FIRST SUPPLEMENT dated 31 August 2023 to the Base Prospectus dated 26 April 2023

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

This supplement (this "*Supplement*") constitutes a supplement for the purposes of Article 23 of Regulation (EU) No. 2017/1129 (as amended, the "*Prospectus Regulation*") and is supplemental to, and must be read in conjunction with, the Base Prospectus dated 26 April 2023 (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 the Prospectus Regulation. The Central Bank of Ireland only approves this Supplement as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer or the quality of the Notes and investors should make their own assessment as to the suitability of investing in the Notes. This document constitutes a supplement for the purposes of the Prospectus Regulation and has been prepared and published for the purposes of incorporating into the Base Prospectus the Issuer's latest financial statements and updating certain provisions of the Base Prospectus. As a result, 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 2023 (including any notes thereto and the independent auditor's review 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 2023 (including any notes thereto and the independent auditor's review report thereon, the "*Issuer's New BRSA Financial Statements*" and, with the Group's New BRSA Financial Statements, the "*New BRSA 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 the New BRSA Financial Statements can be obtained without charge from the registered office of the Issuer and from the Issuer's website at: (a) with respect to the Group's New BRSA Financial Statements, https://www.qnbfinansbank.com/medium/document-file-3801.vsf, and (b) with respect to the Issuer's New BRSA Financial Statements, https://www.qnbfinansbank.com/medium/document-file-3800.vsf (such websites do not, and shall not be deemed to, constitute a part of, nor are incorporated into, this Supplement or the Base Prospectus). The New BRSA Financial Statements, which are in English, were prepared as convenience translations of the corresponding Turkish language BRSA Financial Statements (which translations the Issuer confirms are direct and accurate). The New BRSA Financial Statements were not prepared for the purpose of their incorporation by reference into the Base Prospectus.

The New BRSA Financial Statements were reviewed by PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. ("*PwC*") as an independent auditor. PwC's review report included within each of the New BRSA Financial Statements notes that: (a) a review of interim financial information is substantially less in scope than an independent audit performed in accordance with the Standards on Independent Auditing and does not provide assurance that the audit firm will be aware of all significant matters that would have been identified in an audit and (b) accordingly, they do not express an opinion on the interim financial information in the New BRSA Financial Statements. Accordingly, the degree of reliance upon their reports on such information should be restricted in light of the limited nature of the review procedures applied. The financial information in the New BRSA Financial Statements is subject to any adjustments that might be necessary as a result of the audit process to be undertaken in respect of the full financial year. In addition, PwC's review report included within each of the New BRSA Financial Statements was qualified with respect to free provisions that were recognised by the Bank. See "Risk Factors - Risks Relating to the Group and its Business - Other Group-Related Risks - Audit Qualification" in the Base Prospectus as hereby amended.

Statements contained herein (or in the New BRSA 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. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of 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 in (including in the information incorporated by reference into) the Base Prospectus (including in the New BRSA Financial Statements incorporated by reference into the Base Prospectus by means of this Supplement), there has been: (a) no material adverse change in the prospects of the Bank since 31 December 2022, (b) no significant change in the financial performance of the Group since 30 June 2023 to the date of this Supplement and (c) no significant change in the financial position of the Group since 30 June 2023.

The Issuer accepts responsibility for the information contained in this Supplement or incorporated by reference into the Base Prospectus by means of this Supplement. To the best of the knowledge of the Issuer, the information in (including incorporated by reference into) the Base Prospectus (as supplemented hereby) is in accordance with the facts and makes no omission likely to affect the import of such information. To the full extent permitted by applicable law, none of the Dealers, the Arrangers, the Agents or any of their respective affiliates accept any responsibility for the information contained in this Supplement or incorporated by reference into the Base Prospectus by means of this Supplement.

AMENDMENTS

The following amendments are made to the Base Prospectus:

FRONT COVER

The eighth paragraph of the front cover of the Base Prospectus is hereby deleted in its entirety and replaced by the following:

> Application has been made to the Capital Markets Board (the "*CMB*") of Türkiye, in its capacity as competent authority under Law No. 6362 (the "*Capital Markets Law*") of Türkiye relating to capital markets, for its approval of the issuance and sale of Notes by the Bank outside of Türkiye. No Notes may be sold before the necessary approvals are obtained from the CMB. The CMB approval based upon which any offering of the Notes may be conducted was obtained on 12 June 2023 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 (an "*Issue Date*") of such Tranche of Notes. Unless the Bank obtains the necessary new approvals from the CMB, the aggregate debt instrument amount issued under such approval (whether issued under the Programme or otherwise) cannot exceed US$700,000,000 (or its equivalent in other currencies).

GENERAL INFORMATION

The first three sentences of the sixth paragraph of the section title "General Information" on page iii of the Base Prospectus are hereby deleted in their entirety and replaced by the following:

> The Issuer has obtained the CMB approval letter (dated 12 June 2023 and numbered E-29833736-105.02.02.02-38562) and the CMB approved issuance certificates (in Turkish: *onaylanmış ihraç belgeleri*) (dated 9 June 2023 and numbered 119/BA-663 (for sustainable/green issuances) and dated 9 June 2023 and numbered 118/BA-663 (for other debt instruments)) (together, the "*CMB Approval*") based upon which any offering of the Notes might be conducted. The Issuer has also obtained the BRSA approval letter (numbered E-32521522-101.02.01[31]-82176) (the "*BRSA Approval*" and, with the CMB Approval, the "*Programme Approvals*") required for the issuance of Notes under the Programme. The maximum principal amount of securities that the Bank can issue under the CMB Approval is US$700,000,000 (or its equivalent in other currencies other than Turkish Lira) (US$100,000,000 for sustainable/green issuances issued per the Green Debt Instruments, Sustainable Debt Instruments, Green Lease Certificates, Sustainable Lease Certificates Guide published by the CMB on 24 February 2022 and US$600,000,000 for other issuances in aggregate) (the "*Approved Issuance Limit*").

