

**INFORMATION DOCUMENT FOR THE 13 MARCH 2020  
ORDINARY GENERAL ASSEMBLY of YAPI ve KREDİ BANKASI A.Ş.  
TO REVIEW THE 2019 FINANCIAL YEAR**

**1- INVITATION TO THE 13 MARCH 2020 ORDINARY GENERAL ASSEMBLY**

The Bank's Ordinary General Assembly shall convene on 13 March 2020 Friday at 15:00 at the address of Yapı Kredi Plaza D Blok Conference Hall, Levent-Beşiktaş-İstanbul, to review the activities of the past year, and to discuss and resolve the agenda items given below.

The 2019 Financial Tables, Independent Auditor's Report, Board of Directors' Annual Report (including the Dividend Distribution Proposal, Corporate Governance Compliance Report and Corporate Governance Information Form) and this Information Document containing the agenda items and announcements required for compliance with Capital Market Board regulations shall be made available to Shareholders at the Bank's Head Office, branch offices, on the Bank's corporate website at [www.yapikredi.com.tr](http://www.yapikredi.com.tr), and on the Electronic General Assembly system of the Central Registry Agency three weeks prior to the meeting in accordance with legal requirements.

Without prejudice to the rights and obligations of the shareholders who will participate electronically, shareholders unable to attend the meeting in person must draw up a proxy form as predicted by the legislation, or obtain a copy of the proxy form from the Bank's Head Office or the Bank's corporate website at [www.yapikredi.com.tr](http://www.yapikredi.com.tr). The proxy forms must meet the requirements laid out in Communiqué No. II-30.1 on the Use of Proxy Vote and Proxy Collection through Invitation, enacted on 24 December 2013 and published in Official Gazette No. 28861. Proxy forms must be submitted to the Bank after being certified by a notary public. A proxy form is not mandatory for proxies appointed electronically through the Electronic General Meeting System. The proxy authorizations that do not comply with the proxy authorization model indicated in the said Communiqué and invitation to General Assembly in the appendix shall not be deemed valid due to the legal liability of the Bank.

Shareholders intending to vote via the Electronic General Meeting System are asked to obtain information from the Central Registry Agency, our Bank's corporate website at [www.yapikredi.com.tr](http://www.yapikredi.com.tr), or the Banking and CMB Legislation Department of the Bank's Head Office (Tel: 0212 339 6431-0212 339 7380) to ensure that they fulfill their obligations as part of the Regulation on Electronic Shareholders Meetings for Joint Stock Corporations.

In accordance with Paragraph 4 of Article 415 of Turkish Commercial Code No. 6102, and Paragraph 1 of Article 30 of the Capital Markets Law, the right to attend a general assembly and to vote shall not be made conditional on depositing of share certificates. Accordingly, shareholders who wish to participate in the General Assembly are not obligated to block their shares.

In accordance with the Law on the Protection of Personal Data numbered 6698, detailed information about the processing of your personal by our Bank can be obtained from disclosure "Explanatory Information Regarding Processing and Transfer of Personal Data" is shared with the public on [www.yapikredi.com.tr](http://www.yapikredi.com.tr) website.

At the Ordinary General Assembly, votes relating to the agenda items shall be made as open voting by raising hands, without prejudice to the provisions regarding electronic voting.

All right holders and stakeholders as well as the press are invited to the General Assembly Meeting.

As per the provisions of the Capital Markets Law, holders of registered shares traded on the stock exchange will not receive a separate registered letter informing them of the meeting.

Respectfully submitted to shareholders.

YAPI ve KREDİ BANKASI A.Ş. BOARD OF DIRECTORS  
Address: Yapı Kredi Plaza D Blok, 34330, Levent-İstanbul  
Trade Registry and Number: İstanbul / 32736

## 2- ADDITIONAL EXPLANATIONS UNDER CMB REGULATIONS

Additional explanations, required in accordance with the Capital Markets Board (CMB) Corporate Governance Communiqué No. II-17.1, enacted 3 January 2014, are made in the relevant articles of the agenda below, while other mandatory general explanations are provided in this section:

### 2.1 Shareholding Structure and Voting Rights

The current shareholding structure and voting rights of the Bank are as follows. The Bank has no privileged shares.

Shareholder	Share Amount (TL)	Equity Ratio (%)	Voting Right	Voting Right Stake (%)
Koç Finansal Hizmetler A.Ş.	3.459.065.642,23	40,95	345.906.564.223	40,95
Koç Holding A.Ş.	762.197.343,00	9,02	76.219.734.300	9,02
UniCredit S.p.A.*	2.696.868.300,00	31,93	269.686.830.000	31,93
Other Shareholders (Free Float)	1.528.919.998,77	18,10	152.891.999.877	18,10
<b>Total</b>	<b>8.447.051.284,00</b>	<b>100,00</b>	<b>844.705.128.400</b>	<b>100,00</b>

\* With the notification sent from UniCredit S.p.A. to the Public Disclosure Platform on February 6, 2020; it has been announced that 100,7 billion shares which represent approximately 12% of our Bank's issued share capital, from its Bank shares, have been completed with the accelerated bookbuilding process for institutional investors, the settlement of the placement is expected to take place on February 13, 2020 and as a result of the sale transaction, the rate of shares Unicredit will have in our Bank will be 20%.

### 2.2 Information Regarding Changes in Management or Operations of the Bank or its Subsidiaries', which may Significantly Affect the Activities of the Company:

As a result of the share transfers that took place on February 5, 2020 within the framework of the share purchase agreements regarding the transfer of KFS and our Bank's shares signed between UniCredit S.p.A., Koç Holding A.Ş., Koç Financial Services A.Ş. (KFS) and KFS shareholders which are the direct and indirect shareholders of our bank; before the share transfer transaction; our Bank and our Bank Subsidiaries, which were the business partnership between Koç Holding and UniCredit have become subsidiaries of Koç Holding A.Ş. Otherwise there are no managerial or operational changes that have affected, or will affect, the activities of the Bank's or its Subsidiaries in the previous accounting period, or planned for the upcoming accounting periods.

The public disclosures of our Bank in accordance with the related legislation are available at <http://www.kap.gov.tr/>

### 2.3 Information Regarding Additional Agenda Items Requested by Shareholders:

No such request has been submitted for the Ordinary General Assembly convened to review the 2019 financial year.

