



TO : **Investment Community**
FROM : **Garanti Bank / Investor Relations**
SUBJECT : **Regarding the Applications to the Capital Markets Board for the Mortgage Covered Bond Issuance**
DATE : **October 9, 2017**

Reference 1: Garanti Bank Public Disclosure Dated May 20, 2015

Reference 2: Garanti Bank Public Disclosure Dated October 02, 2017

Via our public disclosure dated May 20, 2015 it was announced that The Mortgage Covered Bond Programme, which enables the Bank to issue mortgage covered bonds outside Turkey, up to Euro 5 billion or its equivalent in other currencies, with fixed and/or floating interest rate, was established on May 15th, 2015.

Via our public disclosure dated October 02, 2017 it was announced that our Bank has signed an agreement to secure a financing in the amount of EUR 200 million equivalent to Turkish Lira, with 5 or 6 years maturity under Covered Bond Programme and the proceedings of the loan will be used for SME financing.

As per the resolution of the Bank's Board of Directors dated November 3rd, 2016, the Head Office was authorized to apply to CMB and BRSA for the renewal of mortgage covered bonds issuance approval up to EUR 2 billion in total or equivalent in any other currency including Turkish Lira, to be sold without public offering, outside Turkey.

Accordingly, the application process to CMB in order to issue covered bonds to be sold has been completed.

In contradiction between the Turkish and English versions of this public disclosure, the Turkish version shall prevail.

We declare that our above statements are in conformity with the principles included in the Board's Communiqué, Serial II Nr.15.1, that it exactly reflects the information we received; that the information complies with our records, books and documents; that we did our best to obtain the correct and complete information relative to this subject and that we are responsible for the declarations made in this regard.

Yours sincerely,
Garanti Bank

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