FOURTH SUPPLEMENT dated 28 November 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, 1 July 2019 and 28 August 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 pursuant to the Prospectus (Directive 2003/71/EC) Regulations 2005 of Ireland (S.I. No. 324 of 2005) (as amended, the "*Irish Prospectus Regulations*"). The Central Bank of Ireland only approves this Supplement as meeting the requirements imposed under Irish and European Union law pursuant to the Irish Prospectus Regulations. This document constitutes a supplement for the purposes of the Irish Prospectus Regulations 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. In connection herewith, the Issuer is relying upon Article 46(3) of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017.

A copy of each of: (a) the consolidated BRSA financial statements of the Group as of and for the nine month period ended 30 September 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 nine month period ended 30 September 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 September 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, regarding, 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:

RISK FACTORS

The last sentence of the eighth paragraph of the risk factor titled "*Risks Related to Turkey – Political Developments*" on page 13 of the Original Base Prospectus (as amended by the supplement dated 28 August 2019) is hereby deleted in its entirety and replaced by the following:

> On 11 November 2019, the EU adopted a framework for imposing sanctions on individuals or entities responsible for, or involved in, these drilling activities.

The ninth and tenth paragraphs of the risk factor titled "*Risks Related to Turkey – Political Developments*" on page 14 of the Original Base Prospectus are hereby deleted in their entirety and replaced by the following:

> With respect to the United States, various recent events have impacted the relationship. For example, on 8 October 2017, the United States suspended all non-immigrant visa services for Turkish citizens in Turkey following the arrest of an employee of the United States consulate in İstanbul. On the same date, Turkey responded by issuing a statement that restricted the visa application process for United States citizens. While visa services have since resumed to normal, relations between the two countries remain strained on various topics, including: (a) the conflicts against the self-proclaimed jihadist Islamic State ("*ISIS*") and in Syria (as described further in "*-Terrorism and Conflicts*" below), (b) relationships with Iran, (c) the October 2019 U.S. federal indictment of state-controlled bank Türkiye Halk Bankası A.Ş. ("*Halkbank*") asserting violations of U.S. sanctions on Iran and (d) Turkey's December 2017 entry into a contract with Russia for the purchase of S-400 missile defence systems (including, with respect to clauses (b) and (d), as described further below).
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> On 1 August 2018, the Office of Foreign Assets Control of the U.S. Department of Treasury ("*OFAC*") took action targeting Turkey's Minister of Justice and Minister of Interior, indicating that these Ministers played leading roles in the organisations responsible for the arrest and detention of American pastor Andrew Brunson. Following such action, Turkey imposed reciprocal sanctions against two American officials. On 10 August 2018, the President of the United States stated that he had authorised higher tariffs on steel and aluminium imports from Turkey. On 15 August 2018, Turkey retaliated by increased tariffs on certain imports from the United States, such as cars, alcohol and tobacco. These actions contributed to a decline in the value of the Turkish Lira, which fell to a record low (exceeding TL 7.2 per U.S. Dollar in the week ended 12 August 2018) before strengthening to TL 5.3 as of 31 December 2018, due to various reasons, including the higher than expected interest rate hike (625 basis points) by the Central Bank on 13 September 2018, improving relations between Turkey and the United States following the release of Mr. Brunson on 12 October 2018 and the 2 November 2018 removal of the sanctions imposed upon the two Turkish ministers and reciprocal sanctions imposed by Turkey. These events and/or other political circumstances might result in (or contribute to) a deterioration of the relationship between Turkey and the EU and/or the United States and might have an adverse impact on the Turkish economy, which in turn might have a material adverse effect on the Group's business, financial condition and/or results of operations and/or on the market price of an investment in the Notes.

The penultimate sentence of the second paragraph of the risk factor titled "*Risks Related to Turkey – Turkish Economy*" on page 15 of the Original Base Prospectus (as amended by the supplement dated 28 August 2019) is hereby deleted in its entirety and replaced by the following:

> In the second quarter of 2019, Turkey's GDP contracted by 1.5% year-over-year from the second quarter of 2018, but grew at a rate of 1.2% from the first quarter of 2019. In the last two quarters of 2019 and into 2020, the Bank's management expects that the growth in GDP will remain low.

