SECOND SUPPLEMENT dated August 30, 2016 to the Base Prospectus dated June 16, 2016

TÜRKİYE İŞ BANKASI A.Ş.
U.S.$7,000,000,000
Global Medium Term Note Program

This supplement (this "*Supplement*") is supplemental to, and must be read in conjunction with, the Base Prospectus dated June 16, 2016 (the "*Original Base Prospectus*" and, as supplemented on July 29, 2016, the "*Base Prospectus*") prepared by Türkiye İş Bankası A.Ş. (the "*Issuer*" or the "*Bank*") under the Issuer's global medium term note program. Capitalized 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 (including the amendments made by Directive 2010/73/EU) (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 in respect of certain recent events in connection with the Issuer. As a result, certain modifications to the Base Prospectus are hereby being made.

A copy of each of: (a) the consolidated BRSA financial statements of the Group as of and for the six month period ended June 30, 2016 and (b) the unconsolidated BRSA financial statements of the Issuer as of and for the six month period ended June 30, 2016 (in each case, including any notes and, together, the "*New BRSA Financial Statements*") have been filed with the Central Bank of Ireland and the Irish Stock Exchange and, by means of this Supplement, are incorporated by reference into, and form 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 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 BRSA 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 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 Akis Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş., a member firm of KPMG International Cooperative, a Swiss entity ("*KPMG*"), and KPMG's review reports included within the New BRSA Financial Statements note that they applied limited procedures in accordance with professional standards for a review of such information and such reports state that they did not audit and they do not express an opinion on the interim financial information in the New BRSA Financial Statements. Accordingly, the degree of reliance on their reports on such information should be restricted in light of the limited nature of the review procedures applied. KPMG's review reports on the New BRSA Financial Statements contain a qualification. See "*Risk Factors – Risks Relating to the Group and its Business – Audit Qualification.*"

In addition, this Supplement sets out in the attached pages amendments to the Base Prospectus. Statements contained herein (or in the New BRSA Financial Statements incorporated by reference herein) shall, to the extent applicable and whether expressly, by implication or otherwise, modify or supersede statements set out in, or previously incorporated by reference into, the Base Prospectus. Where there is any inconsistency between the information contained in (or incorporated by reference into) the Base Prospectus and the information contained herein (or incorporated by reference into the Base Prospectus by means of this Supplement), the information contained herein (or incorporated by reference into the Base Prospectus by means of this Supplement) shall prevail.

Except as disclosed herein (including in the New BRSA Financial Statements incorporated by reference into the Base Prospectus by means of this Supplement) and in the previous supplement 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 June 30, 2016 and (c) material adverse change in the financial position or prospects of either the Bank or the Group since December 31, 2015.

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:

RECENT DEVELOPMENTS

The section entitled "*Recent Developments*" included to the Original Base Prospectus by a supplement dated July 29, 2016 is hereby amended by the addition of the following at the end thereof:

On April 7 and August 5, 2016, the BRSA published amendments to the Regulation on Provisions and Classification of Loans and Receivables, adding new provisional articles related to loans and other receivables that banks provide to borrowers operating in the tourism and energy industries. These provisional articles provide that (among other things) the terms of loans and other receivables that are granted to these borrowers and classified under Group II (*Loans and Other Receivables Under Close Monitoring*) may be modified up to two times until December 31, 2016. If at least 10% of the total receivables have been repaid, then such loan or other receivable may be re-classified under Group I (*Loans of a Standard Nature and Other Receivables*) to the extent the terms set out in the new loan agreement are satisfied. If the terms of a loan or other receivable are modified for the second time and such loan or other receivable is re-classified under Group II from Group I or continues to be monitored under Group II due to not satisfying the conditions for re-classification under Group I, then these may be re-classified under Group I only if at least 15% of the total receivables have been repaid. If there was additional funding in the second modification of a loan or other receivable, then these will be classified under Group III (*Loans and Other Receivables with Limited Recovery*) until at least 5% of the total receivables are repaid. The banks may re-classify loans and other receivables with modified terms under Group III (*Loans and Other Receivables with Limited Recovery*), Group IV (*Loans and Other Receivables with Suspicious Recovery*) and Group V (*Loans and Other Receivables Having the Nature of Loss*) as per the applicable provisions of the Regulation on Provisions and Classification of Loans and Receivables.

