



**TÜRKİYE İŞ BANKASI A.Ş.
US\$7,000,000,000
Global Medium Term Note Programme**

This supplement (this “*Supplement*”) is supplemental to, and must be read in conjunction with, the Base Prospectus dated 30 April 2018 (the “*Original Base Prospectus*” and, as supplemented on 22 June 2018 and 14 December 2018, the “*Base Prospectus*”) prepared by Türkiye İş Bankası 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has been approved by the Central Bank of Ireland, as competent authority under Directive 2003/71/EC (as amended or superseded, the “*Prospectus Directive*”).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 European Union law pursuant to the Prospectus Directive. This document constitutes a supplement for the purposes of Article 16 of the Prospectus Directive and has been prepared and published for the purposes of incorporating into the Base Prospectus 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 year ended 31 December 2018 (including any notes thereto and the independent auditor’s audit report thereon, the “*Group’s New BRSA Financial Statements*”) and (b) the unconsolidated BRSA financial statements of the Issuer as of and for the year ended 31 December 2018 (including any notes thereto and the independent auditor’s audit report thereon and, 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 <http://www.isbank.com.tr/EN/about-isbank/investor-relations/publications-and-results/financial-statements/Pages/financial-statements.aspx> (such website is not, and should not be deemed to constitute, a part of, or be incorporated into, this Supplement or the Base Prospectus). The New Financial Statements, each of which is in English, were prepared as convenience translations of the corresponding Turkish language financial statements (which translations the Issuer confirms are 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 audited by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (a member firm of Ernst & Young Global Limited) (“*EY*”). EY’s audit reports included in the New Financial Statements contain a qualification. See “*Risk Factors – Risks Relating to the Group and its Business – Audit Qualification*” as amended by this Supplement.

In addition, this Supplement sets out amendments to the Base Prospectus. 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 in (or incorporated by reference into the Base Prospectus by means of) this Supplement, the information contained in (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 31 December 2018 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 Arrangers make any representation, express or implied, or accept any responsibility, for the contents hereof or any information incorporated by reference into the Base Prospectus by means of this Supplement.

AMENDMENTS

The following amendments are made to the Base Prospectus:

COVER PAGE

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

The CMB approval relating to the issuance of Notes based upon which any offering of the Notes may be conducted was obtained on 28 January 2019 and, to the extent (and in the form) required by applicable law, a written approval of the CMB in relation to a Tranche (as defined herein) of Notes will be required to be obtained on or before the issue date of such Tranche of Notes.

DISCLAIMER/LEGENDS

The first sentence of the second full paragraph on page 3 of the Original Base Prospectus is hereby deleted in its entirety and replaced by the following:

The Issuer has obtained the CMB approval letter (dated 28 January 2019 No. 29833736-105.02.02.02-E.1230) and the final CMB approved issuance certificate (in Turkish: *onaylanmış ihraç belgesi*) (dated 25 January 2019 and numbered 23/BA-109) (together, the “*CMB Approval*”) and the BRSA approval letter (dated 4 January 2019 No. 20008792-101.02.01-E.148) (the “*BRSA Approval*” and, together with the CMB Approval, the “*Programme Approvals*”) required for the issuance of Notes under the Programme.

RISK FACTORS

The following sentence is hereby added at the end of the language included to the sixth paragraph under the risk factor titled “*Risks Related to Turkey – Political Developments*” by the supplement dated 14 December 2018:

Although there have been limited or no disruptions to date, local elections in Turkey, scheduled to take place on 31 March 2019, might result in increased political risks.

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

On 19 December 2018, the United States announced its intention to withdraw its 2,000 troops currently stationed in Syria, though no concrete timeline for the withdrawal has been issued; *however*, the United States has more recently announced its intention to maintain approximately 400 troops in Syria, approximately 200 of whom would be located in a safe zone near the Turkish border. On the other hand, Turkish officials declared that if there is to be a safe zone, then it should be under Turkey’s control. Any disagreements that arise in relation to the contract described above, the intended safe zone near the Turkish border or otherwise in the future might result in (or contribute to) a deterioration of the relationship between Turkey and the United States or Russia and might have a negative impact on the Turkish economy.

