

**ARTICLES OF ASSOCIATION OF
FİNANSBANK A.Ş.**

**ARTICLE 1
FOUNDATION**

A joint stock company has been founded to be operated under the provisions of legislation in force in accordance with the Council of Ministers' permission resolution numbered 87/12075 dated September 4, 1987 published in the Official Gazette numbered 19575 dated September 15, 1987.

**ARTICLE 2
FOUNDERS AND REGISTRATION OF THE COMPANY**

Articles of Association of the joint stock company has been certified with the order of Istanbul First Commercial Court dated September 22, 1987, merits no. 1987/3582 and numbered 1987/3468 and registered with Istanbul Trade Registry on September 23, 1987 with no. 237525/185092 and the articles of association containing the names, surnames, domicile addresses and signatures of (100) founders have been published in the Turkish Trade Registry Gazette dated September 25, 1987 numbered 1857.

**ARTICLE 3
TRADE NAME AND OPERATING NAME**

The Bank's trade name is "Finans Bank Anonim Şirketi". As per the provision of article 55 of the Turkish Commercial Code, the Bank's operating name is shortly "Finansbank".

**ARTICLE 4
PURPOSE AND SUBJECT**

A) The Bank's purpose and subject of foundation are given below provided that the Banking Law and effective regulations shall permit so:

- a. To carry out all banking transaction,

- b. To form enterprises and undertakings in all sorts of economic, financial, commercial, industrial, mining, development, energy, agriculture, transportation, exportation, importation, tourism and insurance sectors and attempt to bring foreign capital into the country,
- c. To spread the trainings, organizations and modern banking systems in social, cultural and particularly on Banking issues relating to the development of the nation, to establish foundations (facilities) for the purpose of giving scholarships to skilled persons for their education and training both at home and abroad, to participate in those foundations established for such purposes, to make contributions in cash and /or in kind both to the foundations (facilities) it has found or to those it has participated in,
- d. To follow, study and cause to study economic, financial, technical and banking developments both domestically and internationally and to produce publications in relation thereto,
- e. To make and cause to make organizations or reorganizations or undertaking the consultancy of existing or future local or foreign Banks, Companies, Organizations, Establishments and real person firms,
- f. To purchase and sell all sorts of shares (including Public Partnership Shares), to establish securities investment funds, to act as intermediary for the sale and purchase of securities in accordance with the Capital Market Law and provisions of the relevant regulations,
- g. To carry out the actions mentioned in above paragraphs directly by its own and/or together with local or foreign real persons or entities or to carry out the mentioned actions for and on behalf of those persons or entities,
- h. To establish all kinds of companies (including Banks) at home or abroad if it deems useful, to participate in those companies and Banks that have been established for the same purpose, to purchase their shares and shareholdings, to takeover other Companies and Banks fully or partially and to transfer or sell all of them to others as and when deems necessary,
- i. To act as correspondent or representative for local and foreign banks and to grant them the Bank's correspondence and representation,

- j. To establish insurance companies, to purchase the shares of insurance companies already established, to act as the agency of local or foreign insurance companies,
 - k. To carry out the representation, brokerage and agency functions of relevant local or foreign companies and organizations within the scope of its purpose and subject,
 - l. To carry out ordinary commission works,
 - m. To dispose of any rights relating to any kind of movable and immovable assets, non-material and intellectual (including know-how), unlimited or limited proprietary rights and personal rights provided that such rights will be within the scope of law in force and particularly the Banking Law, to pledge or encumber, sell or lease (including leasing) those mentioned above as and when it deems necessary, and to take pledges (including pledge of assets) and encumbrances on behalf of the Bank, to cause to write annotations at the deed office in relation to lease and sales commitment contracts on behalf of the Bank.
- B) The Bank may also act as consultant and intermediary to public and private sector organizations on financing, project financing, mergers, privatization, public offers, securities issuance, equities, shares and stock valuations and transfers, feasibility studies and sector due diligence and on counter-trade within the limits established by the Banking Law and effective legislation in force.

