



TO : **Investment Community**
FROM : **Garanti Bank / Investor Relations**
SUBJECT : **Application to Capital Markets Board for the Mortgage Covered Bond Programme**
DATE : **June 23, 2017**

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

Reference 2: Garanti Bank Public Disclosure Dated June 1st, 2017

It was announced with our public disclosure dated May 20, 2015 that The Mortgage Covered Bond ("MCB") 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, had been established on May 15th, 2015.

It was announced with our public disclosure dated June 1st, 2017 that Garanti Bank has signed an agreement to secure a financing in the amount of USD 150 million equivalent to Turkish Lira, with 5 years maturity from International Finance Corporation (IFC) under Covered Bond Programme.

As per the resolution of the Bank's Board of Directors dated November 3rd, 2016, the Head Office has been authorized to apply 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 applications to CMB in order to make bond issuances and private placements in favour of International Finance Corporation-IFC have 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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