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

The third sentence of the first paragraph of the section titled "Presentation of Financial and Other Information" on page ix of the Base Prospectus is hereby deleted in its entirety and replaced by the following:

> All financial statements incorporated by reference herein, including the Bank's consolidated and unconsolidated annual statutory financial statements as of and for each of the years ended 31 December 2020, 31 December 2021 (including comparative information for 2020) and 31 December 2022 (including comparative information for 2021) (in each case, including any notes thereto and the independent auditor's audit report thereon) (the "*BRSA Annual Financial Statements*") and the Bank's consolidated and unconsolidated interim statutory financial statements as of and for the six-month period ended 30 June 2023 (including comparative information for the same period of 2022) (including any notes thereto and the independent auditor's review report thereon) (the "*BRSA Interim Financial Statements*"), have been prepared and presented in accordance with the BRSA Principles except for the free provisions recognised by the Bank as such are "not within the requirements of" the BRSA Principles.

The sixth paragraph of the section titled "Presentation of Financial and Other Information" on page ix of the Base Prospectus is hereby deleted in its entirety and replaced by the following:

> The BRSA Annual Financial Statements as of and for the years ended 31 December 2021 and 31 December 2022 were audited by independent auditors PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. ("*PwC*") in accordance with the Turkish Auditor Regulation and the Standards on Independent Auditing, which is a component of the Turkish Auditing Standards, as stated in each of PwC's independent auditor's report included within each of the BRSA Annual Financial Statements incorporated by reference into this Base Prospectus (other than the BRSA Annual Financial Statements as of and for the year ended 31 December 2020). The BRSA Interim

Financial Statements were reviewed by PwC in accordance with the Standard on Review Engagements (SRE) 2410 ("Limited Review of Interim Financial Information Performed by the Independent Auditor of the Entity"). The Bank has appointed PwC to act as its independent auditor with respect to the remainder of 2023. See PwC's independent auditor report included within each of the applicable BRSA Financial Statements incorporated by reference into this Base Prospectus.

DOCUMENTS INCORPORATED BY REFERENCE

The following is hereby inserted at the end of the fourth paragraph of the section titled "Documents Incorporated by Reference" starting on page xvi of the Base Prospectus:

In addition, copies of the BRSA Interim Financial Statements can be obtained without charge from the registered office of the Issuer and from the Issuer's website at: (i) with respect to the Bank's BRSA Interim Financial Statements as of and for the six-month period ended 30 June 2023, https://www.qnbfinansbank.com/medium/document-file-3800.vsf, and (ii) with respect to the Group's BRSA Interim Financial Statements as of and for the six-month period ended 30 June 2023, https://www.qnbfinansbank.com/medium/document-file-3801.vsf.

RISK FACTORS

The following is hereby inserted after the sixth sentence of the fifth paragraph of the section titled "Risk Factors - Risks Relating to Türkiye – Political Conditions – Political Developments" on page 15 of the Base Prospectus:

As of 31 December 2022, the exchange rate depreciated further to TL 18.6985/US$1. After the presidential elections in May 2023, a new governor of the Central Bank and a new Minister of Treasury and Finance were appointed, after which the first meeting of the Central Bank's Monetary Policy Committee increased the rate to 15.00% and then raised it again to 17.50% in July 2023 and 25.00% in August 2023; *however*, as of 31 August 2023, such rate remains well below the level of inflation. The Central Bank has actively employed other tools to seek to support the Turkish Lira's exchange rate even while maintaining the policy rate below the inflation rate.

The last sentence of the sixth paragraph of the section titled "Risk Factors - Risks Relating to Türkiye – Political Conditions – Political Developments" on page 15 of the Base Prospectus is hereby deleted in its entirety and replaced by the following:

General and presidential elections were held on 14 May 2023, with the AKP's coalition retaining a majority of the seats in Parliament; *however*, the presidential elections went to a second round as no candidate earned a majority of the vote. The second round was held on 28 May 2023, with President Erdoğan winning a third five-year term.

The following is hereby inserted after the seventh sentence of the fifth paragraph of the section titled "Risk Factors - Risks Relating to Türkiye - Economic Conditions - Turkish Economy" starting on page 20 of the Base Prospectus:

After the presidential elections in May 2023, the Central Bank increased the rate to 15.00% and then raised it again to 17.50% in July 2023 and 25.00% in August 2023; *however*, as of 31 August 2023, such rate remains well below the level of inflation.

