

MINUTES OF THE ORDINARY GENERAL SHAREHOLDERS' MEETING OF GARANTI BANK A.Ş. HELD ON MARCH 30, 2017

The Ordinary General Shareholders' Meeting of Garanti Bank A.Ş. for the year 2016 was held on 30 March 2017 at 10.00 a.m. at the address of Levent, Nispetiye Mahallesi, Aytar Caddesi No: 2 Beşiktaş - Istanbul, under the supervision of the representatives of the Ministry of Customs and Trade Devrim Demircan and Metin YONEY, authorized by The Republic of Turkey, Istanbul Governorship Provincial Office for Trade's letter dated 29.03.2017 and numbered 23800637

The invitation to the meeting, including the agenda, was announced three weeks prior to the meeting date calculated by excluding the announcement and meeting dates in accordance with the relevant legislation and the Articles of Association, in the Turkish Trade Registry Gazette dated 08 March 2017, numbered 9279 and, in the Sabah and Hurriyet Newspapers dated 08 March 2017, on the Bank's websites at www.garanti.com.tr and www.garantiinvestorrelations.com, on the Public Disclosure Platform and on the Electronic General Assembly System and e-Company Information Portal of the Central Registry Agency.

Pursuant to paragraphs 5 and 6 of article 1527 of the Turkish Commercial Code, the Bank's preparations for its Electronic General Shareholders' Meeting were carried out in compliance with the regulations, and the General Shareholders' Meeting started simultaneously on physical and electronic platforms. Ömer ÇİRKİN was assigned the task of handling the Electronic General Assembly System.

Murat ALSAN ve Merih KOÇUM, the representatives of the Bank's auditor and group auditor Akis Bağımsız Denetim Ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (KPMG) were present at the meeting.

Upon examination of the Attendance List, it was concluded that out of the 420,000,000,000 shares equivalent to the Bank's issued capital of TRY 4,200,000,000; a total of shares corresponding to TRY 3.499.042.993,78 were present in the meeting with shares corresponding to TRY 58.958,72 being represented in person and shares corresponding to TRY 3.498.984.035,06 being represented by proxy whereas shares corresponding to TRY 1.403.176.878,50 were represented by the representatives of the depositors. Therefore the minimum meeting quorum set forth in the legislation and the Articles of Association was met.

The Meeting was opened by Board Member/General Manager Ali Fuat ERBİL in accordance with Article 34 of the Bank's Articles of Association and the Internal Directive for the Working Methods and Principles of the General Assembly.

1-) In order to establish the Board of Presidency, the proposal given by İhsan Can ARGON, the representative of Banco Bilbao Vizcaya Argentaria S.A, was read and voted.

Upon the proposal that was submitted, with affirmative votes of shares corresponding to TRY 3.499.042.993,78; it was resolved that Avni Aydın DÜREN be elected as the President of the Meeting.

The President of the meeting assigned İhsan Can ARGON as the vote collecting clerk and Gizem Duygu SELVİ as the secretary for writing the minutes of the meeting.

2-) The next agenda item was reading and discussing the Board of Directors' Annual Report for 2016. Since the report had been posted on the Bank's website, on the Public Disclosure Platform and on the Electronic General Assembly System and e-Company Information Portal of the Central Registry Agency three weeks prior to the General Shareholders' meeting for the examination of the shareholders, İhsan Can ARGON as the representative of Banco Bilbao Vizcaya Argentaria S.A, submitted a proposal to assume the Annual Report as read. Following the voting, the proposal was accepted by the majority of the votes, with dissenting votes of shares corresponding to TRY 39.601.098 versus affirmative votes of shares corresponding to TRY 3.459.441.895,78.

The Board of Directors' Annual Report for 2016 was accepted by the majority of the votes, with dissenting votes of shares corresponding to TRY 39.629.447,80 versus affirmative votes of shares corresponding to TRY 3.459.413.545,98.

3-) The Independent Auditor's Report for the year 2016 was read to inform the shareholders. Moreover, the shareholders were informed regarding the election of Akis Bağımsız Denetim Ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (KPMG) as the Bank's auditor and group auditor at the extraordinary general meeting of shareholders held on November 3, 2016.

4-) The Assembly moved on to the next agenda item on reading, discussion and approval of the financial statements for 2016. As the Financial Statements had been posted on the Bank's website, on the Public Disclosure Platform and on the Electronic General Assembly System and e-Company Information Portal of the Central Registry Agency within the legally prescribed time limit of three weeks prior to the general shareholders' meeting for the examination of the shareholders, İhsan Can ARGON as the representative of Banco Bilbao Vizcaya Argentaria S.A submitted a proposal to assume the financial statements as read. Following the voting, the proposal was accepted by the majority of the votes, with dissenting votes of shares corresponding to TRY 162.594.884 versus affirmative votes of shares corresponding to TRY 3.336.448.109,78. The President had the summary of the financial statements read. Subsequently, the Assembly deliberated on the reports and they were put to vote.

The Financial Statements for the year 2016 were approved by the majority of the votes, with dissenting votes of shares corresponding to TRY 162.605.180,80 versus affirmative votes of shares corresponding to TRY 3.336.437.812,98 .

5-) Release of the Board Members whose board memberships continue, with respect to their duties in the year 2016 was put to vote. The Board Members were released from liability by the majority of the votes, with dissenting votes of shares corresponding to TRY 145.797.037,80 versus affirmative votes of shares corresponding to TRY 3.353.245.955,98.

