

# VakıfBank issued a Covered Bond amounting TL 1.3 billion

VakıfBank accelerates its operations with the vision of being the leading bank of the new Turkey and continues to reduce the interest rate pressure on TL deposit market by creating long term, cost-effective TL non-deposit funding. Following the issuance of Basel 3-compliant Tier II subordinated notes amounting TL 525 million with 10 years maturity in September, this time VakıfBank has issued Covered Bond amounting TL 1.3 billion based on treasury transactions with 5,5 years maturity in October. The issuance through private placement is also the first TL denominated covered bond transaction of Turkey apart from those made with multinational development banks.

**“In the last one month period, VakıfBank procured approximately TL 2 billion long-term bond issuance with different transactions.”**

Assessing the issuance, VakıfBank’s CEO Mr. Mehmet Emin Özcan said “As I often emphasize on different platforms before, extending the maturity of TL funding through non-deposit sources, providing diversified funding structure and reducing the interest rate pressure on TL deposits are among the priority target of both economy management of the country and VakıfBank. Following the issuance of TL denominated subordinated bonds in September, we completed TL denominated Covered Bond issuances based on treasury transactions intended for non-residents under the Mortgage Covered Bond Programme. We aim to continue similar issuances in the upcoming periods. We will continue to support the national economy and the reel sector with more robust and liquid balance sheet structure through non-deposit TL funding sources by extending the average maturity.”

**“Long-term borrowings under the Covered Bond Programme will become a more important funding source for the sector day by day. “**

CEO Mr. Özcan reminds that VakıfBank gained different perspectives to Turkish banking sector through the first ever benchmark Euro issuance under Covered Bond Programme, CEO Mr. Özcan stated “VakıfBank has a special and important position among the investors and correspondent banks with its pioneer and innovative identity in international capital markets. I am very pleased the leading position of VakıfBank that broke new grounds several times in international capital markets, on the securitization products as covered bond issuances. CEO Mr. Özcan finalized his speech “Within this context, I anticipated that long-term and cost effective issuances under the securitization programmes will continue to increase day by day throughout the sector and funding diversification of the sector will be enriched.”