

**MINUTES OF THE ORDINARY GENERAL ASSEMBLY  
OF KUWAIT TURKISH PARTICIPATION BANK INC. DATED 28/03/2019**

Ordinary General Assembly of Kuveyt Türk Participation Bank Inc. was held on 28/03/2019, at 15:00 o'clock at Büyükdere Cad. 129/1 Esentepe-Şişli/İSTANBUL in meeting room of Head Office with the participation of Mr. Elif Doğan and Mr. Levent Çetin who were designated by Ministry of Customs and Trade Istanbul Office as representatives with the letter dated 27/03/2019 and Nr: 42964419.

Public announcement regarding the Assembly had been published and announced in Turkish Trade Registry Gazette dated 08/03/2019, issue Nr: 9783 and in Dünya Gazette dated 08/03/2019 pursuant to laws and regulation. Moreover shareholders had been called for the Assembly via registered letter, which has been posted on 08/03/2019 from Post Office of Mecidiyeköy. It was clearly understood that out of 3.500.000.000- total shares of the Company representing the paid-up capital of 3.500.000.000- TL, 3,862,722 shares had been represented by the principal persons and 3,463,823,126 shares by the legal representatives, totaling 3,467,685,848 The legally required majority was present and therefore with the presence of Ministry of Trade representative the opening of the Assembly was declared legally. The meeting had been opened by Mr. Ufuk UYAN, CEO and member of Board to discuss the agenda.

In accordance with first article of the agenda, Mr. Ufuk UYAN started election of Chairman of the Presidency Council in order to form Presidency Council. Suggestions were collected, one of our shareholders named Mr. Tufan KARAMUK was suggested Mr. Ö. Asım ÖZGÖZÜKARA and there was no any other suggestion. Therefore, suggestion was voted.

**In Compliance with the First Article of the Agenda**

Mr. Ö. Asım ÖZGÖZÜKARA was elected as the Chairman of the Presidency Council unanimously. Pursuant to related article of Incorporation, to form the presidency council, the Chairman of the Presidency Council, chose Mr. Ahmet KARACA and Mr. Tufan KARAMUK as voting officers, and Mr. Bekir HALAÇOĞLU as secretary. Members of the presidency council submitted to the General Assembly's approval and approved unanimously.

Member of the Board and General Manager Mr. Ufuk UYAN seated the Members of the Presidency Council, started the meeting and after expressing his best wishes he declared that he has left the management of meeting to the Presidency Council.

It has been witnessed that the Mr. Ufuk UYAN and Mr. Mohamad Al Midani as member of the Board and Miss Melis TİGRAK as independent audit firm representative attended the meeting.

The Chairman of the Presidency Council expressed his best wishes and started the discussions on the articles of agenda.

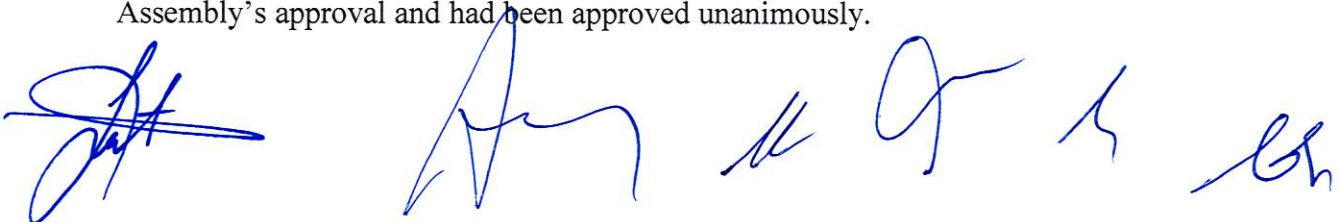
**In Compliance with the Second Article of the Agenda**

It had been unanimously resolved to grant authority to the Presidency Council to sign the minutes of the Assembly on behalf of the Shareholders.

**In Compliance with the Third Article of the Agenda**

Annual Report of 2018 has been read by Mr. Ufuk UYAN, Board Member and CEO.

There were no comments. After that the Annual Report had been submitted to the General Assembly's approval and had been approved unanimously.