If several loans have been extended to a loan customer by the same bank and if any of these loans is classified as a non-performing loan (*i.e.*, classified under Groups III, IV and V), then all outstanding risks (including risks related to the tourism and energy industries) of such loan customer are classified in the same group as the non-performing loans; *however*, for the outstanding risks related to tourism and energy industries, the banks will have the discretion whether to reserve specific provisions.

In relation to these loans and other receivables granted to the tourism and energy industries, which are classified as a non-performing loan (*i.e.*, classified under Groups III, IV and V), in the event of a borrower's failure to repay loans or any other receivables is due to a temporary lack of liquidity that the borrower is facing, then a bank may structure a new repayment or redemption plan up to three times and provide additional funding, if needed.

Law No. 6728, which was published in the Official Gazette on August 9, 2016, provides that interest payments on bonds are exempt from VAT. Accordingly, the tax issue resulting from the statement in the VAT Ruling regarding interest payments on bonds, which was not effective as per the Revenue Administration's letter dated March 18, 2015 (see "*Taxation – Certain Turkish Tax Considerations – Value Added Tax*"), was resolved as of August 9, 2016.

On August 9, 2016, the Central Bank announced that: (a) Turkish Lira reserve requirement ratios have been lowered by 50 basis points for all maturity brackets and (b) in the context of the Reserve Options Mechanism, which provides Turkish banks the option to hold a portion of the Turkish Lira reserve requirements in foreign exchange or standard gold, coefficients for certain tranches of the foreign exchange and gold facilities have been increased by 0.1 points. Based upon the current level of the reserve option used by Turkish banks, the Central Bank estimated that the implementation of the above measures will provide additional liquidity of approximately TL 1.1 billion and US$600 million, respectively, to the Turkish financial system.

On August 25, 2016, following the revision of its outlook on certain of the ratings of Turkey, Fitch revised the outlooks of the long-term "Foreign Currency Issuer Default Rating" and "Local Currency Issuer Default Rating" of the Bank from "stable" to "negative." Fitch affirmed the long-term "Foreign Currency Issuer Default Rating" and "Local Currency Issuer Default Rating" of the Bank at "BBB-" and short-term "Foreign Currency Issuer Default Rating" and "Local Currency Issuer Default Rating" of the Bank at "F3."

On August 23, 2016, the Central Bank reduced the upper limit of its interest rate corridor (lending rate) by 25 basis points to 8.50% and its late liquidity window lending rate by 25 basis points to 10.00%. The Central Bank held its one-week repo rate unchanged at 7.50%, its overnight borrowing rate unchanged at 7.25% and its late liquidity window borrowing rate unchanged at 0%.

TURKISH REGULATORY ENVIRONMENT

The fourth paragraph of the section entitled "*Liquidity and Reserve Requirements*" on page 205 of the Original Base Prospectus is hereby deleted in its entirety and replaced by the following:

Pursuant to the Communiqué regarding Reserve Requirements, starting from August 12, 2016, the reserve requirements regarding Turkish Lira liabilities vary by category and tenor, as set forth below:

Category of Turkish Lira Liabilities	**Required Reserve Ratio**
1) Deposit/participation accounts (excluding deposit/participation accounts held at foreign banks)	
Demand deposits, notice deposits	11.0%
Up to 1 month maturity (including 1 month)	11.0%
Up to 3 months maturity (including 3 months)	11.0%
Up to 6 months maturity (including 6 months)	8.0%
Up to 1 year maturity	6.0%
With maturities of 1 year and longer	4.5%
2) Borrowers' deposit accounts held at development and investment banks*	11.0%
3) Other liabilities (including deposit/participation accounts held at foreign banks)	
Up to 1 year maturity (including 1 year)	11.0%
Up to 3 years maturity (including 3 years)	7.5%
Longer than 3 years maturity	4.5%

** Due to laws applicable to development and investment banks, the amount deposited in such accounts cannot exceed the total outstanding loan amount extended by the relevant development and investment bank to such borrower.*