SECOND SUPPLEMENT dated August 18, 2014 to the Base Prospectus dated February 5, 2014

FİNANSBANK A.Ş.
US$1,500,000,000
Global Medium Term Note Program

This supplement (this "*Supplement*") is supplemental to, and must be read in conjunction with, the Base Prospectus dated February 5, 2014 (the "*Original Base Prospectus*" and, as supplemented on April 2, 2014, 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 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, 2014 (including any 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, 2014 (including any notes thereto, the "*Issuer's New BRSA Financial Statements*" and, 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: (i) with respect to the Group's New BRSA Financial Statements, http://www.finansbank.com.tr/en/investor-relations/media/1074/report.aspx, and (ii) with respect to the Issuer's New BRSA Financial Statements, http://www.finansbank.com.tr/en/investor-relations/media/1073/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 previous supplements 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 and (b) significant change in the financial or trading position of either the Group or the Issuer since June 30, 2014.

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:

The seventh paragraph of the Preamble of the Original Base Prospectus is hereby deleted in its entirety and replaced with the following:

> Application has been made to the Capital Markets Board of Turkey (the "*CMB*"), in its capacity as competent authority under Law No. 6362 (the "*Capital Markets Law*") of the Republic of Turkey ("*Turkey*") relating to capital markets, for the issuance and sale of the Notes by the Bank outside of Turkey. No Notes can be sold before the necessary approvals and the issuance certificate (*tertip ihraç belgesi*) bearing the approval of the CMB relating to the applicable Notes are obtained. The CMB approval relating to the issuance of Notes based upon which any offering of the Notes will be conducted was obtained on June 24, 2014 and the issuance certificate bearing the approval of the CMB is required to be obtained before each sale and issuance of Notes. The maximum debt instrument amount that the Bank can issue under such approval is US$1,500,000,000 (or its equivalent in other currencies) in aggregate; *provided* that the aggregate outstanding nominal amount of the debt instruments denominated in Turkish Lira issued by the Bank (whether under this approval or otherwise) may not exceed TL 5,000,000,000. It should be noted that, regardless of the outstanding Note amount, unless the Bank obtains new approvals from the BRSA and the CMB, the aggregate debt instrument amount to be issued under such approval cannot exceed US$1,500,000,000 (or its equivalent in other currencies). The Notes issued under the Program prior to June 24, 2014 were issued under previously existing CMB approvals.

GENERAL INFORMATION

The eighth, ninth and tenth paragraphs on pages iii and iv of the Original Base Prospectus are hereby deleted in their entirety and replaced with the following:

