

**INFORMATION DOCUMENT ON TÜRKİYE VAKIFLAR BANKASI T.A.O. ORDINARY GENERAL  
ASSEMBLY MEETING DATED 13 AUGUST 2018**

As per the resolution of the Board of Directors dated July 18th, 2018 and numbered 91612 it is decided that the 64th Ordinary General Assembly Meeting of VakıfBank for 2017 will be held on Monday, August 13th, 2018, at 10:00 am at VakıfBank Head Office located in Istanbul Saray Mahallesi Dr. Adnan Büyükdeniz Caddesi No:7/A-B 34768 Ümraniye.

For those who will attend the meeting by proxy, a sample proxy form (Annex 1) and the agenda is provided below. These can also be reached on the web site at [www.vakifbank.com.tr](http://www.vakifbank.com.tr) on the Investor Relations page.

Our shareholders may physically attend the General Shareholders' Meeting personally or by proxy or may participate the General Shareholders' Meeting personally or by proxy in electronic environment according to Article 1527 of the Turkish Commercial Code No. 6102. The shareholders who declare to attend the General Shareholders' Meeting in electronic environment, will not be able to attend the meeting physically.

Shareholders who are listed at the General Assembly Blockage list, provided by Central Registry Agency (MKK), can attend the Ordinary General Assembly.

The participants by proxy and the representatives of Public Institution or legal entity shareholders are kindly asked to present national ID and proxy forms prepared in accordance with the sample proxy below or the representation documents. Therefore, shareholders wishing to give proxy should fill the proxy form and make it certified to a public notary or add an authorized signature to the proxy certified by a notary. Otherwise the proxy will be invalid. Shareholders attending the meeting physically must present national ID in the meeting day.

Within the framework of the principles and procedures of "Regulation on General Assembly Meetings of Joint Stock Companies to Be Held in Electronic Environment", shareholders who want to attend the General Assembly Meeting in electronic environment personally or with representatives can attend General Assembly Meeting through Electronic General Assembly System provided by Central Registry Agency (MKK).

In order to attend personally to the General Assembly or appoint a representative on e-GEM portal, registration to e-CRA Information Portal and having an electronic signature is requested and support training information can be reached through e-GEM part of e-CRA Portal.

It is possible for the custody institutions to attend the General Assembly Meeting as depositor representative if they are identified in the E-GEM portal in order to represent the shareholders whose shares are in safe custody with such institutions. In case these custody institutions appoint and authorize their employees in order to physically attend the General Assembly Meeting, they should bring the proxy below along with the Power of Attorney Related to Deposited Shares (Annex 1/a) and Instruction Notification Form (Annex 1/b), as attached below.

2017 Annual Report which includes the Financial Tables, the Board of Directors' Activity Report, the Auditors' Report and the Independent Auditors' Report will be available at VakıfBank Headquarters and branches, on the website and on e-Company information portal over e-GEM portal for shareholders' perusal three weeks before the meeting date.

It is important for the shareholders to inform the Bank about the changes in ownership information (such as address, telephone and trustee etc.) to track the changes smoothly.

Yours Sincerely,

**TÜRKİYE VAKIFLAR BANKASI T.A.O.**

**ADDRESS** : TÜRKİYE VAKIFLAR BANKASI T.A.O  
International Banking and Investor Relations Department  
Saray Mahallesi Dr. Adnan Büyükdeniz Caddesi No:7/A-B 34768 Ümraniye/İstanbul

**WEBSITES** : <http://www.vakifbank.com.tr/>  
[http://www.vakifbank.com.tr/Yatirimci\\_Iliskileri](http://www.vakifbank.com.tr/Yatirimci_Iliskileri)

**TELEPHONE** : +90 216 724 2661

**E-MAIL** : [investorrelations@vakifbank.com.tr](mailto:investorrelations@vakifbank.com.tr)

**ADDITIONAL EXPLANATIONS IN ACCORDANCE WITH THE CORPORATE GOVERNANCE COMMUNIQUÉ  
(II. 17.1) ISSUED BY THE CAPITAL MARKETS BOARD OF TURKEY**

Additional explanations required to be made pursuant to Capital Markets Board “Corporate Governance Communiqué” numbered II.17.1 and enacted on January 3rd, 2014 are stated below.

**1-) Ownership Structure**

The Bank’s current ownership structure and voting rights are as follows:

CLASS OF SHARES	SHAREHOLDER	NOMINAL VALUE OF SHARES (TL)	Share Percentage	Vote Percentage
A	Foundations represented by the General Directorate of Foundations (1)	1.075.058.639,56	43,00%	43,00%
B	Appendant Foundations represented by the General Directorate of Foundations (2)	386.224.784,72	15,45%	15,45%
B	Other Appendant Foundations	2.673.619,00	0,11%	0,11%
B	Other Registered Foundations	1.448.543,46	0,06%	0,06%
C	VakıfBank Pension Fund	402.552.666,42	16,10%	16,10%
C	Individuals and Legal Entities	1.527.392,67	0,06%	0,06%
D	Free Float	630.514.354,16	25,22%	25,22%
TOTAL		2.500.000.000,00	100,00%	100,00%

(1), (2) ; The shares are registered for the General Directorate of Foundations in the Bank’s book of shares and with the disclosure of General Directorate of Foundations dated April 29<sup>th</sup>, 2013, it is stated that class A and B shares belong to the Affiliated Foundations that are executed and represented by General Directorate of Foundations.

The Board of Directors consists of nine members. Three members of group (A) and one member of group (B) and two members of group (C) are selected among the candidates proposed by the majority of their group and one member shall be elected by the General Assembly among the candidates proposed by shareholders and two members among candidates proposed by the shareholders by taking group (D)'s preferences into account in priority.

1 member from each Group (A) and Group (C) are independent members together with 1 member selected to the Board of Directors by the General Assembly.

