FIRST SUPPLEMENT dated 7 June 2019 to the Base Prospectus dated 26 April 2019

QNB FİNANSBANK A.Ş.
US$5,000,000,000
Global Medium Term Note Programme

This supplement (this "*Supplement*") is supplemental to, and must be read in conjunction with, the Base Prospectus dated 26 April 2019 (the "*Base Prospectus*") prepared by QNB Finansbank A.Ş. (the "*Issuer*" or the "*Bank*") 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has been approved by the Central Bank of Ireland, as competent authority under Directive 2003/71/EC (as amended or superseded, the "*Prospectus Directive*").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 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 with 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 three month period ended 31 March 2019 (including any notes thereto and the independent auditor's report thereon, the "*Group's New BRSA Financial Statements*") and (b) the unconsolidated BRSA financial statements of the Issuer as of and for the three month period ended 31 March 2019 (including any notes thereto and the independent auditor's report thereon) (together 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 plc trading as Euronext Dublin 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: https://www.qnbfinansbank.com/en/investor-relations/financial-information (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, which are 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.

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 herein (or incorporated by reference into the Base Prospectus by means of this Supplement), the information contained herein (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), there has been no: (a) significant new factor, material mistake or inaccuracy relating to the information included in the Base Prospectus since the publication of the Base Prospectus, (b) significant change in the financial or trading position of either the Group or the Issuer since 31 March 2019 and (c) material adverse change in the financial position or prospects of the Issuer since 31 December 2018.

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:

COVER PAGE

The third sentence of the eighth paragraph on the cover page of the Base Prospectus is hereby deleted in its entirety and replaced by the following:

> The CMB approval relating to the issuance of Notes based upon which any offering of the Notes may be conducted was obtained on 16 May 2019 and, to the extent (and in the form) required by applicable law, a written approval of the CMB in relation to each Tranche (as defined herein) of Notes will be required to be obtained on or before the issue date (the "*Issue Date*") of such Tranche of Notes.

GENERAL INFORMATION

The first sentence of the eighth paragraph of the section titled "*General Information*" on page (iii) of the Base Prospectus is hereby deleted in its entirety and replaced by the following:

> The Issuer has obtained the CMB approval letter (dated 17 May 2019 and numbered 29833736-105.02.02.02-E.7263) and the CMB approved issuance certificate (in Turkish: *onaylanmış ihraç belgesi*) (dated 16 May 2019) (together, the "*CMB Approval*") and the BRSA approval letter (dated 6 May 2019 and numbered 20008792-101.01.04[31]-E.5939 (the "*BRSA Approval*" and, together with the CMB Approval, the "*Programme Approvals*") required for the issuance of Notes under the Programme.

RISK FACTORS

The twelfth paragraph (*i.e.*, the penultimate paragraph on page 14 of the Base Prospectus) of the risk factor titled "*Risks Related to Turkey – Political Developments*" starting on page 12 of the Base Prospectus is hereby deleted in its entirety and replaced by the following:

> On 5 November 2018, the United States reinstated all U.S. sanctions on Iran that had been removed in 2015 in an effort to constrain Iran's nuclear programme, including certain sanctions imposed upon the Iranian financial and energy sector and some imports from Iran. Nevertheless, on 2 November 2018, the United States Secretary of State Michael Pompeo noted that a partial exemption was granted to eight governments, including the Turkish government, allowing these countries to import limited amounts of oil from Iran for six months (*i.e.*, until 2 May 2019); *however*, this exemption was not renewed after the end of such six month period. The impact of these circumstances, including any additional costs that might be borne by Turkish importers of oil (and thus on the country's current account deficit) or any sanctions that might be imposed for violations of these requirements, might have a negative impact on the Turkish economy.

The thirteenth paragraph (*i.e.*, the last paragraph on page 14 of the Base Prospectus) of the risk factor titled "*Risks Related to Turkey – Political Developments*" starting on page 12 of the Base Prospectus is hereby deleted in its entirety and replaced by the following:

> Municipal elections were held on 31 March 2019 and the AKP lost control of several major cities, including İstanbul, Ankara and Antalya, to the opposition parties; *however*, the AKP claimed election fraud and requested to repeat the elections in İstanbul and, on 6 May 2019, the Supreme Election Board (the highest authority in Turkey regulating elections) ordered a revote for İstanbul mayor in an election to be held on 23 June 2019. The events surrounding this revote might contribute to the continued volatility of the Turkish Lira and/or the Turkish political and/or economic conditions, and thus potentially on the credit quality of certain of the Group's borrowers, and might also affect investors' perceptions of Turkey.

The following paragraph is hereby included at the end of the second paragraph of the risk factor titled "*Risks Related to Turkey – Turkish Economy*" on page 15 of the Base Prospectus:

> More recently, Treasury and Finance Minister Mr. Albayrak announced "Structural Transformation Steps" as tools under the New Economic Programme, which tools are intended to support and strengthen: (a) the financial sector, (b) the fight against inflation, (c) budget discipline and tax reform and (d) sustainable growth. On the financial sector side, the main efforts are focused on increased capitalisation and strengthening the asset quality of the banking sector. For example, the Turkish Treasury announced that it would issue special domestic bonds (a total of TL 28 billion) to finance additional capital infusions into the public banks and that the private banks will be guided to increase capital if needed (including a temporary prohibition on the distribution of dividends). As for strengthening asset quality, the government has announced that it will: (i) publish a new regulation to facilitate restructurings and bankruptcies and (ii) develop a structure for the transfer of some non-

performing loans to a special purpose vehicle (and thus off balance sheet), which vehicle would be owned by banks and both domestic and non-Turkish investors. A new "Energy Venture Capital Fund" and "Real Estate Fund" are intended to support the sectors (energy and construction, respectively) with the highest levels of foreign currency indebtedness. The targets for sustainable growth and an improving employment environment concentrate on certain strategically defined sectors, including energy, mining, petrochemical, pharmacy, tourism, auto and information. Turkey's sovereign wealth fund (*Türkiye Varlık Fonu*) is also intended to be used to support investments in these strategic sectors.

