

DenizBank secures c. USD 435 Million sustainability-related DPR financing with a maturity of up to 7 years

Targeting to secure long-term international funding at competitive terms, DenizBank is pleased to announce today the closing of multi-tranche c. USD 435 Million financing backed by her Diversified Payment Rights Securitization Programme. The majority of the proceeds will be used for environmentally friendly and sustainable projects.

The transaction was well received, achieving a maturity of up to 7 years, with the participation of a pool of investors ranging from supranational institutions to institutional investors and commercial banks from the US, Asia, and Europe.

Under her sustainability policy scope, DenizBank will continue to support investments that contribute to environmental and social development. The financing will be primarily used for energy efficiency and renewable energy projects, supporting businesses that have limited access to funds, such as women entrepreneurs and agriculture, which is a very strategic sector for DenizBank.

Credit Suisse AG and Emirates NBD Capital Limited acted as Joint Coordinators and Book runners. Credit Suisse also acted as the Sole Structuring Bank. 13 investors participated in the financing which is backed by Denizbank's future Diversified Payment Rights (DPRs). International Finance Corporation (IFC) and European Bank for Reconstruction and Development (EBRD) acted as anchor investors, with participations of USD 150 Million and USD 100 Million, respectively.

With this transaction, the total international funding secured by DenizBank through syndicated loans, bilateral agreements, and from supranational institutions since the end of 2019 has exceeded USD 3.5 Billion.

Hakan Ateş, DenizBank Financial Services Group CEO, stated that in a period where getting fresh funding to the economy is vital, they are proud to continue to secure long-term international financing at competitive terms. Ateş said, "The total amount of funding we have secured since the end of 2019 has exceeded USD 3.5 Billion. In 2019, we had obtained the largest fresh funding secured by a Turkish Bank, with a subscription amount totaling USD 1.1 Billion. We renewed a significant amount of this funding with a 115% rollover ratio very recently in December 2020. In addition, we concluded agreements totaling USD 250 Million with maturities of up to 6 years with supranational institutions to support municipalities, agribusinesses, micro & small enterprises, and energy efficiency projects. And now, we continue to strongly contribute to the Turkish economy with this c. USD 435 Million securitization transaction. We believe that this deal will pave the way for new transactions in the Turkish market under Diversified Payment Rights (DPR) Securitization Programmes backed by future flows. With its long-term maturity of up to seven years and competitive funding terms, this transaction is also a testament of the improving confidence to the Turkish economy. Well-received by investors from the US, Europe, and Asia, we are delighted to extend the majority of this funding to the green projects in renewable energy and energy efficiency areas and also to businesses with limited access to finance, such as women entrepreneurs and farmers in line with our sustainability policies. This funding will for sure provide significant added value to our economy. I would like to thank the 13 investors who contributed to this landmark transaction. Going forward, we will continue to work on medium and long-term funding through our SME Covered Bond and Medium Term Note Programs to support the future of our economy."

Vittorio di Bello, IFC Head of Industry for Financial Institutions for Europe & Central Asia, said: "With this financing, we are directly aiming to support the Turkish agribusiness MSMEs, especially in these challenging times, to keep businesses afloat and boost economic growth. We look forward to further strengthening our collaboration with DenizBank and will continue to seek out new projects to increase access to finance to the underserved segments in the country."

Jürgen Rigterink, EBRD First Vice President, stated: "This is a landmark transaction on several accounts. First, it marks Denizbank's return to its DPR program under the Emirates NBD Bank's ownership. Secondly, it allows the EBRD to provide new financing for women entrepreneurs and green investments by smaller businesses such as in renewable energy, resource efficiency, waste minimization, and water savings. And thirdly, by joining forces with the EU, the Turkish Credit Guarantee Fund, and the Ministry of Treasury and Finance, the EBRD and Denizbank will be able to achieve a greater impact of our financing."

Lawrence Fletcher, Credit Suisse Global Head of the Structured Credit and Financing Group, expressed: "Credit Suisse is very pleased to have supported Denizbank in structuring and coordinating such a benchmark financing. It's a testimony of the investors' confidence in Denizbank, its first-class team, and the active support from its shareholder Emirates NBD."

Hitesh Asarpota, ENBD Capital Head of Debt Capital Markets and Loan Syndications, said: "We are pleased to be part of this very successful transaction as an arranger and book runner. DPR programs have historically been a valuable tool for Turkish banks to raise long-term liquidity, but only a few managed to issue under this structure in the recent past. Denizbank's ability to raise c. USD 435 mn from a diversified pool of investors at very competitive terms is a strong testament to the bank's management and the strong support it receives from global institutional investors."