> The Issuer has obtained the CMB approval (dated June 24, 2014 and numbered 29833736-105.03.01-1302-6460 (the "*CMB Approval*") and the Banking Regulatory and Supervisory Agency (the "*BRSA*") approval (the "*BRSA Approval*" and, together with the CMB Approval, the "*Program Approvals*") (dated May 14, 2014 and numbered 20008792-101.02.01[31]-12505) required for the issuance of Notes under the Program. The maximum debt instrument amount that the Bank can issue under the Program Approvals is US$1,500,000,000 (or its equivalent in other currencies) in aggregate; *provided* that the aggregate outstanding nominal amount of the debt instruments denominated in Turkish Lira issued by the Bank (whether under this approval or otherwise) may not exceed TL 5,000,000,000. It should be noted that, regardless of the outstanding Note amount, unless the Bank obtains new approvals from the BRSA and the CMB, the aggregate debt instrument amount to be issued under the Program Approvals cannot exceed US$1,500,000,000 (or its equivalent in other currencies). In addition to the CMB Approval, an issuance certificate bearing the approval of the CMB in respect of each Tranche of Notes is also required to be obtained by the Issuer prior to the issue date of such Tranche of Notes. In order to make any offer, sale and issue of Notes under the Program, the Issuer has to maintain all necessary authorizations and approvals of the CMB and the BRSA. Consequently, the scope of the Program Approvals may be amended and/or new approvals from the CMB and/or the BRSA may be obtained from time to time. Pursuant to the Program Approvals, the offer, sale and issue of Notes under the Program has been authorized and approved in accordance with Decree 32 on the Protection of the Value of the Turkish Currency (as amended from time to time, "*Decree 32*"), the Banking Law numbered 5411 (the "*Banking Law*") and its related legislation, the Capital Markets Law and the Communiqué No. II 31.1 on Debt Instruments (the "*Communiqué on Debt Instruments*") of the CMB or its related regulation.
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> In addition, the Notes (or beneficial interests therein) may only be offered or sold outside of Turkey in accordance with the Program Approvals. Under the CMB Approval, the CMB has authorized the offering, sale and issue of any Notes on the condition that no transaction that qualifies as a sale or offering of Notes (or beneficial interests therein) in Turkey may be engaged in. Notwithstanding the foregoing, pursuant to the BRSA decision dated May 6, 2010 No. 3665, the BRSA decision dated September 30, 2010 No. 3875 and in accordance with Decree 32, residents of Turkey: (a) may purchase or sell Notes (or beneficial interests therein) denominated in a currency other than Turkish Lira offshore on an unsolicited (reverse inquiry) basis in the secondary markets only and (b) may purchase or sell Notes (or beneficial interests therein) denominated in Turkish Lira offshore on an unsolicited (reverse inquiry) basis in both the primary and secondary markets. Further, pursuant to Article 15(d)(ii) of Decree 32, Turkish residents may purchase or sell Notes (or beneficial interests therein) offshore on an

unsolicited (reverse inquiry) basis; provided that such purchase or sale is made through banks or licensed brokerage institutions authorized pursuant to the CMB regulations and the purchase price is transferred through banks. As such, Turkish residents should use banks or licensed brokerage institutions while purchasing the Notes (or beneficial interests therein) and transfer the purchase price through banks. Monies paid for purchases of Notes are not protected by the insurance coverage provided by the Savings Deposit Insurance Fund (the "*SDIF*") of Turkey.

In accordance with Communiqué on Debt Instruments, the Notes are required under Turkish law to be issued in an electronically registered form in the Central Registry Agency of Turkey (*Merkezi Kayıt Kuruluşu*) (the "*CRA*") and the interests therein recorded in the CRA; however, upon the Issuer's request, the CMB may resolve to exempt the Notes from this requirement if the Notes are to be issued outside of Turkey. The Bank submitted an exemption request through its letter to the CMB and such exemption was granted by the CMB in its letter to the Bank dated June 30, 2014 numbered 29833736-105.03.01-1336-6662. As a result, this requirement will not be applicable to the Notes to be issued pursuant to the CMB Approval of June 24, 2014. Notwithstanding such exemption, the Issuer is required to notify the CRA within three Turkish business days from the issue date of a Tranche of Notes of the amount, issue date, ISIN code, first payment date, maturity date, interest rate, name of the custodian and currency of such Notes and the country of issuance.

RISK FACTORS

The last paragraph of the risk factor entitled "Risks related to Turkey – Political Developments" on page 22 of the Original Base Prospectus (as replaced by the supplement thereto dated April 2, 2014) is hereby deleted in its entirety and replaced by the following:

These events are particularly noteworthy as municipal elections were held in Turkey on March 30, 2014 and Presidential elections were held on August 10, 2014. In the March 2014 municipal elections, the governing party received approximately 45% of the total votes cast, which (though less than the 49.8% received in the 2011 elections) can be considered to be a successful election for the governing party. The governing party also won the mayoral contest in İstanbul and Ankara while the primary opposition party won the mayoral contest in İzmir, Turkey's third largest city. Following the success in the local elections, the current prime minister Recep Tayyip Erdoğan announced his candidacy to run for the presidency, which he won with approximately 52% of the vote. 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. Actual or perceived political instability in Turkey could have a material adverse effect on the Group's business, financial condition and/or results of operations and on the value of the Notes.