**ANNOUNCEMENTS REGARDING THE AGENDA ITEMS  
OF THE 13 MARCH 2020 ORDINARY GENERAL ASSEMBLY**

**1. Opening and election of the Chairman of the Meeting,**

Within the framework of the provisions of the “Turkish Commercial Code (TCC) No. 6102” and the “Regulation of the Principles and Procedures of General Assembly Meetings of Joint Stock Companies and Representatives of the Ministry of Customs and Commerce to be Present in these Meetings” (“Regulation” or “General Assembly Regulation”), and General Assembly Principles Article 7, a Chairperson shall be elected to chair the General Assembly meeting. Within the framework of the General Assembly Principles, the Chairperson shall appoint at least one meeting minutes secretary, and one vote collection officer.

**2. Presentation of the Annual Activity Report of the Board of Directors, Financial Statements and Summary of Report of External Auditors related to 2019 and consideration and approval of the Annual Activity Report and Financial Statements for 2019,**

Within the framework of provisions of the TCC, Bylaws and the Capital Markets Law, the 2019 Annual Report (including the Corporate Governance Compliance Report and Corporate Governance Information Form), Financial Tables and the Independent Auditors’ Report, which were made available via the Bank’s Head Office, branch offices, the Bank’s corporate website at [www.yapikredi.com.tr](http://www.yapikredi.com.tr), and on the Electronic General Assembly system of the Central Registry Agency for a three week period prior to the General Assembly, shall be presented for evaluation and approval of our shareholders.

**3. Submission for confirmation by the General Assembly of appointments made by the Board of Directors to fill in the vacancies on the Board of Directors during the past year as per article 363 of Turkish Commercial Code,**

By the resolution of Banks’ Board of Directors dated 29 May 2019, it is resolved that to appoint Mr. Marco Iannaccone to be provisionally elected in accordance with Article 363 of the Turkish Commercial Code, to be confirmed at the first forthcoming General Meeting of Shareholders, to function until that date instead of Mr. Francesco Giordano who are resigned on 1 June 2019.

By the resolution of Banks’ Board of Directors dated 5 February 2020, it is resolved that to appoint Mrs. Nevin İmamoğlu İpek to be provisionally elected in accordance with Article 363 of the Turkish Commercial Code, to be confirmed at the first forthcoming General Meeting of Shareholders, to function until that date instead one of Mr. Marco Iannaccone, Mr. Gianfranco Bisagni, Mr. Mirko Davide Georg Bianchi, Mr. Carlo Vivaldi and Mrs. Giovanna Villa who are resigned on 5 February 2020.

The CV’s of Board members, who were appointed during the year, is provided in **Appendix 1**.

**4. Clearing of members of the Board of Directors of liability related to activities of the Bank during 2019,**

Pursuant to the provisions of TCC and Bylaws, the activities, transactions and accounts of our Board of Directors members for the year 2019 shall be released separately and submitted to the General Assembly for its approval.

**5. Approval, approval with amendments or rejection of the proposal of the Board of Directors regarding to amendment to the article 6 of the Articles of Association (titled "Capital") related to increase of the registered capital ceiling and extension of its period,**

Amendment to the article 6 of the Articles of Association (titled "Capital"), as described within the **Appendix 2**, related to increase the Registered Capital Ceiling from TL 10,000,000,000 to TL 15,000,000,000 and to extend the authorization period for the Registered Capital Ceiling of the Bank which will expire at the end of 2020, until the end of 2024, shall be submitted to the General Assembly for its approval. Board of Directors of

Yapı ve Kredi Bankası A.Ş. resolution regarding to amendment of the Articles of Association was taken at 15.01.2020. For the mentioned amendments approval from Banking Regulation and Supervision Agency dated 21.01.2020, Capital Market Board dated 31.01.2020 and Ministry of Trade dated 06.02.2020 has been obtained.

**6. Approval of transactions regarding liquidation by sale of some Bank receivables that are being followed up on Non-Performing Loan accounts and to clear Board members regarding these transactions,**

Regarding liquidation of certain Bank receivables that are being followed up on non-performing loan accounts via sale by auction,

- By our Bank Board of Directors resolution dated 19.03.2019, it is resolved to sell non-performing cash receivables amounting to TL 396,328,632.09 as of 31.01.2019, to the highest bidder, Gelecek Varlık Yönetimi A.Ş. and Efes Varlık Yönetim A.Ş. for a total of TL 24,040,000.00,

- By our Bank Board of Directors resolution dated 18.04.2019, it is resolved to sell non-performing cash receivables amounting to TL 529,433,283.67 as of 28.02.2019, to the highest bidder, Gelecek Varlık Yönetimi A.Ş. and Hayat Varlık Yönetim A.Ş. for a total of TL 16,322,000.00,

- By our Bank Board of Directors resolution dated 29.05.2019, it is resolved to sell non-performing cash receivables amounting to TL 298,290,364.30 as of 31.03.2019, to the highest bidder, Hayat Varlık Yönetim A.Ş. and Arsan Varlık Yönetim A.Ş. for a total of TL 22,702,000.00,

- By our Bank Board of Directors resolution dated 26.06.2019, it is resolved to sell non-performing cash receivables amounting to TL 917,159,848.91 as of 30.04.2019, to the highest bidder, Arsan Varlık Yönetim A.Ş., Doğru Varlık Yönetim A.Ş., Efes Varlık Yönetim A.Ş., Emir Varlık Yönetim A.Ş., Gelecek Varlık Yönetim A.Ş., Hayat Varlık Yönetim A.Ş. and Sümer Varlık Yönetim A.Ş. for a total of TL 25,606,200.00,

- By our Bank Board of Directors resolution dated 19.09.2019, it is resolved to sell non-performing cash receivables amounting to TL 427,520,335.65 as of 31.07.2019, to the highest bidder, Gelecek Varlık Yönetim A.Ş. for a total of TL 3,256,000.00,

The above mentioned sales transactions, and the release of Board Members from liabilities for these transactions, shall be submitted to the General Assembly for its approval.