The following sentence is hereby added before the second to last sentence of the first paragraph under the risk factor titled “*Risks Related to Turkey – High Current Account Deficit*” on page 19 of the Original Base Prospectus:

In 2018, Turkey’s current account deficit decreased to US\$27.6 billion due to an increase in exports, a slowdown in domestic demand and an increase in tourism revenues.

The fourth and fifth sentences of the paragraph under the risk factor titled “*Risks Relating to Turkey - Inflation Risk*” on page 20 of the Original Base Prospectus, as amended by a supplement dated 14 December 2018, are hereby deleted in their entirety and replaced by the following:

The annual consumer price inflation was 20.3% in 2018, while annual domestic producer price inflation during the year was 33.6%. As of February 2019, annual (the last 12 month) consumer price inflation was 19.67% and the annual domestic producer price inflation was 29.59% (Turkstat). On 30 January 2019, the Central Bank published its first inflation report of 2019 and reduced its inflation forecasts, predicting a rate of 14.6% for 2019 (previously expecting a rate of 15.2% in the fourth inflation report of 2018), 8.2% for 2020 (previously expecting a rate of 9.3% in the fourth inflation report of 2018) and 5.4% for 2021.

The last sentence of the first paragraph under “*Risks Relating to the Group and its Business – Counterparty Credit Risk*” on page 21 of the Original Base Prospectus, as amended by a supplement dated 14 December 2018, is hereby deleted in its entirety and replaced by the following:

For example, the Bank granted loans (amounting to TL 2,082,881 thousand as of 31 December 2017) to Ojer Telekomünikasyon A.Ş. (“*OTAŞ*”) (the majority shareholder of Türk Telekomünikasyon A.Ş. (“*Türk Telekom*”)), which loans were classified as Group II loans (Loans Under Close Monitoring) in the Bank’s BRSA Financial Statements as of and for the year ended 31 December 2017. In July 2018, all of *OTAŞ*’ lenders (including the Bank) reached an agreement on the restructuring of its debt, which debt was secured by *OTAŞ*’ majority ownership in Türk Telekom. Pursuant to this restructuring agreement, it was decided for the lenders to obtain direct or indirect ownership in a newly created special purpose vehicle to own the shares of Türk Telekom. Accordingly, Levent Yapılandırma Yönetimi A.Ş. (“*LYY*”) was established as a special purpose vehicle for the restructuring of *OTAŞ*’ debt. The Bank acquired 11.5972% of *LYY*’s shares in proportion with its share in *OTAŞ*’ debt. On 21 December 2018, as per the agreed structure, *LYY* took over Türk Telekom shares held by *OTAŞ* (corresponding to 55% of Türk Telekom’s shares). The lenders extended loans to *LYY* to finance its acquisition of these Türk Telekom shares. The Bank’s loan extended to *LYY* (amounting to TL 2,126,927 thousand as of 31 December 2018) was classified under “Financial Assets at Fair Value through Profit and Loss” in the Bank’s BRSA Financial Statements as of and for the year ended 31 December 2018. Following the restructuring, the Bank’s loan to *OTAŞ* was extinguished.

The third sentence of the second paragraph under “*Risks Relating to the Group and its Business – Counterparty Credit Risk*” on page 21 of the Original Base Prospectus is hereby deleted in its entirety and replaced by the following:

The NPL ratio in the Turkish banking sector was 3.2% as of 31 December 2016, 3.0% as of 31 December 2017 and 3.9% as of 31 December 2018 (2.3%, 2.1% and 4.1%, respectively, with respect to the Group), with the Turkish banking sector’s statistics being as reported in the BRSA’s monthly statistical bulletin.