#### **In Compliance with the Fourth Article of the Agenda**

Financial Statements of 2018 and its annexes had been read and explained to the Assembly by Mr. Ahmet Karaca.

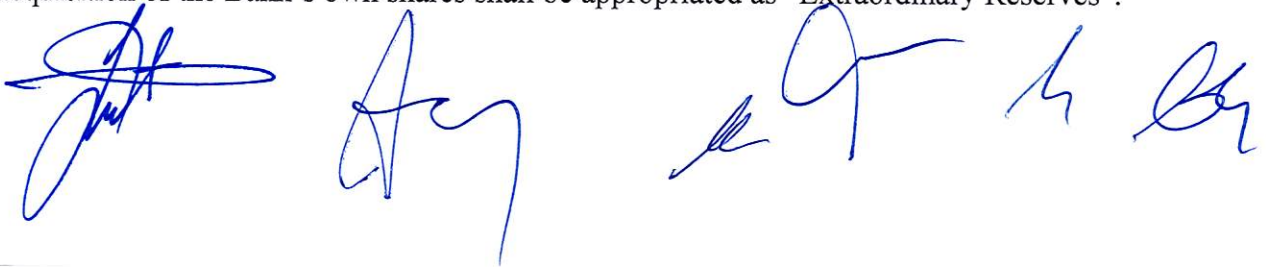
There were no comments. The issue had been submitted to the General Assembly's approval and approved unanimously.

#### **In Compliance with the Fifth Article of the Agenda**

In accordance with the Board of Directors' proposal, the following profit appropriation for 2018 had been submitted to the approval of the General Assembly, there were no comments and approved unanimously.

Accordingly, after deducting the financial obligations from the profit of the year 2018, the following profit appropriation proposal out of the remaining TL 869,812,485.- shall be submitted to the approval of General Assembly Meeting;

1. In accordance with the Article 49/1-1 of the Articles of Association, effective during the accounting period, 5 % of the profit TL 43,490,624.- shall be appropriated as the 1st Legal Reserves,
2. In accordance with the Article 49/1-2 of Articles of Association, effective during the accounting period, profit originated from the banking activities and subject to the Corporate Tax shall be appropriated as shareholders' dividend,
3. TL 318,925.- which is provided in compliance with the 3th Article of the Law Nr. 5746 about the Support of Research and Development Activities will be forwarded to other reserves and then will be used in capital increase as from the retained earnings. Against this capital increase shareholders will be given bonus shares in proportion to their shares,
4. In accordance with article 5/1-k of Corporate Tax Law nr.5520 TL 71,860,838.-, profit from sale of real estates will be forwarded to other reserves (special fund),
5. In accordance with the Article 49/1-3 of the Articles of Association effective during the accounting period; TL 6,545,882.- portion of remaining profit shall be paid to the Board Members as the dividend,
6. TL 654,588.- shall be appropriated as the 2nd Legal Reserves in accordance with the Article 49/2 of the Articles of Association effective during the accounting period ,
7. In accordance with the Article 49/1-3 of the Articles of Association effective during the accounting period ; TL 499,681,075.- portion of remaining profit shall be distributed to the shareholders for bonus capital increase and against this capital increase shareholders shall be given bonus shares in proportion to their shares,
8. In accordance with the Article d 49/1-3 of the Articles of Association effective during the accounting perio, TL 247,260,553.- portion of remaining profit shall be appropriated as "Extraordinary Reserves",
9. Provided that the General Assembly has resolved, the dividend which arise from the acquisition of the Bank's own shares shall be appropriated as "Extraordinary Reserves".