**7. Determining the number and the term of office of the Board members, electing members of the Board of Directors and independent member of the Board of Directors,**

New members to replace Board Members whose terms of office have expired accordingly shall be elected in accordance with CMB regulations, TCC, Bylaws, and the principles governing the selection of Members of the Board of Directors in the articles of association. In addition, Independent Members of the Board of Directors shall be elected in compliance with the CMB's Corporate Governance Communiqué No. II-17.1.

According to Article 11 of the Articles of Association, all affairs and management of the Bank shall be conducted by a Board of Directors composed of at least 8 real persons, serving for a maximum term of 3 years, to be elected by the General Assembly in accordance with the provisions of the Turkish Commercial Code, Banking Regulations and the Capital Market Regulations. Save for the mandatory provisions of the Capital Markets Regulations regarding independent members, and the provisions of the Banking Regulations, the General Assembly may replace the members of the Board of Directors at any time it deems necessary, in accordance with article 364 of the Turkish Commercial Code.

CMB's Corporate Governance Communiqué No. II-17.1 states that the number of independent board members may be determined by the banks, provided that is not less than three. Board members who are appointed as an audit committee member within the bank's organizational structure shall be considered as

independent board member within the framework of this Communiqué. The qualifications set forth in the principle numbered (4.3.6) shall not be required and the principle numbered (4.3.7) and (4.3.8) regarding the election of these members shall not be applied in respect of the audit committee members of the banks. The Qualifications set forth in the principle numbered (4.3.6) of the Communiqué shall be required in any case in respect of the independent board members who will not be appointed in the audit committee, and for at least one member in cases where whole of the independent members of board of directors are appointed in the audit committee and principles numbered (4.3.7) and (4.3.8) shall apply with regard to election of this independent member or these independent members.

The Board of Directors, upon receipt of the report by the Bank's Corporate Governance Committee, has selected Mrs. Virma Sökmen as candidate in conformity with the CMB criteria for Independent Member of the Board of Directors.

In line with the Communiqué, the Bank has applied to the Capital Market Board to submit an opinion for the proposal of Mrs. Virma Sökmen to the General Assembly as candidate for Independent Member of the Board of Directors, with the exception of the member or members of the Audit Committee to be organized within the Board of Directors. It has declared with the writing of Capital Market Board dated 31.01.2020 that it was decided not report any negative opinion about Mrs. Virma Sökmen.

The CVs of the candidates for membership and the independence declaration of the candidate for Independent membership on the Board of Directors are provided in **Appendix 3**.

**8. Submitting according to Corporate Governance Principles the Remuneration Policy for the Members of Board of Directors and Senior Managers, and the payments made within the scope of the Policy to the shareholders' knowledge and approval of the same,**

In accordance with the CMB's Mandatory Corporate Governance Principles No. 4.6.2., principles on remuneration of members of the board of directors and executives shall be in written form and submitted to the shareholders as a separate agenda item at the general assembly meeting, thus allowing the shareholders to express opinion on this matter. The remuneration policy issued with this objective is provided in **Appendix 4**. In the Chapter fifth, footnote no 7.2. of the Bank's 2019 unconsolidated financial statements, information is given for the salaries and benefits paid to the Board members and Bank's senior management in 2019.

**9. Determining the gross attendance fees for the Members of the Board of Directors,**

In accordance with the provisions of the TCC and Bylaws, principles of the articles of association and the Remuneration Policy submitted to shareholders as per the agenda item no. 8, the shareholders shall determine the gross yearly remuneration to be paid to the chairperson of the board and board members.

**10. Approval, approval with amendments or rejection of the proposal of the Board of Directors regarding the Profit Distribution for 2019 created as per the Bank's profit distribution policy,**

In accordance with the Banking Law, Capital Markets Law and related regulations, Article 20 of the Bank's Articles of Association and Profit Distribution Policy; considering the Bank's growth target within the sector, it's long term strategy, domestic and international economic developments, the attached 2019 Profit Distribution Proposal and Profit Distribution Table that of the net profit for the accounting period TL 180,002,988.58 be reserved as general legal reserve and TL 2,551,492.96 from the real estate sales earnings within the framework of Article 5 clause 1/e of Corporate Tax Law No:5520, remaining TL 3,417,505,290.05 be set aside as extraordinary reserves as given on **Appendix 5** was submitted at the Annual Shareholder's Meeting for approval.

**11. Approval of the Independent Audit Institution selected by the Board of Directors with the requirement of the Regulation issued by the Banking Regulation and Supervision Agency and the Turkish Commercial Code,**

In accordance with the relevant regulation of the Banking Regulation and Supervision Agency and the Turkish Commercial Code, and taking into consideration the opinion of the Audit Committee, the Board of Directors resolved at their 13.02.2020 meeting to have PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. serve as the independent auditor of the Bank's financial reports for the fiscal year 2020 and conduct other activities that fall within its purview within the context of the relevant regulations. The decision shall be submitted to the General Assembly for approval.

**12. Submitting according to the regulations of the Capital Markets Board the donations and charities made by the Bank in 2019 to foundations and associations with the aim of social relief to the shareholders' knowledge and determining a ceiling amount for the donations to be made in 2020 in line with the Banking legislation and the regulations of the Capital Markets Board,**

According to Article 6 of the CMB's Communiqué on Dividends No. II-19.1, information concerning donations must be presented at the General Assembly. In 2019, donations total amounting to TL 14,416,703.84 were made to foundations and associations. The donation amount of TL 11,633,800.00 was made to Vehbi Koç Foundation, the amount of TL 1,000,000.00 to Rahmi M.Koç Müzecilik Kültür Foundation, the amount of TL 828,615.84 to Koç University, the amount of TL 520,850.00 to Türkiye Eğitim Gönüllüleri Foundation, the amount of TL 170,100.00 to Geyre Foundation (Afrodisias Arc. digs), the amount of TL 153,828.00 to LÖSEV Lösemili Çocuklar Sağlık Eğitim Foundation and the amount of TL 109,510.00 to the other foundations and associations. In addition, the General Assembly shall determine the upper limit of donations to be made in 2020.

