FIRST SUPPLEMENT dated 22 June 2018 to the Base Prospectus dated 30 April 2018

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 "*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 (the "*Prospectus Directive*"). The Central Bank of Ireland only approves this Supplement as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive. This document constitutes a supplement for the purposes of 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 three month period ended 31 March 2018 (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 three month period ended 31 March 2018 (including any notes thereto and the independent auditor's review 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 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) ("*EY*"). EY's review reports included within the New Financial Statements note 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 independent auditing standards 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. EY's review 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 in the attached pages 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), there has been no: (a) significant new factor, material mistake or inaccuracy relating to the information included in the Base Prospectus since the publication of the Base Prospectus, (b) significant change in the financial or trading position of either the Group or the Issuer since 31 March 2018 and (c) material adverse change in the financial position or prospects of the Issuer since 31 December 2017.

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:

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

The following sections are hereby included immediately after the section titled "*Accounting Policy Changes in Insurance Companies*" on page 8 of the Base Prospectus:

Accounting Policy Changes as a result of the Implementation of TFRS 9 Principles

As of 1 January 2018, the Group started to apply TFRS 9 standards, which replaced TAS 39 (Financial Instruments: Recognition and Measurement), in its financial statements for the first time. The Group has not restated comparative information for financial instruments for 2017 within the scope of TFRS 9 and, as such, certain information in the Bank's consolidated and unconsolidated BRSA financial statements as of and for the three month period ended 31 March 2018 is not comparable to the relevant information in the Bank's consolidated and unconsolidated (as applicable) BRSA financial statements for previous periods. The total difference arising from the adoption of TFRS 9 has, as of 1 January 2018, been recognised directly in the current period's statement of changes in shareholders' equity. See Section III of the Group's BRSA financial statements as of and for three month period ended 31 March 2018 for details of the impact of the first time adoption of TFRS 9 as of 1 January 2018 on the consolidated financial statements.

Accounting Policy Changes in relation to the Bank's Subsidiaries and Associates

As of 31 March 2018, the Bank started to use the equity method (as defined in TAS 28 (Standards on Investment in Associates and Joint Ventures)) while accounting for: (a) in its consolidated BRSA financial statements, its subsidiaries and associates that are not credit or financial institutions, and (b) in its unconsolidated BRSA financial statements, all of its subsidiaries and associates as per the application of TAS 27 (Standards on Stand-Alone Financial Statements). Before the related accounting policy change: (i) investments in subsidiaries and associates whose shares were traded in an active market (*e.g.*, a stock market) were shown in the financial statements at their fair values by taking into account their prices recorded in the related market and (ii) investments in other subsidiaries and associates were reflected at their cost of acquisition less, if any, impairment losses. Under the equity method, the profit or loss of the Bank includes the Bank's share of the profit or loss of its subsidiaries and associates and the Bank's other comprehensive income or expenses include the Bank's share of other comprehensive income or expenses of its subsidiaries and associates.

Due to such accounting policy changes: (a) certain information in the Bank's consolidated and unconsolidated BRSA financial statements as of and for the year ended 31 December 2017 and as of and for the three month period ended 31 March 2017 were restated and (b) certain corrections to the information in the Bank's consolidated and unconsolidated BRSA financial statements as of and for the year ended 31 December 2016 were included in the Bank's consolidated and unconsolidated (as applicable) BRSA financial statements as of and for the three month period ended 31 March 2018. As such, this information is not comparable to the relevant information in the Bank's consolidated and unconsolidated (as applicable) BRSA financial statements for 2015.

See Section III of the Group's BRSA financial statements as of and for three month period ended 31 March 2018 for details regarding such accounting changes and its effects.