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 (as amended by the supplement dated 28 August 2019) is hereby deleted in its entirety and replaced by the following:

> The Turkish government has sought to improve economic growth and, in September 2019, the Turkish Treasury announced a new three-year medium-term economic programme (the "*New Economic Programme*") for 2020 to 2022 under which GDP growth was estimated to be 5.0% for each year (the 2019 estimate has been announced as 0.5%). 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.

The third 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 (as inserted by the supplement dated 28 August 2019) is hereby deleted in its entirety and replaced by the following:

> As of 28 November 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 is hereby inserted as a new paragraph under the seventh paragraph of the risk factor titled "*Risks Related to Turkey – Terrorism and Conflicts*" on page 17 of the Original Base Prospectus:

> In October 2019, the Turkish military, following a pullback by the United States of its presence in northern Syria, commenced military operations to create a "safe zone" in northern Syria in an effort to enhance Turkey's border security. As this territory has been largely held by the People's Protection Units (YPG) in Syria, which had assisted the United States in the fight against ISIS but that Turkey believes is affiliated with the PKK, significant conflict in the region might occur. In addition to objections raised by Syria, Iran and Russia to this military activity, the United States (*inter alios*) has taken certain actions (including sanctions on three Turkish ministers and the ministries of defense and energy, though such sanctions were lifted quickly upon an agreement for a pause of operations by Turkey's military). The United States and other nations might impose additional sanctions upon Turkish military personnel, political figures and/or entities and/or take other actions that might negatively impact the Turkish economy and/or Turkey's relationship with the United States or such other nations (in fact, the U.S. House of Representatives passed a bipartisan bill for sanctions (including, without limitation, freezing assets of senior Turkish officials, banning arms transfers to the country and potentially imposing fees and penalties on Turkish financial institutions who are found to have knowingly facilitated certain transactions relating to Turkey's military operations in Syria) on 29 October 2019 and members of the U.S. Senate have announced bipartisan plans to require that sanctions and other actions be adopted).

The following is hereby added as a new sentence at the end of the fourth 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 28 August 2019):

> On 19 September 2019, the Central Bank decreased remuneration rates applied to required reserves in U.S. Dollars from 1.00% to 0%. On 20 September 2019, the remuneration rate applied to Turkish lira-denominated required reserves was reduced from 13.00% to 8.00%; *however*, an additional 200 basis points is applied for banks with an annual loan growth between 10% and 20% whereas other banks receive 800 basis points lower (*i.e.*, 0%) on their required reserves. As of 20 September 2019, reserve requirement ratios for foreign exchange deposits and participation funds were increased by 100 basis points for all maturity brackets.

The following sentence 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 28 August 2019):

> On 1 November 2019, the Central Bank noted that it had been using the Borsa İstanbul to conduct swap transactions, borrowing U.S. Dollars from Turkish financial companies in exchange for Turkish Lira. These swap transactions had previously been done through the repo market. While the Central Bank's use of the Borsa İstanbul to engage in swap transactions might lead to uncertainty regarding the level of the Central Bank's foreign reserves and the funding costs associated with such swaps, the Central Bank has stated that such method of accounting is in line with international standards.

The following is hereby inserted as a new paragraph under the fifth paragraph of the risk factor titled "*Risks Related to Turkey – High Current Account Deficit*" on page 20 of the Original Base Prospectus:

> On 12 September 2019, the Central Bank cut its policy rate by another 325 basis points to 16.50%, which was followed on 24 October 2019 with a further cut to 14.00%. On 19 September 2019, the Central Bank decreased remuneration rates applied to required reserves in U.S. Dollars from 1.00% to 0%. On 20 September 2019, the remuneration rate applied to Turkish lira-denominated required reserves was reduced from 13.00% to 8.00%; *however*, an additional 200 basis points is applied for banks with an annual loan growth between 10% and 20% whereas other banks receive 800 basis points lower (*i.e.*, 0%) on their required reserves. As of 20 September 2019, reserve requirement ratios for foreign exchange deposits and participation funds were increased by 100 basis points for all maturity brackets.