**13. Granting permission to the shareholders holding the management control, the members of the Board of Directors, the senior managers and their spouses and blood relatives and relatives by virtue of marriage up to second degree in accordance with Articles 395 and 396 of the Turkish Commercial Code and submitting the transactions carried out in this context during 2019 to the shareholders' knowledge in line with the Capital Markets Board Corporate Governance Communiqué,**

Members of the Board of Directors can only enter a business transaction with the Bank with the approval of the General Assembly, as stipulated in the first subsection of Article 395, titled "Prohibitions on Business Transactions and Loans" and Article 396, titled "Prohibitions on Competition" of the TCC.

In accordance to CMBs' Corporate Governance Communiqué article 1.3.6. the members of the Board of Directors, the senior executives and their spouses and relatives related by blood or affinity up to the second degree in case where they execute an important transaction that may lead to a conflict of interest with the partnership or its subsidiaries and / or the execution of a transaction which shall fall into same commercial business category of the partnership or its subsidiaries for its own or other account, or in case where joining another partnership dealing with the same type of business as liable partner, these transactions are taken to the agenda of the General Assembly as a separate item of the agenda and also recorded into minutes of General Assembly in order to provide detailed information regarding aforementioned transactions.

To fulfil the requirements of these regulations, obtaining aforementioned permission shall be presented for evaluation and approval of our shareholders at the General Assembly. Additionally, our shareholders shall be notified regarding to the transactions carried out during the year, some of our shareholders, the members of the Board of Directors, the senior executives and their spouses and relatives related by blood or affinity up to the second degree are serving as members of the Board of Directors or managers within the some other Koç Group companies and UniCredit Group companies which are operating within the same commercial business category during the year. In 2019, there has been no transaction requiring information within the scope of Corporate Governance Communiqué Serial No. 1.3.6.

**14. Wishes and comments.**

- Appendix 1** The CV's of Board members, who were appointed during the year
- Appendix 2** Amendment text of the Articles of Association
- Appendix 3** The CVs of the candidates for membership and independence declaration of the candidate for independent membership on the Board of Directors
- Appendix 4** The remuneration policy
- Appendix 5** 2019 Profit Distribution Table

### The CV's of Board members, who were appointed during the year

#### **Marco IANNOCCONE**

Marco Iannaccone graduated from Università degli Studi di Venezia Business Administration in 1993 and completed his MBA degree at Clemson University in 2003, where he was previously a graduate assistant in 1994. Between 1995 and 1997, he worked at KPMG as Consultant. In 1997, he started to work at Andersen Consulting as Senior Consultant. In 1999 he moved to Deutsche Bank and continued his career working in several departments, last of which was as the Head of Private & Business Banking until 2002. Moving to UniCredito Italiano in 2002, Iannaccone held a number of managerial positions in the Group, including Central and Eastern Europe Mergers and Acquisitions, Business Development, Private Banking, Strategy, Planning and Control until 2008. In 2008, Iannaccone assumed the position of Chief Financial Officer and Vice President of the Management Board at Bank Pekao in Poland. Between 2013-2016, Iannaccone worked as the Assistant General Manager and CFO at Yapı Kredi. In 2016, he moved to Hungary and assumed the position of Deputy CEO at UniCredit Bank Hungary Zrt. As of June 2019 Iannaccone has continued his career in Yapı Kredi as Executive Director and Chief Operating Officer until February 5, 2020.

#### **Nevin İMAMOĞLU İPEK**

She graduated from Ankara University, Faculty of Political Sciences, Department of Business Administration in 1993 and she earned an MBA degree at the same university in 1997 and a Master of Accounting degree at the University of Michigan in 2001. She began her career at the Capital Markets Board of Turkey and served as Assistant to Expert between 1997-2005, Deputy Head of Corporate Finance Department between 2005-2006 and Head of Institutional Investors Department between 2006-2007. She joined the Koç Group in 2007 and still is serving as Finance Coordinator responsible from Compliance to Securities Regulation. She is also heading the Capital Markets Working Group in TÜSİAD from 2013.



**AMENDMENT TEXT of THE ARTICLES of ASSOCIATION  
of YAPI ve KREDİ BANKASI ANONİM ŞİRKETİ**

Previous Text	New Text
<p><b>Article 6: Capital</b></p> <p>The Bank has accepted the registered share capital system according to the provisions of the Capital Markets Law and adopted the registered share capital system under the permission nr. 567 issued by the Capital Markets Board on the date of 04.04.2008.</p> <p>The registered share capital upper limit of the Bank is 10.000.000.000.-TL (ten billion Turkish Liras) and it is divided into 1.000.000.000.000 (one trillion) registered shares each with a nominal value of 1.-Kr (one Kuruş).</p> <p>Permission of the Capital Markets Board regarding the upper limit of registered capital is valid for the term between 2016-2020 (5 years). Even if the permitted upper limit of registered capital is not reached by the end of 2020; for the Board of Directors to resolve for capital increase after the year 2020, it must obtain a permission from the Capital Markets Board for the previously permitted upper limit or a new upper limit amount and thereafter, must obtain authorization from the General Assembly for a new term not exceeding 5 years. If said authorization is not obtained, capital increase cannot be executed by resolution of the Board of Directors.</p> <p>Issued capital of the Bank is 8.447.051.284.-TL (eight billion four hundred and forty seven million fifty one thousand two hundred and eighty four Turkish Liras) and said issued capital of it is paid without any dispute.</p> <p>Shares of the Bank are registered shares. Shares representing the capital shall be registered and monitored according to the principles of dematerialization.</p> <p>Share capital of the Bank may be increased and decreased when required within the framework of the provisions of the Turkish Commercial Code and the Capital Markets Laws and Regulations.</p> <p>Board of Directors, at the times when it deems necessary and in accordance with the provisions of the Capital Markets Law, shall be authorised to issue new shares up to the upper limit of the registered share capital and to increase the issued capital thereby and to take decisions regarding limitation of the rights of preferred shareholders and limitation of the rights of shareholders to take new shares and issuing shares below the premium or nominal value. Power to limit the right to take new shares, may not be exercised in a manner causing any inequality between the shareholders.</p> <p>Provisions of the Banking Law are reserved.</p>	<p><b>Article 6: Capital</b></p> <p>The Bank has accepted the registered share capital system according to the provisions of the Capital Markets Law and adopted the registered share capital system under the permission nr. 567 issued by the Capital Markets Board on the date of 04.04.2008.</p> <p>The registered share capital upper limit of the Bank is 15.000.000.000.-TL (fifteen billion Turkish Liras Turkish Liras) and it is divided into 1.500.000.000.000 (one trillion five hundred billion) registered shares each with a nominal value of 1.-Kr (one Kuruş).</p> <p>Permission of the Capital Markets Board regarding the upper limit of registered capital is valid for the term between 2020-2024 (5 years). Even if the permitted upper limit of registered capital is not reached by the end of 2024; for the Board of Directors to resolve for capital increase after the year 2024, it must obtain a permission from the Capital Markets Board for the previously permitted upper limit or a new upper limit amount and thereafter, must obtain authorization from the General Assembly for a new term not exceeding 5 years. If said authorization is not obtained, capital increase cannot be executed by resolution of the Board of Directors.</p> <p>Issued capital of the Bank is 8.447.051.284.-TL (eight billion four hundred and forty seven million fifty one thousand two hundred and eighty four Turkish Liras) and said issued capital of it is paid without any dispute.</p> <p>Shares of the Bank are registered shares. Shares representing the capital shall be registered and monitored according to the principles of dematerialization.</p> <p>Share capital of the Bank may be increased and decreased when required within the framework of the provisions of the Turkish Commercial Code and the Capital Markets Laws and Regulations.</p> <p>Board of Directors, at the times when it deems necessary and in accordance with the provisions of the Capital Markets Law, shall be authorised to issue new shares up to the upper limit of the registered share capital and to increase the issued capital thereby and to take decisions regarding limitation of the rights of preferred shareholders and limitation of the rights of shareholders to take new shares and issuing shares below the premium or nominal value. Power to limit the right to take new shares, may not be exercised in a manner causing any inequality between the shareholders.</p> <p>Provisions of the Banking Law are reserved.</p>

