

## **VakıfBank continues to provide TL funding from international capital markets**

**VakıfBank's total covered bond issuances reached TL 3.7 billion in the last five months.**

**VakıfBank further supports in particular decreasing and keeping interest rates for TL deposits at reasonable level by carrying on to procure long term non-deposit TL funding from international capital markets.**

**Issuing a new transaction amounting TL 1 billion under the Mortgage Covered Bond Programme, VakıfBank thereby issued covered bonds amounting TL 3.7 billion in total only in the last five months with three different transactions.**

VakıfBank, the leading bank of strong Turkey, finalized the third covered bond issuance in the last five months. VakıfBank became the most active bank in terms of utilizing Mortgage Covered Bond Programme and proceeded its pioneer role in the banking sector with the new issuance amounting TL 1 billion with 5 years maturity. The third TL denominated issuance under the Mortgage Covered Bond Programme has proved the creditworthiness of Turkey and VakıfBank in international market once more.

**"We are focusing diversification of funding structure to reduce the general level of interest rates"**

Assessing the covered bond issuance, VakıfBank's CEO Mr. Mehmet Emin Özcan said, "TL loan to deposit ratio of the banking sector average reached 150% as a result of mainly TL lending driven loan growth in the banking sector. As VakıfBank, we are focusing diversification of funding structure in order to reduce the general level of interest rates. We are working on reducing the interest rate pressure on TL deposits and loans by extending the maturity of TL funding through non-deposit sources. As being the most active bank in the Mortgage Covered Bond Programme, VakıfBank issued a new Covered Bond amounting TL 1 billion with 5 years maturity. This issuance became the third transaction under the Mortgage Covered Bond Programme in the last five months and total amount of international issuances through this platform reached TL 3.7 billion in that period."

**"We will continue to be the strength by national economy"**

Reminding that the issuance amounting USD 650 million in January is being the highest amount of Eurobond issued by VakıfBank in a single transaction under the Global Medium Term Notes Programme (GMTN), VakıfBank's CEO Mr. Mehmet Emin Özcan said; "The relevance shown to our borrowing activities and demand coming from investors is also the indicator of the reliance on Turkey and VakıfBank. Investors from international capital markets, in particular from US showed strong interest for the eurobond issuance which was completed on the fourth day of Operation Olive Branch. As of today, long term and cost effective international funding reached approximately USD 14 billion including the issuances of USD denominated eurobond and TL denominated Covered Bond.

As the leading bank of Turkey in that field with the non-deposit international funding to balance-sheet ratio of 20%, we will maintain long term and cost effective international funding activities with different debt instruments which will be realized in the upcoming periods. We will continue to be the "strength by national economy" with our solid and liquid balance-sheet structure."