The last two sub-paragraphs of the fourth paragraph of the section titled "*Alternative Performance Measures*" on page 10 of the Base Prospectus are hereby deleted in their entirety and replaced by the following:

investment securities portfolio: This is the sum of: (a) as of 31 December 2015, 2016 and 2017: (i) the available-for-sale portfolio as of such date and (ii) the held-to-maturity portfolio as of such date, and (b) as of any date thereafter, due to the implementation of TFRS 9: (i) the financial assets at fair value through other comprehensive income as of such date and (ii) the financial assets measured at amortised cost as of such date.

trading securities portfolio: This is: (a) as of 31 December 2015, 2016 and 2017: (i) the financial assets held for trading as of such date *minus* (ii) the derivative financial assets held for trading as of such date, and (b) as of any date thereafter, due to the implementation of TFRS 9, the financial assets at fair value through profit or loss as of such date.

RISK FACTORS

The third and fourth sentences of the eighth paragraph of the risk factor titled "*Risks Relating to Turkey - Political Developments*" on page 15 of the Base Prospectus are hereby deleted in their entirety and replaced by the following:

> While visa services have since resumed to normal, relations between the two countries remain strained on various topics, including the conviction of an executive of state-controlled bank Türkiye Halk Bankası A.Ş. ("*Halkbank*"), who was found guilty and sentenced in early May 2018 in a United States federal court of bank fraud and conspiracy to violate U.S. sanctions laws in relation to an alleged conspiracy to assist Iran to evade U.S. sanctions. As of 22 June 2018, the final outcome in relation to the matters giving rise to the conviction, including any appeal and whether any sanction, fine or penalty will be imposed by the Office of Foreign Assets Control of the U.S. Department of Treasury ("*OFAC*") on Halkbank or any other Turkish bank or person in connection with those matters, as well as the possible reaction of the Turkish government to any such events or speculation regarding such events, is unknown.

The last sentence of the fourth paragraph of the risk factor titled "*Risks Relating to Turkey - High Current Account Deficit*" on page 19 of the Base Prospectus is hereby deleted in its entirety and replaced by the following:

> Even though the relatively low levels of oil prices were positive from the perspective of the current account balance in 2016, more recent price increases have contributed to the worsening of Turkey's current account balance. Agreements among the members of the Organisation of the Petroleum Exporting Countries (*OPEC*) to cut output or any geopolitical development concerning energy security and prices (such as the United States' withdrawal from the Joint Comprehensive Plan of Action (*i.e.*, the Iran nuclear deal) and re-imposing oil-related sanctions on Iran or the decision of the United States to impose new sanctions on Venezuela dated 22 May 2018, which decisions are expected to reduce global supply and increase crude oil prices) might have a material impact on Turkey's current account balance.

The last two sentences of the fifth paragraph of the risk factor titled "*Risks Relating to the Group and its Business - Foreign Exchange and Currency Risk*" on page 24 of the Base Prospectus are hereby deleted in their entirety and replaced by the following:

> The Central Bank might implement additional monetary tightening policies in the near future for price stability, if needed; *however*, there is no assurance that any of the Central Bank's policies would be effective to achieve stability in the Turkish Lira. From 31 March 2018 to 22 May 2018, the Turkish Lira depreciated a further 14% against the U.S. dollar, as a result of which the Central Bank increased the late liquidity window lending rate first by 75 basis points to 13.5% on 25 April 2018 and then by 300 basis points to 16.5% on 23 May 2018. On 28 May 2018, the Central Bank simplified its monetary policy and set the one-week repo rate to the then-current policy rate of 16.5% and decided for the overnight borrowing and lending rates to be determined at 150 basis points below and above the one-week repo rate, respectively, as of 1 June 2018. On 7 June 2018, the Central Bank's Monetary Policy Committee increased the one-week repo rate (policy rate) by 125 basis points to 17.75%. See "*Risks Relating to Turkey - Interest Rate Risk*" and "*Recent Developments*." Any failure of the Central Bank to implement effective policies might adversely affect the Turkish economy in general, including leading to higher inflation and a higher current account deficit. See also "*Risks Relating to Turkey - High Current Account Deficit*" and "*Risks Relating to Turkey - Inflation Risk.*"

The following language is hereby included at the end of the second sentence of the second paragraph of the risk factor titled "*Risks Relating to the Group and its Business – Audit Qualification*" on page 33 of the Base Prospectus:

> The Group's review report for the BRSA financial statements for the three month period ended 31 March 2018 was qualified with respect to free reserves of TL 1,750,000 thousand that were provided by the Bank's management for the possible effects of the negative circumstances that might arise from possible changes in the economy and market conditions. TL 1,740,000 thousand of these free reserves was recognised as expense in prior periods and TL 10,000 thousand of these free reserves was recognised as expense in the first three months of 2018.

