



TO : INVESTMENT COMMUNITY
FROM : GARANTI BANK / Investor Relations
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SUBJECT : Announcement Regarding Tax/Penalty Notification
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The Istanbul Large-Scale Taxpayers Office of the Tax Inspection Board held inspections regarding the purchase and cancellation process of the founder share-certificates by our Bank in 2008 through the fund obtained following the capital increase, in terms of income and corporate tax withholding. As a result of such inspections, authorities claimed that the payments which have been made to the holders of the founder share-certificates should have been deemed as dividend payments and the Bank has undercalculated the income and corporate tax of such payments. Accordingly, a Tax Audit Report and a tax/penalty notification in the total amount of TL 211,510,761.15 (Actual tax: TL 84,604,304.46 and Fine: TL 126,906,456.69), have been prepared by the authorities.

In our Bank's assessment, the Bank's practice is in compliance with the relevant legislation and our Bank will take legal actions against the tax authority's assessments. The investor community will be further informed regarding the developments on the issue, if any, in accordance with the applicable legislation.

We declare that our above statements are in conformity with the principles included in the Board's Communiqué, Serial VIII Nr. 54., 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