

VakifBank broke a new ground in Turkey once more

VakifBank's first ever TLREF indexed Tier II Notes issuance with an amount of TL 725 million out of Turkey

VakifBank issued 10NC5 Turkish Lira Benchmark Interest Rate (TLREF) indexed Tier II notes amounting TL 725 million with 10 years maturity.

VakifBank's CEO Mr. Abdi Serdar Üstünsalih stated "The first ever TLREF indexed Tier II notes issuance among Turkish banks also contributed to the capital ratios of the Bank."

Following TLREF indexed bond issuances in September, VakifBank broke a new ground among Turkish banks by issuing TLREF indexed Tier II notes to extend the maturity of TL funding sources through non-deposit products and to increase the diversification of the funding structure. Remarking that the transaction has been completed successfully, VakifBank's CEO Mr. Üstünsalih said "The interest rate of issuance amounting TL 725 million with 10NC5 structure and 10 years maturity realized at benchmark rate +150 bps. The first ever issuance out of Turkish debt capital markets will not only boost our capital ratios, but also have an impact on decreasing the duration gap of our balance sheet."

"As the innovative bank of Turkey, VakifBank contributes to become TLREF widespread"

Remarking that the intermediary of the transaction was Vakıf Yatırım, a company of VakıfBank financial group, Mr. Üstünsalih said that the issuance was only for the domestic institutional qualified investors. Mr. Üstünsalih continued his words as follows:

"In September, the use of benchmark interest rate in debt capital markets became widespread through TLREF indexed issuances with different structure and maturities. Moreover, we contributed to the diversification of the Bank's funding structure. We created a significant alternative through this issuance with 10 years maturity, having a 10NC5 structure and quarterly coupon payments for the institutional investors looking for TL denominated long term high quality investment products. Along with this, we took a significant step to deepen the debt capital markets. In the upcoming period, we will continue to focus on non-deposit long term funding sources under different structures including TLREF indexed products in order to make this products widely used.