THIRD SUPPLEMENT dated 28 August 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 "*Original Base Prospectus*" and, as supplemented on 7 June 2019 and 1 July 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has been approved by the Central Bank of Ireland, as competent authority under Directive 2003/71/EC (as amended or superseded, the "*Prospectus Directive*").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 six month period ended 30 June 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 six month period ended 30 June 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) and in the 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, (b) significant change in the financial or trading position of either the Group or the Issuer since 30 June 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 Original Base Prospectus:

All references in the Base Prospectus to the expected initial ratings by Fitch of long-term issuances of Notes under the Programme are hereby amended to “B+.”

INFORMATION RELATING TO THE BENCHMARKS REGULATION

The second sentence of the second paragraph of the section titled “*Information Relating to the Benchmarks Regulation*” on page v of the Original Base Prospectus is hereby deleted in its entirety and replaced by the following:

As of 28 August 2019, Intercontinental Exchange Benchmark Administration Limited, European Money Markets Institute (EMMI) and Czech Financial Benchmark Facility (CFBF) appear on the Register of Administrators, but none of the other Benchmark Administrators appear on the Register of Administrators, though The Bank of England, as a central bank, is not required to appear on the Register of Administrators pursuant to Article 2(2) of the Benchmarks Regulation.

RISK FACTORS

The following language is hereby included at the end of the second sentence of the seventh paragraph of the risk factor titled “*Risks Related to Turkey* **-** *Political Developments*” on page 13 of the Original Base Prospectus:

On 6 July 2019, the governor of the Central Bank was removed from his post by a Presidential Decree and, on the same day, President Erdoğan appointed Mr. Murat Uysal, one of the Central Bank’s then-deputy governors, as the new governor of the Central Bank. On 9 August 2019, the board of the Central Bank removed from office its chief economist and some other high-ranking officials as part of its reorganisation.

The last sentence of the sixth paragraph of the risk factor titled “*Risks Related to Turkey – Political Developments*” on page 13 of the Original Base Prospectus is hereby deleted in its entirety and replaced by the following:

On 15 July 2019, the EU adopted certain measures against Turkey over Turkey’s drilling for gas in waters off Cyprus, including reducing certain funding (including loans via the European Investment Bank) and the suspension of high level communications and of the negotiations for a comprehensive air transport agreement. Any decision of the EU to end Turkey’s EU accession bid or to impose sanctions on Turkey might result in (or contribute to) a deterioration of the relationship between Turkey and the EU.

The following is hereby included before the last sentence of the second paragraph of the risk factor titled “*Risks Related to Turkey – Turkish Economy*” on page 15 of the Original Base Prospectus:

In first quarter of 2019, Turkey’s GDP contracted by 2.6% year-over-year from the first quarter of 2018, but grew at a rate of 1.3% from the last quarter of 2018, ending a streak of three consecutive quarters of negative growth. In the last three quarters of 2019, the Bank’s management expects that the growth in GDP will remain low.

The second sentence of the fourth paragraph of the risk factor titled “*Risks Related to Turkey – Terrorism and Conflicts*” on page 17 of the Original Base Prospectus is hereby deleted in its entirety and replaced by the following:

On 12 July 2019, Turkey accepted its first shipment of Russian S-400 surface-to-air missile systems. As a result, Turkey was excluded from NATO’s F-35 stealth-fighter-jet programme on 17 July 2019. As of 28 August 2019, it is uncertain if the United States and/or any other NATO member will impose any sanctions or other measures against Turkey and, if imposed, how such might impact the Turkish economy and/or the relationship between Turkey and the United States and/or any other NATO member.