### The CVs of the candidates for membership and independence declaration of the candidate for independent member on the Board of Directors

#### **Ali Y. KOÇ**

Ali Y. Koç graduated from Rice University in Business Administration and completed his MBA degree at Harvard Business School. Between 1990-1991, he attended the American Express Bank Management Trainee program. Between 1992 and 1994, he worked as an Analyst at Morgan Stanley Investment Bank. Between 1997-2006, Koç held various senior level positions at Koç Holding such as the New Business Development Coordinator and President of the Information Technology Group. Between 2006-2010, he was the President of the Corporate Communications and Information Technology Group. Koç has been a Board Member of Koç Holding since January 2008 and was named Vice Chairman in February 2016. He is also the Chairman of various Koç Group companies. Additionally, Koç contributes to the country's social and economic development by serving as President at Fenerbahçe Sports Club, President at URAK (International Competition Research Association) and as a Board Member at Endeavor Association and DEİK (Foreign Economic Relations Board). He is also the Vice Chairman of TÜSİAD (Turkish Industry and Business Association), a Member of the Global Advisory Council of Bank of America, Harvard University and CFR and a Member in the Panel of Senior Advisers for Chatham House. Additionally, he has recently joined the Confederation of British Industry. Koç has been Board Chairman of Yapı Kredi and Koç Financial Services since April 2016.

#### **Levent ÇAKIROĞLU**

Levent Çakiroğlu graduated from Ankara University Faculty of Political Sciences, Business Administration Department and received his master's degree from University of Illinois. He started his professional life in Ministry of Finance in 1988. 1997-1998, he taught as part time instructor at Bilkent University and served as Vice President of the Financial Crimes Investigation Board at the Ministry of Finance. Çakiroğlu, joined Koç Group in 1998 as Koç Holding Financial Group Coordinator. He was the General Manager of Koçtaş between 2002-2007, the CEO of Migros between 2007-2008, the CEO of Arçelik between 2008-2015 and the President of the Durable Goods Group of Koç Holding A.Ş. between 2010-2015. Çakiroğlu was appointed as the Deputy CEO of Koç Holding in February 2015 and he took over the CEO post on April 2015. In addition to being a Board Member at Yapı Kredi and Koç Financial Services since April 2015, Çakiroğlu is also a Board Member in various Koç Group Companies.

#### **Gökhan ERÜN**

Gökhan Erün earned his undergraduate degree from Istanbul Technical University Department of Electronics and Communications Engineering and his graduate degree from Yeditepe University in Business Administration. Erün began his career at Garanti Bank Treasury Department in 1994. Between 1999 and 2004, he served as the Senior Vice President of Commercial Marketing and Sales Department. After becoming the CEO of Garanti Pension and Life in 2004, he was appointed as Executive Vice President of Garanti Bank in September 2005. Erün served as the Deputy CEO of Garanti Bank since September 2015, in charge of Corporate Banking Coordination, Treasury, Treasury Marketing and Financial Solutions, Derivatives, Cash Management and Transaction Banking, and Financial Institutions. He also held positions in the Boards of various Garanti Bank subsidiaries. As of January 2018, Erün has continued his career in Yapı Kredi as Executive Director in Board of Directors and Chief Executive Officer (CEO). In addition, Erün is the CEO of Koç Financial Services and holds positions in the Boards of various Yapı Kredi Group subsidiaries.

#### **Ahmet F. ASHABOĞLU**

Ahmet F. Ashaboğlu holds a Bachelor of Science degree from Tufts University and a Master's of Science degree from Massachusetts Institute of Technology (MIT) in Mechanical Engineering. In 1994, he began his career as a Research Assistant at MIT. Between 1996-1999, Ashaboğlu held various positions in capital markets within UBS Warburg, New York. Between 1999-2003, he worked as a Management Consultant at McKinsey & Company, New York. In 2003, Ashaboğlu joined Koç Holding as Finance Group Coordinator. Since 2006, he has been serving as the

CFO of Koç Holding. In addition to being a Board Member at Yapı Kredi and Koç Financial Services since September 2005, Ashaboğlu is also a Board Member at Yapı Kredi Koray Real Estate Investment Trust and various Koç Group Companies.