ARTICLE 5

HEADQUARTERS AND BRANCH OFFICES

The Company's headquarter is in Istanbul. The address of the Company is Büyükdere Cad. No: 129 Mecidiyeköy. In the event of change of address, the new address will be registered and announced through the Trade Registry Gazette and also notified to the Ministry of Industry and Trade. Notices and notifications made to the registered and announced addresses will be deemed to have been made to the Company itself. If the Company has left its registered and announced address then, the new address must be registered and announced in time, otherwise this will be grounds for termination of the Company.

The Bank may establish branch offices, agencies, liaison offices, offices at home and abroad provided that required legal permissions shall have been taken.

Provision of Article 14 of the Banking law is reserved.

ARTICLE 6

TERM

The Bank has been established for an indefinite term as from its definite date of foundation.

ARTICLE 7

CAPITAL

- a. The Bank has adopted the registered capital system as per the provisions of the Capital Market Law No. 2499 and this has been approved with the permission of the Capital Market Board dated 14.10.1993 and numbered 743.
- b. The Bank's registered capital is TRL 6.000.000.000 (six billion Turkish Liras) and is represented by 60.000.000.000 (sixty billion) registered shares each having a nominal value of 10 Kurush (ten kurush). The Board of Directors, as and when it deems necessary, is entitled to increase the Bank's registered capital up to such limit by way of issuing new shares in accordance with the provisions of the Capital Market Law.
- c. In accordance with the Articles of Association and with the legislation in force, the Board of Directors, may also resolve for the issuance of shares over their nominal value, shares deprived of voting power and limitation of the shareholders' rights (excluding founders' usufruct shares) to purchase the shares to be newly issued.
- d. The Board of Directors is also entitled to directly offer to public all shares representing the capital decided to increase by way of completely limiting the preemptive rights.
- e. The Bank's issued capital has been divided into 16.537.500.000 (sixteen billion five hundred thirtyseven million and fivehundred thousand) fully paid up registered shares with a nominal value of TRL 1.653.750.000.(one billion sixhundred fiftythree million seven hundred and fifty thousand)

f. Of the Bank's issued capital TRL 1.653.750.000.(one billion sixhundred fiftythree million seven hundred and fifty thousand);

aa. TRL 103.960.000 (one hundred and three million nine hundred and sixty thousand Turkish Liras) portion has been collected in cash and;

bb. Of the TRL 1.549.790.000 (one billion five hundred fourty nine million seven hundred and ninety thousand Turkish Liras), TRL 25.500.000 (twenty five million five hundred thousand Turkish Liras) portion has been covered from the net profit of the year 1998, TRL 41.112.500 (forty one million one hundred and twelve thousand five hundred Turkish Liras) portion has been covered from the profit of the year 1999, TRL 55.280.750 (fifty five million two hundred and eighty thousand seven hundred and fifty Turkish Liras) portion has been covered from the profit of the year 2000, TRL 17.745.260,5 portion has been covered from the profit of the year 2002, TRL 21.261.000 portion has been covered from the first profit of the year 2003, TRL 29.500.000 portion has been covered from the first profit of the year 2004, TRL 47.500.000 has been covered from the profit of the year 2005, TRL 62.500.000 has been covered from the profit of the year 2006, TRL 70.000.000 has been covered from the profit of the year 2007, TRL 75.000.000 has been covered from the profit of the year 2008, TRL 78.750.000 has been covered from the profit of the year 2009, TRL 43.839.265,807.937.(fourty three million eight hundred and thirty nine thousand two hundred and sixty five Turkish Liras eight hundred and seven thousand nine hundred and thirty seven Kurush) portion has been covered from the fund of Revaluation of Bank Fixed Assets), TRL 122.290.246,341.407 (one hundred and twenty two million two hundred and ninety thousand two hundred and fourty six Turkish Liras three hundred and fourty one thousand four hundred and seven Kurush) portion has been covered from the Affiliates' Sales Profit, TRL 36.329.190,686.315 (thirty six million three hundred and twenty nine thousand one hundred and ninety Turkish Liras six hundred and eighty six thousand three hundred and fifteen Kurush) portion has been covered from the Real Property Sales Profit, TRL 21.394.659,129.700 (twenty one million three hundred and ninety four thousand six hundred and fifty nine Turkish Liras one hundred and twenty nine seven hundred Kurush) portion has been covered from the Revaluation Increase Fund, TRL 3.909.968,623.721 (three million nine hundred and nine thousand nine hundred and sixty eight Turkish Liras six hundred and