The second and third paragraphs of the risk factor entitled "Risks related to Turkey – Terrorism and Conflicts" on page 23 of the Original Base Prospectus (as replaced by the supplement thereto dated April 2, 2014) are hereby deleted in their entirety and replaced by the following:

The conflict in Syria has been the subject of significant international attention and is inherently volatile and its impact and resolution is difficult to predict. In early October 2012, Turkish territory was hit by shells launched from Syria, some of which killed Turkish civilians. On October 4, 2012, the Turkish Parliament authorized the government for one year to send and assign military forces in foreign countries should such action be considered appropriate by the government, and on October 3, 2013, the authorization was extended for one year. More recently, elevated levels of conflict have arisen in Iraq as militants of the Islamic State of Iraq and Syria ("*ISIS*") seized control of key Iraqi cities. Turkey's consulate in Mosul was targeted by the ISIS and 49 Turkish citizens, including the consul-general, have been held hostage since June 10, 2014.

In early 2014, political unrest and demonstrations in Ukraine led to a change in the national government. While the United States and the EU recognized the new government, Russia claimed that that new government was illegitimate and was violating the rights of ethnic Russians living in the Crimean peninsula and elsewhere in Ukraine. Escalating military activities in Ukraine and on its borders, including Russia effectively taking control of Crimea and the shooting of a civilian aircraft resulting in approximately 300 deaths, have combined with Ukraine's very weak economic conditions to create great uncertainty in Ukraine and the global markets. In addition, the United States and the European Union have implemented sanctions against certain Russian individuals and businesses as a result of the conflict. Resolution of Ukraine's political and economic conditions will likely not be obtained for some time, and the situation could even degenerate into increased violence and/or economic collapse. While not directly impacting Turkey's territory, the disputes could materially negatively affect Turkey's economy, including through its impact on the global economy and the impact it might have on Turkey's access to Russian energy supplies.

The second paragraph of the risk factor entitled "Risks related to Turkey - High Current Account Deficit" on page 25 of the Original Base Prospectus (as replaced by the supplement thereto dated April 2, 2014) is hereby deleted in its entirety and replaced by the following:

The decline in the current account deficit experienced in 2012 came to an end in early 2013 as a result of the recovery in domestic demand, with the deficit in 2013 rising to US$64.9 billion. This increase was followed by a decrease in the current account deficit to US$52.6 billion as of May 2014. The Bank's management expects this to be followed by a period of gradual decreases in parallel with measures taken by the BRSA to limit domestic demand and address the Central Bank's tight monetary policy, the recent increases of taxes and the depreciation of the Turkish Lira, which can also have impact on imports and domestic demand. Moreover, due to the increasing depreciation of the Turkish Lira, exports might improve, which could lead to a reduction of the current account deficit.

The second paragraph of the risk factor entitled "Risk related to Notes Generally - Transfer Restrictions" on page 33 of the Original Base Prospectus is hereby deleted and replaced with the following:

Further to the Communiqué on Debt Instruments, the Notes are required under Turkish law to be issued in an electronically registered form in the CRA and the interests therein recorded in the CRA; *however*, upon the Issuer's request, the CMB may resolve to exempt the Notes from this requirement if the Notes are to be issued outside Turkey. The Bank submitted an exemption request through its letter to the CMB and such exemption was granted by the CMB in its letter to the Bank dated June 30, 2014 numbered 29833736-105.03.01-1336-6662. As a result, this requirement will not be applicable to the Notes to be issued pursuant to the CMB Approval of June 24, 2014. Notwithstanding such exemption, the Issuer is required to notify the CRA within three Turkish business days from the issue date of a Tranche of Notes of the amount, issue date, ISIN code, first payment date, maturity date, interest rate, name of the custodian and currency of such Notes and the country of issuance.