#### **A. Ümit TAFTALI**

A. Ümit Taftalı earned his B.S. in Finance from Ball State University (Indiana) and his MBA degree from University of South Carolina. He also participated in senior executive programs at Harvard University. Taftalı is an investment banker and wealth manager with over 30 years of international experience. He has worked in executive positions in Atlanta, New York and London for Merrill Lynch & Company, Bankers Trust Company and Goldman Sachs International. Taftalı has been representing and advising Mrs. Suna (Koç) Kıraç since 2001 and is a Member of Koç Holding Executive Committee. He is also Board Chairman of Kare Portföy. Taftalı is or has been Board/Founding Member of various philanthropic and professional organizations such as Suna-İnan Kıraç Foundation, Educational Volunteers Foundation of Turkey (TESEV), Turkish Industrialists and Businessmen Association (TÜSİAD), Saint Joseph Educational Foundation, Educational Volunteers Foundation of Turkey (TEGV), Galatasaray Sport Club, American Finance Association (USA), Financial Management Association (USA), Museum of American Financial History (USA), Ball State University Foundation (USA), Turkish Bankers Association (UK), University of South Carolina Foundation (USA). Taftalı has been a Board Member of Yapı Kredi and Koç Financial Services since April 2016.

#### **Dr. Ahmet ÇİMENOĞLU**

Ahmet Çimenoğlu graduated from Department of Economics at Boğaziçi University in 1992. After completing his MA in Economics at Boğaziçi University, Çimenoğlu started his professional life as an Economist at Yapı Kredi in 1995. In 2002, he received his PhD degree in Economics from Istanbul Technical University. Çimenoğlu worked as the Chief Economist and as Head of Strategic Planning and Research at Yapı Kredi between July 2004 and February 2009. In March 2009, he joined Koç Holding as the Head of Economic Research. Çimenoğlu is currently the Chief Economist of the Koç Holding. Çimenoğlu has been a Board Member of Yapı Kredi and Koç Financial Services since March 2019.

#### **Nevin İMAMOĞLU İPEK**

She graduated from Ankara University, Faculty of Political Sciences, Department of Business Administration in 1993 and she earned an MBA degree at the same university in 1997 and a Master of Accounting degree at the University of Michigan in 2001. She began her career at the Capital Markets Board of Turkey and served as Assistant to Expert between 1997-2005, Deputy Head of Corporate Finance Department between 2005-2006 and Head of Institutional Investors Department between 2006-2007. She joined the Koç Group in 2007 and still is serving as Finance Coordinator responsible from Compliance to Securities Regulation. She is also heading the Capital Markets Working Group in TÜSİAD from 2013.

#### **Virma Sökmen (Candidate for Independent Board Membership)**

Virma Sökmen has a Bachelor degree in Finance from LaSalle University. She began her professional career at research and investment banking departments of Körfezbank and Çarşı Menkul Degerler. Between 1993 and 2001, she worked at Midland Bank as a Credit Analyst. Between 2001 and 2010, she served as Corporate Banking Group President and an Executive Vice President of Corporate and Commercial Banking at HSBC. Sökmen managed corporate banking, commercial banking foreign trade and provision management, factoring, corporate and commercial insurance, corporate marketing and cash management units since 2010. Sökmen also served as the Assistant General Manager, responsible from Corporate and Commercial Banking, at HSBC. Since 2016, Sökmen has been a Managing Partner at Credia Partners. Sökmen has been a Board Member of Yapı Kredi and Koç Financial Services since March 2019.

#### **Niccolò UBERTALLI**

Niccolo Ubertalli graduated from Politecnico di Torino (Turin, Italy) with a Bachelor's Degree in Material Engineering in 1996 and received his Master's in Business Administration from Owen Graduate School of Management at Vanderbilt University (Tennessee, USA) in 2000. During his graduate program, he worked at Teksid Aluminum Foundry as Program Manager and Process Engineer. In 2000, Ubertalli moved to Milan (Italy) and worked at McKinsey as Senior Associate until 2002. Between 2002-2004, he worked at UniCredit Clarima as

Director of Major Relations Divisions. Between 2004-2006, Ubertalli worked at MBNA (USA and UK) as First Vice President. Between 2006-2009, Ubertalli relocated to Bulgaria to work at UniCredit Consumer Financing as Chairman and Executive Director. In 2009, he moved back to Italy and continued his career at UniCredit as the Chief of Staff for Group CEO and between 2011-2012, as the Head of Group Consumer Finance. In 2012, he moved to Romania and assumed the position of Deputy CEO at UniCredit Tiriac Bank. During his time there between 2012-2015, he was a Member of Management Board for UniCredit Tiriac as well as Member of Supervisory Boards for Pioneer Investments, UniCredit Consumer Finance Bulgaria, UniCredit Consumer Finance Romania and Ergo Asigurari de Viata S.A. Romania. From 2015-2019, he continued his career in Yapı Kredi as executive director and Deputy Chief Executive Officer and he has been a Board member of various Yapı Kredi Subsidiaries. Since June 2019, he was appointed co-CEO Commercial Banking, CEE. He is member of the UniCredit Executive Management Committee. Ubertalli, who was appointed as the Vice President of the Board of Directors at Koç Financial Services and Yapı Kredi in June 2019, has resigned from his position at the Board of Directors of Koç Financial Services as of February 5, 2020, and continued as a Member of the Board of Directors at Yapı Kredi on the same date.

### **Wolfgang SCHILK**

#### **Member of the Board of Directors (Independent<sup>2</sup>)**

Wolfgang Schilk graduated from University of Wien Law School in 1992 and completed his postgraduate management trainee program at Creditanstalt- Bankverein (CA-BV). Between 1994-1996, he worked at CA-BV as the Restructuring and Workout Manager responsible for Corporate Banking. Between 1996-2004, Schilk worked as the Head of Credit Unit at Bank Austria Creditanstalt. In 2004, he became the Head of Regional Office responsible for Corporate Banking. In 2006, he worked as the Head of Regional Office responsible for Private and SME segments. Between 2007-2010, he was the Head of Risk Management responsible for Private and SME segments in Bank Austria. Between 2010-2016, Schilk served as the CRO of Yapı Kredi. In September 2016, he was appointed as UniCredit Chief Risk Officer (CRO) for Central and Eastern Europe (CEE) region. In addition to being a Board Member at Yapı Kredi since October 2016, Schilk is also Supervisory Board Member at UniCredit Bank Czech Republic & Slovakia and Zagrebacka Banka.