The first and second paragraphs of the section titled "Risk Factors – Risks Relating to Türkiye – Economic Conditions – Inflation" on page 24 of the Base Prospectus are hereby deleted in their entirety and replaced by the following:

The Turkish economy has been subject to significant increases in inflation in recent years, which might continue (including at elevated levels). In 2020, the annual consumer price index ("*CPI*") inflation rate was 14.60% and domestic producer price inflation was 25.15%, reflecting primarily an increase in food, energy and commodity prices (including due to the depreciation of the Turkish Lira). In 2021, the CPI inflation rate rose to 36.08%, reflecting primarily an increase in the prices of food, energy, consumer durables and transportation, which increases resulted from the depreciation of the Turkish Lira, the impact of disruptions in supply chains, the rise in government-administered prices and the reopening of the Turkish economy from COVID-19-related restrictions. In 2022, the CPI inflation rate was 64.27% and the domestic producer price inflation rate was 97.72%, with inflation then declining to 47.80% and 44.50%, respectively, for the 12 months ended July 2023 (it should be noted that this is the official inflation rate whereas other analysts have published different rates, in some cases significantly higher than the official rates), reflecting significant increases in the prices of food, energy and imported products as well as recent increases in interest rates as well as VAT and other consumption taxes. On 27 July 2023, the Central Bank published an inflation report indicating an inflation forecast of 58.0%, 33.0% and 15.0% in 2023, 2024 and 2025, respectively. As of 31 August 2023, the Bank's management expects inflation to remain steady or increase in the remainder of 2023, with inflation continuing at an elevated, or even higher, pace due to potential higher food inflation (in part due to droughts, wildfires, logistics obstacles and other supply side challenges), cost push factors (where sellers pass along increasing costs to their customers) and/or worsening inflation expectations. In addition, high inflation levels in Türkiye since 2022 matched with policy rates below the inflation rate have resulted in a de-linking of market interest rates in Türkiye from Central Bank rates since market participants set borrowing and lending rates on broader market conditions, including expectations regarding inflation.

High inflation rates have distorted and might continue to distort the Group's results of operations, with nominal growth rates of the balance sheet and profitability in the Group's BRSA Financial Statements significantly exceeding the rates as measured on a constant-currency basis. As noted in "Presentation of Financial and Other Information," as Türkiye's cumulative inflation has exceeded 100% over the past three years, the criteria of IAS 29 (Financial Reporting in Hyperinflationary Economies) for inflation-adjusted accounting have been satisfied and IFRS financial statements starting with those as of and for the six months ended 30 June 2022 are required to apply inflation accounting, which not only complicates comparisons with past periods but might materially impact the Group's and the Bank's reported financial results under IFRS. While, as of 31 August 2023, there has been no further announcement by the POA regarding this issue, such an adjustment might be required in the future (the POA announced that such was not applicable for the 2021 BRSA Financial Statements but, as of 31 August 2023, had not yet provided any guidance with respect to later BRSA Financial Statements), which change in accounting practices would similarly make the BRSA Financial Statements published at that time not comparable to those incorporated by reference herein and might materially impact the Group's reported financial results.

The second paragraph of the section titled "Risk Factors - Risks Relating to Türkiye – Turkish Regulatory and Other Matters – Banking Regulatory Matters" on page 27 of the Base Prospectus is hereby deleted in its entirety and replaced by the following:

Such measures might also limit or reduce growth of the Turkish economy and, consequently, the demand for the Group's products and services. Furthermore, as a consequence of certain of these changes, the Group might be required to increase its capital reserves and/or might need to access more expensive sources of financing to meet its regulatory liquidity and capital requirements, which in turn might have an adverse impact on its level of profitability and/or net interest margin. Moreover, certain laws that require holding additional Turkish government securities might increase the Group's exposure to any adverse changes in Türkiye's sovereign debt, including credit rating and interest rate changes. New or revised laws also might increase the Group's cost of doing business and/or limit its activities, such as the Central Bank's frequent changes to monetary policy and reserve requirements. For example, the Turkish government (including the BRSA and the Central Bank) has introduced (and might introduce in the future) laws that impose limits with respect to fees and commissions charged to customers, increase the monthly minimum payments required to be paid by holders of credit cards, limiting loan yields on certain categories of loans (including potentially below the Group's cost of funds), increase reserves or require a greater percentage of deposits to be held in Turkish Lira (increasing competition for such deposits). The Group might not be able to pass on any increased costs associated with such regulatory changes to its customers, particularly given the high level of competition in the Turkish banking sector. Accordingly, the Group might not be able to sustain its level of profitability in light of these regulatory changes and the Group's profitability might be materially adversely impacted until (if ever) such changes can be incorporated into the Group's pricing (and even then such changes might affect the Group's profitability as increased pricing for customers might reduce customer demand for the Group's products and services).

The fourth paragraph of the section titled "Risk Factors - Risks Relating to the Group and its Business - Credit Risks - Counterparty Credit Risk" on page 28 of the Base Prospectus is hereby deleted in its entirety and replaced by the following:

The Group's financial results can be significantly affected by the amount of provisions for expected credit losses. Determining the amount of such provisions involves the use of numerous estimates and assumptions. As a result, the level of provisions and other reserves that the Group has set aside might prove insufficient and the Group might be required to create significant additional provisions and other reserves in future periods. The Group's NPL ratio changed from 6.0% as of 31 December 2020 to 4.2% as of 31 December 2021, 2.5% as of 31 December 2022 and then to 1.9% as of 30 June 2023 and the Stage 2 loans to performing loans ratio changed from 10.1% as of 31 December 2020 to 8.9% as of 31 December 2021, 9.8% as of 31 December 2022 and then to 10.9% as of 30 June 2023. The Group's provisions for loan losses and other receivables increased to TL 7,065 million as of 30 June 2023 from TL 5,096 million as of 31 December 2022, which itself had increased from TL 3,311 million as of 31 December

