**FOURTH SUPPLEMENT dated 26 October 2016 to the Base Prospectus dated 24 March 2016**

# TÜRKİYE GARANTİ BANKASI A.Ş.
## U.S.$6,000,000,000
## Global Medium Term Note Programme

This supplement (this "*Supplement*") is supplemental to, and must be read in conjunction with, the Base Prospectus dated 24 March 2016 (the "*Original Base Prospectus*" and, as supplemented on 12 May 2016, 29 July 2016 and 31 August 2016, the "*Base Prospectus,*" which also serves as the "*Listing Particulars*") prepared by Türkiye Garanti Bankası A.Ş. (the "*Issuer*" or the "*Bank*") under the Issuer's global medium term note programme. Capitalised terms used but not otherwise defined herein shall have the meaning ascribed thereto in the Base Prospectus. Application has been made to the Irish Stock Exchange for the approval of this Supplement as a supplement to the Listing Particulars (this "*Listing Particulars Supplement*"). Except where expressly provided or the context otherwise requires, where Notes with a maturity of less than one year are to be admitted to trading on the Main Securities Market, references herein to this "Supplement" shall be construed to be references to this "Listing Particulars Supplement" and references herein to the "Base Prospectus" shall be construed to be references to the "Listing Particulars."

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 nine month period ended 30 September 2016 (including any notes thereto, the "*Group's New BRSA Financial Statements*") and (b) the unconsolidated BRSA financial statements of the Issuer as of and for the nine month period ended 30 September 2016 (including any notes thereto, the "*Issuer's New BRSA Financial Statements*" and, with the Group's New BRSA Financial Statements, 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: (i) with respect to the Group's New BRSA Financial Statements, https://www.garantiinvestorrelations.com/en/financial-information/Consolidated-Financial-Statements-full-report/BRSA-Consolidated-Financials/66/0/0, and (ii) with respect to the Issuer's New BRSA Financial Statements, https://www.garantiinvestorrelations.com/en/financial-information/Bank-Only-Financial-Statements-full-report/BRSA-Unconsolidated-Financials/67/0/0 (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, which are 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 Deloitte and Deloitte'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.

Statements contained 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 supplements 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 30 September 2016 and (c) material adverse change in the financial position or prospects of either the Bank or the Group since 31 December 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 Arranger 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:

### RISK FACTORS

The antepenultimate sentence of the last paragraph of the risk factor entitled "*Risks Relating to Turkey – Political Developments*" on pages 16 and 17 of the Original Base Prospectus as amended by a supplement dated 29 July 2016 is hereby deleted in its entirety and replaced by the following:

> On 11 October 2016, the Grand National Assembly of Turkey ratified the Council of Ministers Decree dated 5 October 2016 related to the extension of the state of emergency for an additional three months period starting from 19 October 2016 pursuant to Article 121 of the Turkish Constitution. The government has arrested, discharged or otherwise limited, in the aggregate, thousands of members of the military, the judiciary and the civil service, restricted media outlets and otherwise taken actions in response to the coup attempt, including expansion of these actions to the business community. Further investigations and arrests and/or the continuation of the state of emergency might impact the ability of the Group's customers to meet their obligations to the Group.

The last sentence of the second paragraph of the risk factor entitled "*Risks Relating to Turkey – Terrorism and Conflicts*" on page 18 of the Original Base Prospectus is hereby deleted in its entirety and replaced by the following:

> On 28 June 2016, a terrorist attack occurred at the Atatürk Airport in İstanbul, resulting in 45 fatalities and over 230 injured persons. Such incidents are likely to continue to occur periodically. On 24 August 2016, Turkey began military operations in Syria in an effort to clear ISIS from the Turkish-Syrian border. These operations might lead to potential retaliation attacks by terrorist groups and additional security risks in Turkey. There is on-going tension in the region, which has been elevated following Iraq's 5 October 2016 request for a U.N. Security Council meeting to discuss the presence of Turkish troops in Northern Iraq.