The penultimate sentence of the fifth paragraph of the risk factor titled "*Risks Related to Turkey – High Current Account Deficit*" on page 20 of the Base Prospectus is hereby deleted in its entirety and replaced by the following:

On 30 April 2019, the Central Bank noted that it has been actively using short-term swap transactions, borrowing U.S. dollars from local banks with an agreement to repay at a later date, to limit the impact of the tight liquidity of the Turkish Lira. While the accounting of these swap transactions might be viewed as overstating the Central Bank's foreign reserves, the Central Bank has stated that such method of accounting is in line with international standards. In 2019, through 7 June 2019, the Central Bank has maintained a tight monetary policy stance. After the volatility seen in March 2019, the Central Bank paused one week repo auctions from 22 March 2019 until 8 April 2019 and provided funding through overnight lending, which had a cost of 150 basis points higher than the policy rate. After the volatility seen in early May 2019, the Central Bank again suspended its one week repo auctions from 9 May 2019 until 21 May 2019. On 9 May 2019, the Central Bank further reduced the upper limit of the foreign exchange maintenance facility within the Reserve Options Mechanism from 40% to 30%. On 9 May 2019 and 27 May 2019, the Central Bank increased reserve requirements for foreign-exchange deposits by 100 and 200 basis points, respectively, through which approximately US$3.0 billion and US$4.2 billion of liquidity, respectively, was withdrawn from the market. As of 15 May 2019, the tax on certain foreign exchange sales was increased from zero to 0.1% pursuant to Presidential Decree No. 1106 dated 14 May 2019; *however*, such tax will remain zero for transactions between banks, with the Turkish Treasury and for repayment of foreign-currency loans to banks. On 20 May 2019, the BRSA imposed a one day settlement delay for foreign exchange purchases of more than US$100,000 (or its equivalent in other currencies) by individuals, aiming for stable operation of the financial markets; *however*, this delay did not have a material adverse impact on the Bank's business.

The second sentence of the eighth paragraph of the risk factor titled "*Risks Related to the Group's Business – Foreign Exchange and Currency Risk*" on page 29 of the Base Prospectus (*i.e.*, the second full paragraph on page 29 of the Base Prospectus) is hereby deleted in its entirety and replaced by the following:

As global conditions have been volatile in recent years, including as a result of, among other factors, an escalating trade war between the United States and China, expectations regarding slower growth in China and low commodity and oil prices, monetary policy remains subject to uncertainty.

The penultimate sentence of the seventh paragraph of the risk factor titled "*Risks Related to the Group's Business – Banking Regulatory Matters*" on page 36 of the Base Prospectus is hereby deleted in its entirety and replaced by the following:

As of 9 May 2019, the Bank is classified as a Group 1 D-SIB under the D-SIBs Regulation.

MANAGEMENT

A new section titled "*Recent Developments*" is hereby included at the end of the section titled "*Board of Directors"* starting on page 159 of the Base Prospectus:

Recent Developments

Following the resignations of Mr. Abdulla Mubarak N. Alkhalifa and Mr. Ali Rashid A. A. Al-Mohannadi, until the end of their terms of office, the Board of Directors of the Bank appointed Mr. Yousef Mahmoud H. N. Al-Neama and Mr. Adel Ali M. A. Al-Malki as members of the Board of Directors on 28 May 2019. These appointments are to be presented for approval of the first General Assembly meeting to be convened in accordance with the Turkish Commercial Code (Law No. 6102) and are subject to certain transactions to be executed under the Banking Law and relevant regulations, including notification of the BRSA. Additional information regarding Mr. Al-Neama and Mr. Al-Malki are set forth below:

Yousef Mahmoud H N Al-Neama

Mr. Al-Naama received his bachelor of science degree in Aviation Management from Florida Institute of Technology in 1989 and his postgraduate degree in Business Administration from Glamorgan University (Wales) in 2004. Before joining QNB, Mr. Al-Naama worked as the Executive Manager of International & Institutional Banking at Doha Bank in 2003 for a year. After Mr. Al-Naama joined QNB in 2005, he served at various positons at QNB, such as the Executive Manager of Corporate Products Marketing and the Executive Manager of International Banking. Subsequently, Mr. Al-Naama served as the CEO of QNB Syria between 2010 and 2011. In 2013, he served as the General Manager of International Business division of QNB. Mr. Al-Naama served as the General Manager of Group Corporate and Institutional Banking at QNB between 2014 and 2019. As of 7 June 2019, Mr. Al-Naama is serving as the Executive General Manager and the Group Chief Business Officer at QNB.

Adel Ali M A Al-Malki

Mr. Al-Malki holds a bachelor's degree in Computer Information Technology from Qatar University in 2001. Mr. Al-Malki started his carreer at QNB in 2003 and served in various positions since 2003. Mr. Al-Malki served as a System Analyst between 2003 and 2005 and subsequently worked as the Executive Manager of Development & User Services and Assistant General Manager of Development & User Services from 2007 to 2010. Mr. Al-Malki has been the General Manager of Group Information Technology of QNB since 2010.

TURKISH REGULATORY ENVIRONMENT

The last sentence of the ninth paragraph of the section titled "*Capital Adequacy*" on page 187 of the Base Prospectus is hereby deleted in its entirety and replaced by the following:

As of 9 May 2019, the Bank is classified as a Group 1 D-SIB under the D-SIBs Regulation.