

## First Ever Basel 3-compliant Tier II Subordinated Notes Issuance out of Turkey

***VakifBank, the pioneer bank of Turkey in debt capital markets, has issued the first ever Basel 3-compliant Tier II subordinated notes of Turkey. The issuance, amounting USD 500 million with 10 years maturity and having a call option at the end of 5 years priced at a yield of 6.95% and a coupon rate of 6.875%.***

Underlining the pioneer position of VakifBank in debt capital markets, CEO of VakifBank, Mr. Halil Aydogan stated “Apart from being the first Turkish bank who established global medium term note (GMTN) programme, we were also the pioneer institution in terms of issuing the first ever euro denominated eurobond in Turkey apart from the sovereign. Breaking a new ground again, VakifBank issued the first ever Basel 3-compliant Tier II subordinated notes of Turkey. This transaction demonstrates the strength, prestige and recognition of Turkish banking sector and VakifBank in international markets once more. We will continue to evaluate new and different alternatives in the future to diversify the Bank’s funding structure.”

Mr. Aydogan, pointing out to strong communication that VakifBank developed especially in recent years with investor community, also stated “Thanks to that, the recognition of VakifBank name and brand considerably increased among investor community. Hence, we had a wide spread and balanced orderbook coming from not just from UK and USA, but all over the world including Asia. We expect 90 bps positive impact of abovementioned issuance at the Bank’s Capital Adequacy Ratio. In other words, the multiplier effect of this transaction in terms of lending is roughly TL 10 billion. We will continue to support Turkish economy with longer term funding sources and further strengthened capital structure.”

Joint Lead Managers of the transaction are BofA Merrill Lynch, Standard Chartered Bank, Citi, Deutsche Bank, Goldman Sachs International and HSBC.