### TERMS AND CONDITIONS OF THE NOTES

The references to the "courts of England" under Conditions 19.2 (*Submission to Jurisdiction*), 19.3 (*Consent to enforcement*) and 19.5 (*Other documents*), as set out on page 112 of the Original Base Prospectus, are hereby deleted in their entirety and replaced with "the High Court of Justice of England and Wales in London (and any competent United Kingdom appellate court in respect of any appeal relating to any judgment or order originally of the High Court of Justice of England and Wales)."

### RECENT DEVELOPMENTS

The section entitled "*Recent Developments*" included in the Original Base Prospectus by a supplement dated 12 May 2016 and as amended by the supplements dated 29 July 2016 and 31 August 2016 is further amended by the addition of the following at the end thereof:

> Each of the Programme Agreement, the Agency Agreement, the Deed of Covenant and the Deed Poll were amended according to the terms of the amendment agreement dated 24 October 2016.
>
> On 22 September 2016, the Central Bank reduced the upper limit of its interest rate corridor (lending rate) by 25 basis points to 8.25%. The Central Bank held its one-week repo rate (policy rate) unchanged at 7.50% and its overnight borrowing rate unchanged at 7.25%.
>
> Following the downgrade of the debt rating of Turkey to "Ba1" (with a stable outlook) from "Baa3" (under review for downgrade), on 26 September 2016, Moody's downgraded the long-term debt and deposit ratings of 14 Turkish financial institutions, including the Bank. The Bank's ratings from Moody's are as follows:

*Moody's (26 September 2016)*

| | |
|---|---|
| Deposit Outlook: | Stable |
| Long Term Foreign Currency Deposit: | Ba2 |
| Long Term Turkish Lira Deposit: | Ba1 |
| Short Term Foreign Currency Deposit: | Not - Prime |
| Short Term Turkish Lira Deposit: | Not – Prime |
| Senior Unsecured Debt Outlook: | Stable |
| Senior Unsecured Debt: | Ba1 |
| Baseline Credit Assessment (BCA): | Ba2 |
| Adjusted BCA: | Ba1 |
| National Scale Rating (NSR) Long Term Deposit: | Aa1.tr |
| NSR Short Term Deposit: | TR-1 |

In October 2016, the Bank entered into a share transfer agreement with Garanti Technology and Sovcombank, a bank operating in Russia, in relation to the transfer of shares in GBM (Garanti Bank Moscow), a subsidiary of the Bank. According to the share transfer agreement, the Bank and Garanti Technology agreed to transfer 99.94% and 0.06%, respectively, stakes in GBM to Sovcombank for an aggregate purchase price of US$40,455,201 (subject to certain adjustments). The completion of the share transfer is subject to the receipt of the necessary regulatory approvals.

**TURKISH REGULATORY ENVIRONMENT**

The second paragraph of the section entitled "*Loan Loss Reserve* **-** *Group I: Loans of a Standard Nature and Other Receivables*" on page 171 of the Original Base Prospectus is hereby deleted in its entirety and replaced by the following:

The terms of a bank's loans and receivables monitored in this group may be modified if such loans and receivables continue to have the conditions envisaged for this group.

The last three sentences of the second paragraph of the section entitled "*Loan Loss Reserve* **-** *Group II: Loans and Other Receivables Under Close Monitoring*" on page 172 of the Original Base Prospectus are hereby deleted in their entirety and replaced by the following:

The terms of a bank's loans and receivables monitored in this group may be modified if such loans and receivables continue to have the conditions envisaged for this group.

The sentence reading "Banks with consumer loan ratios greater than 25% of their total loans and banks with non-performing consumer loan (classified as frozen receivables (excluding housing loans)) ratios greater than 8% of their total consumer loans (excluding housing loans) (pursuant to the unconsolidated financial data prepared as of the general reserve calculation period) are required to set aside a 4% general provision for outstanding (but not yet due) consumer loans (excluding housing loans) under Group I, and an 8% general provision for outstanding (but not yet due) consumer loans (excluding housing loans) under Group II (the "**Consumer Loans Provisions**")." on page 174 of the Original Base Prospectus is hereby deleted in its entirety.