twenty three thousand seven hundred and twenty one Kurush) portion has been covered from the Cost Valuation Increase Fund, TRL 330.347,643.262.- (three hundred and thirty thousand three hundred and forty seven Turkish Liras six hundred and forty three thousand two hundred and sixty two Kurush) portion has been covered from the Affiliates' Revaluation Fund, TRL 606.228.449,069.888 (six hundred and six million two hundred and twenty eight thousand four hundred and forty nine Turkish Liras sixty nine thousand eight hundred and eighty eight Kurush) portion has been covered from the Optional Reserves, TRL 6.844.996,337.050 (six million eight hundred and forty four thousand nine hundred and ninety six Turkish Liras three hundred and thirty seven thousand fifty Kurush) portion has been covered from the issue premium, TRL 484.031,813.862. (four hundred and eighty four thousand thirty one Turkish Liras eight hundred and thirteen thousand eight hundred and sixty two Kurush) portion has been covered as a result of the addition into the capital as per article 298 of the Tax Procedural Law and TRL 2.500.000 (two million five hundred thousand Turkish Liras) portion has been covered by selling to foreign corporate investors by way of limiting preemptive rights of the shareholders and TRL 11.493,046.858 portion has been covered by way of takeover of Fibabank A.Ş, TRL 181.477.841 (one hundred and eighty one million four hundred and seventy seven thousand eight hundred and forty one Turkish Liras) portion has been covered by way of the adjustment differences according to the inflation.

- g. While nominal value of each share was TL 100.000, pursuant to the law in relation to the amendment of the Turkish Commercial Code numbered 5274, the relevant nominal value has been amended as 10 Kurush. As a result of this amendment, the total number of shares has not been changed and 9.500.000.000 shares having a nominal value of 10 Kurush shall be given in exchange for 9.500.000.000 shares having a nominal value of 100.000.-TL. In relation to the relevant amendment, the shareholders' rights arising from the ownership of the shares are reserved.
- h. The permission given by the Capital Market Board for the registered capital ceiling is valid for the years 2010 – 2014 (5 years). At the end of the year 2014, even if the registered capital ceiling levels are not attained, in order to take capital increase decision, for a previously approved ceiling level or a new level, the Board of Directors must get

authorization for a new period, from General Assembly that will be held after permission of Capital Market Board. In case the company does not get such an authorization, the company will be considered as signed out from the registered capital system.

The Board of Directors, between the years 2010-2014, as and when it deems necessary, is entitled to increase the Bank's issued capital up to the registered capital ceiling by way of issuing new share.

Shares representing the capital shall be monitored within the principles of dematerialization.

ARTICLE 8

SHARES AND VOTING POWER

- a. It is imperative that all of the Bank shares will be registered and listed at the Stock Exchange.
- b. In General Assembly meetings, shareholders holding 1% or more of the Bank capital, and Chairman and members of the Board, Auditors and those with first degree signatory power may not cast votes as proxies or representatives. Maximum number of votes of others that may cast may not exceed 1% of the total number of votes. However, entity shareholders with a shareholding of over 1% may cause themselves to be represented by a single representative and real person shareholders may cause themselves represented again with one proxy in General Assembly meetings.

ARTICLE 9

TRANSFER OF SHARES

- a) Transfer of shares shall become valid against the Bank upon registry into the book of shares based on the affirmative resolution of the Board of Directors. Board of Directors may not consent to the transfer even stating no grounds and may avoid from registry; this provision is valid also for transfers among shareholders.