## INDEPENDENCE DECLARATION

I hereby declare that I am candidate to serve as an "independent member" at the Board of Directors of Yapı ve Kredi Bankası A.Ş. (Company) in accordance with the criteria set forth in the legislation, articles of association and Corporate Governance Communiqué of the Capital Markets Board, and in this framework;

- a) There is no employment relationship with respect to any executive position that covers important duties and responsibilities, no more than 5% of the capital or voting rights or preferential shares are held jointly or individually, or no significant commercial relationship has been established in the last five years between the Company, or partnerships over which the Company has management control or exercises substantial influence, or shareholders who hold the management control of, or who exercise significant influence on, the Company and the legal entities which hold the management control of such shareholders, and me, my spouse, my relatives by blood and marriage up to the second degree;
- b) I have not been a shareholder (5% and above), worked in an executive position that included important duties and responsibilities, or served as a member of the board of directors in any company from which the Company has purchased or to which the Company has sold services or products to a significant extent during such periods when such services or products were purchased or sold in the framework of agreements regarding company audit (including tax audit, legal audit, internal audit), rating and consulting, within the last five years;
- c) I have the professional education, knowledge and experience to carry out properly the duties that I shall undertake as an independent member of the board of directors;
- ç) I shall not work on a full-time basis in any public entity and institution except as a lecturer after I am elected a member in accordance with the legislation;
- d) I am considered to be a resident of Turkey in accordance with the Income Tax Code (ITC) dated 31/12/1960 and number 193;
- e) I possess strong ethic standards, professional reputation and experience to make positive contributions to the Company's activities, to preserve my impartiality in any conflict of interest between the company and its shareholders, and to decide independently taking into account the interests of the beneficiaries;
- f) I can spare time for the Company's affairs to such extent that I can follow up the operation of the Company activities and meet my obligations properly;
- g) I have not served as a board member at the Company's board of directors for more than six years in the last ten years;
- ğ) I have not been serving as an independent board member in more than three companies in which the Company or shareholders possessing the management control of the Company have the management control, and in total, in more than five companies that are traded on the stock exchange;
- h) I have not been registered and announced in the name of a legal entity that has been elected as a member of the board of directors.

(signature)

Virma SÖKMEN

# Yapı ve Kredi Bankası A.Ş. Compensation Policy

## 1. Purpose

This document is prepared in order to define the principles of the compensation approach and the compensation implementations in Yapi Kredi Bank A. Ş. This policy also aims to underline the constraints and the rules which are taken into consideration to structure, to monitor and to control the compensation implementations in the Bank.

Compensation Policy determines the pillars of the Bank's compensation approach not only reflecting the Bank's mission, strategy and values but also underlining the governance principles and the compliance needs for compensation implementations.

In this regulation, the Bank's both fixed and variable compensation principles and the intensive systems are explained.

Bank Compensation Policy is valid for all Bank personnel.

## 2. Introduction

### 2.1. Reflecting the Mission, Strategy and the Corporate Values of the Bank

Yapi Kredi Bank's mission expresses;

- to derive a sustainable long term growth,
- to create value for all stakeholders,
- to be the first choice of both employees and customers.

Associated with these commitments, the Bank's strategy is built upon;

- sustainable and steady growth,
- perpetual and transcendent customer satisfaction,
- strong employee engagement,
- sustainable profitability,
- excelling on cost and risk management.

The Bank's Ethical Codes underlying the social relationships and the Bank's Corporate Values (consist of reliability, freedom, fairness, respecting and certainty) set up a part of the Bank's Personnel Policy and Rules which are known by all Yapi Kredi Personnel.

With regards to these standards, Bank Compensation Policy's two basic principles which are beyond any arguments are;

- only the authorized employees can reach the detailed compensation information of the personnel
- and
- the compensation is assigned regardless of the religion, language, race, age, etc. of personnel.

The standards mentioned above compose the pillars which set the framework for a consistent and coherent design, implementation and monitoring of compensation practices across the entire organization. Within this common policy framework, guidelines are defined to implement compensation programs and plans that reinforce sound risk management policies and our long-term strategy.

## **2.2. The Pillars of the Bank's Compensation Strategy**

The Yapi Kredi compensation approach is performance-based and aligned with the market dynamics and the business strategy. The pillars of the Bank's compensation strategy which ensure to derive a competitive, effective, and clear compensation management are stated below:

- transparent and clear governance,
- compliance with the laws and the regulatory requirements,
- compliance with the Bank's strategy and long term targets as well as the Bank's risk structure which is to contribute in effective risk management
- continuous monitoring of market trends,
- sustainable compensation for sustainable performance,
- motivation and retention of personnel with particular focus and talents and mission-critical resources.

## **3. Governance and Compliance**

Yapi Kredi Bank compensation approach ensures that the decisions are made in an independent, informed and timely manner at appropriate levels and avoids conflict of interest and guarantee appropriate disclosure in full respect of the general principles defined by regulators.

### **3.1. Board of Directors**

Compensation Policy, which is a written document and which is in conformity with the scope of the Bank's implementations, with the Bank's strategy and long term targets as well as the Bank's risk structure which is to contribute in effective risk management, is approved by the Board of Directors. This policy is reviewed annually by the Board of Directors in order to keep the effectiveness.

The Board of Directors ensures that the payments to be granted to the members of the Board of Directors, Senior Management and other personnel are in compliance with the ethical values, internal fairness and strategic targets of the Bank.

### **3.2. Remuneration Committee**

Remuneration Committee is instituted in order to monitor and to audit the compensation implementations in the Bank on behalf of the Board of Directors.

Remuneration Committee evaluates the compensation implementations from the risk point of view, and then submits the evaluation results and proposals related to the compensation systems to the Board of Directors' approval as a report on annual basis.

### **3.3. Conformity**

#### **Conformity with Financials**

CFO is responsible with the evaluation of the financial consequences of the remuneration implementations in the Bank and with generating financial improvement proposal related to the compensation systems.

### **Conformity with Union Rules and Implementations**

This policy is aligned with the principles, commitments and the rules stated between the Bank and the Union.