2021 and TL 2,530 million as of 31 December 2020. It should be noted that, as a result of March 2020 decisions by the BRSA relating to the government's response to the COVID-19 pandemic, the length of the period of non-payment before a loan or other receivable is considered to be non-performing was temporarily extended through 30 June 2021 and then further extended through 30 September 2021, which thus resulted in some loans and other receivables with an overdue amount between 90 and 180 days to remain classified as performing (*i.e.*, Stage 2 loans) during this period when they might have been classified as NPLs absent these temporary actions (on 16 September 2021, the BRSA announced that, notwithstanding the expiration of this temporary rule on 30 September 2021, it would still apply to loans that were overdue for more than 91 days but not more than 180 days as of 1 October 2021). This change temporarily reduced recognition of NPLs and, as a result, the Group's reported NPLs as of 31 December 2020 might not be indicative of the Group's asset quality compared to other periods. See "Turkish Regulatory Environment - Expected Credit Losses." Certain temporary rules have also been enacted for banks as a result of the February 2023 earthquakes, including limitations on requiring payment from certain borrowers in the regions impacted by the earthquakes and reductions in risk-weightings of certain loans to borrowers in such regions.

The fifth sentence of the first paragraph of the section titled "Risk Factors - Risks Relating to the Group and its Business - Market Risks - Foreign Exchange and Currency Risk" on page 31 of the Base Prospectus is hereby deleted in its entirety and replaced by the following:

As a reference, the Turkish Lira depreciated against the U.S. dollar by 19.1% in 2020, 43.4% in 2021 and 28.7% in 2022 before depreciating by a further 30.0% in 2023 through 30 August 2023, in part due to post-election expectations (and subsequent actions) of the Central Bank reducing its level of intervention to support the value of the Turkish Lira).

The first two paragraphs of the section titled "Risk Factors - Risks Relating to the Group and its Business – Other Group-Related Risks – Audit Qualification" on page 38 of the Base Prospectus are hereby deleted in their entirety and replaced by the following:

The independent auditor's report included in each of the BRSA Financial Statements incorporated by reference herein (other than the BRSA Annual Financial Statements as of and for the years ended 31 December 2020 and 31 December 2021) was qualified with respect to free provisions that were allocated by the Bank. For example, such report in the Group's BRSA Interim Financial Statements states that the qualification was the result of the fact that these reserves are "not within the requirements of" the BRSA Principles. See also the auditor's report included in each of such BRSA Financial Statements incorporated by reference herein. Similar qualifications might be included in the corresponding audit or review reports for future fiscal periods.

Starting in 2022, the Bank's management has approved free provisions due to the possible effects of adverse situations that might arise from possible changes in the economy and market conditions.

RECENT DEVELOPMENTS

There is hereby inserted a section titled "Recent Developments" after the section titled "Summary Financial and Other Information" starting on page 56 of the Base Prospectus as set out in Exhibit A.

THE GROUP AND ITS BUSINESS

The following is hereby inserted as a new paragraph at the end of the section titled "The Group and its Business – General" starting on page 60 of the Base Prospectus:

Reference is also hereby made to "Recent Developments" with respect to certain more recent financial information about the Group.

The third paragraph of the section titled "The Group and its Business – Retail, Affluent and Private Banking – Credit Cards" on page 68 of the Base Prospectus is hereby deleted in its entirety and replaced by the following:

Regulations introduced by the BRSA in the fourth quarter of 2013 require the companies that provide credit card products and services to, among other things, increase the monthly minimum payments required to be paid by cardholders, include credit card receivables in the calculation of the non-performing consumer loans to total consumer loans ratio, offer at least one type of credit card with no annual subscription fee and limit credit card instalment payments for certain types of purchases. In 2015, the BRSA published the Capital Adequacy Regulation, which entered into force on 31 March 2016 and lowered the risk weighting for credit card instalment payments from a range of 100% to 250% (depending upon their outstanding tenor) to 75% (irrespective of their tenor).

The sixth paragraph of the section titled "The Group and its Business – Enpara.com" on page 76 of the Base Prospectus is hereby deleted in its entirety and replaced by the following:

Further to an announcement on 25 November 2022 in which the Bank, considering the rapid development of technology and the enactment of related laws, noted that it was assessing the feasibility of offering the current Enpara banking services through a separate legal entity, the Bank's management has decided to spin-off the Enpara operations. Such spin-off will be effected by: (a) the transfer of the Enpara banking services (currently operated in a branch of the Bank with its own identifiable assets, such as loans, and liabilities, which are primarily deposits) to Enpara Bank A.Ş., an entity contemplated to be organised by (and to become a subsidiary of) QNB and in which all of the Bank's current shareholders (including minority shareholders) will receive proportionate shares to their holding in the Bank, and (b) subject to the receipt of regulatory approvals, the spin-off of 100% of such branch (including all of its assets and liabilities) to Enpara Bank A.Ş. The new bank's banking licence was obtained from the BRSA in August 2023 (which licence is currently held by the Bank and would be included in such spin-off), following which the process for further approvals for the new bank's operations is on-going.

