



FINANSBANK A.Ş.
US\$2,000,000,000
Global Medium Term Note Programme

This supplement (this “*Supplement*”) is supplemental to, and must be read in conjunction with, the Base Prospectus dated 27 April 2017 (the “*Original Base Prospectus*” and, as supplemented on 8 May 2017, the “*Base Prospectus*”) prepared by Finansbank A.Ş. (the “*Issuer*”) under the Issuer’s global medium term note programme. Capitalised 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 updating the Base Prospectus in respect of 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 unaudited consolidated BRSA financial statements of the Group as of and for the six month period ended 30 June 2017 (including any notes thereto and the independent auditor’s report thereon, the “*Group’s New BRSA Financial Statements*”) and (b) the unaudited unconsolidated BRSA financial statements of the Issuer as of and for the six month period ended 30 June 2017 (including any notes thereto and the independent auditor’s report thereon) (with the Group’s New BRSA Financial Statements, the “*New Financial Statements*”) has been filed with the Central Bank of Ireland and the Irish Stock Exchange and, by means of this Supplement, is incorporated by reference into, and forms part of, the Base Prospectus. Copies of each of the New Financial Statements can be obtained without charge from the registered office of the Issuer and from the Issuer’s website at: <http://www.qnbfinansbank.com/en/investor-relations/financial-information/Default.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.

The New Financial Statements were reviewed by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (a member firm of Ernst & Young Global Limited) (“*Ernst & Young*”) and Ernst & Young’s review reports included within the New Financial Statements note that they applied limited procedures in accordance with professional standards for a review of such information and such reports state that they did not audit and they do not express an opinion on the interim financial information in the New Financial Statements. The independent auditor’s reports included in the New Financial Statements include a qualification about a general reserve provided by the Issuer’s management in line with the conservatism principle considering the circumstances that may arise from any changes in the economy or market conditions (see “*Risk Factors - Risks related to the Group’s Business – Audit Qualification*” in the Base Prospectus).

Statements contained herein (or in the New Financial Statements incorporated by reference into the Base Prospectus by means of this Supplement) shall, to the extent applicable and whether expressly, by implication or otherwise, 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 the information contained in (or incorporated by reference into the Base Prospectus by means of) this Supplement, the information contained in (or incorporated by reference into the Base Prospectus by means of) this Supplement shall prevail.

Except as disclosed herein (including in the New Financial Statements incorporated by reference into the Base Prospectus by means of 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 of the Original Base Prospectus, (b) significant change in the financial or trading position of either the Group or the Issuer since 30 June 2017 and (c) material adverse change in the financial position or prospects of either the Group or the Issuer since 31 December 2016.

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 the Base Prospectus by means of this Supplement.

AMENDMENTS

The following amendments are made to the Base Prospectus:

OVERVIEW

The section entitled “*Key Strengths*” starting on page 2 of the Original Base Prospectus is hereby amended by the addition of the following before the final sentence under the fifth bullet point:

In particular, the Bank has benefited from the funding of loans guaranteed by the Credit Guarantee Fund during the first half of 2017, nearly doubling its loans granted with the support of Credit Guarantee Fund guarantees from TL 6.55 billion to TL 12.18 billion between 31 March 2017 and 30 June 2017, although such growth is unlikely to continue in the second half of 2017.

RISK FACTORS

The second to last sentence of the eighth paragraph of the risk factor entitled “*Risks related to the Group’s Business - Banking Regulatory Matters*” on page 23 of the Original Base Prospectus is hereby amended by the addition of the following at the end thereof:

Given the nature of the Group’s operations, IFRS 9 is expected to impact the Group’s financial statements, in particular the calculation of impairment of financial instruments on an expected credit loss basis. This, in turn, is expected to result in an increase in the overall level of impairment allowance; *however*, such impact cannot be quantified until the Group’s assessment is complete.

MANAGEMENT

The section entitled “*Board of Directors*” starting on page 144 of the Original Base Prospectus is hereby amended by the deletion of the information regarding Mr. Grant Eric Lowen in its entirety and the addition of the following language at the end thereof:

On 22 June 2017, the Board of Directors of the Bank resolved to accept the resignation of Mr. Grant Eric Lowen and to elect Ms. Noor Mohammad Al-Naimi as a member of the Board of Directors. Additional information regarding Ms. Noor Mohammad Al-Naimi is set out below:

Ms. Noor Mohammad Al-Naimi – Member of the Board of Directors

Ms. Al-Naimi earned a bachelor’s degree in Business Administration from Qatar University. Ms. Al-Naimi joined QNB in 2000 and, after holding various positions in the Treasury Operations and Control Division of QNB, she became the Assistant General Manager of the Treasury Operations Trading & Investment Division of QNB. In 2014, Ms. Al-Naimi was appointed as the Acting General Manager of the Treasury group of QNB. She was appointed as a member of the Board of Directors of the Bank in June 2017.

RECENT DEVELOPMENTS

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

RECENT DEVELOPMENTS

On 24 May 2017, the Board of Directors of the Bank resolved to increase the paid-in share capital of the Bank from TL 3,150 million to TL 3,350 million. As of 16 August 2017, the increase of the paid-in share capital of the Bank is subject to a registration requirement that, when finalised, will result in the issued and paid-in share capital of the Bank being TL 3,350 million, consisting of 33,500 million ordinary shares, each having a nominal value of TL 0.10.

The CMB approval relating to the issuance of Notes based upon which any further offering of the Notes will be conducted was obtained on 22 May 2017 and replaced the approval dated 7 June 2016.

On 17 July 2017, the Turkish Parliament extended the state of emergency in Turkey for an additional three months starting from 19 July 2017.