RECENT DEVELOPMENTS

The following section titled "*Recent Developments*" is hereby included in the Base Prospectus immediately after the section titled "*Business of the Group*":

RECENT DEVELOPMENTS

On 4 May 2018, S&P revised credit ratings of certain Turkish banks, including the Bank, following the downgrade of the sovereign rating of Turkey on 1 May 2018. S&P announced that: (a) the Bank's Long-Term Issuer Credit Ratings were downgraded to "BB-" (with a stable outlook) from "BB" (with a negative outlook), (b) the Bank's Long-Term Turkish National Scale was downgraded to "trA+" from "trAA-" and (c) the Bank's other credit ratings were affirmed. Thus, as of 22 June 2018, the Bank's ratings from S&P are as follows:

S&P (4 May 2018)

Long-Term Foreign Currency / Local Currency Issuer Credit Ratings	BB- / (Stable)
Short-Term Foreign Currency / Local Currency Issuer Credit Ratings	B
Long-Term/Short-Term Turkish National Scale	trA+/ trA-1

On 26 April 2018, the Monetary Policy Committee increased the late liquidity window lending rate by 75 basis points to 13.50%. On 7 May 2018, the Central Bank lowered the upper limit for the foreign exchange maintenance facility within the reserve options mechanism (which allows Turkish banks to maintain certain of their Turkish Lira reserve requirements in foreign exchange) to 45% from 55%. According to the Central Bank's guidance, this change is expected to remove TL 6.4 billion of liquidity from the Turkish banking system and release US$2.2 billion foreign exchange liquidity to the market in exchange. The Central Bank also increased the foreign exchange swap auction amount to US$1.5 billion from US$1.25 billion and increased the monthly non-deliverable forward auction amount from US$150 million to US$250 million as a response to the depreciation of the Turkish Lira. On 23 May 2018, following the Turkish Lira reaching its then-lowest level against the U.S. dollar, an emergency meeting of the Central Bank's Monetary Policy Committee increased the late liquidity window lending rate by 300 basis points to 16.5%, while keeping constant its one-week repo rate at 8.0%, the upper bound of the interest rate corridor at 9.25% and its overnight borrowing rate at 7.25%. On 28 May 2018, the Central Bank announced its decision to simplify its monetary policy and set the one-week repo rate to the then-current policy rate of 16.5% (increasing from 8.0%), and the overnight borrowing and lending rates are to be determined at 150 basis points below and above the one-week repo rate, respectively, as of 1 June 2018. On 7 June 2018, the Central Bank's Monetary Policy Committee increased the one-week repo rate (policy rate) by 125 basis points to 17.75%. Accordingly, as of 8 June 2018, the overnight borrowing rate, the overnight lending rate and the late liquidity window lending rate increased to 16.25%, 19.25% and 20.75%, respectively.

The last 12 month consumer price inflation reached 12.2% as of May 2018 from 10.9% as of April 2018.

As of 21 June 2018, Intercontinental Exchange Benchmark Administration Limited, the Benchmark Administrator for LIBOR, appears on the Register of Administrators.

On 1 June 2018, Fitch placed certain credit ratings of 25 Turkish banks, including the Bank, on "Rating Watch Negative." Accordingly, as of 1 June 2018, Fitch placed the following ratings of the Bank to Rating Negative Watch: (a) the "BB+" Long-Term Local Currency and Foreign Currency Issuer Default Ratings, (b) the "bb+" Viability Rating, (c) the "AA+(tur)" National Long-Term Rating, (d) the "BB+" Long-Term Senior Unsecured Debt Rating and (e) the "BB" Subordinated Debt Rating. As of such date, Fitch affirmed: (i) the Short-Term Foreign Currency Issuer Default Rating as "B," (ii) the Short-Term Local Currency Issuer Default Rating as "B," (iii) the Support Rating as 4, (iv) the Support Rating Floor as "B+" and (v) the Short-Term Senior Unsecured Debt Rating as "B."

