



TO : **Investment Community**
FROM : **Garanti Bank / Investor Relations**
SUBJECT : **Lawsuit abroad to which the Bank is a party**
DATE : **September 20, 2017**

With the public disclosures dated 14.08.2015, 12.10.2015, 11.12.2015, 11.02.2016, 11.04.2016, 10.06.2016, 10.08.2016, 10.10.2016, 12.12.2016, 13.02.2017, 13.04.2017, 14.06.2017 and 14.08.2017.

We refer to the litigation matter that was previously disclosed by our Bank relating to tax carbon-trading fraud allegations against a number of individuals pending before the Tribunal De Grande Instance of Paris. In this matter our Bank was accused of assisting the organizers of this fraud by letting them benefit from the banking services. In its decision the Tribunal found our Bank not guilty for the activities of the Bank in 2008 and early 2009 given its compliance with know your customer rules and account opening processes. However, the Court decided to impose a fine of Euro 8 million with respect to account closure actions taken by our Bank in mid-2009 without taking into account the applicable local laws and regulations.

In addition, the French Treasury asked for civil damages from all of the defendants of this litigation matter for the tax losses suffered. Accordingly, the Bank, jointly with the other defendants, will be subject to payment of a damages claim of the French Treasury up to Euro 25 million.

The Bank disagrees with the judgment and currently intends to file an appeal . The Management believes that the Bank has complied with all aspects of the applicable laws and has no wrong doing in this matter. The Management believes that the decision should be overruled at the appellate court level since there is no basis for the penalty and the damages.

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

Yukarıdaki açıklamalarımızın, Sermaye Piyasası Kurulunun II.15.1 sayılı Özel Durumlar Tebliğinde yer alan esaslara uygun olduğunu, bu konuda tarafımıza ulaşan bilgileri tam olarak yansıttığını; bilgilerin defter, kayıt ve belgelerimize uygun olduğunu, konuyla ilgili bilgileri tam ve doğru olarak elde etmek için gerekli tüm çabaları gösterdiğimizi ve yapılan bu açıklamalardan sorumlu olduğumuzu beyan ederiz.

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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