

Strategic step from DenizBank led by Central Bank of Turkey in trade with local currency

DenizBank disbursed the first rediscount credit in Chinese Yuan in Turkey

Taking an important step in using local currency as part of Foreign Trade Mobilization, DenizBank has become the first bank disbursing the Rediscount Credit in Chinese Yuan in the real sector in cooperation with the Central Bank of Turkey. The credit in question will be disbursed by the Turkish real sector companies trading with China.

Trading in local currency such as Chinese Yuan is considered strategically important for the benefits it offers including lowering the transaction costs for the real sector, increasing the negotiation power with the other party and providing a speedy increase in trade between the relevant countries.

Due to hard fluctuations in foreign exchange rates along with the global financial crisis in 2008, trading in local currency has reached an important level across the world including the developing economies in particular. Although trading in local currency did not progress as fast as expected at first stage in Turkey, during the last quarter of 2016, it moved on to a new level through the mutual steps taken by Russia and Turkey and the first money swap between the Central Bank of Turkey and Central Bank of China on November 30th, 2016. The actual step making it even more important for the real sector is the Rediscount Credit in Chinese Yuan provided by the Central Bank of Turkey through the Trade Banks.

“It is a national issue for us”

Delivering remarks on the issue, **DenizBank Treasury and Financial Institutes Group Executive Vice President Bora Bocugöz** said “DenizBank completed the required studies into this issue that we consider national and disbursed the first CBT rediscount credit in Yuan. This development realized on 21.03.2017 was launched into the market at the same with Yuan hedging mechanisms. CBT Yuan Discount credit opportunity provided in Yuan and indexed to Shanghai Libor rates will be lent to real sector companies trading with China.”

Efforts for rediscount credit in Ruble underway

Adding that this important staged reached in trade with China is also expected to set an example for the other countries, Mr B cug z continued; "The studies with Russia where the foreign trade target is mutually 100 billion USD by 2023 is also a priority for us. We expect a serious momentum from a Ruble/TL Money Swap to be signed by the central banks of the two countries and a CBT rediscount credit."

About DenizBank

DenizBank was established in 1938 as a state economic enterprise aimed at funding of the developing Turkish maritime sector. In the early 1997, DenizBank was acquired by the Zorlu Holding in the form of banking license from the Privatization Administration and in October 2006, a leading European financial group, Dexia incorporated it to its structure. For 6 years, DenizBank operated in Dexia's main shareholding and since 28 September 2012, continues providing services under the umbrella of Russia's largest and well-rooted bank, Sberbank. DenizBank has become one of the remarkable banks of Turkey in a short period of time. DenizBank Financial Services Group was established in 2003 in order to create a "financial supermarket" accumulating various financial services under one roof. There are totally 733 branches within DenizBank Financial Services Group operating in 81 provinces of Turkey and abroad employing close to 15 thousand people. DenizBank Financial Services Group consists of DenizBank, seven domestic, three international financial subsidiaries, five domestic non-financial subsidiaries, and a branch in Bahrain. Deniz Investment Securities, Deniz Real Estate Investment Trust, DenizPortfolio Management, DenizLeasing, DenizFactoring, Destek Asset Management Company, Intertech, Deniz K lt r, Deniz Card Payment Systems, Aık Deniz Radio – TV and Bantaş are the group's domestic subsidiaries while Eurodeniz, DenizBank AG and DenizBank Moscow are its international subsidiaries.

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