FIRST SUPPLEMENT dated 31 May 2018 to the Base Prospectus dated 25 April 2018

TÜRKİYE GARANTİ BANKASI A.Ş.

US$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 25 April 2018 (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 plc trading as Euronext Dublin ("**Euronext Dublin**") 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 (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 with 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 three month period ended 31 March 2018 (including any notes thereto and the independent auditor's review report thereon, the "**Group's New Financial Statements**") and (b) the unconsolidated BRSA financial statements of the Issuer as of and for the three month period ended 31 March 2018 (including any notes thereto and the independent auditor's review report thereon, the "**Issuer's New Financial Statements**" and, with the Group's New Financial Statements, the "**New Financial Statements**") have been filed with the Central Bank of Ireland and Euronext Dublin 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 Financial Statements, https://www.garantiinvestorrelations.com/en/library/brsa-consolidated-financials-pdf/PDF/1268/0/0, and (ii) with respect to the Issuer's New Financial Statements, https://www.garantiinvestorrelations.com/en/financial-information/brsa-unconsolidated-financials-pdf/PDF/1281/0/0. The New 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 Financial Statements were not prepared for the purpose of their incorporation by reference into the Base Prospectus.

The New Financial Statements were reviewed by KPMG and KPMG'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. The independent auditor's review reports included in the New Financial Statements include a qualification about a general reserve provided by the Issuer's management in line with the conservatism principle considering the circumstances that may arise from any changes in the economy or market conditions (see "*Risk Factors - Risks Relating to the Group's Business – Audit Qualification*" in the Base Prospectus).

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), there has been no: (a) significant new factor, material mistake or inaccuracy relating to the information included in the Base Prospectus since the publication of the Base Prospectus, (b) significant change in the financial or trading position of either the Group or the Issuer since 31 March 2018 and (c) material adverse change in the financial position or prospects of the Issuer since 31 December 2017.

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 third and fourth sentences of the eighth paragraph of the risk factor titled "*Risks Relating to Turkey* **-** *Political Developments*" on the second page of the Base Prospectus are hereby deleted in their entirety and replaced by the following:

> While visa services have since resumed to normal, relations between the two countries remain strained on various topics, including the conviction of an executive of state-controlled bank Türkiye Halk Bankası A.Ş. ("**Halkbank**"), who was found guilty and sentenced in early May 2018 in a United States federal court of bank fraud and conspiracy to violate U.S. sanctions laws in relation to an alleged conspiracy to assist Iran to evade U.S. sanctions. As of 31 May 2018, the final outcome in relation to the matters giving rise to the conviction, including any appeal and whether any sanction, fine or penalty will be imposed by the Office of Foreign Assets Control of the U.S. Department of Treasury ("**OFAC**") on Halkbank or any other Turkish bank or person in connection with those matters, as well as the possible reaction of the Turkish government to any such events or speculation regarding such events, is unknown.

The last sentence of the fourth paragraph of the risk factor titled "*Risks Relating to Turkey* **-** *High Current Account Deficit*" on the sixth page of the Base Prospectus is hereby deleted in its entirety and replaced by the following:

> Even though the relatively low levels of oil prices were positive from the perspective of the current account balance in 2016, more recent price increases have contributed to the worsening of Turkey's current account balance. Agreements among the members of the Organisation of the Petroleum Exporting Countries (*OPEC*) to cut output or any geopolitical development concerning energy security and prices (such as the United States' withdrawal from the Joint Comprehensive Plan of Action (*i.e.*, the Iran nuclear deal) and re-imposing oil-related sanctions on Iran or the decision of the United States to impose new sanctions on Venezuela dated 22 May 2018, which decisions are expected to reduce global supply and increase crude oil prices) might have a material impact on Turkey's current account balance.

The last two sentences of the fifth paragraph of the risk factor titled "*Risks Related to the Group's Business* **-** *Foreign Exchange and Currency Risk*" on page 16 of the Base Prospectus are hereby deleted in their entirety and replaced by the following:

> The Central Bank might implement additional monetary tightening policies in the near future for price stability, if needed; *however*, there is no assurance that any of the Central Bank's policies would be effective to achieve stability in the Turkish Lira. From 31 December 2017 to 22 May 2018, the Turkish Lira depreciated a further 18% against the U.S. dollar, as a result of which the Central Bank increased the late liquidity window lending rate by 300 basis points to 16.5% on 23 May 2018. Turkey's government seeks to lower interest rates, with President Erdoğan recently indicating that he intends to take more responsibility for monetary policy if he is elected as the President in the presidential elections to be held on 24 June 2018, which has created uncertainty regarding the independence of the Central Bank. See "Risks Relating to Turkey - Interest Rate Risk" and "Risks Relating to Turkey - Political Developments." Any failure of the Central Bank to implement effective policies might adversely affect the Turkish economy in general, including leading to higher inflation and a higher current account deficit. See also "Risks Relating to Turkey - High Current Account Deficit" and "Risks Relating to Turkey - Inflation Risk."