**2-) Information Regarding the Changes in Management and Operations Which may Affect the Operation of the Bank and Its Affiliates Significantly**

There is no change in the management and activities of the Bank and its affiliates which will materially affect the Bank's activities during 2017 accounting period. On the other hand, no change is planned for the upcoming accounting period which will materially affect the activities of the Bank. Furthermore, issues which will materially affect the Bank's activities are disclosed to public in accordance with the relevant legislation.

**3-) Information on the requests of the shareholders to add an agenda item**

No written request has been received by Investor Relations Department in order to add an agenda item.

**4-) Information on the Amendment of Articles of Incorporation**

With the Board decision dated March 16th, 2018 and numbered 91221, Amendment of Articles of Incorporation will be presented to the approval of the shareholders as shown in the annex-3.

**TÜRKİYE VAKIFLAR BANKASI T.A.O.****THE AGENDA OF 64th ORDINARY GENERAL ASSEMBLY MEETING DATED August 13th, 2018****1. Opening and the formation of Presidency Council,**

Presidency Council will be constituted to conduct the Ordinary General Assembly within the framework of Turkish Commercial Code No: 6102, provisions of the Articles of Association, Procedures and Principles of Ordinary General Assembly of Incorporated Companies and Provisions of the Regulations on Representatives of the Ministry of Customs and Trade who will Attend these Meetings ("Regulation")

**2. Reading and discussion of the 2017 Board of Directors' Annual Activity Report, Turkish Court of Accounts Report and Audit Board Report,**

Board of Directors' Annual Activity Report which has been submitted for our shareholders' review on e-CRA's website, on e-GEM page, on our Bank's internet address [https://www.vakifbank.com.tr/Yatirimci\\_Iliskileri.aspx?pageID=657](https://www.vakifbank.com.tr/Yatirimci_Iliskileri.aspx?pageID=657) , in "Investor Relations" section and at the all branches within the scope of the provisions of Turkish Commercial Code and Regulations will be read at the Ordinary General Assembly and submitted to the review of our shareholders. The aforementioned report is an integral part of the Annual Report which also includes the Corporate Governance Principles Compliance Report and with other documents, it has been submitted on our website and on Public Disclosure Platform for the review of our shareholders. Also question in summary section of Turkish Court of Accounts Report and the Bank's responses have been submitted to Shareholders' review.

**3. Reading of Auditor's Report,**

Auditor's Report which has been submitted for our shareholders' review on e-CRA's website, on e-GEM page, on our Bank's internet address [https://www.vakifbank.com.tr/Yatirimci\\_Iliskileri.aspx?pageID=657](https://www.vakifbank.com.tr/Yatirimci_Iliskileri.aspx?pageID=657) , in "Investor Relations" section and at the all branches within the scope of the provisions of Turkish Commercial Code and Regulations will be read at the Ordinary General Assembly and submitted to the review of our shareholders. The aforementioned report is an integral part of the Annual Report which also includes the Corporate Governance Principles Compliance Report and with other documents, it has been submitted on our website and on Public Disclosure Platform for the review of our shareholders.

**4. Reading, discussion and approval of 2017 financial report,**

2017 financial report which has been submitted for our shareholders' review and approve on e-CRA's website, on e-GEM page, on our Bank's internet address [https://www.vakifbank.com.tr/Yatirimci\\_Iliskileri.aspx?pageID=657](https://www.vakifbank.com.tr/Yatirimci_Iliskileri.aspx?pageID=657) , in "Investor Relations" section and at the all branches within the scope of the provisions of Turkish Commercial Code and Regulations will be read at the Ordinary General Assembly and submitted to the review of our shareholders. The aforementioned report is an integral part of the Annual Report which also includes the Corporate Governance Principles Compliance Report and with other documents, it has been submitted on our website and on Public Disclosure Platform for the review of our shareholders.

**5. Discharge of the Board members regarding the 2017 activities,**

Discharge of liability of every member of the Board of Directors separately regarding their operations, transactions and accounts for 2017 will presented to the approval of the Ordinary General Assembly.

**6. Voting of the amendments on the Articles of Incorporation,**

The amendment of the Bank's Articles of Incorporation in to comply with the current legal regulations and in line with the requirements of the Bank as in the Annex 3 will be submitted to the approval of the General Assembly.

**7. Determination of profit usage and the amount of profit to be distributed according to the Board of Directors' proposal,**

According to our financial statements which are audited by PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. the "Net Period Profit" for the accounting period 01.01.2017-31.12.2017 is TL 3.723.383.057,15. The profit distribution proposal of the Board of Directors to the Ordinary General Assembly is in Annex 2.

**8. The renewal of the election for the Board of Directors,**

Members of the Board will be elected by the General Assembly.

**9. The renewal of the elections for the Audit Board,**

Audit Board members will be elected by the General Assembly.

**10. Determination on the remuneration of the members of the Board of Directors and the Audit Board,**

The salary to be paid to the Board members and Audit Board members in the new period will be determined at the Ordinary General Assembly.

**11. Authorization of the Board Members to conduct business with Articles 395 and 396 of the Turkish Commercial Code,**

Our members of the Board of Directors can carry out operations within the framework of the Article 395 of Turkish Commercial Code titled "Prohibition on Operation with a Company, Borrowing to a Company" and Article 396 of Turkish Commercial Code titled "Prohibition of Competition" with the approval of the Ordinary General Assembly. The aforementioned permission will be submitted to the approval of the Ordinary General Assembly in order to comply with the requirements of the regulation above.

**12. Election of the Auditor,**

The appointment of Auditor for 2018 financial year will be submitted to the approval of the Ordinary General Assembly.

**13. Informing shareholders about the donations made during the year,**

Shareholders will be informed about the amount of donations made by the Bank.

**14. Wishes and closing remark.**

The General Assembly will be closed by taking the opinions and wishes of shareholders.

**Annex 1****PROXY STATEMENT**

I (we) do hereby appoint, empower and delegate ..... as my (our) proxy to represent me (us) as per the principles stated below, to vote, to make proposal and to sign on my (our) behalf any necessary documents at the Ordinary General Shareholder's Meeting of Türkiye Vakıflar Bankası T.A.O to be held at on Monday, August 13th, 2018 at 10:00 am, VakıfBank Head Office located in Istanbul Saray Mahallesi Dr. Adnan Büyükdeniz Caddesi No:7/A-B 34768 Ümraniye.