As of 30 June 2023, the Enpara banking operations that are to be so spun-off represented 10.0% of the Group's consolidated assets and an equivalent Turkish Lira amount of its liabilities, resulting in no change in the Group's shareholder's equity (Enpara Bank A.Ş. will be capitalised by QNB). If such spin-off were to have occurred on 30 June 2023, the Group's and the Bank's capital adequacy ratios would have been increased by 132 and 145 basis points, respectively, to 15.24% and 15.95%, respectively, which increases reflect the removal of assets and liabilities from the balance sheet without any decline in shareholder's equity. Had such spin-off occurred as of 31 December 2022, the Group's net income for the first six months of 2023 would have been 11.3% lower. Such transaction will thus benefit the Group by improving its capital levels and removing risks relating to the Enpara operations; *however*, the Group would no longer benefit from the net income of, or any growth in, the Enpara business. It has not been determined what relationship (if any) the Bank would have with Enpara Bank A.Ş. after such spin-off nor whether the Bank would compete with such affiliated entity by establishing a new retail e-banking platform; *however*, any related decisions by the Bank (including with respect to any on/going relationship with such entity) will be undertaken on an arms' length basis.

The date of Fitch's credit ratings in the table on page 84 of the Base Prospectus is hereby deleted in its entirety and replaced by 22 June 2023.

TURKISH REGULATORY ENVIRONMENT

The first sentence of the fifth paragraph of the section titled "Turkish Regulatory Environment – Capital Adequacy" starting on page 119 of the Base Prospectus is hereby deleted in its entirety and replaced by the following:

The Capital Adequacy Regulation also lowered the risk weightings of certain assets and credit conversion factors, including reducing: (a) the risk weightings of residential mortgage loans from 50% to 35%, (b) the risk weightings of consumer loans (excluding residential mortgage loans) qualifying as retail loans (*perakende alacaklar*) in accordance with the Capital Adequacy Regulation and instalment payments of credit cards from a range of 100% to 250% (depending upon their outstanding tenor) to 75% (irrespective of their tenor) (on 31 July 2023, the BRSA increased the risk weighting for consumer credit cards (including cash withdrawals and spending) and consumer cash loans (excluding mortgage loans and including overdraft accounts) issued after 31 July 2023 to 150%); *provided* that such receivables are not reclassified as NPLs, and (c) the credit conversion factors of commitments for credit cards and overdrafts from 20% to 0%.

The sixth paragraph of the section titled "Turkish Regulatory Environment – Capital Adequacy" on page 120 of the Base Prospectus is hereby deleted in its entirety.

The following paragraph is hereby inserted after the eighth paragraph of the section titled "Turkish Regulatory Environment – Capital Adequacy" on page 120 of the Base Prospectus:

On 31 July 2023, the BRSA increased the risk weightings for: (a) credit card instalment payments (including cash withdrawals and spending), (b) consumer cash loans (including overdraft accounts, auto loans for passenger cars and auto secured loans) and (c) financial leasing transactions with consumers to 150% for the loans issued after

31 July 2023; *however*, such increased risk weightings shall not be applied to customers located in the cities affected by such earthquakes until 1 January 2024.

The tenth paragraph of the section titled "Turkish Regulatory Environment – Liquidity and Reserve Requirements" on page 129 of the Base Prospectus is hereby deleted in its entirety and replaced by the following:

From 8 July 2023, if a bank's Turkish Lira share of either its total consumer or company deposits is: (a) from 50% to below 57%, then such bank must pay a fee to the Central Bank equal to 3% of the reserves required to be held by it with respect to all of its foreign exchange deposits, or (b) below 50%, then such fee rate is increased to 8%.

The eleventh and twelfth paragraphs of the section titled "Turkish Regulatory Environment – Liquidity and Reserve Requirements" starting on page 129 of the Base Prospectus are hereby deleted in their entirety and replaced by the following:

On 15 January 2023, the Central Bank amended the Communiqué Regarding Reserve Requirements so that (starting with the maintenance period starting on 3 February 2023), the reserve requirement rate for Turkish Lira deposit accounts and participation accounts held by certain customers with maturities longer than three months is 0%. Additionally, should there be an increase (compared to 6 January 2023, based upon a calculation to be made on the last Friday of every two-week period) in a bank's foreign currency-denominated liabilities with maturities longer than six months provided directly from abroad, the reserve requirement rate for such increased amount is 0% until 22 December 2023. On 21 July 2023, the Central Bank amended the Communiqué Regarding Reserve Requirements (effective as of 21 July 2023) to oblige banks to hold mandatory reserves at the rate of 15% for the foreign exchange-protected Turkish Lira-denominated deposit accounts regardless of their maturities. On 20 August 2023, the Central Bank amended the Communiqué Regarding Reserve Requirements (effective as of 18 August 2023) to increase reserve requirement ratios for foreign currency-denominated deposits and participation funds (excluding those obtained from banks abroad) on demand or with a maturity up to (and including) one month from 25% to 29%.

Pursuant to the Regulation on the Maintenance of Securities, effective from 24 June 2022, each Turkish bank is required to hold with the Central Bank long-term Turkish Lira-denominated securities issued by the Turkish government (including lease certificates issued by Undersecretariat of Treasury Asset Leasing Company) for the foreign currency deposits, participation funds and precious metals accounts held with such bank (excluding those of certain depositors, including the Central Bank itself, the Turkish Treasury, certain other governmental entities, other Turkish banks and non-citizens, and such deposits/funds/accounts funded by foreign direct investments as determined by the Central Bank) as well as the funds from foreign exchange-denominated repo transactions. Pursuant to an amendment to the Communiqué on the Maintenance of Securities made on 25 June 2023 (as itself amended on 20 August 2023), each Turkish bank is required to hold an amount of such securities equal to 5% of the amount of the foreign currency deposits, participation funds and precious metals accounts held by the relevant customers with such bank as well as the funds from foreign exchange-denominated repo transactions.

