

A new “Sustainable Eurobond” issuance from VakıfBank with an amount of USD 500 million

Having the highest amount of sustainable-linked sources in its funding structure, VakıfBank successfully completed its second bond issuance within the sustainable finance program. The coupon rate of USD 500 million Eurobond with 5 years maturity has been set at 5.5% which is 62.5 basis points below the initial level, attracting worldwide investor interest.

Following its first Sustainable Eurobond issued by deposit banks in the end of 2020, VakıfBank successfully completed the second issuance, thus becoming the first deposit bank to perform this transaction for the second time.

Assessing the issuance, **VakıfBank’s CEO Mr. Abdi Serdar Üstünsalih** remarked that “Having the highest amount of sustainable-linked sources in its funding structure, as VakıfBank, we successfully completed the second Sustainable Eurobond issuance. This transaction received huge demand, which is more than four times of issue size from almost 180 corporate investors through every part of the world from Middle East to Asia, from the UK to the USA. Thanks to the strong demand, **the coupon rate of USD 500 million bond was set at 5.5%, which is 62.5 basis points below the IPT level, while** the yield of the issue was 5.625%. With the Sustainable Eurobond issuance in December 2020, we had access to Continental Europe-based ESG funds investing only in Sustainable Eurobonds for the first time. There was strong demand from these ESG funds for our second issuance as well. The success of USD 500 million Sustainable Eurobond transaction and investor feedback confirmed the success of VakıfBank’s activities in the field of sustainability and the sustainable finance program we have established once again.

Eco-friendly and social-themed loans will be financed

Emphasizing that VakıfBank is one of the most active and pioneer bank of the sector in the field sustainable banking as well as in international debt capital markets, Mr. Üstünsalih continued his words as follows:

“In addition to the Bank’s successful sustainable syndication loan and sustainable Eurobond transactions, the sustainability-linked loan agreements that we signed in recent years with IFIs such as the French Development Agency and the World Bank are concrete indicators, showing that we continue to take strong steps in this area. Eco-friendly and social-themed loans will be

financed with this issuance under the sustainable banking operations which is one of our top priorities. Thus, as VakıfBank having the highest amount of sustainable-linked sources in its funding structure, we aim to increase the weight of sustainable-linked products on the asset side of our balance sheet.”

“The international reputation of VakıfBank has been confirmed once more”

Reminding that VakıfBank issued the largest DPR securitization transaction in a lump in the Turkish banking sector, amounting USD 1 billion 750 million in March 2021, Mr. Üstünsalih stated that “With this new Sustainable Eurobond issuance, we have successfully completed our second highest funding transaction this year. In particular, the strong demand for the transaction once again confirmed the credibility and reputation of VakıfBank and the banking sector in international debt capital markets. We will continue to provide new international sources to our country through our diversified funding structure, long-term and cost-effective international funding opportunities.”