

First Ever Euro Denominated Eurobond Issuance out of Turkey

Being the first bank establishing Global Medium Term Notes (GMTN) programme in Turkey, VakıfBank has issued the first ever Euro denominated Eurobond in Turkey apart from the sovereign within the scope of aforesaid programme which breaks a new ground. Following a record level final orderbook of EUR 5.3 billion, EUR 500 million eurobond issuance with 5 years maturity priced at a yield of 3.65% and a coupon rate of 3.50%.

VakıfBank issued the first ever Euro denominated Eurobond of Turkey apart from the sovereign with a final amount of EUR 500 million within the scope of GMTN programme. It is also a record in terms of number of investors with over 450 corporate investors including Central Banks. Thanks to the strong demand, the yield has tightened by 35bps from an initial price of 4.00% to 3.65% final yield and 3.50% coupon rate.

Leading position of VakıfBank in foreign debt capital markets is strengthened.

Mentioning his pleasure of intense interest of the investors to Euro denominated Eurobond issuance, CEO of VakıfBank, Mr. Halil Aydoğan said "This issue has strengthened the leading position of the Bank in foreign debt capital markets. Breaking grounds in International Banking field before, the Bank both made the first ever Euro denominated issuance in Turkey and enable reducing the cost of transaction thanks to oversubscription. Oversubscription to the issuance proved the prestige, respect and high credibility of Turkish banking sector and the Bank one more time. I think that Euro denominated issuance market is now open to Turkish issuers after the great success of the transaction."

Diversifying Investor Base

Mr. Aydoğan, indicating that they continued to diversify their funding structure with the aforesaid issuance, said "We continue to evaluate different and new alternatives in order to diversify our funding structure. While diversifying the funding structure, we also expand our investor base. With approximately USD 1.5 billion private placement issuances within the scope of GMTN programme, we began to reach Asian investors who met VakıfBank and Turkey for the first time. We presented an appealing product to Euro investors with this issuance, so we expanded our investor base."

45% of the bond issuance have been sold to England, 18% to Germany and Austria, 8% to Switzerland, 6% to France, 5% to Benelux countries, 5% to South Europe countries, 6% to other European countries and 7% to countries out of Europe. 68% of the bond issuance have been distributed to asset managers, 20% to banks and 12% to hedge fund and other fund management companies.

Joint Lead Managers of the transaction are Barclays, BNP Paribas, Commerzbank, Erste Group, Natixis and UniCredit.

**Yours sincerely,
VakıfBank**