



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 and 29 July 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 six month period ended 30 June 2016 (including any notes thereto, the “*Group’s New BRSA Financial Statements*”), (b) the unconsolidated BRSA financial statements of the Issuer as of and for the six month period ended 30 June 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*”) and (c) the consolidated IFRS financial statements of the Group as of and for the six month period ended 30 June 2016 (including any notes thereto, the “*New IFRS Financial Statements*” and, with the New BRSA Financial Statements, the “*New 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 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>, (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>, and (iii) with respect to the New IFRS Financial Statements, <https://www.garantiinvestorrelations.com/en/financial-information/IFRS-Financial-Statements-full-report/IFRS-Financial-Reports/68/0/0> (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, each of which is 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 Financial Statements were not prepared for the purpose of their incorporation by reference into the Base Prospectus.

The New Financial Statements were reviewed by Deloitte and Deloitte’s review reports included within the New 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 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 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 June 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:

SUMMARY FINANCIAL AND OTHER DATA

The second sentence of the first paragraph of the section entitled “*Key Performance Indicators*” starting on page 115 of the Original Base Prospectus is hereby deleted in its entirety and replaced by the following:

The following table sets out certain key performance indicators for the Group for the indicated dates/periods, which indicators are (among others) those used by the Group’s management to manage its business. The basis for calculation of ratios that are non-GAAP financial measures is set out in the notes below. Non-GAAP financial measures should not be considered in isolation from, or as a substitute for, financial information presented in compliance with the BRSA Accounting and Reporting Regulation. See “*Presentation of Financial and Other Information - Non-GAAP Measures of Financial Performance.*”

RECENT DEVELOPMENTS

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

On 7 April and 5 August 2016, the BRSA published amendments to the Regulation on Provisions and Classification of Loans and Receivables, adding new provisional articles related to loans and other receivables that banks provide to borrowers operating in the tourism and energy industries. These provisional articles provide that (among other things) the terms of loans and other receivables that are granted to these borrowers and classified under Group II (*Loans and Other Receivables Under Close Monitoring*) may be modified up to two times until 31 December 2016. If at least 10% of the principal and interest payments of such a loan or other receivable have been repaid, then such loan or other receivable may be re-classified under Group I (*Loans of a Standard Nature and Other Receivables*) to the extent the terms set out in the new loan agreement are satisfied. If the terms of a loan and other receivable granted to the tourism and energy industries are modified, then the banks may re-classify these loans under Group III (*Loans and Other Receivables with Limited Recovery*), Group IV (*Loans and Other Receivables with Improbable Recovery*) and Group V (*Loans and Other Receivables Considered as Losses*) as per the applicable provisions of the Regulation on Provisions and Classification of Loans and Receivables.

Law No. 6728, which was published in the Official Gazette on 9 August 2016, provides that interest payments on bonds are exempt from VAT. Accordingly, the tax issue resulting from the statement in the VAT Ruling regarding interest payments on bonds, which was not effective as per the Revenue Administration’s letter dated 18 March 2015 (see “*Taxation – Certain Turkish Tax Considerations – Value Added Tax*”), was resolved as of 9 August 2016.

On 9 August 2016, the Central Bank announced that: (a) Turkish Lira reserve requirement ratios were lowered by 50 basis points for all maturity brackets and (b) in the context of the Reserve Options Mechanism, which provides Turkish banks the option to hold a portion of the Turkish Lira reserve requirements in foreign exchange or standard gold, coefficients for certain tranches of the foreign exchange and gold facilities have been increased by 0.1 points. Based upon the current level of the reserve option used by Turkish banks, the Central Bank estimated that the implementation of the above measures will provide additional liquidity of approximately TL 1.1 billion and US\$600 million, respectively, to the Turkish financial system.

On 23 August 2016, the Central Bank reduced the upper limit of its interest rate corridor (lending rate) by 25 basis points to 8.50% and its late liquidity window lending rate by 25 basis points to 10.00%. The Central Bank held its one-week repo rate unchanged at 7.50%, its overnight borrowing rate unchanged at 7.25% and its late liquidity window borrowing rate unchanged at 0%.

Following the revision of its outlook on certain of the ratings of Turkey, Fitch revised the outlook of 18 Turkish banks, including the Bank, from “stable” to “negative.” The Bank’s ratings from Fitch are as follows:

Fitch (25 August 2016):

Outlook:	Negative
Long Term Foreign Currency:	BBB
Short Term Foreign Currency:	F2
Long Term Turkish Lira:	BBB
Short Term Turkish Lira:	F2
Viability Rating:	bbb-
Support:	2
National:	AAA (tur)

TURKISH REGULATORY ENVIRONMENT

The fourth paragraph of the section entitled “*Liquidity and Reserve Requirements*” on page 182 of the Original Base Prospectus is hereby deleted in its entirety and replaced by the following:

Pursuant to the Communiqué regarding Reserve Requirements, starting from 12 August 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)	
Demand deposits, notice deposits	11.0%
Up to 1 month maturity (including 1 month).....	11.0%
Up to 3 months maturity (including 3 months).....	11.0%
Up to 6 months maturity (including 6 months).....	8.0%
Up to 1 year maturity	6.0%
With maturities of 1 year and longer	4.5%
2) Borrowers’ deposit accounts held at development and investment banks*	11.0%
3) Other liabilities (including deposit/participation accounts held at foreign banks)	
Up to 1 year maturity (including 1 year)	11.0%
Up to 3 years maturity (including 3 years)	7.5%
Longer than 3 years maturity	4.5%

** Due to 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.*