

VakıfBank exchanged Basel II-compliant notes amounting USD 228 million

VakıfBank exchanged a part of Basel II-compliant notes amounting around USD 228 million to Basel III-compliant notes by adding its leading and innovative Turkish Bank image in the international debt capital markets. Coupon rate of the notes having a maturity of November 2027 and a call option in November 2022 has been set at 8%.

50 bps positive impact on CAR

Expressing his gratitude regarding the successful completion of the exchange process of Basel II-compliant notes issued in 2012 to Basel III-compliant notes, VakıfBank's CEO Mr. Halil Aydoğan said "I consider this transaction as significant in two ways. First of all, VakıfBank broke a new ground again in the Banking sector with this exchange transaction. In compliance with the amendments in capital legislation of our country and foreign applications, we lengthen a part of Basel II-compliant notes' maturity to November 2027 and also make them Basel III-compliant. Additionally, we strengthen our capital base through the exchange transaction in a more cost-effective way compared to a new bond issuance. I have to notify that the exchange has a 50 bps positive impact on our YE 2016 Capital Adequacy Ratio. We will continue to support real sector, especially the blue-chip projects with our long term foreign funds and strengthening capital base.

Mandated Lead Arrangers; BNP Paribas, Citigroup Global Markets Limited, Merrill Lynch International and Standard Chartered.