

FINAL TERMS

16 May 2016

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.

**Issue of U.S.\$300,000,000 4.875 per cent. Green/Sustainable Bonds due 2021 (the “Notes”)
under the U.S.\$750,000,000
Global Medium Term Note Programme**

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “Conditions”) set forth in the Base Prospectus dated 19 April 2016 and the supplement to it dated 6 May 2016 which together constitute a base prospectus for the purposes of the Prospectus Directive (the “Base Prospectus”). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus has been published on the Issuer’s website (<http://www.tskb.com.tr>).

1	Issuer:	Türkiye Sınai Kalkınma Bankası A.Ş.
2	(a) Series Number:	2
	(b) Tranche Number:	1
	(c) Date on which the Notes will be consolidated and form a single Series:	Not Applicable
3	Specified Currency:	United States dollars (“U.S.\$”)
4	Aggregate Nominal Amount:	
	(a) Series:	U.S.\$300,000,000
	(b) Tranche:	U.S.\$300,000,000
5	Issue Price:	99.244 per cent. of the Aggregate Nominal Amount of the Tranche
6	(a) Specified Denomination(s):	U.S.\$200,000 and integral multiples of U.S.\$1,000 in excess thereof
	(b) Calculation Amount:	U.S.\$1,000
7	(a) Issue Date:	18 May 2016
	(b) Interest Commencement Date:	Issue Date
8	Maturity Date:	18 May 2021
9	Interest Basis:	4.875 per cent. Fixed Rate (see paragraph 14 below)
10	Redemption Basis:	Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at 100 per cent. of their nominal

		amount
11	Change of Interest Basis:	Not Applicable
12	Put/Call Options:	Not Applicable
13	Status of the Notes:	Senior
	Date Board approval for issuance of Notes obtained:	Not Applicable

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14	Fixed Rate Note Provisions:	Applicable
	(a) Rate(s) of Interest:	4.875 per cent. per annum payable in arrear on each Interest Payment Date
	(b) Interest Payment Date(s):	18 May and 18 November in each year up to and including the Maturity Date
	(c) Fixed Coupon Amount(s):	24.375 per Calculation Amount
	(d) Broken Amount(s):	Not Applicable
	(e) Day Count Fraction:	30/360
	(f) Determination Date(s):	Not Applicable
	(g) Modified Fixed Rate Notes:	Not Applicable
15	Floating Rate Note Provisions	Not Applicable
16	Zero Coupon Note Provisions	Not Applicable

PROVISIONS RELATING TO REDEMPTION

17	Issuer Call:	Not Applicable
18	Investor Put:	Not Applicable
19	Final Redemption Amount:	U.S.\$1,000 per Calculation Amount
20	Early Redemption Amount payable on redemption for taxation reasons or on event of default:	U.S.\$1,000 per Calculation Amount


GENERAL PROVISIONS APPLICABLE TO THE NOTES


21	Form of Notes:	
	(a) Form:	Registered Notes: Regulation S Global Note registered in the name of a nominee for a common depositary for Euroclear and Clearstream, Luxembourg exchangeable for Definitive Registered Notes upon an Exchange Event
	(b) New Global Note:	No
22	Specified Financial Centre(s):	Istanbul
23	Talons for future Coupons to be attached to Definitive Notes:	No

PROVISIONS APPLICABLE TO TURKISH LIRA NOTES

24	USD Payment Election:	Not Applicable
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Signed on behalf of TRKİYE SİNAİ KALKINMA BANKASI A.Ş.

By: 
Duly authorised
Meral Özçelik
Department Head

By: 
Duly authorised
Gıgdem İael
Executive Vice President

PART B – OTHER INFORMATION

1 LISTING AND ADMISSION TO TRADING

- (a) Listing and Admission to trading: Application has been made by the Issuer (or on its behalf) for the Notes to be listed on the Official List and admitted to trading on the Main Securities Market of the Irish Stock Exchange with effect from 18 May 2016.
- (b) Estimate of total expenses related to admission to trading: €600

2 RATINGS

- Ratings: The Notes to be issued are expected to be rated: BBB- by Fitch Ratings Ltd. (“Fitch”) and Baa3 by Moody’s Investors Service Ltd (“Moody’s”).
- Each of Fitch and Moody’s is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended) (the “CRA Regulation”).

3 INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Save for any fees payable to the Joint Lead Managers, so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer of the Notes. The Joint Lead Managers and/or their respective affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business

4 YIELD

- Indication of yield: 5.048 per cent. per annum
- The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

5 OPERATIONAL INFORMATION

- (a) ISIN: XS1412393172
- (b) Common Code: 141239317
- (c) CUSIP: Not Applicable
- (d) Any clearing system(s) other than DTC, Euroclear and Clearstream, Luxembourg and the relevant identification number(s): Not Applicable
- (e) Delivery: Delivery against payment
- (f) Names and addresses of additional Paying Agent(s) (if any): Not Applicable
- (g) Deemed delivery of clearing system notices for the purposes of Any notice delivered to Noteholders of Notes held through a clearing system will be deemed to have

Condition 15:

been given on the second business day after the day on which it was given to the relevant clearing system.

- (h) Intended to be held in a manner which would allow Eurosystem eligibility:

No. Whilst the designation is specified as “no” at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper or registered in the name of a nominee of one of the ICSDs acting as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.