- b) Shareholders may transfer the shares that they own first to the other shareholders of the Bank provided that provisions of paragraphs (a) and (c) hereof shall remain reserved. In the event that a shareholder intending to transfer its shares notifies the Board of Directors with a registered letter that it has not been able to find a shareholder to transfer them and that it intended to transfer its shares to non-shareholding person or persons for this reason, the Board of Directors is obliged to notify its resolution in relation thereto with a registered letter to the person in question latest within thirty days starting from the receipt date of the registered letter.

In case of a negative resolution of the Board of Directors, the shareholder who wishes to transfer its shares, he or she may transfer its shares to a person/persons suggested by the Bank.

- c) Any acquisition of shares that result in the acquisition by one person directly or indirectly of shares representing ten percent or more of the capital of a bank or if shares held directly or indirectly by one shareholder exceed ten percent, twenty percent, thirty-three percent or fifty percent of the capital as a result thereof, and assignments of shares that result in shares held by one shareholder falling below these percentages, shall require the permission of the Banking Regulation and Supervision Board.

The shareholders with qualified shares shall be required to meet the criteria applicable to founders. The shareholders with qualified shares who do not bear the conditions required for founders any more shall not benefit from the shareholder rights other than dividends. In such cases, other shareholder rights shall be used by the Fund, upon the notification of the Agency.

- d) Partnerships and organizations participated by the Bank may not acquire the Bank's shares, may not accept them as pledge and may not give advance against such shares.
- e) The Bank may not assign its own shares and may not accept them as pledge. Provision of Article 329 of the Turkish Commercial Code is reserved.

- f) In the event of decease, the resolution to be obtained from the competent Court should be duly submitted and presented to the Bank in order that transfer procedures shall be carried out on behalf of deceased shareholder's inheritors or other right holders.
- g) After writing on the reverse of the shares to whom it is transferred and endorsed, the domicile and the date of transfer, the transferor must affix its signature on the same. Then the transferee Shareholder may apply to the Board of Directors by registered letter and ask for the annotation of the date and number of Board of Directors resolution regarding the approval of transfer by the Bank and that it has been entered into the Book of Shares.

ARTICLE 10
FOUNDER AND USUFRUCT SHARES

- a) One hundred (100) registered shares have been issued and delivered at the foundation of the Bank.
- b) Holders of founding shares may benefit from the net profit of the Bank in the rate specified in the relevant article of the Articles of Association, and in the event that liquidation shall be resolved, they will get a share from the net profit to accrue in the liquidation balance again in the rate and on the bases as mentioned in the above-mentioned article of the Articles of Association after the prices of shares shall be paid to the shareholders.
- c) The General Assembly may resolve for the issuance of (Usufruct Shares) by way of amending the Articles of Association upon proposal of the Board of Directors. Usufruct Shares entitle their holders to get a dividend pro rata to rate mentioned in the article of the Articles of Association on the allocation and distribution of net profit.
- d) If and when the Bank wishes so, it may purchase the founder shares offered for sale, for disposal purposes.
- e) Dividend coupons of founder shares and Usufruct Shares are payable to the bearer and dividends shall be payable to the person presenting the coupon.

ARTICLE 11
GENERAL ASSEMBLY MEETINGS

The Bank's General Assembly meets ordinarily or extraordinarily with the quorum as shown in the specific law. Ordinary General Assembly meetings are held within three months from the end of annual accounts period.

ARTICLE 12
CALLING GENERAL ASSEMBLY TO A MEETING

- a) Calling the General Assembly to an ordinary meeting is the duty of the Board of Directors and calling it to an extraordinary meeting is the duty of both the Board of Directors and in the event there are imperative and urgent causes of the auditors.
- b) Calling the General Assembly to a meeting will be announced in the Commercial Registry Gazette and in at least one newspaper being published at the city where the Bank Headquarters is located, at least two weeks in advance of the meeting date excluding the dates of announcement and meeting. The announcements must include the place, date, hour and agenda of meeting. Moreover, Ordinary General Assembly invitation announcements shall specify that the balance sheet, profit and loss statement, Board of Directors' and Auditors' reports will be open to inspection of the shareholders at the Bank Headquarters and Branch Offices at least fifteen days in advance of the date of meeting.
- c) Meeting place, date, hour and the agenda of the General Assembly will be notified by the Bank's General Directorate to the Ministry of Industry and Commerce and Banking Regulation and Supervision Board two weeks in advance of the date of meeting, also by adding any other documentation relevant to the meeting.

