

## **The largest amount of 'Green Mortgage Loan' of the Turkish banking sector from VakıfBank**

### **EUR 200 million loan from AFD to VakıfBank**

**VakıfBank and the French Development Agency (AFD) signed a new multi-tranche facility agreement amounting EUR 200 million within the scope of "Green Mortgage Project". The final term of facility, which is the largest amount obtained as "Green Mortgage Project" in Turkish banking sector is set as 10 years with a 3 years grace period.**

Leading the sector in international debt capital markets with the funding sources, VakıfBank signed a new loan agreement that added value to the national economy. VakıfBank signed "Green Mortgage Project" agreement with AFD aiming to increase the number of high energy efficiency residential properties. The loan amounting EUR 200 million has the feature of being the largest amount obtained as "Green Mortgage Project" in the Turkish banking sector.

A signing ceremony was held at the Head Office of VakıfBank with the participation of senior executives from VakıfBank and AFD. Speaking at the ceremony, VakıfBank's CEO Mr. Abdi Serdar Üstünsalih stated that "I am very glad for signing a loan agreement within the scope of the "Green Mortgage Project" amounting EUR 200 million adding a new link to our cooperation with AFD. As you may recall, our first cooperation with AFD started with the loan agreement signed in 2017. Now, we have signed a new loan agreement for the "Green Mortgage Project", which is quite significant for Turkey". Remarking that aforementioned loan is the largest amount obtained as "Green Mortgage Project" in the Turkish banking sector up until now, Mr. Üstünsalih continued his words as follows:

"Additionally, following the loan we signed with the World Bank in September, we have completed the second successful loan agreement with international financial institutions even in such a challenging year. We have a pioneer and active position in Turkish banking sector through our activities in the field of sustainable banking as well as in international debt capital markets. In this field, we successfully completed the first Sustainable Eurobond transaction amounting USD 750 million issued by deposit banks in the beginning of December. The "Green Mortgage Project" signed with AFD is now a concrete indication that we continue to take strong steps in the field of sustainable banking."

**"The loan will be used in high energy efficiency buildings with A and B certification"**

Underlining that the source obtained from the loan agreement will be used in financing of high energy efficiency buildings with A and B certification, Mr. Üstünsalih completed his words as follows:

"Hereby, I would like to thank AFD executives once again for their support and trust to VakıfBank and Turkey. I hope that the size and scope of our relations with AFD will increase in the coming years. As you are aware, we are a bank putting the sustainable banking approach at the center of its business strategies. It is pleasing to see the same motivation and common goals in AFD's projects. Over the coming periods, we see the potential of greater cooperation with AFD on this common ground and we hope to come together in many more projects and take our collaboration to a further point in this field.

**"Green building" is a key field of Green growth to reach the goals of the Paris Agreement on climate"****On behalf of the French General Consulate, Oliver Gauvin, the French General Consul in Istanbul:**

"I am pleased to attend this signing ceremony, a few days after we celebrated the fifth anniversary of the Paris Agreement on climate. The international community is increasing its efforts to reduce carbon emissions but we are still far from the target. All energy and CO<sup>2</sup> savings are a step in the right direction. In addition, green building and energy retrofitting of existing buildings are sectors with huge growth potential. That is typically a sector where we can combine climate impact, green growth and improved comfort for house dwellers. French institutions and companies have invested a lot in this sector and I am happy that through the intended technical cooperation, alongside the loan, we will be able to share this know-how and disseminate best practices and innovation on the green housing offer side."

**"Cooperation with VakıfBank in Green Mortgage Project"****On behalf of AFD, Emilie Huang, Deputy Country Director for Turkey, made a statement at the signing ceremony:**

"AFD's strategy in Turkey aims to contribute to a more sustainable and inclusive development of the country by providing financing through financial intermediaries and direct investments to support transition to a low carbon economy. We are pleased cooperating with VakıfBank in line with these targets. This multi-tranche credit facility aims to facilitate access to credit for Turkish households wishing to acquire high energy-efficient housing, it is also structured in a way to

support VakıfBank’s sustainable finance strategy by setting up an ambitious green mortgage portfolio target. The Technical Assistance Program linked to this project will contribute to transforming further VakıfBank’s practices and procedures to reach the target while increasing the awareness among stakeholders in the construction sector for the advantages associated with energy efficient housing. Green mortgages offer better borrowing conditions for customers, more comfortable living conditions while helping to save energy costs”.