Proxy(\*):

First Name, Last Name/ Company's Name:

.....  
ID Number/Tax Number, Trade Registration No and Central Registration System No:

.....  
(\*) If available, equivalents of the information required must be submitted by foreign proxies.

PROXY ADDRESS:

**A. SCOPE OF PROXY AUTHORIZATION**

Given below for part 1 and 2, only one of the alternatives (a), (b) or (c) may be chosen to determine the scope of power of attorney.

**1. Information on items involved in the agenda of Ordinary General Assembly;**

- a) The proxy is empowered to vote for all the items on the agenda in line with his/her personal opinion.
- b) The proxy is empowered to vote in line with the proposals of the company's management.
- c) The proxy is empowered to vote for items on the agenda as per below mentioned instructions.

**Instructions:**

In case of being chosen (c) by shareholders, a special instruction is given by marking one of the options (accept or reject) in front of the relevant general meeting agenda item. In case of choosing reject option, written dissenting opinion on the minute of general assembly must be noted by shareholders, if any.

Agenda Items	Accept	Reject	Explanation
1.			
2.			
3.			
4.			
5.			
6.			

7.			
8.			
9.			
10.			
11.			
12.			
13.			
14.			

**2. Specific instruction regarding other issues that may arise in the Ordinary General Assembly and exercising minority rights in particular;**

- a) The proxy is empowered to vote for all the items on the agenda in line with his/her personal opinion.
- b) The proxy is not authorized to represent for the items on the agenda.
- c) The proxy is empowered to vote for items on the agenda as per below mentioned special instructions.

**SPECIAL INSTRUCTIONS:**

(If any, special instructions to be given to the proxy are stated here by shareholders.)

**B. Shareholder refers to the share that the proxy represents by selecting one of the following options.**

**1. I agree representing of my shares detailed below by proxy.**

- a) Group
- b) Nominal (Face) Value:
- c) Whether it has privileged vote or not:
- d) The ratio of total shares/voting rights of shareholder:

**2. I agree that the proxy may represent my all shares which are involved in Ordinary General Assembly Blockage List, provided by Central Registry Agency.**

SHAREHOLDERS FIRST NAME, LAST NAME OR TITLE:

.....

ADDRESS:.....

SIGNATURE:.....

**Important Notice:** This proxy document is translated into English solely for informational purposes. The form should be translated into Turkish by a certified Notary or must be filled as the Turkish version. The Turkish version can be found on our website.

**Annex 1/a****SAMPLE OF POWER OF ATTORNEY RELATED TO DEPOSITED SHARES****A) DEPOSITOR**

(1) Name Surname /Title:	
(2) National ID/Tax ID/MERSIS Number:	
(3) Address:	

**B) CONSIGNED**

(4) Name Surname /Title:	
(5) Tax ID/MERSIS Number:	
(6) Address:	
(7) Number of Shares to be Consigned and Total Nominal Amount:	

The consigned is authorized to attend the general assembly meetings, a right comes out from the share/s defined above by the consigned and vote regarding the agenda items within the framework of instructions given by the depositor before every general assembly.

**Depositor**  
**Seal /Signature**

**Consigned**  
**Seal / Signature**

**Explanations:**

- 1) The owner of the share shall be written.
- 2) If the shareholder is a local real person, national ID number shall be written, if the shareholder is a legal entity, tax ID shall be written (When Central Registration System of Ministry of Customs and Trade is started to use, MERSIS number will be written). If the shareholder is foreigner, either foreigner ID number or tax ID number shall be written.
- 3) The full open address shall be written.
- 4) Name and surname of the consigned person or title of the intermediary firm shall be written.
- 5) The tax ID or MERSIS number of the consigned shall be written.
- 6) The address of the consigned shall be written.
- 7) Number of the shares to be consigned and total nominal value shall be written. However, in case the shares which are monitored in a dematerialized way as per Article 13 of Capital Markets Law, it can be defined by writing the account number in custody institution that the shares are in.

**Annex 1/b****INSTRUCTION NOTIFICATION FORM****(I) GENERAL ASSEMBLY**

The Company That Holds General Meeting	
Date of General Meeting	

**(II) INSTRUCTIONS REGARDING THE AGENDA ITEMS**

Agenda Item (*)	Vote	Explanation (**)
1	ACCEPT <input type="checkbox"/> DECLINE <input type="checkbox"/>	
2	ACCEPT <input type="checkbox"/> DECLINE <input type="checkbox"/>	
3	ACCEPT <input type="checkbox"/> DECLINE <input type="checkbox"/>	
4	ACCEPT <input type="checkbox"/> DECLINE <input type="checkbox"/>	
5	ACCEPT <input type="checkbox"/> DECLINE <input type="checkbox"/>	
6	ACCEPT <input type="checkbox"/> DECLINE <input type="checkbox"/>	
7	ACCEPT <input type="checkbox"/> DECLINE <input type="checkbox"/>	
8	ACCEPT <input type="checkbox"/> DECLINE <input type="checkbox"/>	
9	ACCEPT <input type="checkbox"/> DECLINE <input type="checkbox"/>	
10	ACCEPT <input type="checkbox"/> DECLINE <input type="checkbox"/>	
11	ACCEPT <input type="checkbox"/> DECLINE <input type="checkbox"/>	
12	ACCEPT <input type="checkbox"/> DECLINE <input type="checkbox"/>	
13	ACCEPT <input type="checkbox"/> DECLINE <input type="checkbox"/>	
14	ACCEPT <input type="checkbox"/> DECLINE <input type="checkbox"/>	

(\*)The form will be prepared as including the number of agenda items. If it is prepared incomplete or the instruction regarding the vote is not written, it is acted according to the second paragraph of Article 46 of The Regulation Regarding the Principles and Procedures of General Assembly Meetings of Joint Stock Companies and Representatives of the Ministry of Customs and Trade to Attend the Meeting.