ARTICLE 13
VENUE OF GENERAL ASSEMBLY MEETINGS

The General Assembly meets at the Bank's headquarters or at a convenient place of the city where the Bank's headquarters is located.

ARTICLE 14

GENERAL ASSEMBLY MEETING AND RESOLUTION QUORUM

Meeting and resolution quorum specified in the Turkish Commercial Code shall be observed in General Assembly meetings.

ARTICLE 15

METHOD OF VOTE CASTING AT THE GENERAL ASSEMBLY MEETINGS

Votes are cast by raising hands at the General Assembly. Written voting is made upon request of at least 10% of the shares representing attending shareholders or their proxies and representatives. In which case, the Chairman takes necessary measures so as to ensure confidentiality.

ARTICLE 16

MANAGEMENT AND THE MINUTES OF GENERAL ASSEMBLY MEETINGS

Attendance of a Government Officer from the Ministry of Industry and Trade in the General Assembly is imperative.

After the Government Officer from the Ministry of Industry and Trade establishes that the required quorum is completed, the meeting will be opened by the Chairman, its deputy or one of the Board members. The Meeting Council consists of a Chairman, two vote collectors and a secretary which will be elected by the General Assembly. If and as necessary, a deputy chairman, more than two vote collectors, and more than one secretaries may also be elected. The Meeting Council will write the negotiations or their summaries and resolutions to the book. The General Assembly, may resolve the signature of meeting minutes by the Council, opposition annotations of those shareholders or proxies opposing the resolution are written into the meeting minutes and signed by such members. Meeting records are not valid unless they are signed by Government Officer from the Ministry of Industry and Trade. General Committee resolutions are binding upon all shareholders whether or not they were available at

the meeting, and whether or not they have accepted, opposed to or abstained against the resolution, the Bank and Bank organs. The shareholders' rights to file a lawsuit for the cancellation of resolutions as per articles 361 and 381 of the Turkish commercial Code are reserved.

ARTICLE 17

FORMATION AND FUNCTIONS OF THE BOARD OF DIRECTORS

- a) Bank Board of Directors forms of at least five persons to be elected by the General Assembly. Where the General Manager is not available, its deputy is the natural member of the Board of Directors and is entitled to vote. The General Committee may at any time replace members of the Board of Directors.

Provisions of article 23 of the Banking Law and article 315 of the Turkish Commercial Code are reserved.

- b) The Board of Directors has an absolute power in carrying out all sorts of commitments and actions in relation to the management of Bank operations and properties and to the purpose and subject of foundation as per the provisions of effective regulations and this Articles of Association, and it is entitled to apply to arbitration, come to an amicable agreement and to acquit.
- c) In this regard, the Board of Directors has been entitled to issue Asset-Based Securities as per article 13 of the Capital Market Law provided that it shall comply with the provisions of the Turkish commercial Code and the Capital Market Law. Moreover, the Board of Directors has also been entitled to issue all sorts of securities and capital-like loans, including bonds replaceable with shares abroad.

ARTICLE 18

MEMBERS OF THE BOARD TAKING OATH AND MAKING STATEMENT OF THEIR ASSETS

Before entering upon duty, Chairman, Deputy Chairman or members of the Board are obliged to take oath as per the provision of article 27 of the Banking Law.

Chairman, Deputy Chairman or members of the Board are obliged to make a statement of their assets as per article 27 of the Banking Law. This obligation continues throughout their

term of office and such statements must be renewed at the latest end of February of the years ending with (0) and (5).

ARTICLE 19

DISTRIBUTION OF DUTIES, MEETINGS AND RESOLUTIONS OF THE BOARD OF DIRECTORS

The Board of Directors elects a chairman, and a deputy chairman to conduct chairman's duties in its absence in its first meeting following the election.