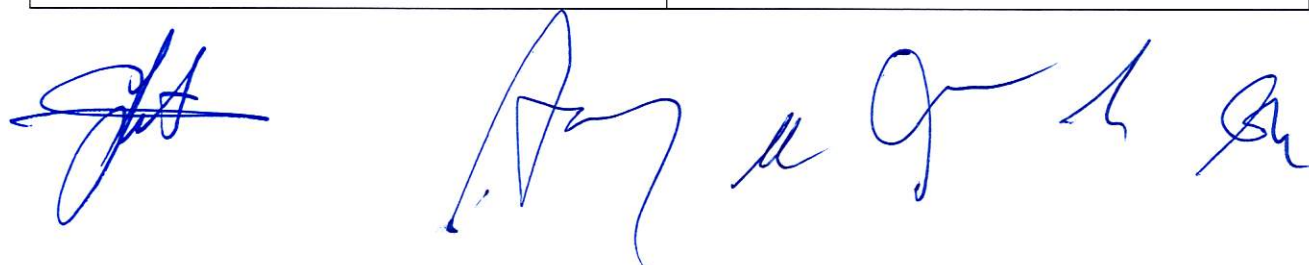
### **In Compliance with the Sixth Article of the Agenda**

2018 Independent auditor's opinion had been read by Miss Melis Tigrak, and negotiated. There were no comments.

### **In Compliance with the Seventh Article of the Agenda**

Based on the preliminary permission dated 01 March 2019, Nr. 43890421-101.01.04-E3067 of Banking Regulatory and Supervisory Board following the approval of Ministry of Trade - Internal Trading General Directorate dated 05 March 2019, Nr. 50035491-431.02-E-00042277531 the change in 7<sup>th</sup> article which concludes, the Bank's raise its nominal capital from TL 3.500.000.000.- to TL 4.000.000.000.- was discussed and approved unanimously as submitted below:

| <b><u>OLD TEXT</u></b>   | <b><u>NEW TEXT</u></b>   |
|--|--|
| <b>CAPITAL AND SHARES</b>  | <b>CAPITAL AND SHARES</b>  |
| <b>ARTICLE 7</b>   | <b>ARTICLE 7</b>   |
| <p>The capital of the Bank is TL 3,500,000,000 (Three billion and five hundred million Turkish Lira) which is divided into 3,500,000,000 (Three billion and five hundred million) shares each with a nominal value of TL 1.- The shares are issued in the name of the shareholders.</p> <p>Out of TL 3,500,000,000 (Three billion and five hundred million Turkish Lira) capital;</p> <p>a) TL 3,100,000,000 (Three billion and one hundred million Turkish Lira) is fully paid.</p> <p>b) The TL 387,142,446.- (Three hundred eighty seven million one hundred forty two thousand four hundred forty six Turkish Lira) of the increased amount of 400,000,000 (Four hundred million Turkish Lira) is provided in full from the profit of 2017 (fully from internal resources). Against this capital increase shareholders will be given bonus shares in proportion to their shares.</p> <p>The added capital of TL 439,121.- (Four hundred thirty nine thousand one hundred and twenty one Turkish Lira) is provided from the profit of Bank earned within the scope of the Law no 5746 and transferred to the other reserves (fully from the internal sources) in 2017. Against this capital increase shareholders will be given bonus shares in proportion to their shares.</p> <p>The added capital of TL 12,418,433.- (Twelve million four hundred eighteen thousand four hundred thirty three Turkish Lira) is provided from the profit of Bank earned within the scope of the Law no 5520 Article 5/1-f and has been kept in the other reserves (special fund).</p> | <p>The capital of the Bank is TL 4,000,000,000 (Four billion Turkish Lira) which is divided into 4,000,000,000 (Four billion) shares each with a nominal value of TL 1.- The shares are issued in the name of the shareholders.</p> <p>Out of TL 4,000,000,000 (Four billion Turkish Lira) capital;</p> <p>a) TL 3,500,000,000 (Three billion and five hundred million Turkish Lira) is fully paid.</p> <p>b) The TL 499,681,075.- (Four hundred and ninety nine million six hundred and eighty one thousand seventy five Turkish Lira) of the increased amount of 500,000,000 (Five hundred million Turkish Lira) is provided in full from the profit of 2018 (fully from internal resources). Against this capital increase shareholders will be given bonus shares in proportion to their shares.</p> <p>The added capital of TL 318,925.- (Three hundred and eighteen thousand nine hundred and twenty five Turkish Lira) is provided from the profit of Bank earned within the scope of the Law no 5746 and transferred to the other reserves (fully from the internal sources) in 2018. Against this capital increase shareholders will be given bonus shares in proportion to their shares.</p> |





### **In Compliance with the Eighth Article of the Agenda**

The services of the Board Members has been negotiated. The Members of Board of Directors was separately acquitted by the General Assembly for their services in 2018 unanimously. The Board Members did not vote for their own acquittal.