The second paragraph of the risk factor titled “*Risks Relating to the Group and its Business – Audit Qualification*” included to the Original Base Prospectus, as amended by the supplements dated 22 June 2018 and 14 December 2018, is hereby deleted in its entirety and replaced by the following:

The auditors’ audit reports included in the Group’s BRSA Financial Statements include: (a) a qualification related to the free provision as of 31 December 2016 amounting to TL 800 million allocated by the Bank’s management, all of which had been recognised as an expense in prior periods, (b) a qualification related to the free provision amounting to TL 1,740 million as of 31 December 2017, of which TL 800 million was provided in prior years and TL 940 million as of 31 December 2017, which provision was allocated by the Bank’s management for the possible effects of the negative circumstances that may arise in the economy or market conditions and (c) a qualification related to the free provision amounting to TL 1,200 million as of 31 December 2018, of which TL 1,740 million was provided in prior years, TL 350 million was reversed in the current period and TL 190 million was reversed under retained earnings by the Group’s management for the possible effects of the negative circumstances that might arise from the possible changes in the economy and market conditions. The Bank’s auditors have qualified their audit and review reports (as applicable) included in the BRSA Financial Statements as free provisions are not permitted under Turkish Accounting Standards 37 as set by the POA. See also the audit reports included in the BRSA Financial Statements incorporated by reference herein. The Bank’s management expects that similar qualifications will be included in the corresponding audit or review reports for future fiscal periods.

The first paragraph of the section titled “*Risks Relating to Notes Generally – Redemption for Taxation Reasons*” on page 39 of the Original Base Prospectus is hereby deleted in its entirety and replaced with the following:

The withholding tax rate on interest payments in respect of bonds issued by Turkish legal entities outside of Turkey varies depending upon the original maturity of such bonds as specified under Decree No. 2009/14592 dated 12 January 2009, which was amended by Decree No. 2010/1182 dated 20 December 2010, Decree No. 2011/1854 dated 26 April 2011 and Presidential Decree No. 842 dated 20 March 2019 (together, the “*Tax Decrees*”). Pursuant to the Tax Decrees: (a) with respect to bonds with a maturity of less than one year, the withholding tax rate on interest is 7%, (b) with respect to bonds with a maturity of at least one and less than three years, the withholding tax rate on interest is 3%, and (c) with respect to bonds with a maturity of three years and more, the withholding tax rate on interest is 0%. In the case of early redemption, the redemption date might be considered to be the maturity date and (if so) higher withholding tax rates might apply accordingly.

DOCUMENTS INCORPORATED BY REFERENCE

The clauses (a) and (b) on the first paragraph on page 46 of the Original Base Prospectus are hereby deleted in their entirety and replaced by the following:

(a) the independent auditors' audit reports and audited consolidated BRSA Financial Statements of the Group as of and for the years ended 31 December 2016 (excluding the comparative information for 2015), 2017 and 2018,

(b) the independent auditors' audit reports and audited unconsolidated BRSA Financial Statements of the Bank as of and for the years ended 31 December 2016 (excluding the comparative information for 2015), 2017 and 2018.

RECENT DEVELOPMENTS

The second paragraph of the section titled "*Recent Developments*" included in the Original Base Prospectus by the supplement dated 14 December 2018 is hereby amended by the addition of the following at the end thereof:

On 21 November 2018, the BRSA amended the Restructuring Regulation, including to enable foreign credit institutions to participate in the restructuring process under the Framework Agreement. According to the Restructuring Regulation, only debtors that are expected to gain the financial ability to repay their obligations in a reasonable period of time are allowed to benefit from financial restructuring. To this end, the solvency of such debtors that would like to benefit from a restructuring scheme is to be determined by the entities specified in the Framework Agreement. Pursuant to the Framework Agreement, when a debtor makes an application for restructuring, there is a minimum 90 day standstill period, which can be extended to 150 days. If the restructuring agreement is signed, then, during the standstill period, all enforcement actions by the respective lenders that sign the Framework Agreement are suspended and no new enforcement action can be initiated by such lenders against such debtor.

The third paragraph of the "*Recent Developments*" section included in the Original Base Prospectus by the supplement dated 14 December 2018 is hereby deleted in its entirety and replaced with the following:

On 17 August 2018, the Bank's Board of Directors decided to buy back up to 130,000,000 of its Class C shares for a maximum amount of TL 550,000,000. As of 31 December 2018, the Bank had purchased 130,000,000 Class C shares on free float for an amount of TL 530,306,572.