The fourth paragraph of the section entitled "*Liquidity and Reserve Requirements*" on page 182 of the Original Base Prospectus as amended by a supplement dated 31 August 2016 is hereby deleted in its entirety and replaced by the following:

Pursuant to the Communiqué regarding Reserve Requirements, starting from 9 September 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)** | |
| Up to 3 months (including 3 months maturity) | 10.5% |
| Up to 6 months maturity (including 6 months) | 7.5% |
| Up to 1 year maturity | 5.5% |
| With maturities of 1 year and longer | 4.0% |
| **2) Borrowers' deposit accounts held at development and investment banks*** | 10.5% |
| **3) Other liabilities (including deposit/participation accounts held at foreign banks)** | |
| Up to 1 year maturity (including 1 year) | 10.5% |
| Up to 3 years maturity (including 3 years) | 7.0% |
| Longer than 3 years maturity | 4.0% |

** Due to Turkish 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.*

The third paragraph of the section entitled "*Consumer Loan, Provisioning and Credit Card Regulations*" on page 192 of the Original Base Prospectus is hereby deleted in its entirety and replaced by the following:

The BRSA, by amending the Regulation on Bank Cards and Credit Cards, has adopted limitations on the length of the period of instalment payments on credit cards. Pursuant to such limitations, the instalment payment period for the purchase of goods and services and cash withdrawals is not permitted to exceed 12 months, whereas such limit is four months for jewellery expenditures, six months for electronic appliance and computer purchasing and nine months for expenditures relating to airlines, travel agencies, transportation, accommodation, health and social services and for purchases of health products, payments made to clubs and associations and tax payments). In addition, credit card instalment payments (except for corporate credit cards) are not allowed for telecommunication and related expenses, expenses related to direct marketing, expenditures made outside of Turkey and purchases of nutriment, liquor, fuels, cosmetics, office equipment, gift cards, gift checks and other similar intangible goods. With respect to corporate credit cards, the instalments for the purchase of goods and services and cash withdrawals are not permitted to exceed 12 months. Also, pursuant to the provisional article to the

Regulation on Bank Cards and Credit Cards, the debt balance of a credit card calculated as of 27 September 2016 can be split into instalments limited to 72 months upon the request of the relevant cardholder.

The fifth paragraph of the section entitled "*Consumer Loan, Provisioning and Credit Card Regulations*" on pages 192 and 193 of the Original Base Prospectus is hereby deleted in its entirety.

The sixth paragraph of the section entitled "*Consumer Loan, Provisioning and Credit Card Regulations*" on page 193 of the Original Base Prospectus is hereby deleted in its entirety and replaced by the following:

On 31 December 2013, the BRSA adopted new rules on loan-to-value and instalments of certain types of loans and, on 27 September 2016, the BRSA made certain amendments to such rules. Pursuant to these rules, the minimum loan-to-value requirement for housing loans extended to consumers and for loans (except auto loans) secured by houses is 80%. In addition, for auto loans extended to consumers, for loans secured by autos and for financial lease transactions for autos, the loan-to-value requirement is set at 70%; *provided* that in each case the sale price of the respective auto is not higher than TL 50,000. On the other hand, if the sale price of the respective auto is above this TL 50,000 threshold, then the minimum loan-to-value ratio for the portion of the loan below the threshold amount is 70% and the remainder is set at 50%. As for limitations regarding instalments (as amended by the BRSA from time to time), the maturity of consumer loans (other than loans to consumers for housing finance and complementary goods and services in relation to home renovation/improvement, the financial leases for homes leased to consumers, other loans for the purpose of purchasing real estate and any refinancing of the same) are not permitted to exceed 48 months.

Also, pursuant to the provisional article of the Regulation on Loan Transactions of Banks, the debt balances of individual loans (which include loans provided for durable and semi-durable consumer goods, weddings, education and health) utilised before 27 September 2016 may be restructured upon the request of the borrower over a period of up to 72 months (or up to 48 months if an additional loan is provided to the customer within the scope of the restructuring).