(\*\*) The depositor can write explanations regarding the agenda to this part. If a counter statement is wanted to put into

<b>TÜRKİYE VAKIFLAR BANKASI T.A.O. 2017 PROFİT DİSTRİBÜTİON TABLE (TL)</b>		
<b>1. Paid-in Capital</b>		<b>2.500.000.000,00</b>
<b>2. Legal Reserves (per Legal Book)</b>		<b>1.635.331.540,38</b>
<b>Information on whether Articles of Association has any privilege regarding profit distribution</b>		
		<b>Per legal book</b>
<b>3</b>	<b>Gross Profit</b>	4.675.133.372,66
<b>4</b>	<b>Reserve for Taxes ( - )</b>	951.750.315,51
<b>5</b>	<b>Net Profit ( = )</b>	3.723.383.057,15
<b>6</b>	<b>Prior Years' Losses ( - )</b>	
<b>7</b>	<b>Legal Reserves ( - )</b>	372.338.305,72
<b>8</b>	<b>NET DISTRIBUTABLE PROFIT ( = )</b>	3.351.044.751,43
<b>9</b>	<b>Donations made during the year ( + )</b>	
<b>10</b>	<b>Net distributable profit including donations</b>	
<b>11</b>	1st dividend to shareholders	125.000.000,00
	-Cash	125.000.000,00
	-Bonus shares	
	Total	125.000.000,00
<b>12</b>	Dividend to shareholders which possess preferred shares	
<b>13</b>	Dividend to Members of Board of Directors and employees etc.*	168.500.101,41
*	To the Employees	168.500.101,41
*	To the Members of the Board of Directors,	
*	To None Shareholders	0,00
<b>14</b>	Dividend to shareholders which possess redeemed shares	
<b>15</b>	2nd dividend to shareholders	
<b>16</b>	Legal Reserves	
<b>17</b>	Statutory Reserves	
<b>18</b>	Special Reserves	29.665.203,68
<b>19</b>	<b>EXTRAORDINARY RESERVES</b>	3.196.379.547,75
<b>20</b>	<b>Other sources which are accepted as distributable</b>	-
(*) In line with the article of 9/D of VakıfBank law numbered 6219 and VakıfBank articles of incorporation, the amount of TL 168.500.101,41 which is already accounted as expense for 2017 financials in order to be paid as dividend for bank employees, is not a part of dividend distribution and showed for informative purposes only		

the minutes with the instruction of “decline” voting, this issue shall be written in the explanations part.

## Annex 2

INFORMATION ON 2017 DIVIDEND PAYOUT RATIO						
	GROUP	TOTAL DIVIDEND AMOUNT		TOTAL DIVIDEND / NET DISTRIBUTABLE PROFIT	DIVIDEND PER SHARE (NOMINAL VALUE: TL1)	
		CASH (TL)	BONUS SHARE (TL)	RATIO (%)	AMOUNT(TL)	RATIO(%)
GROSS(*)	-	125.000.000,00	-	3,73%	0,050	5,00%
NET	-	106.250.000,00	-	3,17%	0,043	4,25%

(\*) Tax withholding in the rate of 15% shall not be deducted from the cash dividend payments made to full taxpayer institutions and limited taxpayer institutions that generate income in Turkey via off ices or permanent representatives.

**Annex 3**

**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI**  
**ARTICLES OF INCORPORATION**  
**(DRAFT)**

**PART I**  
**FOUNDATION**

**Foundation:**

**Article:1-)** Türkiye Vakıflar Bankası Türk Anonim Ortaklığı (Turkish Foundations Bank Cooperation) has been founded in accordance with the Türkiye Vakıflar Bankası Türk Anonim Ortaklığı Law No. 6219 dated 11.01.1954.

**Title:**

**Article:2-)** The trade name of the bank is “Türkiye Vakıflar Bankası Türk Anonim Ortaklığı.” Company name is “Vakıfbank.” This will be referred to as the "Bank" in the Articles of Incorporation.

**Center and Organization:**

**Article:3-)** (1) Head office of the bank is in İstanbul. Its address is Saray Mahallesi Dr. Adnan Büyükdeniz Caddesi No:7/A-B Ümraniye/İstanbul. In case of a change of address, the new address will be registered to trade register and announced in the Turkish Trade Registry Gazette. Notifications made to the registered and announced address shall be deemed to be made to the Bank.

(2) Bank Organization consists of head office, domestic and international service units. The authority to determine the nature, duties, authorities and legal form of service units belongs to the Board of Directors.

**Purpose and Subject:**

**Article:4-)** (1) The purpose of the Bank is to carry out all kinds of banking activities that deposit banks can make, provided that the obligations specified in the Banking Law and other relevant legislation are fulfilled.

(2) The Bank uses all the authorities recognized by the provisions of the Banking Law and other relevant legislation to realize its objectives.

(3) In this framework, the bank carries out all kinds of activities such as to issue all types of cash and non-cash credits on Turkish Lira and foreign currencies, to act as intermediary for the export, import and sale of financial products used in local and international financial markets, to carry out investment banking transactions, to buy, sell, and transfer credits in wholesale or retail, to make buy and sell transactions in the domestic and foreign futures markets, to provide funds from the interbank money markets, from domestic and foreign; to make capital market transactions, to mediate import and export transactions, To be the agency of insurance companies and other financial institutions, to participate in any partnership in which banks may establish or may be partners at home and abroad without prejudice to the provisions of capital market legislation, or to establish new partnerships for this purpose or to withdraw from established partnerships.

(4) The Bank is also authorized to perform banking services of the fused and appendant foundations and to perform cashier transactions within the agreements to be made by the General Directorate for Foundations.

**Acquisition of Movable and Immovable, Transactions on Movable and Immovable Property:**

**Article:5-)** (1) The Bank shall not engage in the purchase and sale of real estate and commodities for commercial purposes, except as permitted by the legislation. Excluding mortgage financing institutions and

real estate investment trusts, it shall not participate in partnerships whose main area of activity is real estate trading.