The following language is hereby added at the end of the "*Recent Developments*" section included in the Original Base Prospectus by the supplement dated 14 December 2018:

In February 2018, the available amount under the KGF programme was increased by TL 55 billion. In May 2018, a further increase of TL 35 billion was implemented to replace the KGF-guaranteed loans that had already been repaid. As of January 2019, an additional TL 20 billion limit was allocated by the government under the KGF guarantee for the use of SMEs with 2017 annual turnover of TL 25 million or less. On 6 March 2019, an additional TL 25 billion limit was allocated by the government for the use of SMEs with a yearly turnover of TL 125 million or less without any industry-specific limitations.

Pursuant to Presidential Decree No. 162 dated 11 October 2018, loans guaranteed by the Turkish Treasury under the KGF programme may be restructured from their initial maturities of 36 months up to 96 months for working capital loans and up to 156 months for investment loans. Such Presidential Decree also requires lenders to provide an opportunity to their borrowers to restructure the relevant KGF-guaranteed loans prior to any recourse to the KGF guarantee.

In December 2018 and January 2019, the Central Bank amended the Communiqué Regarding Reserve Requirements to exclude in the calculation of reserve requirements the following liabilities on the balance sheet: (a) funds acquired on the Borsa İstanbul through repo transactions and (b) deposits and participation funds of official institutions. In February 2019, the Central Bank reduced its Turkish Lira reserve requirement ratios for deposits and participation funds by 100 basis points for up to (and including) one year maturity and for other liabilities for up to (and including) three year maturities, and by 50 basis points for all other liabilities subject to reserve requirements.

In March 2019, the United States announced that imports from Turkey and India would no longer be eligible for tariff relief under the “Generalised System of Preferences” programme, which programme seeks to promote economic growth in countries identified as being developing countries. In Turkey’s case, the United States cited Turkey’s rapid economic development since its entry into the programme and that it thus no longer qualified to benefit from these tariff preferences. While not a significant factor in Turkey’s exports, including to the United States, regulatory changes such as these reflect increasing challenges faced by exporters, which might have a material adverse effect on Turkey’s economy or the financial condition of one or more industries within Turkey.

TURKISH REGULATORY ENVIRONMENT

The fourth paragraph of the section titled “*Consumer Loan, Provisioning and Credit Card Regulations*” starting on page 196 of the Original Base Prospectus, as amended by the supplement dated 14 December 2018, is hereby deleted in its entirety and replaced by the following:

The Regulation on Bank Cards and Credit Cards provides certain limitations on the length of the periods of instalment payments on credit cards. According to such limitations, the instalment payment period (including the period for the postponement of payments and the debts split into instalments for a fee) for the purchase of goods and services and cash withdrawals is not permitted to exceed 12 months, whereas such limit is three months for electronic appliance purchasing, six months for payments made to clubs and associations, expenditures relating to international travel, travel agencies assisting with international travel and international accommodation and 12 months for computer purchasing (excluding tablets, for which such limit is six months), expenditures related with transportation, domestic expenditures relating to airlines, travel agencies, health and social services and for purchases of health products and tax payments. In addition, credit card instalment payments (except for corporate credit cards) are not allowed for jewellery expenditures, telecommunication and related expenses, expenses related to direct marketing, expenditures made outside of Turkey and purchases of nutriment, liquor, fuels, cosmetics, office equipment, gift cards, gift checks and other similar intangible goods. With respect to corporate credit cards, the instalment period (including the period for the postponement of payments and the debts split into instalments for a fee) for the purchase of goods and services and cash withdrawals is not permitted to exceed 12 months.

The sixth and seventh paragraphs of the section titled “*Consumer Loan, Provisioning and Credit Card Regulations*” starting on page 196 of the Original Base Prospectus, as amended by the supplement dated 14 December 2018, are hereby deleted in their entirety and replaced by the following:

In September 2018, the Central Bank amended the Communiqué on Maximum Interest Rates to be Applied for Credit Card Transactions, replacing the then existing rates applicable from January until March 2019. Accordingly, the maximum contractual and default interest rates for Turkish Lira and foreign currency credit card transactions are 2.25% and 1.80% for credit card transactions in Turkish Lira and foreign currency, respectively, until the end of March 2019. The monthly maximum default interest rates are 2.75% and 2.30% for credit card transactions in Turkish Lira and foreign currency, respectively, until the end of March 2019. The Central Bank may announce new interest rates to be applied after March 2019.