RECENT DEVELOPMENTS

The following section titled "*Recent Developments*" is hereby included in the Base Prospectus immediately after the section titled "*The Group and its Business*" starting on page 105 of the Base Prospectus:

> **RECENT DEVELOPMENTS**
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> As of 1 January 2018, the Group started to apply TFRS 9 standards, which replaced TAS 39 (Financial Instruments: Recognition and Measurement), in its financial statements for the first time. The Group has not restated comparative information for financial instruments for 2017 within the scope of TFRS 9 and the total difference arising from the adoption of TFRS 9 has, as of 1 January 2018, been recognised directly in the current period's statement of changes in shareholders' equity. See Note 3.29 of the Group's BRSA financial statements as of and for three month period ended 31 March 2018 for details of the impact of the first time adoption of TFRS 9 as of 1 January 2018 on the consolidated financial statements.

As indicated in the risk factor titled "*Risks Relating to the Group's Business - Audit Qualification*," the Group's review report for the BRSA Financial Statements for the three month period ended 31 March 2018 was qualified with respect to general reserves of TL 1,160,000 thousand that had been fully recognised as expense in prior periods.

On 2 May 2018, the Bank signed a syndication loan agreement with commitments from 38 banks in 17 countries, which loan consists of a US$457 million tranche and a €670.5 million tranche with 367-day maturity and a US$145 million tranche with a maturity of two years and one day, which tranches have all-in cost of LIBOR+1.30%, EURIBOR+1.20% and LIBOR+2.10%, respectively. The Bank plans to use the proceeds of these loans for trade finance and general corporate purposes.

On 4 May 2018, following the downgrade of the sovereign rating of Turkey to "BB-" (with a stable outlook) from "BB" (with a negative outlook), S&P downgraded: (a) the Bank's Long Term Foreign Currency and Long Term Turkish Lira Issuer Credit Ratings to "BB-" (with a stable outlook) from "BB" (with a negative outlook) and (b) the Bank's Stand-alone Credit Profile rating to "bb" from "bb+." Thus, as of 4 May 2018, the Bank's ratings from S&P are as follows:

S&P (4 May 2018)

Outlook	Stable
Long Term Foreign Currency Issuer Credit Rating:	BB-
Long Term Turkish Lira Issuer Credit Rating:	BB-
Stand-alone Credit Profile:	bb

On 26 April 2018, the Monetary Policy Committee increased the late liquidity window lending rate by 75 basis points to 13.50%. On 7 May 2018, the Central Bank lowered the upper limit for the foreign exchange maintenance facility within the reserve options mechanism (which allows Turkish banks to maintain certain of their Turkish Lira reserve requirements in foreign exchange) to 45% from 55%. According to the Central Bank's guidance, this change is expected to remove TL 6.4 billion of liquidity from the Turkish banking system and release US$2.2 billion foreign exchange liquidity to the market in exchange. The Central Bank also increased the foreign exchange swap auction amount to US$1.5 billion from US$1.25 billion and increased the monthly non-deliverable forward auction amount from US$150 million to US$250 million as a response to the depreciation of the Turkish Lira. On 23 May 2018, following the Turkish Lira reaching its then-lowest level against the U.S. dollar, an emergency meeting of the Central Bank's Monetary Policy Committee increased the late liquidity window lending rate by 300 basis points to 16.5%, while keeping constant its one-week repo rate at 8.00%, the upper bound of the interest rate corridor at 9.25% and its overnight borrowing rate at 7.25%. On 28 May 2018, the Central Bank announced its decision to simplify its monetary policy, with the one-week repo rate (which increased from 8.0% to 16.5%) to be the policy rate, and the overnight borrowing and lending rates to be determined at 150 basis points below and above the one-week repo rate as of 1 June 2018. As of such date, the upper bound of the interest rate corridor is to be increased to 18.0% from 16.5%. While the Turkish Lira weakened to a record low of 4.92 against the U.S. dollar on 22 May 2018, following the Central Bank actions, it eased to 4.60 on 28 May 2018.

On 22 May 2018, Fitch announced that Turkey's sovereign credit rating could come under pressure if the Central Bank's independence is curtailed after the elections to be held on 24 June 2018.

As of 31 May 2018, Intercontinental Exchange Benchmark Administration Limited, the Benchmark Administrator for LIBOR, appears on the Register of Administrators.