### **In Compliance with the Ninth Article of Agenda**

The proposal, which have given for this article has opened for discussion and after the negotiation it has been approved unanimously that for the year 2018, reserving the board dividend amount in the item of agenda related to profit distribution, the Chairman and the Board Members shall be paid Net USD 880,000 for their work and services due to their duties in the committees or other positions which they have been appointed/ selected by the Board of Directors as a fee (the payments could be attendance fee, remuneration, bonus or in any other name) and to authorize the Board of Directors to determine the date of payments and the distribution of the amounts among the members.

### **In Compliance with the Tenth Article of the Agenda**

Regarding the election of independent audit firm; in accordance with the proposal of the Audit Committee with the decision dated 26/03/2019 and Nr. 316 and the Board's proposal decided on dated 27/03/2019 with Nr. 1744 to the General Assembly, election of Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (an affiliated firm of Ernst&Young) as independent audit firm in order to perform the independent audit activities for the year 2018, according to the Turkish Commercial Law's 399. Article was approved unanimously.

### **In accordance with Eleventh Article of Agenda;**

In accordance with the related articles of Banking Law nr.5411, Mr. Ahmet KARACA has informed to General Assembly about the audit activities of the year 2018.

### **In accordance with Twelfth Article of Agenda;**

Mr. Ahmet KARACA informed the shareholders in detail about the amount, method of distribution and expending of the amount other than the paid in cash of personnel bonus provisions set aside from the profit of 2018 in accordance with the Bank's Compensation Committee's decision dated 29.01.2019, Nr 19. and written statement of BRSA dated 15/03/2019, Nr. 43890421-101.02,01[93]-E.3764, regarding the profit distribution as mentioned in the information note signed by Mr Ufuk UYAN.

### **In accordance with Thirteenth Article of Agenda;**

It has been unanimously resolved to approve reflecting participation accounts' portion of provision expenses, which set aside according to 19/2 article of "Principles and Procedures on the Classification of Loans and Provisions to be Reserved for these Loans" of BRSA, to the expense accounts. Turkish Commercial Code's related provisions reserved.

### **In accordance with Fourteenth Article of Agenda;**

It has been unanimously resolved to grant authority to the Board of Directors to take decisions about the possible losses that may occur in the participation fund pools established for the purpose of operating the funds collected in the participation accounts pursuant to the tenth paragraph of Article 6 of the By-Law on the Acceptance, Withdrawal and Time Out of the Deposit and Participation Fund, Deposit and Participation Fund issued by the BRSA; compliance with the authorization of the Board of Directors to take decisions to be taken from the shareholders' equity when necessary.

### **In accordance with Fifteenth Article of Agenda;**

It has been unanimously resolved that the Board of Directors is permitted to execute any transactions mentioned in Article 395 and 396 of the Turkish Commercial Code.



**In accordance with Sixteenth Article of Agenda;**

There were no comments. Mr.Bahaddin Ustaosmanoğlu asked to management that there is any profit distribution, so is there any solution for selling the shareholders. Mr Ufuk Uyan stated that “we are trying to our best for selling the share in real value.

Mehmet Nur Doğan Ural asked that “is there any plan to a public offering”

Mr Ufuk Uyan stated that “as I mentioned before we have planned to a public offering procedure but we have to follow the market conditions”

Assembly has been closed since there was no other article left to be discussed in the Agenda.

**Representatives of  
Ministry of Trade**

Elif Doğan



Levent Çetin



**Voting Office**  
Ahmet KARACA



**Voting Office**  
Tufan KARAMUK



**Chairman of the  
Presidency Council**  
Ö.Asım ÖZGÖZÜKARA



**Secretary**  
Bekir HALAÇOĞLU