As and when required by Bank operations and transactions, and at least once in every month the Board of Directors meets at the company headquarters. Provided that written notification will be sent to the Chairman, Deputy Chairman and all of the members of the Board of Directors, the Board of Directors may meet at any convenient site in the city where the headquarters is located or in another city. Absolute majority of the number of members must participate in the meeting in order that the Board of Directors to meet. Board of Directors resolutions, are taken with the affirmative votes of absolute majority of those present in the meeting. Unless there is a request for negotiation by one of the chairman, deputy chairman or members of the Board of Directors, resolution may be taken by way of getting others' written consent to a proposal on a specific subject also.

Resolutions of the Board of Directors are written down into the Book of Board of Directors and signed as per article 28 of the Banking Law.

ARTICLE 20

REPRESENTATION OF THE BANK

The Bank shall be administered, represented and put under obligation by the Board of Directors. Provisions of the Banking Law in relation to entitling region and branch managers and general manager to represent and put the Bank under obligation and the provisions of articles 318 and 319 of the Turkish Commercial Code are reserved. In order that the documents, instruments and papers issued and contracts executed on behalf of the Bank to become valid and binding on the Bank, they have to be signed by signatories whose signatory powers and degrees are decided by the Board of Directors, registered at the Trade Registry and announced via the Commercial Registry Gazette under the Bank seal.

ARTICLE 21

TERM OF OFFICE AND REMUNERATION OF THE BOARD OF DIRECTORS

Members of the Board of Directors may be elected for a maximum period of three balance years. Members may be reelected. The General Assembly determines the term of office of the members of the Board of Directors. As per the provision of article 315 of the Turkish Commercial Code, new members are elected in place of members whose terms of office have terminated.

The attendance fee of the chairman, vice chairman and members of the Board of Directors are determined by the General Assembly of the Shareholders. The Board of Directors, within the provisions of the related law, may delegate all or some of its authority to managing director or managing directors who are Board Members or to Bank's General Manager to act severally or jointly. When it deems necessary the Board of Directors may decide that some Board Members will operate specific business and duties. The salary, wage, bonus, premium, indemnity or other payments to be made to the managing directors and the Board Members who will operate specific business and duties are determined by the Board of Directors or a Committee authorized by the Board of Directors.

ARTICLE 22

FORMATION, POWERS AND SUPERVISION OF THE CREDIT COMMITTEE

The Board of Directors forms a Credit Committee of three members in order to carry out the functions as listed under the Banking Law, formed of two members to be elected from among the Chairman, Deputy Chairman and members of the Board of Directors and one from among General Manager or its deputy.

Moreover, two substitute members shall be elected to take duty instead of each principal member not participating in any meeting of the Credit Committee.

Unanimous resolutions taken by the Credit Committee are implemented directly; the resolutions given by majority by the Credit Committee are implemented after the approval of the Board of Directors.

The Board of Directors is obliged and in charge to supervise the resolutions and activities of Credit Committee.

Each one of the Chairman, Deputy Chairman and members of Board of Directors is entitled to ask for information on the activities of the Credit Committee and to make any audit it deems necessary.

ARTICLE 23

CREDIT COMMITTEE MEMBERS TAKING OATH AND MAKING STATEMENT OF THEIR ASSETS

Each member of the Credit Committee are obliged to take oath and make statement of their assets as per the provision of article 27 of the Banking Law.

ARTICLE 24

RESOLUTIONS OF THE CREDIT COMMITTEE

Resolutions of the Credit Committee are entered into the specific Book and signed by its members as per the provision of article 28 of the Banking Law.

ARTICLE 25

APPOINTMENT OF BANK'S GENERAL MANAGER AND VICE GENERAL MANAGERS

The General Assembly or the Board of Directors elects a General Manager and sufficient number of Vice General Manager. Terms of office of General Manager and Vice General Manager are not limited to the terms of office of the members of Board of Directors. Functions and powers of General Manager and Vice General Manager are determined according to the related provisions of the Turkish Commercial Code and Banking Law.

