

Two Firsts From Türkiye Finans

***First ever sukuk issuance denominated in Malaysian ringgit of any Turkish Institution**

***The largest senior single tranche issuance by any foreign financial institution and the largest issuance from the European and MENA region in the Malaysian debt market to date**

With its sukuk issuance transaction, Türkiye Finans achieved two major breakthroughs and strengthened its pioneering position in the participation banking industry. Türkiye Finans took the record as the first Turkish institution to perform a 5-year sukuk issuance in the amount of 800 million Malaysian ringgit. The transaction also marks the highest Malaysian ringgit sukuk issuance yet assigned by a foreign institution.

Türkiye Finans, a pioneer in participation banking, completed a sukuk issuance in the amount of 800 million Malaysian ringgit being the first tranche of a 3-billion ringgit Sukuk Program, through its 100-percent subsidiary TF Varlık Kiralama A.Ş.,. The \$250 million equivalent issuance offering a 6 percent p.a. coupon to ringgit investors was managed by HSBC and Standard Chartered Bank and will mature on June 28, 2019.

Derya Güerker, CEO of Türkiye Finans, said, "The increase of sukuk issuances in global capital markets reinforces this product's position among significant finance instruments. With our third overseas sukuk issuance, we achieved a never-before-performed service. It is the highest issuance amount to be completed by a foreign bank to local investors in Malaysia. Furthermore, we are enjoying the privilege of performing the first and only Republic of Turkey-originated issuance in Malaysia – the most active and the largest sukuk market in the world. Our proud achievement is a testament to the global reputation of Türkiye Finans. At a cost of 4.7 percent in US dollar denomination, we hope that this source will provide added value to both the Turkish economy and those SMEs requiring cheap financing. Through this fund we are going to increase the amount of all the funds we provide – our leasing transactions in particular – without compromising on quality."

Following the transaction's successful completion, Martin Spurling, Group General Manager of HSBC and CEO of HSBC Turkey, stated "HSBC is proud to have taken part in Türkiye Finans' issuance in Malaysia. The transaction marks a milestone for sukuk issuances made by Turkish companies in global markets. To date, HSBC has been the only arranger that has participated in all three of the sukuk issuances carried out by Türkiye Finans. We hope that this support for the Turkish economy and Türkiye Finans will continue as part of HSBC's strategy to become a Leading International Bank in Turkey."

Dilek Yardım, CEO of Standard Chartered Yatırım Bankası Türk A.Ş., congratulated Türkiye Finans on being the first ever Turkish bank to have issued Malaysian ringgit-denominated sukuk in the Malaysian capital market. Yardım expressed Standard

Chartered's pleasure in brokering the successful transaction, which was a sukuk issuance with the highest issuance amount to be completed in one tranche by a foreign institution in Malaysia. Dilek Yardım said that with the issuance, Türkiye Finans provided Malaysian investors with a good opportunity to diversify their investments, and that it has "proven the depth of the Malaysian sukuk capital markets as well as Malaysia's size and importance in the sukuk market. We hope that this will set an example for other sukuk issuances by Turkish banks in global markets."

Türkiye Finans had previously performed sukuk issuances internationally in the amount of \$500 million each in May 2013 and in April 2014.