On 7 June 2018, following its decision to place Turkey's credit ratings on review for downgrade on 1 June 2018, Moody's: (a) downgraded the Long-Term Local Currency Bank Deposit Rating and the Foreign Currency Issuer Rating of the Bank by one notch and placed these under review for further downgrade, (b) downgraded the Baseline Credit Assessment, the Adjusted Baseline Credit Assessment, the Short-Term Foreign Currency and Local Currency MTN Ratings and the Foreign Currency Subordinated Debt Rating by one notch, (c) placed on review for downgrade the Bank's Long-Term Foreign Currency Deposit (Ba3) and Long-term Counterparty Risk Assessment Ba2(cr) Ratings and (d) affirmed the Short-Term Foreign Currency and Local Currency Deposit Ratings at Not-Prime. As of 22 June 2018, the Bank's ratings from Moody's are as follows:

Moody's (7 June 2018)

Long-Term Foreign Currency Deposit Rating/Outlook	Ba3/Under Review
Long-Term Local Currency Deposit Rating/Outlook	Ba3/Under Review
Short-Term Foreign Currency/Local Currency Deposit Rating	Not-Prime/Not-Prime
Foreign Currency Subordinated Debt	B2/B3 (hyb)
Foreign Currency Issuer Rating/Outlook	Ba3/Under Review
BCA (Baseline Credit Assessment)	b1
Adjusted BCA (Baseline Credit Assessment)	b1

All references in this Base Prospectus to the expected initial ratings by Moody's of long-term issuances of Notes under the Programme are hereby amended to "Ba3."

On 7 June 2018, the BRSA published the Communiqué on Principles regarding the Debt Instruments to be included in the Calculation of Banks' Equity, which sets forth procedures and principles for the write-up and write-down of the debt instruments or loans that are included in the calculation of banks' equity (*i.e.*, additional Tier 1 and Tier 2 capital) as well as procedures and principles related to conversion of such debt instruments into shares.

TURKISH REGULATORY ENVIRONMENT

The last sentence of the fifth paragraph of section titled "*Capital Adequacy*" on page 182 of the Base Prospectus is hereby deleted in its entirety and replaced by the following:

On 12 June 2018, the BRSA announced its decision (dated 7 June 2018 and numbered 7841) to amend the per customer total risk limit for loans described in clause (b), which is the upper limit for such loans subjected to the 75% risk weight, from TL 4,200,000 to TL 5,500,000.

The last sentence of the seventh paragraph of the section titled "*Consumer Loan, Provisioning and Credit Card Regulations*" on page 197 of the Base Prospectus is hereby deleted in its entirety and replaced by the following:

As for limitations regarding instalments, the maturity of consumer loans (other than: (a) loans to consumers for housing finance and complementary goods and services in relation to home renovation/improvement, (b) the financial leases for homes leased to consumers, (c) other loans for the purpose of purchasing real estate and for student loans, (d) financing of debts owed to public institutions where the loan amount is directly deposited into the relevant public institution's account and (e) any refinancing of loans described in clauses (a) through (d) (inclusive)) are not permitted to exceed 48 months.

APPENDIX 1 - OVERVIEW OF SIGNIFICANT DIFFERENCES BETWEEN IFRS AND THE BRSA ACCOUNTING AND REPORTING PRINCIPLES

The first sentence of the second paragraph of the section titled "*Consolidation*" on page 224 of the Base Prospectus is hereby deleted in its entirety and replaced by the following:

Under the BRSA Accounting and Reporting Principles, only subsidiaries and associates operating in the financial services sector are required to be consolidated with a bank; the rest are carried at their book value.