ARTICLE 26
REQUIREMENTS FROM GENERAL MANAGER AND VICE GENERAL
MANAGERS

The general manager of a bank must have at least undergraduate degrees in the disciplines of law, economics, finance, banking, business administration, public administration and related fields and those that have undergraduate degrees in engineering fields must have a graduate degree in the aforementioned fields, and they must have at least ten years of professional experience in the field of banking or business administration.

Deputy general managers must have at least seven years of professional experience and minimum two thirds of them must have at least undergraduate degree in the disciplines listed in the first paragraph.

ARTICLE 27
STATEMENT OF ASSETS OF GENERAL MANAGER AND VICE GENERAL
MANAGERS

General Managers and Vice General Manager having first degree signatory right are obliged to make statement of their assets as per provision of article 27 of the Banking Law.

ARTICLE 28
QUANTITY, QUALITY, TERMS OF OFFICE, PRINCIPAL DUTIES AND POWERS,
AND REMUNERATION OF AUDITORS

The Bank will be audited by a board of auditors formed of two to five members. The General Committee determines the number of Auditors to form the Board of Auditors at every election period, and elects that number of auditors. Auditors may be elected from among shareholders or non-shareholders. General Committee may change the auditors at any time.

Auditors are required to be elected from among persons who have undergraduate degree, and experience and knowledge in banking.

Auditors are elected for a maximum term of three years. They may be reelected.

Auditors are obliged to issue the annual reports as per the provisions of the Turkish Commercial Code and the reports as required by the Banking Law and other regulations and to submit their reports within one month following the period in question to the Board of Directors and to the Banking Regulation and Supervision Board. Provisions of the Turkish Commercial Code on auditors are reserved.

Remuneration of the auditor will be determined by the General Committee. An international or a national independent audit firm will be appointed as external auditor by the Board of Directors for auditing the Bank.

ARTICLE 29 BANK INSPECTORS

Sufficient number of inspectors will be appointed to audit the compliance of Bank's banking transactions and deposits acceptance with the banking principles and the regulation in effect.

ARTICLE 30 ACCOUNT PERIOD

Bank's account period is the calendar year. However, first account period starts from the exact date of foundation of the Bank and ends on December 31 in that year.

ARTICLE 31 BALANCE SHEET, PROFIT AND LOSS STATEMENTS, REPORTS OF BOARD OF DIRECTORS AND AUDITORS

At the end of each account period, balance sheet, profit and loss statement and Board of Directors and Auditors' reports are produced for that specific account period. Balance sheet,

profit and loss statement, reports of Board of Directors and Auditors shall be kept available to inspection of the shareholders fifteen days in advance of the General Assembly Meeting date.

ARTICLE 32

DETERMINATION OF NET PROFIT

The amount remaining after the deduction of the Bank's all sorts of paid or accrued expenses, amortizations, various provisions, remunerations and attendance fees of Chairman, Deputy Chairman and members of the Board of Directors, salaries of General Manager, Vice General Managers, officers and employees, auditors and other salaried personnel, interests, premiums, returns, dividends and other expenses for the year-end incomes shall be the Bank's net profit.

ARTICLE 33

ALLOCATION AND DISTRIBUTION OF NET PROFIT

Net profit of the Bank shall be allocated and distributed as follows after deduction of legal and financial obligations:

- a) Five percent as (general) reserve from net profit before tax,
- b) An amount corresponding to five percent of the Bank's capital will be set apart for the shareholders as 'First Net Profit) without regard to the date of payment; and of the net remaining profit,
- c) Ten percent to be set apart for payment to founding (usufruct right) share holders based on the balance sheet of the year that the net profit accrued. And of the net profit after its deduction,
- d) Maximum five percent thereof may be allocated to the members of the Board and corporate executives, including the General Manager.
- e) Of the net profit from the distributions and allocations mentioned above, an amount to be determined by the general assembly to be set apart for the shareholders as (second dividend) without regard to the dates of payment of the capital,
- f) One tenth of dividends decided for distribution as per paragraphs (c, d and e) hereof shall be added to the legal (general) reserve as a requisite of article 466/3 of the Turkish Commercial Code.