On 31 December 2013, the BRSA adopted rules on loan-to-value and instalments of certain types of loans and, on 27 September 2016, the BRSA made certain amendments to such rules. Pursuant to these rules, the minimum loan-to-value requirement for housing loans extended to consumers, financial lease transactions for housing and loans (except auto loans) secured by houses is 80% (which was 75% before such amendments). In addition, in accordance with further amendments to the Regulation on Loan Transactions of Banks effective as of 25 January 2019, for auto loans extended to consumers, loans secured by autos and autos leased under financial lease transactions, the loan-to-value requirement is 70%; *provided* that, in each case, the sale price of the respective auto is not higher than TL 120,000; *however*, if the sale price of the respective auto is above this TL 120,000 threshold, then the minimum loan-to-value ratio for the portion of the loan below the threshold amount is 70% and the remainder is set at 50%. As for limitations regarding instalments, the maturity of consumer loans (other than loans to consumers for housing finance and complementary goods and services in relation to home renovation/improvement, the financial leases for homes leased to consumers, other loans for the purpose of purchasing real estate and for student loans, financing of debts owed to public institutions where the loan amount is directly deposited into the relevant public institution’s account and any refinancing of the same) are not permitted to exceed 60 months, whereas such limit is 48 or 60 months for auto loans and loans secured with autos depending upon the invoice amount of such vehicle, six months for loans granted for purchases of tablets, 12 months for loans granted for computer purchasing and six or 12 months for mobile phones depending upon the price of the product.

The following section is included at the end of the section titled “*Turkish Regulatory Environment*” starting on page 172 of the Original Base Prospectus:

Recent Amendments to the Turkish Insolvency and Restructuring Regime

The Enforcement and Bankruptcy Law No. 2004 prevents a contractual arrangement by which a contractual event of default clause is stipulated to be triggered in case any application is made by a Turkish company for debt restructuring upon settlement (*uzlaşma yoluyla yeniden yapılandırma*) within the scope of this law. In addition, changes were introduced to this law on 15 March 2018 that (*inter alia*) state that the contractual termination, default and acceleration clauses of an agreement cannot be triggered in case the debtor makes a *concordat* application and such application shall not constitute a breach of such agreement.

TAXATION

The sixth sentence of the section titled “*Taxation – FATCA*” starting on page 204 of the Original Base Prospectus is hereby deleted in its entirety and replaced by the following:

Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to the date that is two years after the date on which final regulations defining Foreign Passthru Payments are published in the U.S. Federal Register, and Notes characterised as debt (or that are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining Foreign Passthru Payments are filed with the U.S. Federal Register generally would be grandfathered for purposes of FATCA withholding unless materially modified after such date; however, if additional Notes (see Condition 17) that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents might treat all Notes, including Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA.

The sixth paragraph of the section titled “*Taxation – Certain Turkish Tax Considerations*” starting on page 203 of the Original Base Prospectus is hereby deleted in its entirety and replaced by the following:

Interest paid on notes (such as the Notes) issued abroad by a Turkish corporation is subject to withholding tax. Through the Tax Decrees, the withholding tax rates are set according to the original maturity of notes issued abroad as follows:

- (a) 7% withholding tax for notes with an original maturity of less than one year,
- (b) 3% withholding tax for notes with an original maturity of at least one year and less than three years, and
- (c) 0% withholding tax for notes with an original maturity of three years and more.

SUBSCRIPTION AND SALE AND TRANSFER AND SELLING RESTRICTIONS

The reference to “Section 239(1)” in the second paragraph of the section titled “*Selling Restrictions - Singapore*” on page 219 of the Original Base Prospectus is hereby deleted in its entirety and replaced with “Section 2(1).”

Clause (v) of the second paragraph of the section titled “*Selling Restrictions - Singapore*” on page 220 of the Base Prospectus is hereby deleted in its entirety and replaced by the following:

- (v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.