(2) However, without prejudice to the provisions of the related legislation, the Board of Directors may acquire all kinds of rights and claims of movable and immovable property, rights and especially industrial and intellectual property and similar rights, rights of purchase and redemption, real rights such as usufruct, easement and superficies, give, sell, transfer, pledge, mortgage to others, may take possession of pledges and mortgages on movable and immovable property in its favor, cancel existing mortgages, transfer its securities and related collaterals, may rent or lease the movable and immovable property, industrial and intellectual property and similar rights or, may put an annotation on preliminary rental and sales contracts onto the title deed in its favor and remove the annotations. It may establish pledge and mortgage severally or collectively and proportionately.

(3) The Bank may obtain movable and immovable properties to carry out its banking activities within the limits of law or to collect receivables, and when necessary, may dispose of them by selling, exchanging or other means.

(4) The Bank may take all kinds of guarantees, both real and personal, for the collection and provision of rights and receivables. It may register, cancel, transfer and perform all other transactions at the title deed, tax offices, and other public and private institutions.

## **PART II**

### **CAPITAL AND BOND INSTRUMENTS**

#### **Capital:**

**Article:6-** (1)The Bank adopted registered capital system according to the provisions of Capital Markets Law and adapted the registered capital system with the permission of Capital Markets Board dated 15/09/2005 with No. 37/1122.

(2) The registered capital ceiling of the Bank is TL 10.000.000.000 (Ten billion Turkish Lira), and it is divided into 1.000.000.000.000 (One trillion) registered shares, each of which amounts 1 (One) Kuruş nominal.

(3) The ceiling of the authorized capital as given by Capital Markets Board is valid for 2015-2019 (5 years). From 2019 onwards, even if the capital does not reach the permitted ceiling level at the end of 2019, following the permission of Capital Markets Board for a new ceiling amount or the current ceiling amount, the authorization of General Assembly for a new period, not more than 5 years, is obligatory in order to take a capital increase decision. In case of a failure to obtain aforesaid authorization, capital increase can not be made with Board of Directors decision

(4) Capital in paid of the Bank is TL 2,500,000,000- (two billion five hundred million) and capital in paid is totally paid off free of collusion. This capital consists of 250.000.000.000 (two hundred fifty billion) shares each of which amounts to 1 (one) Kuruş nominal. All the shares are registered and divided into A, B, C and D groups.

(5) Capital in paid is composed of completely registered shares and its TL 1.075.058.639,56 (onebillionseventyfivemillionfiftyeightthousandsixhundredthirtynineTurkishLirasandfiftysixKuruş) part is divided to TL 107.505.863.956- (onehundredsevenbillionfivehundredfivemilliononeighthundredsixtythreethousandninehundredfiftysix) pieces Group (A); and its TL 390.774.611,23- (threehundredninetymillionsevenhundredseventyfourthousandsixhundredelevenTurkishLirasandtwentythree Kuruş) part is divided to TL 39.077.461.123- (thirtyninebillionseventysevemillionfourhundredsixtyonethousandandonehundredtwentythree) pieces Group (B); its TL 404.086.452,62- (fourhundredfourmillioneightysixthousandfourhundredfiftytwoTurkishLirasandsixtytwoKuruş) part is divided to TL 40.408.645.262-

(fourbillionfourhundredeightmillionsixhundredfourtyfivethousandtwohundredsixtytwo) pieces Group (C) and its TL 630.080.296,59- (sixhundredthirtymillioneightyfourthousandtwohundredninetysixTurkishLirasandfiftynineKuruş) part is divided to TL 63.008.029.659- (sixtythreebillioneightmilliontwentyinethousandsixhundredfiftynine) pieces Group (D) shares.

(6) Shares representing the capital are monitored in line with dematerialization rules.

(7) In accordance with the provisions of Capital Markets Law, the Board of Directors is authorized to increase the capital in-paid by issuing shares up to the registered capital ceiling, to limit the rights of preferred shareholders and to restrict buying new shares, to issue shares above or below their nominal values. Authorization to restrict buying new shares can not be used causing inequality among the shareholders.

(8) Board of Directors is authorized to offer to the public in the scope of the legislation provisions by only issuing Group D shares by limiting completely or partially the preferential rights of the partners and to make transitions from current groups to Group D in case where demand comes from other groups.

**Issuing Bond Instruments:**

**Article:7-)** Without prejudice to the Capital Markets Law, Turkish Commercial Code, Banking Law and arrangements of applicable regulations, the Board of Directors is authorized to issue bond including but not limited to all kinds of bonds, debt instruments to be included in equity capital calculations, primary and secondary subordinated debts, convertible debt instruments, to designate the amount, maturity, type and interest rate of them and to execute the process regarding the relevant bond, primary and secondary subordinated debts and all kinds of debt instruments issued.

**PART III  
BODIES OF THE BANK**

**Bank Bodies:**

**Article:8-)** The authorized bodies of the bank consist of General Assembly, Board of Directors and General Manger.

**General Assembly:**

**Article:9-)** The General Assembly convenes ordinarily or extraordinarily. The Ordinary General Meeting convenes within three months from the end of the accounting period of the Bank and at least once a year. The Extraordinary General Assembly convenes in accordance with the Turkish Commercial Code, the Capital Markets Law, the Banking Law and other applicable legislation and the written provisions of this Articles of Association and takes the necessary decisions.

**Duties and Responsibilities of the General Assembly:**

**Article:10-)** The General Assembly, except for the matters regulated by this Articles of Association, shall perform the duties specified in the Turkish Commercial Code, the Capital Markets Law, the Banking Law and other applicable legislation, and shall use the authorities and take decisions.

**Meeting of the General Assembly:**

**Article:11-)** The General Assembly may convene at the Bank's head office or at a convenient location within the boundaries of the municipal administration head office is located. Selection authority in this regard belongs to the caller.

**Invitation to Meeting and Announcement:**

**Article:12-)** (1) The General Assembly may be invited to a meeting by the Board of Directors or any of the authorized powers in the legislation.

