

USD 550 million additional Tier 1 issuance from VakıfBank in international debt capital markets

The most active Turkish bank in international debt capital markets, VakıfBank accomplished USD 550 million Basel III compliant PERPNC5 AT1 issuance which was fully sold to international institutional investors.

“The first AT1 issuance by VakıfBank to international fixed income investors”

With the successful completion of additional Tier 1 capital issuance, VakıfBank's CEO Abdi Serdar Üstünsalih expressed that VakıfBank maintained its leading position in this field by bringing a total of USD 2.5 billion as fresh funding to Turkey from international debt capital markets since the beginning of the year. He stated, 'This transaction marks the first additional Tier 1 capital issuance in VakıfBank's history in international debt capital markets. I would also like to emphasize that this is the first AT1 issuance conducted as a market transaction among state banks in Turkey. The significant investor demand from various regions around the world including the UK, Continental Europe, the Middle East, Asia, and America is highly gratifying. Thanks to the strong demand, which reached three times the size of the transaction, the yield of the transaction improved by 37.5 basis points to 10.125% from the initial price expectation. This demonstrates a clear indication of international investors' confidence in Turkey and particularly in VakıfBank.

“100 bps positive contribution to the Bank's solvency ratios”

Assessing the impact of the successfully completed transaction on solvency ratios, Mr. Üstünsalih concluded his remarks as follows:

“We expect the aforementioned fresh USD 550 million AT1 issuance to contribute positively to both our Tier I capital and total capital adequacy ratios by 100 basis points. With our strengthened solvency ratios, we aim to continue our efficiency-focused strategies across all areas as Turkey's second-largest bank. In the upcoming period, we will continue to closely monitor international debt capital markets and pursue new funding transactions under different structures.”