

## **The issuance of subordinated bond amounting TL 525 million with 10 years maturity from VakıfBank**

**VakıfBank, accelerated its operations with the vision of being "the leading bank of the New Turkey", continues to support the real economy with highest CGF lending volume among all Turkish banks, besides carries on to contribute the improvement and gaining dept for the capital markets in Turkey through investment products. Being the first bank among the state banks with the issuance of subordinated bond amounting TL 525 million with 10 years maturity and having a call option at the end of 5 years, VakıfBank provided 30 basis points positive impact on the Capital Adequacy Ratio.**

**"We are appreciated to provide a new long term TL funding source for VakıfBank"**

Assessing the issuance, VakıfBank's CEO Mr. Mehmet Emin Özcan said; "Extending the maturity of TL funding structure through non-deposit funding sources, providing diversified funding structure and reducing the interest rate pressure on TL deposits are among the priority targets of both the economy administration of Turkey and VakıfBank. We are increasing our endeavor to reduce the interest rates of TL deposits by providing long-term non-deposit funding sources in a period that the ratio of TL loan to deposit ratio of the banking sector average reached to 150%. Being the first issuance among the state banks, the subordinated bond amounting TL 525 million will not only allow us to extend new loans with providing 30 basis points positive impact on capital adequacy ratio, but also will strengthen our balance-sheet structure by having an important role in improving the maturity match."

**"The issuance is a good alternative for the investors looking for a long-term investment instrument"**

Indicating that Vakıf Invest is the authorized agent of the issuance and only the qualified institutional investors who are residents in Turkey are eligible for the issuance, CEO Mr. Özcan said "the transaction with 10 years maturity (having a call option at the end of 5 years) and having quarterly coupon payment created a win-win situation for both VakıfBank as an issuer and the investor. It supported the deepening of domestic capital markets by creating an alternative for institutional investors that are looking for long-term high quality TL-denominated instrument. As a pioneer bank in domestic and international capital markets, we will continue to provide various investor instruments for different investor communities and particularly to focus on reducing the interest rate on TL deposit market by further creating long term TL non-deposit funding in order to support our national economy."