The following language is hereby included before the last sentence of the fifth paragraph of the risk factor titled “*Risks Related to Turkey – High Current Account Deficit*” on page 20 of the Original Base Prospectus, as amended by the supplement dated 1 July 2019:

On 17 June 2019, the Central Bank introduced a facility through which it makes loans to primary dealer banks at a rate lower than the one week repo rate. After the introduction of such facility, the weighted average cost of funding decreased from 24.00% to approximately 23.80%. On 25 July 2019, the Central Bank cut its policy rate by 425 basis points to 19.75%. On 5 August 2019, the Central Bank: (a) increased reserve requirements for foreign-exchange deposits/participation funds by 100 basis points for all maturity brackets and (b) reduced the remuneration rate for U.S. dollar-denominated required reserves, reserve options and free reserves held at the Central Bank by 100 basis points to 1.00%. As a result, approximately US$2.1

billion of foreign exchange liquidity was withdrawn from the market. From 31 December 2018 to 31 July 2019, the Turkish Lira depreciated by 5.9% against the U.S. dollar. On 20 August 2019, the Central Bank revised the reserve requirement ratios for Turkish Lira liabilities of banks whose annual loan growth (to be calculated according to the procedures and principles determined by the Central Bank) is between 10% and 20% of the sum of their loans of a standard nature and loans under close monitoring (calculated in Turkish Lira) (excluding foreign currency-indexed loans and loans extended to banks). Accordingly, the reserve requirement ratio for such liabilities is set at 2% in all maturity brackets, excluding: (i) deposits and participation funds with one year or longer maturity (excluding deposits/participation funds obtained from banks abroad) and (ii) other liabilities with a longer than three year maturity (including deposits/participation funds obtained from banks abroad). Such reserve requirement ratios will be applied for a three month period after the calculation period, which will be determined by the Central Bank.

The fifth and six sentences of the first paragraph of the risk factor titled "*Risks Related to Turkey – Inflation Risk*" on page 21 of the Original Base Prospectus are hereby deleted in their entirety and replaced by the following:

On 31 July 2019, the Central Bank published its third inflation report of 2019 and reduced its inflation forecast for 2019, predicting a CPI inflation rate of 13.9% for 2019 (previously expecting a rate of 14.6% in the first inflation report of 2019). The Central Bank maintained its inflation forecasts for 2020 and 2021 at 8.2% and 5.4%, respectively. As of July 2019, the last 12 month CPI inflation was 16.6% and the last 12 month domestic producer price inflation was 21.7%.

The following sentence is hereby included at the end of the second paragraph of the risk factor titled "*Risks Related to Turkey – Government Default*" on page 22 of the Original Base Prospectus, as amended by the supplement dated 1 July 2019:

On 12 July 2019, Fitch downgraded Turkey's long-term foreign currency credit rating to "BB- (negative outlook)" from "BB" (negative outlook) and long-term local currency credit rating to "BB- (negative outlook)" from "BB+" (negative outlook).

The following sentence is hereby included at the end of the first sentence of the third paragraph of the risk factor titled "*Risks Related to Turkey – Counterparty Credit Risk*" on page 23 of the Original Base Prospectus:

The Group's NPLs to total gross cash loans increased to 6.4% as of 30 June 2019, due mainly to lower loan growth in line with the Turkish market and the Group's decision not to make any NPL sales during the first half of 2019.

The following sentence is hereby included at the end of the third paragraph of the risk factor titled "*Risks Related to Turkey – Counterparty Credit Risk*" on page 24 of the Original Base Prospectus:

As of 30 June 2019, the ratio of the Group's stage 2 loans to total gross cash loans increased to 11.9% from 9.9% as of 31 December 2018, which increase was mainly due to classification of a large highly collateralised loan as a stage 2 loan due to its restructuring since restructured loans are classified under stage 2 loans under TFRS 9.

The following sentence is hereby included at the end of the tenth sentence of the second paragraph of the risk factor titled "*Risks Related to the Group's Business – Access to Capital*" on page 41 of the Original Base Prospectus, which sentence was included by the supplement dated 1 July 2019:

On 12 July 2019, Fitch downgraded Turkey's long-term foreign currency credit rating to "BB- (negative outlook)" from "BB" (negative outlook) and long-term local currency credit rating to "BB- (negative outlook)" from "BB+" (negative outlook).