Through clause (iii) thereof, the thirteenth paragraph of the section titled "Turkish Regulatory Environment – Liquidity and Reserve Requirements" on page 130 of the Base Prospectus is hereby deleted in its entirety and replaced by the following:

On 20 August 2022, 31 December 2022 and 25 July 2023, the Central Bank amended the Regulation on the Maintenance of Securities to: (a) require Turkish banks to hold with the Central Bank long-term Turkish Lira-denominated securities issued by the Turkish government in an amount equal to 30% of the amount of the securities issued by entities (other than financial institutions) held by such banks, (b) replace the Commercial Cash Loan Reserve Requirement with a requirement to hold with the Central Bank long-term Turkish Lira-denominated securities issued by the Turkish government in an amount equal to 30% of the amount of such Turkish Lira-denominated commercial cash loans (excluding the loans previously excluded from the Commercial Cash Loan Reserve Requirement as noted above only if such loans are disbursed against expenditures) and (c) provide that if:

(i) a bank's Turkish Lira-denominated commercial cash loan growth (excluding such excluded loans) during each calculation period from 26 August 2022 to 25 November 2022 compared to the previous calculation period was higher than 3%, then such bank is required to hold (for a 12-month period) with the Central Bank long-term Turkish Lira-denominated securities issued by the Turkish government in an amount equal to the amount over such 3%,

(ii) a bank's Turkish Lira-denominated commercial cash loan (excluding such excluded loans) growth as of 30 December 2022 compared to 29 July 2022 is higher than 10%, then such bank is required to hold (for a 12-month period) with the Central Bank long-term Turkish Lira-denominated securities issued by the Turkish government in an amount equal to the amount over such 10% *minus* the amount already held as required by clause (i), and

(iii) a bank's Turkish Lira-denominated commercial cash loan growth (excluding such excluded loans) during each calculation period from 27 January 2023 to 29 December 2023 compared to the previous calculation period was higher than 2.5% for commercial loans, then such bank is required to hold (for a 12-month period) with the Central Bank long-term Turkish Lira-denominated securities issued by the Turkish government in an amount equal to the amount over such rate.

The last sentence of the thirteenth paragraph of the section titled "Turkish Regulatory Environment – Liquidity and Reserve Requirements" on page 131 of the Base Prospectus is hereby deleted in its entirety and replaced by the following:

With respect to commercial loans extended from 31 December 2022, banks are required (based upon a calculation to be made on the last Friday of every month) until 29 December 2023 to hold with the Central Bank long-term Turkish Lira-denominated securities issued by the Turkish government in an amount equal to 20% or 150% of the amount of Turkish Lira-denominated commercial cash loans (excluding such excluded loans) extended during such month depending upon their annual compound interest rate. In May 2023, the Central Bank introduced new rules for credit growth for consumer loans, vehicle loans, SME loans and loans subject to the Commercial Cash Loan Reserve Requirement, which rules provide that, if any of such loan types grows more than 3% per month, the applicable bank will be required to hold with the Central Bank long-term Turkish lira-denominated securities issued by the Turkish Treasury in an amount equal to the excess of loans over the 3% growth rate (reduced in August 2023 to 2.5% for Turkish Lira-denominated commercial cash loans (excluding export, investment, agricultural and tradesmen loans), 2.0% for vehicle loans and 2.5% for other Turkish Lira denominated cash loans excluding consumer loans). On 20 August 2023 the Central Bank further amended the Regulation on the Maintenance of Securities (effective as of 26 August 2023) and required banks to hold such securities in an amount equal to 150% for their Turkish Lira-denominated commercial cash loans (excluding export and investment loans) extended (based upon a calculation to be made on the last Friday of every month) until (and including) 29 December 2023 at an annual compound interest rate that is higher than the Central Bank-released annual compound reference rate.

The last two paragraphs of the section titled "Turkish Regulatory Environment – Liquidity and Reserve Requirements" starting on page 127 of the Base Prospectus are hereby deleted in their entirety and replaced by the following:

On 26 May 2023, the BRSA published the Regulation on the Net Stable Funding Ratio Calculations of Banks to align the Turkish regulatory capital regime with Basel III requirements that seeks to strengthen the liquidity of banks. Pursuant to this new regulation, starting from 1 January 2024, the three-month arithmetic mean of a bank's consolidated and non-consolidated net stable funding ratios (calculated on a monthly basis) shall not be less than 100%. The BRSA shall also announce a minimum rate for the banks' consolidated and non-consolidated net stable funding ratios (as calculated monthly) and if either the consolidated or non-consolidated net stable funding ratio of a bank falls below such minimum requirement, then such bank must resolve this discrepancy by the next calculation period.

On 20 August 2023, as a provisional measure effective from 26 August 2023, the Central Bank has required each Turkish bank (except banks whose deposit/participation fund size is below an amount determined by the Central Bank from time to time) to hold (for a six-month period) additional Turkish Lira-denominated securities issued by the Turkish government equal to the amount of the deficient portion (based upon a calculation to be made as of the last Friday of every month through 29 December 2023) if: (a) the conversion rate of foreign exchange protected accounts that mature through 29 December 2023 to Turkish Lira term deposit/participation accounts is less than 50% and/or (as calculated for real persons only) is less than 5% per monthly calculation period, (b) the renewal rate of foreign exchange protected accounts is less than 95% and/or (c) the share of Turkish Lira deposits/participation accounts (as calculated only for real persons) is less than 2% below the share of to the previous calculation period and the share of Turkish Lira deposits/participation accounts (as calculated only for legal entities) is less than the share calculated on 18 August 2023.