RECENT DEVELOPMENTS

The second paragraph of the section entitled "Recent Developments" inserted into the Base Prospectus pursuant to the supplement dated April 2, 2014 is hereby deleted in its entirety and replaced by the following:

In March 2014, the government announced that GDP for 2013 was 4.0% after having grown 4.4% in the fourth quarter of 2013. This was followed by 4.3% growth in the first quarter of 2014. The Bank's management anticipates that tighter external financing conditions, higher domestic interest rates and political uncertainty will continue to weigh on economic activity in 2014, with GDP growth slowing to approximately 3.0%.

In the Bank's General Assembly Meeting dated March 27, 2014, Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (a member firm of Ernst & Young Global Limited) was appointed as the Bank's independent auditor.

RISK MANAGEMENT

The section entitled "Capital Adequacy" in the "Risk Management" section on pages 118 and 119 of the Original Base Prospectus (as replaced by the supplement thereto dated April 2, 2014) is hereby deleted in its entirety and replaced by the following:

Capital Adequacy

The Group is required to comply with capital adequacy guidelines promulgated by the BRSA, which are based upon the standards established by the Bank of International Settlements. These guidelines require banks to maintain adequate levels of regulatory capital against risk-bearing assets, off-balance sheet exposures, market and other risk positions. Further to the Regulation on Equities of Banks published in the Official Gazette dated November 1, 2006 and numbered 26333 (the "*2006 Equity Regulation*"), which was replaced by the 2013 Equity Regulation on January 1, 2014, the Group's total capital ratio was (through the end of 2013) calculated by dividing: (a) the sum of its “Tier I” capital (which comprises its share capital, reserves, retained earnings, and profit for the period for the current period), plus its “Tier II” capital (which comprises general provisions, and secondary subordinated loans) by (b) the aggregate of its risk-weighted assets, risk weighted off-balance sheet exposures and market and other risk.

The following table sets forth the Group’s consolidated capital adequacy ratios as of December 31, 2013 and June 30, 2014, calculated in accordance with the “Regulations on Measurement and Assessment of Capital Adequacy of Banks” issued by the BRSA.

	As of December 31, 2013	**As of June 30, 2014**
	(*TL thousands*)	
Capital Adequacy		
Capital:		
Tier I capital	7,741,657	7,948,822
Tier II capital[1]	2,461,535	2,626,433
Total capital	**10,203,192**	**10,575,255**
Deductions[2]	(14,871)	(71,107)
Net total capital	**10,188,321**	**10,504,148**
Risk Weighted Assets (including market & operational risk)	**59,359,763**	**63,700,238**
Capital Adequacy Ratios:		
Tier I ratio	13.04%	12.48%
Total capital ratio[3]	17.16%	16.49%

(1) Revaluation reserve plus general provisions, foreign exchange differences and valuation of marketable securities.

(2) Loans to banks, financial institutions (domestic/foreign) or qualified shareholders in the form of secondary subordinated debts and debt instruments purchased from such parties qualified as primary or secondary subordinated debts and net book values of properties exceeding 50% of the capital and of assets acquired against overdue receivables and held for sale as per the Article 57 of the Banking Law but retained more than five years after foreclosure.

(3) Net total capital as a percentage of risk weighted assets including market and operational risk.

The Group maintains regulatory capital ratios (in accordance with BRSA calculations) on both a Bank-only and consolidated basis in excess of the regulatory minimum. The Group’s Tier I ratio and total capital ratio were 12.48% and 16.49% as of June 30, 2014, 13.04% and 17.16% as of December 31, 2013, 14.43% and 19.15% as of December 31, 2012 and 13.48% and 17.61% as of December 31, 2011, respectively. The 2011 ratios are not directly comparable to ratios for later dates due to the change in methodology described in “Turkish Regulatory Environment – Capital Adequacy - Basel II.”

Within the context of the implementation of the Basel III framework in Turkey, the 2006 Equity Regulation was replaced by the 2013 Equity Regulation as noted above. As a result, the calculations regarding capital adequacy for periods from January 1, 2014 are performed in accordance with the 2013 Equity Regulation and might not be directly comparable to the ratios for earlier dates. See “Turkish Regulatory Environment − Capital Adequacy” for additional information. In addition, in June 2014 the BRSA announced a draft regulation amending the 2013 Equity Regulation, which proposed amendments would revise the principles of write-down mechanisms in relation to Tier I and Tier II instruments and amend the composition of Tier II instruments.