(2) The invitation regarding the day, time, place and agenda of the General Assembly meetings is announced by the Turkish Trade Registry Gazette, a countrywide distributed newspaper, the official website of the bank, Public Disclosure Platform and other places specified by the Capital Markets Board. The announcement must be made at least three weeks -excluding the announcement and meeting days- before the meeting date.

(3) Invitation announcements for bank shares traded in the stock exchange are not notified separately with registered letter.

(4) For Bank shares that are dematerialized but not traded in the stock exchange, the invitation announcement is also notified by registered letter. For those monitored collectively in the "Unknown Shareholder Account" at the Central Registry Agency, the invitation announcement shall also be made by registered letters to the known mailing addresses that can be notified according to the records in the share register.

#### **Agenda:**

**Article:13-)** (1) Agenda of the Ordinary General Assembly Meeting includes the selection of bodies, finance statements, the annual report of the Board of Directors, the use of profit, the determination of the proportions of profit and loss shares to be distributed, acquittals of Board Members and other matters related to the relevant activity period and deemed necessary by the Board of Directors

(2) Agenda of the Extraordinary General Assembly Meeting includes matters that entail meeting and other matters deemed appropriate.

(3) The agenda is determined by the caller of the General Assembly. Those that are not on the agenda can not be negotiated or settled in the General Assembly. Legal exceptions are reserved.

#### **Participation to the General Assembly, General Assembly in Electronic Environment:**

**Article:14-)** (1) The Bank performs the participation processes to the General Assembly within the framework of the procedures and principles specified in the Turkish Commercial Code, the Capital Markets Law, the Banking Law and other relevant legislation.

(2) The right holders who are entitled to attend the General Assembly Meetings of the Bank may participate in this meeting in electronic environment in accordance with article 1527 of the Turkish Commercial Code. Pursuant the provisions of the "Regulation pertaining to the General Assembly of Joint Stock Companies to be held via Electronic Means," as well as the Bank may establish the Electronic General Assembly System which enables the rights holders to attend the General Meetings in electronic environment, express opinion, suggest a proposal and vote, it can also purchase services from systems created for this purpose. In accordance with this provision of the Articles of Incorporation, at the General Assemblies to be held, it is ensured that the rights holders and their representatives are able to use their rights specified in the said Regulation provisions by the system established.

(3) In the establishment and operation of the General Assembly in electronic environment, the procedures and principles laid down in the regulations issued by the Central Registry Agency shall be followed.

#### **General Assembly Meeting Presidency:**

**Article:15-)** (1) The Chairman of the Board of Directors, the Vice Chairman or the General Manager in his actual/legal absence shall open the General Assembly Meetings. Meeting chairmanship consists of at least 1 minutes clerk and one vote collector selected from the shareholders or other persons by the General Assembly

under the chairmanship of the Chairman of the Board of Directors or Deputy Chairman of the Board of Directors or the General Manager of the Bank.

(2) The President of the Meeting may appoint experts for the general assembly processes in electronic environment.

(3) General Assembly processes are carried out according to the internal directive provisions.

**Meeting and Decision Quorum:**

**Article:16-)** The provisions of the Turkish Commercial Code, the Capital Markets Law, the Banking Law and other relevant legislation shall apply to the General Assembly meeting and decision quorums.

**Right and Type of Voting:**

**Article:17-)** (1) Shareholders shall use their voting rights at the General Meeting in proportion to the total nominal value of their shares.

(2) The one who have every ten shares or who represent the same amount of shares have one voting right. The ones who have more than ten shares have voting rights according to the percent given above without any limitation.

(3) The regulations of the Capital Markets Board shall be complied with regarding the voting by proxy.

**Balance Sheet Approval and Acquittal:**

**Article:18-)** (1) The decision of the General Assembly regarding the approval of balance sheet shall result in the acquittal of the members of the Board of Directors, the directors and the auditors provided that there is no clearance otherwise. However, if some aspects of the balance sheet are not specified at all or specified wrong, or if the balance sheet contain certain conditions that would prevent seeing the real situation of the company, and if it is intentionally made, the approval shall not result in acquittal.

(2) The acquittal decision taken by the General Assembly can not be revoked by the decision of the General Assembly.

**Board of Directors:**

**Article:19-)** (1) The Board of Directors consists of nine members. Three members of group (A) and one member of group (B) and two members of group (C) are selected among the candidates proposed by the majority of their group and one member shall be elected by the General Assembly among the candidates proposed by shareholders and two members among candidates proposed by the shareholders by taking group (D)'s preferences into account in priority.

(2) In the first meeting following the oath ceremony, the Board of Directors elects a member from among them as the Chairman of the Board of Directors. A member is also elected as the Deputy Chairman at this meeting. The Chairman, and Deputy Chairman in his absence, preside at the Board of Directors.

(3) The conditions stipulated in the Banking Law for the General Manager are also sought for one more than half of the members of the Board of Directors.

(4) The reasons for termination of the membership also hinders being elected.

(5) In the appointment, qualifications, elections and similar matters of independent members to be included in the Board of Directors provisions of the Turkish Commercial Code, the Capital Markets Law, the Banking Law and other relevant legislation shall apply.

**Duties and Responsibilities of the Board of Directors:**

**Article:20-)** (1) The Bank is administered and represented by the Board of Directors. The Board of Directors and administration left to it, excluding those left in the authority of General Assembly, is authorized to make decisions about all kinds of business and transactions in order to realize the area of activity of the Bank.

(2) The Board of Directors is obliged to perform the duties assigned to it and to use the authorities in accordance with the Turkish Commercial Code, the Capital Markets Law, the Banking Law and other relevant legislation. The Board of Directors is authorized to transfer the management in whole or in part with an internal directive to be prepared.

(3) In order for a contract, bond, power of attorney and other documents to be made on behalf of Bank to be binding for the Bank, it must carry at least two authorized signatures placed under the title of the Bank and prepared by the Board of Directors and registered to the Trade Registry in accordance with the conditions specified in the circular of signatures published on Turkish Trade Registry Gazette.