FORM OF APPLICABLE FINAL TERMS/PRICING SUPPLEMENT

The reference to "Directive 2003/71/EC (as amended or superseded, the "*Prospectus Directive*")" in the second sentence of the section titled "Prohibition of Sales to EEA Retail Investors" on page 58 of the Original Base Prospectus is hereby deleted in its entirety and replaced by "Directive 2003/71/EC, as amended or superseded, as implemented in the Republic of Ireland by the Prospectus Directive 2003/71/EC Regulations 2005 of Ireland (S.I. No. 324 of 2005) (as amended) (the "*Prospectus Directive*")."

The reference to "Directive 2003/71/EC (as amended or superseded)" in the first sentence of the first paragraph and the second sentence of the third paragraph of the section titled "Part A - Contractual Terms" on page 59 of the Original Base Prospectus is hereby deleted in its entirety and replaced by "Directive 2003/71/EC, as amended or superseded, as implemented in the Republic of Ireland by the Prospectus Directive 2003/71/EC Regulations 2005 of Ireland."

OVERVIEW

The first sentence of the section titled "*The Programme - Rating*" on page 10 of the Original Base Prospectus, as amended by the supplement dated 1 July 2019, is hereby deleted in its entirety and replaced by the following:

> The Programme has been rated "B+" (for long-term) and "B" (for short-term) by Fitch and Notes are expected to be rated upon issuance "B1" (for long-term) and "NP" (for short-term) by Moody's.

BUSINESS OF THE GROUP

The ratings assigned by Fitch in the section titled "*Ratings*" on page 145 of the Original Base Prospectus is hereby deleted in their entirety and replaced by the following (which ratings were adopted on 19 July 2019):

	Fitch
Long-term foreign currency	B+ (Negative)
Short-term foreign currency	B
Long-term local currency deposit	BB- (Negative)
Short-term local currency deposit	B
Long-term national rating	AA (tur) (Stable)
Support	4
Viability/baseline credit assessment	b+

TURKISH REGULATORY ENVIRONMENT

The first paragraph of the section titled "*Loan Loss Reserves*" on page 178 of the Original Base Prospectus is hereby deleted in its entirety and replaced by the following:

> Pursuant to Article 53 of the Banking Law, banks must formulate, implement and regularly review policies regarding compensation for losses that have arisen or are likely to arise in connection with loans and to reserve an adequate level of provisions against such losses, for qualification and classification of loans, receipt of guarantees and securities and measurement of their value and reliability. In addition, such policies must address issues such as monitoring loans under review, write-off of such loans in accordance with Turkish Financial Reporting Standards as published by the POA, follow-up procedures and the repayment (including restructuring) of loans. Banks must also establish and operate systems to perform these functions. All special provisions set aside for loans and other receivables in accordance with this article are considered as expenditures deductible from the corporate tax base in the year in which they are set aside. The uncollectible loans that are written-off after having reserved requisite provisions are considered to be bad debt within the context of Article 322 of the Tax Procedural Law No. 213.

The sixth paragraph of the section titled "*Consumer Loan, Provisioning and Credit Card Regulations*" on page 201 of the Original Base Prospectus is hereby deleted in its entirety and replaced by the following language:

> In July 2019, the Central Bank amended the Communiqué on Maximum Interest Rates to be Applied for Credit Card Transactions (which it had originally published in November 2016), replacing the then-existing rates applicable from July until September 2019. Pursuant to these amendments: (a) the maximum contractual interest rates for Turkish Lira and foreign currency credit card transactions are 2.00% and 1.60%, respectively, and (b) the monthly maximum default interest rates are 2.40% and 2.00% for credit card transactions in Turkish Lira and foreign currency, respectively, until the end of September 2019.