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 (as amended by the supplement dated 28 August 2019) are hereby deleted in their entirety and replaced by the following:

> On 31 October 2019, the Central Bank published its last inflation report of 2019, predicting a CPI inflation rate of 12.0% for 2019 and maintaining its inflation forecasts for 2020 and 2021 at 8.2% and 5.4%, respectively. As of October 2019, the last 12 month CPI inflation was 8.55% and the last 12 month domestic producer price inflation was 1.70%.

The following is hereby inserted as a new sentence under 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 28 August 2019):

> On 1 November 2019, Fitch revised the outlook of Turkey from negative to stable, following up on 12 November 2019 with a similar outlook change on certain Turkish banks (including the Bank).

The second sentence of the third paragraph of the risk factor titled "*Risks Related to the Group's Business – Counterparty Credit Risk*" on page 23 of the Original Base Prospectus (as inserted thereto by the supplement dated 28 August 2019) is hereby replaced in its entirety by the following:

> The Group's NPLs to total gross cash loans increased to 6.5% as of 30 September 2019, due mainly to lower loan growth in line with the Turkish market and the inclusion of two large commercial files, which had were already provisioned for, as NPLs during the third quarter of 2019. In addition, the Group sold TL 960 million of its NPLs for a consideration of TL 88 million during the third quarter of 2019. Following this sale, TL 919 million of NPLs were written-off from the balance.

The last sentence 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 inserted thereto by the supplement dated 28 August 2019) is hereby replaced in its entirety by the following:

> As of 30 September 2019, the ratio of the Group's stage 2 loans to total gross cash loans increased to 11.6% from 9.2% 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 is hereby inserted as a new paragraph under the last paragraph of the risk factor titled "*Risks Related to the Group's Business – Counterparty Credit Risk*" on page 25 of the Original Base Prospectus:

> On 17 September 2019, the BRSA instructed Turkish banks to reclassify as non-performing certain loans (principally to construction and energy companies) totalling TL 46 billion, which reclassification is to occur by 31 December 2019. The BRSA's impact analysis conducted on the July 2019 financial statements of the banks increased the sector's non-performing loan ratio to 6.3% from 4.6% and reduced the sector's capital adequacy ratio to 17.7% from 18.2%. The Bank reclassified a majority of its holdings of such loans as NPLs during or before the third quarter of 2019 and reflected all required provisions for the remaining portions under Stage 2 as if they were NPLs. As a result, there is no requirement for further provisioning with respect to such BRSA instruction. The effect (if any) on the Group's classification of such loans as NPLs as a result of this BRSA instruction is not clear as of 28 November 2019.

The following is hereby inserted as a new paragraph under the seventh paragraph of the risk factor titled "*Risks Related to the Group's Business - Foreign Exchange and Currency Risk*" on page 29 of the Original Base Prospectus:

> On 25 July 2019, 12 September 2019 and 24 October 2019, the Central Bank altered the direction of changes by decreasing the policy rate by 425 basis points, 325 basis points and 250 basis points, respectively, to 14.00%, citing a moderate recovery in the economic activity, improvement in the inflation outlook, expectations of disinflation in Turkey and anticipated expansionary monetary policy steps from the U.S. Federal Reserve and other central banks in developed economies. From 31 December 2018 to 31 October 2019, the Turkish Lira depreciated by 8.0% against the U.S. dollar.

The following is hereby added as a new sentence at the end of the third paragraph of the risk factor titled "*Risks Related to the Group's Business - Interest Rate Risk*" on page 30 of the Original Base Prospectus:

> On 25 July 2019, 12 September 2019 and 24 October 2019, the Central Bank altering the direction of changes by decreasing the policy rate by 425 basis points, 325 basis points and 250 basis points, respectively, to 14.00%, citing a moderate recovery in the economic activity, improvement in the inflation outlook, expectations of disinflation in Turkey and anticipated expansionary monetary policy steps from the U.S. Federal Reserve and other central banks in developed economies.

The following is hereby inserted as a new sentence under the end of the tenth sentence of the second paragraph of the risk factor titled "*Risks Related to Turkey – Access to Capital*" on page 41 of the Original Base Prospectus (as amended by the supplement dated 28 August 2019):

On 1 November 2019, Fitch revised the outlook of Turkey from negative to stable.