**Duty Terms of the Members of the Board of Directors and Termination of the Membership:**

**Article:21-)** (1) The members of the Board of Directors may be elected for three years at most in accordance with the decision to be made by the General Assembly. They can be re-elected.

(2) Members of the Board of Directors who have not participated in three meetings without taking the permission of the Board of Directors for any reason or necessity, or who have not participated even if intermittently in the half of the meetings in an accounting period are deemed to have resigned.

**Board of Directors Meetings:**

**Article:22-)** (1) The Board of Directors convenes upon the call of the Chairman of the Board of Directors as the Banking affairs requires and, in the absence of the Chairman, upon the call of the Deputy Chairman. It is necessary for the board to meet at least once a month.

(2) As a rule, meetings of the Board of Directors are held in the city where the Bank head office is located. However, meetings may be held in another place with the approval of the majority of the total member number.

(3) The agenda of the Board of Directors shall be determined at least twenty four hours in advance of the meeting by the chairman or his deputy who makes the call, and shall be sent to the members in any manner or handed to them together with the invitation to the meeting.

(4) In case of emergency, the agenda item may be added at the request of the Chairman of the Board of Directors. Members of the Board of Directors may also submit proposals on issues related to the decision of the Board of Directors.

(5) The Board of Directors convenes with the majority of the total number of members and takes decisions with the majority of the members present at the meeting.

(6) Meetings of the Board of Directors can be held in physical and / or electronic environment.

(7) Those who have the right to participate in the Bank's Board of Directors meetings may participate in this meeting in electronic environment in accordance with article 1527 of the Turkish Commercial Code. Pursuant to the provisions of the Communiqué Regarding Boards to be Convened via Electronic Media in Commercial Companies Other than the General Assemblies of the Joint Stock Companies, the Bank may purchase Electronic Assembly System which will allow the participants to vote and participate in these meetings and it may also purchase services from the systems created for this purpose. At the meetings to be held, it is ensured that the right owners are able to use their rights specified in the legislation within the framework of the Communiqué provisions on the system established or on the system to be provided with the support services

(8) Unless one of the members asks for a negotiation, a Board of Directors decision may be made by obtaining written approval of the majority of the total number of members at least, provided that the proposal made by one of them in a certain matter is submitted to all members of the Board of Directors.

#### **Salary of the Board of Directors:**

**Article:23-)** Monthly wage, bonus, premium, attendance fee and / or annual profit share is paid to the members of the Board of Directors in the amount determined by the General Assembly.

#### **General Manager:**

**Article:24-)** (1) According to the Banking Law, the Board of Directors appoints a member who has the qualifications of General Manager as General Manager. Chairman of the Board of Directors can not be selected as General Manager.

(2) The Board of Directors may transfer its duties and responsibilities to the General Manager in whole or in part. The General Manager shall coordinate the effective and healthy administration of the Bank as well as the duties stipulated by the Banking Law and other relevant legislation for the General Manager and all other administrative procedures of the bank.

#### **Committees:**

**Article:25-)** The committees established by the Bank in accordance with the Turkish Commercial Code, the Capital Markets Board, the Banking Law and other relevant legislation are the Credit Committee, the Audit Committee, the Corporate Governance Committee and the Remuneration Committee. The Board of Directors is authorized to establish other committees in case of need.

#### **Credit Committee:**

**Article:26-)** (1) A Credit Committee consisting of at least two members to be elected from the members who meet the conditions required in the General Manager except for the term requirement and the General Manager of the Bank shall be established. Two substitute members shall be elected from among the members of the Board of Directors who fulfill the requirements of the General Manager except for the term requirement, in order to serve instead of the member of the Credit Committee who can not attend any meeting.

(2) The Credit Committee decides on all types of credit allocations, guarantees and disbursements, change of condition, term extension, interest reduction and similar restructuring subjects within the framework of the authorities granted by the Board of Directors in relation to the credits within its own jurisdiction. It establishes the obligatory rules and guidelines for observing credits.

(3) The Credit Committee convenes with the attendance of all members and with the agenda determined by the General Manager and sent to the members at least twenty-four hours before the meeting date. Decisions made unanimously by the Credit Committee shall be applied directly; decisions made by the majority of the committee shall be applied after the approval of the Board of Directors.

(4) Decisions of the Credit Committee are registered to the decision book. Credit Committee Decision Book is kept subject to the principles and procedures to which Board of Directors decision book is subjected to.

#### **Audit Committee:**

**Article:27-)** (1) The Board of Directors establishes Audit Committee, which has at least two members to assist the Board of Directors in carrying out auditing and surveillance activities. The members of this committee shall be elected by the Board of Directors among the members of the Board of Directors who have no executive duties and whose qualifications are determined by the Banking Regulation and Supervision Agency.

(2) The Audit Committee fulfills its obligations under the Law of Banking and within the framework of the regulations on the Audit Committee by the Banking Regulation and Supervision Agency.

(3) The Audit Committee is also responsible for the early detection of the causes endangering Bank's existence, development and continuation under the "Early Detection and Management of the Risks" set out in the Turkish Commercial Code. It gives suggestions to the Board of Directors for the implementation of the necessary measures and remedies for the identified risks and risk management. In line with this task, it conducts the necessary studies through the relevant units of the Bank and submits the situation assessment and the proposals, if any, to the Board of Directors in a report.

#### **Corporate Governance Committee:**

**Article:28-)** (1) Corporate Governance Committee is determined by the Board of Directors and announced to the public.

(2) The main task of the committee is to monitor compliance with the Bank's corporate governance principles, to carry out improvement studies in this regard, and to submit recommendations to the Board of Directors.

(3) In addition, it ensures that the provisions set forth in the Corporate Governance Principles, which are enforced by the Capital Markets Board and binding for the banks are followed.

#### **Remuneration Committee:**

**Article:29-)** (1) The Remuneration Committee is determined by the Board of Directors and announced to the public. The Committee consists of two members of the Board of Directors who do not have executive duties.