- g) The General Assembly is entitled to transfer all or part of the net profit to remain after the distribution and allocation of reserves in paragraph (a) herein and dividends in paragraphs (b and c) to the next year or set apart as extraordinary reserve. If it deems necessary, the Board of Directors may make proposals to the General Assembly for this purpose.
- h) As per paragraph (d) hereof, how the dividend allocated to relevant persons including the natural member General Manager, members of the Board and corporate executives shall be decided by the Board of Directors.
- i) Dividend is payable only from net profit. Dividend may not be distributed unless the reserves mentioned in paragraph (A) herein shall be set apart.
- j) Date of payment of dividends to be distributed as per the provision hereof shall be determined by the Board of Directors.
- k) Provisions of paragraphs (b and e) shall apply also on the dividends decided for distribution to the shareholders as per the General Assembly resolution of the extraordinary reserves.
- l) Dividends distributed as per provisions of this Articles of Association may not be redeemed. Provision of article 473 of the Turkish Commercial Code is reserved.

ARTICLE 34
RESERVES AND USAGE

- a) The Bank sets apart legal reserves until they reach twenty percent of the Bank capital. In the event that the amount of legal reserves reaching twenty percent of the Bank capital decreases for any reasons whatsoever, legal reserves shall be set apart until the missing part will be completed.
- b) Unless legal reserves (general reserve) exceed half of the main capital, it may be spent particularly for covering losses, to sustain business when business is not good, prevent unemployment and take measures to mitigate its results.
- c) Within fifteen days as from the date of approval by the General Assembly of the balance sheet, the amount corresponding to the legal reserves as per provision of article 466 of the Turkish Commercial Code must be deposited into the “Government Bond Account against Legal Reserves Account” to be opened with the T.R. Central Bank as legal reserve. When losses are required to be covered by legal reserves, provisions corresponding to the reserves used to cover losses are returned to the Bank by the T.R. Central Bank.

- d) The Board of Directors is entitled to use the voluntary (extraordinary) reserves as it wishes and may propose to the General Assembly that an amount it deems necessary to be distributed as dividend. Voluntary (extraordinary) reserves may also be used gradual issuance of capital and purchase and disposal of founder (usufruct) shares.

ARTICLE 35

ANNOUNCEMENTS RELATED TO BANKING OPERATIONS

- a) Provided that the issues that the regulations require for announcement in the Turkish Registration Gazette shall be reserved and provided that otherwise is regulated, announcements of the Bank are made through a daily newspaper being published at the city where the Bank Headquarters is located in consideration of legal times.
- b) It is imperative to announce an extract of the balance sheet and the profit and loss statement certified by the auditors in the Official Gazette within one month following the General Assembly meeting and in a nationwide daily newspaper.
- c) The announcements to be made shall observe the Capital Market Law and provisions of relevant regulations.

ARTICLE 36

ANNUAL REPORTS AND ACCOUNTS

The Bank may also submit three copies of the annual Board of Directors and Auditors reports, balance sheet, profit and loss statement and list of attendants to the Government Officer from the T.R. Ministry of Industry and Trade within one month following the meetings.

Annual financial reports that are deemed necessary for issuance by the Capital Market Board shall be approved by the independent audit firms and will be submitted and announced to related bodies within the procedures and principles determined by the Banking Regulation and Supervision Board.

ARTICLE 37
DELIVERY OF ARTICLES OF ASSOCIATION

One copy of this Articles of Association will be sent to the Ministry of Industry and Trade, Banking Regulation and Supervision Board and the Capital Market Board.

ARTICLE 38
REFERENCES TO PROVISIONS OF LAW

For the issues that are not regulated herein, relevant provisions of the Banking Law, Turkish Commercial Code and other regulations shall apply. In the event of amendment in laws, decrees in the force of laws and other regulations, practice will continue according to the amended provisions of relevant regulations.