#### **3.4. Issuing the Compensation Criteria and the Compensation Implementations**

Information on the criteria taken into consideration in performance-based payments, the form of payments made and average amounts are presented in the section “Information related to Human Resources Applications” in Yapi Kredi Bank A.Ş: Annual Activity Report prepared with respect to the framework of “Regulation on Procedures and Principles related to Preparation and Publication by Banks of Annual Activity Report”.

### **4. Performance and Remuneration**

#### **4.1. Fixed Compensation and Base Salary**

The fixed component of compensation remunerates the role covered and the scope of responsibilities, reflecting the experience and skills required for each position, as well as the level of excellence demonstrated and the overall quality of the contribution to business results. The relevance of fixed compensation weight within the overall package is such as to reduce the risk of excessively risk-oriented behaviors, to discourage initiatives focused on short-term results which might jeopardize mid and long term business sustainability and value creation.

#### **4.2. Performance-Based Payments (Variable Compensation)**

Incentives remunerate the achievement of performance objectives, both quantitative and qualitative, by providing for a variable bonus payment. The design features, including performance measures and pay mechanisms, avoids an excessive short-term focus by reflecting the principles of this policy, focusing on parameters linked to profitability and sound risk management, in order to guarantee sustainable performance in the medium and long term.

In order to support the design of employee remuneration and incentive systems, the following “compliance drivers” have been defined:

- Maintenance of an adequate ratio between the quantitative and the qualitative targets,
- Encouragement of customer-centered approach in target settings,
- Avoidance of incentives on a single product / financial instrument
- Avoidance of performance-based payments with excessively short time periods (timeframes less than once in three months are not suggested),
- Transparency in all rewarding system communications and the reporting phases that the final evaluation of the employee’s achievements will also be based on their compliance behavior considering internal and external rules and regulations.

#### **4.3. Performance Payment Criteria**

- The payments to be granted to the members of the Board of Directors, Senior Management and all other personnel are not associated only with short term performance of the Bank such as profit or revenue.



Payments of members of committees consisting of members of the Board of Directors are set taking into consideration the responsibilities assumed by them. Such payments are in compliance with the ethical values, internal fairness and strategic targets of the Bank.

- Payments related to Bank's performance is done to the members of Board of Directors and to Senior Management which have executive responsibilities considering that these incentive payments are regulated with respect to the objective criteria and these payments have positive effect on the corporate ethic codes of the Bank.
- The criteria related to job descriptions and the employee distribution and the performance-based incentive payments are determined and announced by the Senior Management to employees. Such criteria are reviewed on regular basis according to determined standards and specific job responsibilities.
- Performance-based payments are not guaranteed beforehand. Performance-based payments are made taking into consideration the maturity of risks taken and in installments.
- The incentive systems were designed in such a manner that sets minimum performance thresholds below which zero bonuses are paid. New contracts and agreements are prepared in line with this perspective.
- In performance-based payments, the personnel's preceding performance is considered.
- Indemnity payments made to personnel quitting the Bank are determined by also taking into consideration the past performance of the relevant personnel and the relevant personnel's contribution in the long term performance of the Bank.
- Regarding those who have been determined by the Board of Directors to have jeopardized the Bank in terms of its operation in a safe way or to be responsible for deterioration of financial structure of the Bank as a result of their activities, the necessary actions regarding their payments including annulment of their performance-based payments are established.
- Arrangements related to performance-based payment include zero bonuses in circumstances of non-compliant behavior or qualified disciplinary action.
- Incentive system also ensures the independence and autonomy of Audit, Control, Compliance and Risk Management in undertaking their control duties.
- Payments to be made to directors and personnel of Internal Control, Internal Audit, Compliance and Risk Management are determined so that the same will be independent from the performance of the organizational unit in which they conduct auditing or monitoring or which they control taking into consideration the performance of relevant personnel relating to their own function.
- All incentive systems and plans are evaluated in terms of their additional role on improving the Bank's value and reputation.
- Customer is considered as the central focus of the Bank's Mission such that customer satisfaction is placed in the forefront of all intensive systems, at all levels, both internally and externally.
- Incentive systems are not in a way that induces risk taking behaviors in excess of the Bank's risk appetite.
- An adequate mix of financial quantitative goals with non-financial quantitative and qualitative performance objectives is maintained.

## Appendix 5

Yapı ve Kredi Bankası A.Ş. 2019 Profit Distribution Table (TL)		
1. Paid-in Capital		8.447.051.284,00
2. Legal Reserves (per Legal Book)		1.102.781.550,05
Information on whether Articles of Association has any privilege regarding profit distribution		None
		Per legal book
3	Gross Profit	4.338.935.813,59
4	Reserve for Taxes ( - )	738.876.042,00
5	Net Profit ( = )	3.600.059.771,59
6	Prior Years' Losses ( - )	0
7	Legal Reserves ( - )	180.002.988,58
8	NET DISTRIBUTABLE PROFIT ( = )	3.420.056.783,01
9	Donations made during the year ( + )	
10	Net distributable profit including donations	
11	1st dividend to shareholders	0
	-Cash	0
	-Bonus shares	0
	-Total	0
12	Dividend to shareholders which possess preferred shares	0
13	Dividend to Members of Board of Directors and employees etc.	0
14	Dividend to shareholders which possess redeemed shares	0
15	2nd dividend to shareholders	0
16	Legal Reserves	0
17	Statutory Reserves	0
18	Special Reserves	2.551.492,96
19	EXTRAORDINARY RESERVES	3.417.505.290,05
20	Other sources which are accepted as distributable	0
<p>Note: The portion of TL 884,740,911.00 of the net profit of TL 3,600,059,711.59 is arises from deferred tax income, and this amount is classified in "1.5- funds required to be left in the bank" in the profit distribution table of the Bank's publicly disclosed financial statements in accordance with the relevant regulation of the BRSA.</p>		

DIVIDEND RATIO TABLE						
	GROUP	TOTAL DIVIDEND AMOUNT		TOTAL DIVIDEND AMOUNT/NET DISTRIBUTABLE PROFIT	DIVIDEND TO 1 TL NOMINAL VALUE SHARE	
		CASH (TL)	BONUS (TL)	RATIO (%)	AMOUNT (TL)	RATIO (%)
GROSS	-	-	-	-	-	-
NET	-	-	-	-	-	-