(2) The Committee monitors, audits the remuneration practices on behalf of the Board of Directors and carries out other duties specified in the relevant regulations.

### **PART IV AUDIT AND AUDITORS**

#### **Audit and Independent Auditing Institution:**

**Article:30-)** (1) The Bank shall select an Independent Auditing Company within the framework of the procedures and principles specified by the Decision on The Companies which will be subject to independent audit, Public Oversight, Accounting and Auditing Standards Institution and / or the Banking Regulation and Supervision Agency and shall keep the records of the operating accounts, subjects the operating accounts, financial statements and annual report of the Board of Directors to independent audit, submits the audited year-end financial statements and annual activity report of the Board of Directors to the General Assembly and publishes the independent audit reports in the period and place specified.

(2) The selection, dismissal, termination of contracts, avoidance of adverse opinions in the independent auditors' reports and the disagreements between the Bank and the Independent Audit Institution shall be acted upon the provisions of the related regulations.

#### **Board of Auditors:**

**Article:31-)** (1) The General Assembly selects two real persons as auditors who have received higher education, have at least ten years experience in banking, economics, law, accounting, auditing or finance, in order to work on the matters other than the independent auditor and audit activity organized in Article 397 and the

followings articles of the Turkish Commercial Code and to submit the annual audit report prepared for information purpose to the ordinary general assembly.

(2) The service period of the members of the Auditing Board is three years. In case of a membership vacancy, the other member of the Audit Office temporarily elects someone with the terms of the election to be approved by the first General Assembly. If the General Assembly deems it necessary, it may take the Audit Board members from the office. Members of the Board of Auditors whose service period is expired may be re-elected. The fees of the members of the Auditing Board are determined by the General Assembly and paid by the Bank.

(3) Members of the Auditing Board may attend meetings of the Board of Directors on condition that they do not participate in the negotiations and do not vote.

## **PART V**

### **ACCOUNTING ORGANIZATION, FINANCIAL REPORTS AND PROFIT DISTRIBUTION**

#### **Accounting Period and Accounting Organization:**

**Article:32-) (1)** The bank's accounting period starts on the first day of January every year and ends on the last day of December.

(2) The Bank establishes the accounts of the registers and transactions and issues the account books in accordance with the accounting and reporting standards published by the relevant Laws, Public Oversight, Accounting and Auditing Standards Authority and the provisions in the accounting regulations published by the Banking Regulation and Supervision Agency. Issuing the commercial books, confirmation and approval procedures for opening, use and closing of accounting books in physical and / or non-physical environments shall be carried out within the framework of the Turkish Commercial Code and other relevant legislation.

(3) Financial statements shall be prepared in accordance with the accounting and recording order set out in the second paragraph and shall be announced and communicated to the related authorities at the specified times.

#### **Board of Directors Annual Activity Report:**

**Article:33-) The Board of Directors, along with the summary report, shall prepare an annual activity report including management and organizational structure, human resources, activities, financial status, management's evaluations and future expectations and financial statements in the framework of corporate governance principles in order to enable shareholders, saving owners, and other related persons and organizations to be informed, presents it to the general assembly after the independent audit and publish it in the specified time and place.**

#### **Donations and Aids**

**Article:34-) Unless otherwise decided by the General Assembly, the Bank may grant donations within the limits of the Banking and Capital Market legislation provisions and within the limits set forth.**

#### **Determination, Allocation and Distribution of Net Profit:**

**Article:35-) (1)** From the annual profit of the Bank, following amounts shall be distributed to:

1.1.) Five percent to the legal reserve fund up to the amount of capital paid,

1.2.) Five percent to the first excess reserve fund,

1.3.) Nine percent to the officers and employees as dividend premiums to be distributed within the principles determined by the Board of Directors as limited with three months gross salaries of employees,

1.4.) To the second excess reserve fund in the amount and rate that will be determined by the General Assembly in case of necessity for the Bank to continuously develop and to provide its distribution of stable

rated profit shares or reinstate the assets according to the 532/2 Article of Turkish Commercial Code from the balance,

Upon leaving, the balance is distributed to the shareholders over paid values of share certificates.

(2) Legal reserve fund is distinguished for the possible losses that may occur in the future and the second excess reserve fund is distinguished to retrieve the extraordinary losses of the bank. The general assembly may decide that the second excess reserve fund may be used to reinstate assets or to sustain the Bank's continuous development and distribution of stable profit share, while at the same time partially or wholly covering capital raised from capital increases.

## **PART SIX ANNULMENT, LIQUIDATION, MERGER OR TRANSFER OF THE BANK**

### **Annulment and Liquidation of the Bank:**

**Article:36-)** Except for bankruptcy, the Board of Directors shall execute the processes related to the voluntary termination and liquidation of the Bank for any reason in accordance with the Turkish Commercial Code, Capital Markets Law, the Banking Law and other relevant legislation.

### **Merger or Transfer:**

**Article: 37-)** General Assembly shall decide on the merger or transfer of the bank. The merger or transfer shall be subject to the Turkish Commercial Code, the Capital Markets Law, the Banking Law and other relevant legislation without prejudice to the provisions of Law No. 6219.

## **PART VII PROVISIONS RELATED TO THE STAFF**

### **Personnel Duties :**

**Article:38-)** The personnel is obliged to act in accordance with the requirements of contemporary banking and international competition while performing its duties.

### **Private Law Provisions:**

**Article:39-)** Members of the Board of Directors elected by the General Assembly of the Bank and the contracted personnel who are subject to the provisions of private law are subject to the provisions of private law in terms of their financial responsibilities arising from their work and actions.

## **PART VIII OTHER PROVISIONS**

### **Announcements:**

**Article:40-)** The bank's announcements are made according to the provisions of the relevant legislation.

### **Legal provisions:**

**Article: 41-)** In cases where there is no provision in this Articles of Association, provisions of Law No. 6219, Banking Law, Capital Markets Law, Turkish Commercial Code and other related legislation shall apply.