



TO : **INVESTMENT COMMUNITY**
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SUBJECT : **Garanti signs sale transaction agreement with Eureko**
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A transaction was signed between Türkiye Garanti Bankası A.Ş. (the Bank) and Eureko B.V.. According to the transaction agreement, Eureko will buy 80% stake in Garanti Sigorta, representing 48,000,000 YTL of nominal shares, for 365,000,000 Euro; and 15% stake in Garanti Emeklilik ve Hayat A.Ş., representing 7,500,000 YTL of nominal shares, for 100,000,000 Euro.

In addition, Eureko has been granted an option to acquire a further 35% (+1) stake in Garanti Emeklilik ve Hayat A.Ş., exercisable after the third year of the deal closing within a period of two years.

The transaction is expected to close by June 2007 once the regulatory approvals have been obtained from the Turkish Treasury and the Turkish Competition Authority. The sale proceeds will be received in cash on this date. A capital gain of US\$577 million will be realised and be subject to the code 5-1/e of the Corporate Tax Law no.5520.

Effective as of the share transfer, a separate distribution and sales agreement of insurance products between the Bank and Garanti Sigorta A.Ş. and Garanti Emeklilik ve Hayat A.Ş will be signed.

This partnership, where the management of both companies remains unchanged, will enable to grow further the developing insurance market in Turkey, and offer the wide array of insurance products in Europe to the Turkish customers.

Watson Wyatt Limited, an international actuarial firm, acted as the financial advisor for this transaction.

Yours sincerely,

Garanti Bank