

Profit Distribution Policy

Issues about VakıfBank's profit distribution are regulated in Article 9 of VakıfBank's Law No. 6219 and Article 35 of Articles of Incorporation. According to this, from the annual profit of the Bank, the following amounts shall be distributed to:

- a) 5% to the ordinary reserve up to the amount of paid-in capital,
- b) 5% to the first extraordinary reserve,
- c) 9% to the employees as dividend premium to be distributed within the principles determined by the Board of Directors as limited to three months gross salary of the employee,
- d) To the second extraordinary reserve from remaining balance in the amount that will be determined by the General Assembly in case of a necessity for the Bank to continuously improve and to provide its steady profit distribution or reinstate the assets according to Article 523/2 of the Turkish Commercial Code.

The remaining ordinary reserve is allocated for the possible losses that will occur in the future and first extraordinary reserve is allocated to retrieve the extraordinary losses of the Bank.

The General Assembly can decide to use the second extraordinary reserve for reinstating the assets or continuous improvement of the Bank and providing its steady profit distribution. Meanwhile, it can be also decided to use the excess capital from the capital increase partially or totally in this sense.

According to the profit distribution policy, a balanced policy is pursued between the benefits of the shareholders and partnership.

VakıfBank determines its profit distribution policy by considering the compliance of the Banking Regulation and Supervision Agency and meeting the targeted standard ratios stated in the Protective Provisions of Banking Law No. 5411 with prospective growth strategy, financial needs, general economic conditions and capital adequacy ratio.

Each year, the Board of Directors submits its profit distribution proposal to the General Assembly. The profit distribution proposal of the Board of Directors is discussed and decided in the General Assembly and announced to the public through Public Disclosure Platform on the same day.

Profit is distributed in line with the date and way determined by the General Assembly within the scope of relevant legislation.