6 DISTRIBUTION

- (a) Method of distribution:

Syndicated

- (b) If syndicated, names of Managers:

BNP Paribas

Citigroup Global Markets Limited

HSBC Bank PLC

Standard Chartered Bank

(the **Global Coordinators**)

Commerzbank Aktiengesellschaft

ING Bank N.V., London Branch

UniCredit Bank AG

(the **Bookrunners** and, together with the Global Coordinators, the **Joint Lead Managers**)

- (c) Date of Subscription Agreement:

16 May 2016

- (d) Stabilisation Manager(s) (if any):

Citigroup Global Markets Limited

- (e) If non-syndicated, name of relevant Dealer:

Not Applicable

- (f) U.S. Selling Restrictions:

Reg. S Compliance Category 2; TEFRA not applicable

7 REASONS FOR THE OFFER

Reasons for the offer

The net proceeds of the issue of the Notes will be used exclusively to finance and/or refinance Eligible Projects meeting the Eligibility Criteria (each as defined below).

Pending their application as described above, such net proceeds will be held in a sub-account which is tagged within the Issuer’s accounting system for efficient monitoring. The Issuer will only permit transfers from this account for the purposes of financing or refinancing Eligible Projects meeting the

Eligibility Criteria.

Pending the full allocation of the net proceeds of the Notes to one or more Eligible Projects meeting the Eligibility Criteria, the Issuer will invest the balance of net proceeds not yet allocated to such Eligible Projects, at its own discretion, in cash, cash equivalent and/or other liquid marketable instruments in its liquidity portfolio.

“Eligibility Criteria” means the following framework setting out the business activity criteria that a project must meet one or more of in order to qualify as an Eligible Project:

1. Direct and Indirect Climate Change Mitigation

- (a) **Energy Efficiency:** any reconstruction, expansion, renovation or refurbishment measure implemented within the premises of a business entity or relocation of any production facility and aimed at investing into fixed assets that are designed to decrease energy consumption for every unit of service output of the business entity or using renewable or waste energy. Projects will have the primary objective of improving the efficiency of energy use (or reducing specific energy consumption) of the system directly affected by the project.
- (b) **Resource Efficiency:** any greenfield, reconstruction, expansion, renovation or refurbishment investments aimed to increase resource efficiency, including but not limited to a reduction in:
 - water consumption;
 - non-recoverable waste;
 - raw material/auxiliary chemicals.
- (c) **Wind Power Plants (onshore only):**
 - the development, construction and operation of wind farms;
 - operational production or manufacturing facilities wholly dedicated to wind energy development;
 - wholly dedicated transmission infrastructure for wind farms.
- (d) **Solar Power (Photovoltaic):**
 - solar electricity generation facilities;
 - wholly dedicated transmission infrastructure for solar electricity generation facilities.
- (e) **Hydro Power Plants:**
 - the development, construction and operation of hydro power plants;
 - operational production or manufacturing facilities wholly dedicated to hydro energy development;
 - wholly dedicated transmission infrastructure for hydro power plants.
- (f) **Biomass, Waste to Energy, Biogas:** technologies and projects for the conversion of organic matter to energy.
- (g) **Clean Transport Projects:**
 - the promotion of lower-carbon fuels;
 - electric or hydrogen technologies in existing vehicles, rail or boat fleets;
 - the promotion of urban mass transit, non-motorised transport (e.g. pedestrian mobility) and improvement of the general transport logistics to increase energy efficiency of infrastructure and transport;
 - a shift of freight and/or passenger transport from road to rail or waterways.

- (h) **Indirect Mitigation:** the manufacture and sale of finished products, which when in use are intended to result in renewable energy generation, energy efficiency or greenhouse gas (GHG) emission reductions.

Specific project loans going towards specific products designed to improve renewable energy generation, energy efficiency or GHG emission reduction.

2. **Climate Change Adaptation**

- (a) **Climate Change Adaptation Projects:** adaptation-related projects that potentially contribute to reducing the vulnerability to climate change identified in the project area.

3. **Sustainable Infrastructure**

- (a) **Social Infrastructure (Health and Education):** improving access to public services for the wider population and promoting inclusiveness.
- (b) **Electricity Distribution Networks:** projects aimed at retro-fitting transmission lines or substations to reduce energy use and/or technical losses and to avoid electricity cuts. Projects aimed at improving existing systems to facilitate the integration of renewable energy sources into the grid or Scada System to improve effectiveness. If possible, project selection can also incorporate geographical aspects and favour projects in areas where electricity losses are high and a large number of customers/households would benefit from modernisation. If new transmission systems are installed, these should facilitate the integration of renewable energy sources into the grid or extensions to serve the additional population growth due to urbanisation.
- (c) **Ports:** the building or modernisation of ports to promote the modal shift of freight and/or passenger transport from road to waterways and ensure the resilience of ports to climate change risks (including, without limitation, by way of port integration, renovation and capacity increases and infrastructure and superstructure investments into existing ports).

“Eligible Projects” means projects satisfying the Eligibility Criteria as described above.

The above examples of projects falling within the relevant Eligibility Criteria are for illustrative purposes only and no assurance can be provided that disbursements for any such specific projects will be made by the Issuer during the term of the Notes.

Allocation Report: The Issuer is expected to publish an annual report setting out the aggregate allocation of the proceeds of the Notes to Eligible Projects. To the extent practicable, the report will include a breakdown of the Eligible Projects by category and by geography without referring to client names. Allocation reporting will be available to investors within one year from the date of the issue of the Notes and annually thereafter until the proceeds have been fully allocated to Eligible Projects.

Impact Report: the Issuer is committed to publishing annual updates on the environmental and social impacts of the projects funded with the proceeds of the Notes.

Sustainalytics has reviewed the selected Eligible Projects and issued a second party opinion based on the Eligibility Criteria. The second party opinion is available on the Issuer’s website: www.tskb.com.tr.

Any information contained in or accessible through any website, including www.tskb.com.tr, does not form part of these Final Terms or the Base Prospectus, unless specifically stated.