TAXATION

The eleventh paragraph of the section titled "Taxation - Certain Turkish Tax Considerations" on page 233 of the Base Prospectus is hereby deleted in its entirety and replaced by the following:

Capital gains realised by a resident corporation or individual on the sale or redemption of the Notes (or beneficial interests therein) are subject to income tax or corporate (income) tax declaration. The corporate income tax rate in Türkiye for 2023 is: (a) 30% for banks, financial leasing, factoring and financing companies, e-money and payment services institutions, authorised foreign exchange currency-related entities, asset management companies (*varlık yönetim şirketleri*), securities intermediaries and other capital markets institutions, insurance and reinsurance companies and pension companies and (b) 25% for other corporate entities (the rate for individuals' income tax ranges from 15% to 40% at progressive rates). Capital gains are, in principle, calculated in local currency terms and resident individuals' acquisition costs can be increased at the Producer Price Index's rate of increase for each month except for the month of discharge, so long as such index increased by at least 10%.

TRANSFER AND SELLING RESTRICTIONS

The second sentence of the first paragraph of the section titled "Transfer and Selling Restrictions – Selling Restrictions - Türkiye" on page 246 of the Base Prospectus is hereby deleted in its entirety and replaced by the following:

The maximum debt instrument amount that the Bank may issue under the Programme Approvals is the Approved Issuance Limit.

OTHER GENERAL INFORMATION

The section titled "Other General Information – Documents Available" starting on page 255 of the Base Prospectus is hereby deleted in its entirety and replaced by the following:

For the period of 12 months following the date of this Base Prospectus (or, if any Notes issued pursuant to this Base Prospectus are listed on the Official List of Euronext Dublin (or any other regulated market in the EEA) and admitted to trading on the regulated market of Euronext Dublin (or any other regulated market in the EEA), for such longer period as such Notes remain so listed and admitted), the following documents (or copies thereof) may be inspected at the registered office of the Issuer:

(a) the articles of association (with a certified English translation thereof) of the Issuer,

(b) the BRSA Financial Statements incorporated by reference herein or, when published, copies of the latest audited annual and unaudited interim financial statements of the Bank (in English) delivered by the Bank pursuant to Condition 5.3 (for the purpose of clarification, such financial statements are not, and shall not be deemed to be, included in (or incorporated by reference into) this Base Prospectus except to the extent so incorporated by a supplement hereto),

(c) the Agency Agreement (including the forms of the Deed of Covenant, the Deed Poll, the Global Notes and the Definitive Notes),

(d) a copy of this Base Prospectus, and

(e) any future base prospectus, prospectuses, information memoranda, supplements to this Base Prospectus and Final Terms and any other documents incorporated herein or therein by reference (except that a Final Terms relating to a Note that is neither admitted to trading on a regulated market in the EEA nor offered in the EEA in circumstances in which a prospectus is required to be published under the Prospectus Regulation will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the Issuer and the Fiscal Agent as to its holding of such Notes and identity).

In addition, for such period, copies of the documents described in clauses (a) through (e) are (or, as applicable, are expected to be) available in electronic format on the Issuer's website (as of the date hereof, at: https://www.qnbfinansbank.com/en/investor-relations); *provided* that: (a) the articles of incorporation of the Issuer can be found at https://www.qnbfinansbank.com/en/investor-relations/corporate-governance/articles-of-association and (b) with respect to such documents (or portions thereof) that are incorporated by reference herein, see "Documents Incorporated by Reference" above. Each Final Terms relating to Notes that are admitted to trading on a regulated market in the EEA will also be available on the Issuer's website. Such website does not, and shall not be deemed to, constitute a part of, nor is incorporated into, this Base Prospectus and has not been scrutinised or approved by the Central Bank of Ireland.

The following paragraph is hereby inserted after the second paragraph of the section titled "Other General Information – Independent Auditors" starting on page 257 of the Base Prospectus:

The BRSA Interim Financial Statements, which are incorporated by reference into this Base Prospectus, have been reviewed by independent auditors PwC as stated in the respective review report included therein. PwC's review report included within each of the BRSA Interim Financial Statements notes that: (a) a review of interim financial information: (i) consists of making inquiries, primarily of persons responsible for financial reporting process, and applying analytical and other review procedures and (ii) is substantially less in scope than an independent audit performed in accordance with the Standards on Independent Auditing and (b) it does not express an opinion. Accordingly, the degree of reliance upon their reports on such information should be restricted in light of the limited nature of the review procedures applied.

EXHIBIT A

RECENT DEVELOPMENTS

The Bank published its consolidated and unconsolidated BRSA Financial Statements (*i.e.*, the BRSA Interim Financial Statements) on 27 July 2023. The following tables set out certain information regarding the Group as of (or for the six-month periods ended on) the indicated dates. The following financial information has been extracted from the Group's BRSA Interim Financial Statements without material adjustment. These tables should be read in conjunction with the Group's BRSA Interim Financial Statements (including the notes therein) incorporated by reference into this Base Prospectus.