TURKISH REGULATORY ENVIRONMENT

The last paragraph of the section entitled “Regulatory Institutions -The Role of the BRSA” on page 140 of the Original Base Prospectus is hereby deleted in its entirety and replaced by the following:

Pursuant to the Regulation regarding the Internal Systems and Internal Capital Adequacy Assessment Process of Banks, as issued by the BRSA and published in the Official Gazette dated July 11, 2014 and numbered 29057, banks are obligated to establish, manage and develop (for themselves and all of their consolidated affiliates) internal audit, internal control and risk management systems commensurate with the scope and structure of their organizations, in compliance with the provisions of such regulation. Pursuant to such regulation, the internal audit and risk management systems are required to be vested in a department of the bank that has the necessary independence to accomplish its purpose and such department must report to the bank's board of directors. To achieve this, according to the regulation, the internal control personnel cannot also be appointed to work in a role conflicting with their internal control duties.

The last sentence of the second paragraph of the section entitled "Audit of Banks" on page 153 of the Original Base Prospectus is hereby deleted in its entirety

BOOK-ENTRY CLEARANCE SYSTEMS

The third paragraph on page 161 of the Original Base Prospectus is hereby deleted in its entirety and replaced with the following:

> According to the Communiqué on Debt Instruments, Notes issued outside of Turkey are required to be in electronically registered form and the interests therein recorded in the CRA in Turkey. Notes can also be recorded collectively with the CRA without being registered in the name of individual holders, depending upon whether the Issuer or any relevant CRA member qualifies for such collective recording of the Notes; *however*, upon the Issuer's request, the CMB may resolve to exempt the Notes from these requirements if the Notes are to be issued outside Turkey. The Bank submitted an exemption request through its letter to the CMB and such exemption was granted by the CMB in its letter to the Bank dated June 30, 2014 numbered 29833736-105.03.01-1336-6662. As a result, this requirement will not be applicable to the Notes to be issued pursuant to the CMB Approval of June 24, 2014. Notwithstanding such exemption, the Issuer is required to notify the CRA within three Turkish business days from the issue date of a Tranche of the Notes, of the amount, issue date, ISIN code, first payment date, maturity date, interest rate, name of the custodian and currency of such Notes and the country of issuance.

TRANSFER AND SELLING RESTRICTIONS

First and second paragraphs of the section entitled "Selling Restrictions-Turkey" on page 178 of the Original Base Prospectus are hereby deleted and replaced with the following:

> The Issuer has obtained the Program Approvals from the CMB and the BRSA required for the issuance of Notes (up to US$1,500,000,000 (or its equivalent in other currencies) in aggregate) under the Program. Pursuant to the Program Approvals, the offer, sale and issue of Notes under the Program has been authorized and approved in accordance with Decree 32, the Banking Law and its related legislation, the Capital Markets Law and its related legislation and the Communiqué on Debt Instruments. In addition, Notes (or beneficial interests therein) may only be offered or sold outside of Turkey in accordance with the Program Approvals.
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> Under the CMB Approval, the CMB has authorized the offering, sale and issue of any Notes on the condition that no transaction that qualifies as a sale or offering of Notes (or beneficial interests therein) in Turkey may be engaged in. Notwithstanding the foregoing, pursuant to the BRSA decision dated May 6, 2010 No. 3665, the BRSA decision dated September 30, 2010 No. 3875 and in accordance with Decree 32, residents of Turkey: (a) may purchase or sell Notes denominated in a currency other than Turkish Lira (or beneficial interests therein) offshore on an unsolicited (reverse inquiry) basis in the secondary markets only and (b) may purchase or sell Notes denominated in Turkish Lira (or beneficial interests therein) offshore on an unsolicited (reverse inquiry) basis in both the primary and secondary markets.