

İŞBANK'S DIVIDEND DISTRIBUTION POLICY

İşbank's principles of dividend distribution are set by article 58 of the Articles of Incorporation. According to this article, after deducting all general expenses from the income arising from the operations of the Bank within a year, including premiums and bonuses and similar payments to the personnel of the Bank, and funds for all kinds of depreciations, as well as necessary provisions, the net profit obtained shall partly be set aside as contingency reserves and partly distributed in the order, manner and at the rates indicated below:

- a) 1- 5% to statutory reserve fund,
- 2- 5% as provision for probable future losses,
- 3- 10% as first contingency reserve

If the cause for setting aside of a provision and fund for a probable future loss and/or risk doesn't exist anymore, the remaining fund will be added to first contingency reserve (a/3) after distribution of net profit referred to in paragraph (a).

- b) From the balance of the net profit after the reserve fund referred to in paragraph (a) above have been set aside, an amount equal to 6% of the paid up capital represented by Group A, B and C share certificates, shall be distributed to shareholders as the "first dividend".

Should the profit realized in any year be insufficient to provide for the first dividend of 6% referred to above, the balance shall be made up and distributed out of the contingency reserve fund. Provided, however, that any amount thus taken out of the reserve fund shall constitute a charge to be made up out of the profits to be realized in the subsequent years.

- c) After the reserved fund and the first dividend referred to in paragraphs (a) and (b) above have been provided for, the balance of the net profit shall be set aside and distributed as follows:
 - 10% for founder shares (limited to the portion of TL 250 thousand – two hundred and fifty thousand –of paid capital)
 - 20% to the employees of the Bank, and
 - 10% as second contingency reserve.
- d) After the amounts set forth in paragraphs (a), (b) and (c) have been set aside and distributed, the balance shall be distributed to the shareholders as "second dividend" in the manner stated below and taking into consideration paragraph (e).

1-The net total of the dividends to be distributed to the holders of Group (A) shares as first and second dividends under paragraphs (b) and (d) may be not exceed 60% of the capital paid up by them, the net total of the dividends to be distributed to holders of Group (B) shares may not exceed 30 % of the capital paid up by them, and the net total of the dividends to be distributed to holders of Group (C) shares may not exceed 25% of the capital paid up by them.

2-After the amounts set forth in paragraphs (a), (b) and (c) have been set aside and distributed, should the balance be insufficient to distribute the second dividend in the manner specified by the paragraph (1) above, twice the amount of the paid up capital represented by Group (A) shares the actual amount

of the capital represented by Group (B) shares, and the 5/6 (five sixth) amount of the capital represented by Group (C) shares shall be taken as the basis, and, total dividends to be paid to the three Groups of shares shall be calculated separately in the distribution of the second dividend.

- e) The amount that needs to be added to the statutory reserve under paragraph 2/c of Article 519 of the Turkish Commercial Code, shall be set aside.
- f) The General Assembly shall, upon proposal of the Board of Directors, decide whether the balance remaining after the distribution and allocation of the net profit as specified above shall be transferred to the extraordinary reserve funds, or carried over to the following year, or up to 80% of such amount be distributed to the shareholders by dividing of the same by the number of shares and the remaining balance be transferred to the extraordinary reserve funds or carried over to the following year.

In the calculation of the dividends to be paid to all three Groups of shares; group A shares will be considered as 40 times the share quantity, due to the reason that 20 Group (A) shares each with a nominal value of TL 500 (this amount is related to the period prior to the Law regarding the Monetary Unit of the Turkish Republic (No:5083) on which the rate of change has not been applied) have been changed with 1 Group (A) share with a nominal value of 1Kurus, Group B shares will be considered as 1.5.times of the share quantity, and Group C shares will be considered as the same quantity.

The dividends are distributed within the scope of the related legislation in a manner and at a time determined by General Assembly.