	For the six months ended 30 June	
	2022	**2023**
Income Statement Data:	*(TL thousands)*	
Interest income	25,098,360	44,602,401
Interest expense	(10,654,194)	(32,378,550)
Net interest income/expense	**14,444,166**	**12,223,851**
Fees and commissions received	3,702,408	8,309,878
Fees and commissions paid	(913,635)	(2,787,954)
Net fees and commissions income/expense	**2,788,773**	**5,521,924**
Net trading income/loss	(115,160)	12,179,110
Other operating income	196,381	1,710,819
Dividend income	16,571	11,823
Net operating income	**17,330,731**	**31,647,527**
Other operating expenses (including other provision expenses and personnel expenses)	(4,318,135)	(9,703,274)
Expected credit losses	(3,082,669)	(7,065,159)
Free provisions[1]	-	(600,000)
Income/loss from investments under equity accounting	90,999	-
Operating profit/loss before taxes	**10,020,926**	**14,279,094**
Provisions for taxes of continued operations	(2,404,225)	(284,500)
Net profit/(loss)	**7,616,701**	**13,994,594**

(1) As such free provisions are not permitted under the BRSA Principles, the Group's independent auditors noted this departure in the BRSA Interim Financial Statements by qualifying their opinion. Should the Bank's management determine that market conditions have improved to such an extent that such additional provisions are not required, then they might elect to reverse such provisions in future periods, which would have the result of increasing income in such period.

Balance Sheet Data:	As of 31 December 2022	As of 30 June 2023
	(TL thousands)	
Cash and balances with the Central Bank	94,537,791	103,754,055
Financial assets measured at fair value through profit or loss (net)	17,362,243	20,969,808
Banks	11,143,703	35,924,428
Money market placements	8,467,980	14,214,976
Loans and receivables (net)(1)	363,104,938	476,459,674
Investment securities (net)(2)	102,200,748	120,837,830
Investment in associates (net)(3)	462,086	179,685
Tangible assets (net)	4,790,947	5,382,242
Intangible assets (net)	1,054,534	3,435,358
Current tax asset	101,935	79,734
Deferred tax assets	563,762	3,785,894
Other assets	17,353,147	22,775,245
Total assets	**621,143,814**	**807,798,929**
Bank deposits	10,225,775	16,602,486
Deposits from customers(4)	382,537,347	501,768,557
Money market borrowings	23,078,637	21,035,380
Funds borrowed	55,217,357	92,081,004
Other liabilities and provisions(5)	53,820,450	63,038,610
Securities issued (net)	32,016,909	33,630,969
Subordinated loans	17,127,724	24,281,874
Current tax liabilities	2,843,483	317,462
Deferred tax liabilities	—	—
Total liabilities	**576,867,682**	**752,756,342**
Paid-in capital	3,350,000	3,350,000
Share premium	714	714
Other comprehensive income/expense items to be reclassified to profit or loss	3,382,391	190,977
Other comprehensive income/expense items not to be reclassified to profit or loss	(672,157)	(708,882)
Other capital reserves	—	—
Profit reserves	20,979,569	38,203,368
Profit / (loss)	17,223,799	13,992,204
Total equity attributable to equityholders of the parent shareholder	**44,264,316**	**55,028,381**
Minority shares	11,816	14,206
Total shareholders' equity	**44,276,132**	**55,042,587**
Total liabilities and shareholders' equity	**621,143,814**	**807,798,929**
Off-balance sheet commitments and contingencies	**342,547,583**	**484,834,232**

(1) Includes lease receivables and factoring receivables.
(2) Represents the total of investment securities measured at fair value through other comprehensive income (net) and investment securities measured at amortised cost (net).
(3) Represents the total of investment in associates (net), investment in subsidiaries (net) and entities under common control (joint ventures) (net).
(4) Referred to as "other deposits" in the BRSA Financial Statements.
(5) Represents the total of derivative financial liabilities for hedging purposes, derivative financial liabilities for trading, provisions and other liabilities.

With respect to earnings, during the first two quarters of 2023, the Group's: (a) net interest margin was 4.3%, decreasing from 8.5% during the same period of the previous year, (b) cost-to-income ratio was 30.7%, increasing from 24.9% during the same period of the previous year, (c) return on average total assets was 4.1%, increasing from 3.5% during the same period of the previous year, and (d) return on average shareholders' equity was 57.0%, decreasing from 57.8% during the same period of the previous year.

With respect to loan quality, as of 30 June 2023, the Group's: (a) NPL ratio was 1.9%, decreasing from 2.5% as of 31 December 2022, (b) specific provisions for loan losses to NPLs was 82.8%, increasing from 82.5% as of 31 December 2022, and (c) specific provisions for loan losses to total loans was 1.7%, decreasing from 2.2% as of 31 December 2022.

With respect to capital adequacy (as calculated pursuant to the BRSA's guidelines), as of 30 June 2023, the Group's: (a) Tier 1 regulatory capital as a percentage of risk-weighted assets and market risk was 11.1%, decreasing from 11.7% as of 31 December 2022, (b) total regulatory capital as a percentage of risk-weighted assets and market risk was 13.9%, decreasing from 14.5% as of 31 December 2022, and (c) average shareholders' equity excluding minority interest as a percentage of average total assets was 7.1%, increasing from 6.4% as of 31 December 2022.

With respect to the Group's total capitalisation, as of 30 June 2023, this had increased to TL 143,230 thousand from TL 103,362 thousand as of 31 December 2022. As of 31 August 2023, there has been no significant change in total capitalisation since 30 June 2023.