

**SECOND SUPPLEMENT dated August 14, 2015 to the Base Prospectus dated April 27, 2015**



**FINANSBANK A.Ş.**

**US\$2,000,000,000**

**Global Medium Term Note Program**

This supplement (this “*Supplement*”) is supplemental to, and must be read in conjunction with, the base prospectus dated April 27, 2015 (the “*Original Base Prospectus*” and, as supplemented on May 12, 2015, the “*Base Prospectus*”) prepared by Finansbank A.Ş. (the “*Issuer*”) under the Issuer’s global medium term note program. Capitalized terms used but not otherwise defined herein shall have the meaning ascribed thereto in the Base Prospectus.

This Supplement has been approved by the Central Bank of Ireland, as competent authority under Directive 2003/71/EC as amended (including the amendments made by Directive 2010/73/EU) (the “*Prospectus Directive*”). The Central Bank of Ireland only approves this Supplement as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive. This document constitutes a supplement for the purposes of Article 16 of the Prospectus Directive and has been prepared and published for the purposes of incorporating into the Base Prospectus the latest financial statements and certain recent events in connection with the Issuer. As a result, certain modifications to the Base Prospectus are hereby being made.

A copy of each of: (a) the consolidated BRSA financial statements of the Group as of and for the six month period ended June 30, 2015 (including the notes thereto, the “*Group’s New BRSA Financial Statements*”) and (b) the unconsolidated BRSA financial statements of the Issuer as of and for the six month period ended June 30, 2015 (including the notes thereto, the “*Issuer’s New BRSA Financial Statements*” and, together with the Group’s New BRSA Financial Statements, the “*New Financial Statements*”) have been filed with the Central Bank of Ireland and, by means of this Supplement, are incorporated by reference into, and form part of, the Base Prospectus. Copies of the New Financial Statements can be obtained without charge from the registered office of the Issuer and from the Issuer’s website at: (i) with respect to the Group’s New BRSA Financial Statements, <http://www.finansbank.com.tr/en/investor-relations/media/1726/report.aspx>, and (ii) with respect to the Issuer’s New BRSA Financial Statements, <http://www.finansbank.com.tr/en/investor-relations/media/1725/report.aspx> (such website is not, and should not be deemed to constitute, a part of, or be incorporated into, this Supplement or the Base Prospectus). The New Financial Statements, each of which is in English, were prepared as convenience translations of the corresponding Turkish language financial statements (which translations the Issuer confirms were direct and accurate). The New Financial Statements were not prepared for the purpose of their incorporation by reference into the Base Prospectus.

In addition, the attached pages of this Supplement provide for amendments to certain sections of the Base Prospectus. Statements contained herein shall, to the extent applicable and whether expressly, by implication or otherwise, be deemed to modify or supersede statements set out in, or previously incorporated by reference into, the Base Prospectus. Where there is any inconsistency between the information contained in (or incorporated by reference into) the Base Prospectus and this Supplement, the information contained in (or incorporated by reference into) this Supplement shall prevail.

Except as disclosed herein (including in the New Financial Statements incorporated by reference into the Base Prospectus pursuant to this Supplement) and in the previous supplement to the Original Base Prospectus, there has been no: (a) significant new factor, material mistake or inaccuracy relating to the information included in the Original Base Prospectus since the publication thereof and (b) significant change in the financial or trading position of either the Group or the Issuer since June 30, 2015.

The Issuer accepts responsibility for the information contained herein. To the best of the knowledge and belief of the Issuer (which has taken all reasonable care to ensure that such is the case), the information contained herein is in accordance with the facts and contains no omission likely to affect the import of such information. None of the Dealers or the Arranger make any representation, express or implied, or accept any responsibility, for the contents hereof or any information incorporated by reference into this Supplement.

## AMENDMENTS

The following amendments are made to the Base Prospectus:

### RISK FACTORS

The second paragraph of the section entitled “Risks related to the Group’s Business – Global Financial Crisis and Eurozone Crisis” on page 19 of the Original Base Prospectus is hereby deleted in its entirety and replaced by the following:

The global liquidity conditions and the economic slowdown in most economies also impacted the Turkish economy and the principal external markets for Turkish goods and services. Turkey’s GDP growth declined from 4.2% in 2013 to 2.9% in 2014 due to the weakening of external demand and the Central Bank’s tighter monetary policies. In line with the decline in Turkey’s growth, the unemployment rate increased from 9.6% as of December 31, 2013 to 10.9% as of December 31, 2014 (source: Turkstat). The Bank’s management believes that Turkey’s GDP growth is unlikely to increase and the unemployment rate might continue to deteriorate in 2015 considering the political uncertainty in Turkey and narrower liquidity conditions. Continuing high levels of unemployment might affect the Group’s retail customers and business confidence, which could impair the Group’s business strategies and have a material adverse effect on its business, financial condition, results of operations and/or prospects.

