shares accounted with a free-float rate of 6.36%.

Headquartered in Istanbul, the Bank was ranked 2nd overall in the sector based on solo loan and deposit sizes and 2nd based on solo asset size, as of March 31, 2025 (FYE2024: 2nd and 2nd, respectively), and the number of personnel employed amounted to 18,730 as of March 31, 2025 (FYE2024: 18,209).

Key rating drivers, as strengths and constraints, are provided below.

Strengths

- Sustainable core profitability indicators, despite declining NIM in the sector,
- Low level of NPL ratio supporting asset quality in the analysed period, despite accelerated NPL inflow in 4Q2024 and 1Q2025,
- Reasonable liquidity figures supporting financial position,
- Broad-based deposit structure together with diversified funding sources through access to international financing resources,
- Solid and efficient branch network along with well-diversified loan portfolio underpinning market position and influence,
- Systemically important bank along with the integrated financial services via subsidiaries and affiliates,
- Competitive advantages in domestic market via strong shareholder structure and long operating history,
- High level of compliance in corporate governance practices and sustainability.

Constraints

- Capital adequacy ratios standing below the sector average, despite being compatible with the requirements,
- Structural maturity mismatch and short-term profile of deposits across the sector,
- Sensitivity of operating environment in Turkish Banking Sector considering macroeconomic and geopolitical risks.

Considering the aforementioned factors, the Bank's Long-Term National Rating has been affirmed at 'AAA (tr)'. Earnings power and solid market position, low NPL ratio despite increase in 1Q2025 and strong shareholder structure as well as decreasing standard capital adequacy ratio in 1Q2025 have been evaluated as important indicators for the stability of the ratings and the outlooks for Long and Short-Term National Issuer Credit Ratings are determined as 'Stable'. Global macroeconomic environment and the impact of the decisions taken by the regulatory authorities on the sector will be closely monitored by JCR Eurasia Rating in the upcoming periods. The macroeconomic indicators at national and international markets, as well as market conditions and legal framework about the sector will be monitored as well.