The first three sentences of the last paragraph of the section entitled “Risks related to the Group’s Business – Global Financial Crisis and Eurozone Crisis” on page 20 of the Original Base Prospectus are hereby deleted in their entirety and replaced by the following:

In particular, the lingering risk of a sovereign default by Greece continues to pose a threat to financial markets. At the end of June 2015, the Greek government and its creditors failed to reach an agreement when the previous financial support program expired and thus Greece might have been required to exit the eurozone monetary union. Deposit outflows escalated, forcing the Greek government to keep the banks closed for three weeks and to cap the cash withdrawal amounts from ATMs. On July 13, 2015, the Greek government and its creditors finally agreed on a preliminary deal that required Greece to pass a set of reforms before the parties could begin to work on a new bailout program and, on August 11, 2015, the Greek government agreed on a new bailout deal with its creditors, which is required to be adopted by the Greek parliament and eurozone countries. As a result of this agreement, the possibility of an immediate exit from the monetary union diminished; *however*, Greece’s debt sustainability and lack of growth continue to be serious concerns. Further, Greece might default on its obligations, which might result in further uncertainty and market disruptions.

The third paragraph of the section entitled “Risks related to Turkey – Political Developments” on page 28 of the Original Base Prospectus is hereby deleted in its entirety and replaced by the following:

Most recently, elections were held in Turkey on June 7, 2015 resulting in no party receiving a majority of the members of parliament. The parties with seats in parliament might attempt to form a coalition government and/or early elections might be scheduled, either of which could result in uncertainty. On July 1, 2015, İsmet Yılmaz, a former Turkish Defense Minister and member of the Justice and Development Party (known as Adalet ve Kalkınma Partisi (AKP)) was elected to be the country’s new parliamentary speaker. On July 9, 2015, President Erdoğan mandated Ahmet Davutoğlu, the AKP leader and the former prime minister, to form a government. The political parties also agreed on the composition of the Board of Speakers, which was formed on July 9, 2015. Pursuant to Article 116 of the Constitution of Turkey, if a government cannot be formed within 45 days after the election of the Board of Speakers, the President has the right, but not the obligation, to call for new elections, the results of which would be uncertain. The events surrounding future elections and/or the results of such elections could contribute to the volatility of Turkish financial markets and/or have an adverse effect on investors’ perception of Turkey, including the independence of Turkey’s financial institutions. Actual or perceived political instability in Turkey and/or other political circumstances (and related actions, rumors and/or uncertainties) could have a material adverse effect on the Group’s business, financial condition, results of operations and/or prospects and on the price of the Notes.

The second paragraph of the section entitled “Risks related to Turkey – Terrorism and Conflicts” on page 29 of the Original Base Prospectus is hereby amended by the addition of the following at the end thereof:

At the end of July 2015, Turkey joined the U.S.-led coalition following a suicide bomb attack in Suruç, a Turkish town bordering Syria, that killed 32 Turkish civilians and wounded nearly 100 civilians. The attack is suspected to have been carried out by ISIS and marked the beginning of a period of severely heightened geopolitical tension.

The People’s Congress of Kurdistan, formerly known as the PKK (an organization that is listed as a terrorist organization by various states and organizations, including Turkey, the EU and the United States), responded to the Suruç bombing by killing two Turkish police officers. The Turkish government responded by launching air strikes against ISIS in Syria and the PKK in Mount Kandil (northern Iraq). Continuation and/or further escalation of the tension might lead to a delay or abandonment of the ongoing peace process between the Turkish government and the PKK. Turkey has from time to time been the subject of terrorist attacks. For example, on August 10, 2015, Turkish police officers and soldiers were the targets of a series of bomb attacks in İstanbul and southeastern Turkey, which resulted in the death of six members of the Turkish security forces, and a separate small attack on the U.S. consulate took place.

The third and fourth paragraphs of the section entitled “Risks related to Turkey – Terrorism and Conflicts” on page 30 of the Original Base Prospectus are hereby deleted entirely.

#### **RECENT DEVELOPMENTS**

The following section entitled “Recent Developments” is hereby included in the Base Prospectus immediately after the section entitled “Business of the Group”:

#### **RECENT DEVELOPMENTS**

In June 2015, the Bank moved its principal office to Esentepe Mahallesi, Büyükdere Cad., Kristal Kule Binası, No:215, Şişli, İstanbul, Turkey.

#### **THE TURKISH BANKING SECTOR**

The second paragraph of the section entitled “The Turkish Banking Sector – The Turkish Banking Sector” on page 156 of the Original Base Prospectus is hereby amended by the addition of the following at the end thereof:

On May 29, 2015, the BRSA announced that shareholding rights (except dividends), management and audit of Bank Asya is to be transferred to the SDIF for partial or full transfer, sale or merger of the bank pursuant to Article 71 of the Banking Law; *provided* that the loss shall be deducted from the shares of the existing shareholders.