6-) The proposal prepared by the Board of Directors for profit distribution for the accounting year 2016 was presented to the General Assembly for approval. The distribution of TRY 5.070.549.118,13 profit for 2016, in accordance with article 45 of the Bank's Articles of Association, as follows, and cash dividend of TRY 1.250.000.000 to be distributed starting on 24 April 2017, and the necessary actions to be taken by the Head Office were presented to the approval of the General Assembly.

2016 DISTRIBUTION OF THE PROFIT TABLE - Turkish Liras	
NET PROFIT	5,070,549,118.13
A - 5 % for the 1st Legal Reserve Fund (TCC 519/1)	0.00
B - First dividend corresponding to the 5 % of the paid up capital	210,000,000.00
C - 5 % Extraordinary Reserve Fund	243,027,455.91
D- Second Dividend To Ordinary Shareholders	1,040,000,000.00
2nd Legal Reserve Fund (TCC 519/2)	104,000,000.00
The other funds have to be kept in the Bank	227,611,427.90
D - Extraordinary Reserve Fund	3,245,910,234.32

The proposal to distribute the profit for 2016 as shown above and to start the distribution of cash dividend of TRY 1.250.000.000 on 24 April 2017 was accepted by the majority of the votes, with dissenting votes of shares corresponding to TRY 18.053 versus affirmative votes of shares corresponding to TRY 3.499.024.940,78.

The shareholders were also informed on the undistributed portion of the profit of 2016 as follows:

“In accordance with the Regulation on Capital Conservation and Countercyclical Capital Buffers issued by the Banking Regulation and Supervision Agency (BRSA), the limits on the banks' profit distribution are determined by the BRSA. Therefore, for the distribution of the profit for 2016, the BRSA approval was obtained. Following the set aside of the legal reserves and the funds which have to be saved by the Bank and the distribution of the profit in accordance with the approval of the BRSA, the remaining net profit amount, which has not been distributed to the shareholders, is transferred to the Extraordinary Reserve Account to sustain the Bank's strong equity, to preserve the Bank's solid capitalization and continuous improvement, to maintain the Bank's capacity to uninterruptedly distribute profit, to assure higher and consistent profit distribution in the long term and to be used for the expenses related to Bank's operational and management activities.

7-) During the deliberations on the agenda, İhsan Can ARGON, the representative of Banco Bilbao Vizcaya Argentaria S.A. presented a proposal. In accordance with this proposal, it was submitted for the shareholders' approval that the net honorarium amount of TRY 4,000 paid to the Board Members remain unchanged, that in case the Board Members are assigned for another duty in the Bank, the payments to these members and to other independent members be determined by the Remuneration Committee to be authorized by the Board of Directors as per the Corporate Governance Principles, that an upper limit of TRY 21.000.000 net amount be set for the total fees to be paid until the ordinary general shareholders' meeting to be held in 2018. The proposal was accepted by the majority of the votes, with dissenting votes of shares corresponding to TRY 178.556.912,80 versus affirmative votes of shares corresponding to TRY 3.320.486.080,98.

8-) In accordance with principle no. 4.6.2 of the Corporate Governance Principles issued by the Capital Markets Board, our shareholders were informed as follows in relation to the principles of remuneration of the Board members and executives with administrative responsibilities.

A remuneration policy applicable to all of our employees has been constructed and announced by our Bank in accordance with the legislation. A just and performance and success oriented remuneration policy has been created. Our Bank's Remuneration Policy has been implemented just as it was approved. It is being periodically reviewed. In addition to the remuneration policy applicable to the entire employees of our Bank, the Remuneration Committee has continued to apply the policies, which are not merely profit-oriented, as per the legislation in relation to the remunerations and premiums payable to the Board of Directors members charged with administrative duties and the Top Level Executives, and has reviewed these periodically. The policy, developed in parallel with the national legislation and international practices, has continued to be applied.

The portion of 13.75 % in the total personnel cost figure given in the financial statements in relation to the benefits provided in 2016 to the Bank employees including the Board of Directors members and the top level executives results from the payments of premiums and variable remunerations made to all employees on the basis of their performance.

9-) Shareholders were informed regarding the donation of TRY 18,265,088 made by the Bank to entities and institutions within the year 2016.

Furthermore, a proposal submitted by the representative of Banco Bilbao Vizcaya Argentaria S.A, İhsan Can ARGON in relation to setting of a cap for the donations to be made in the year 2017 within the framework of the Banking Legislation and Capital Markets Board regulations was put to vote. As a result of the voting, as proposed, setting of a cap within the framework of the procedures and principles set out in Article 59 of the Banking Law no. 5411 and in a manner not exceeding four per thousand of the bank's equity capital was accepted by the majority of the votes, with dissenting votes of shares corresponding to TRY 34.456.837,80 versus affirmative votes of shares corresponding to TRY 3.464.586.155,98.

10-) The issue of granting permission to the Board of Directors members in accordance with articles 395 and 396 of the Turkish Commercial Code, without prejudice to the provisions of the Banking Law, was put to vote. As a result of the voting, the issue was accepted by the majority of the votes, with dissenting votes of shares corresponding to TRY 188.093.819 versus affirmative votes of shares corresponding to TRY 3.310.949.174,78.

11-) Within the scope of principle no. 1.3.6 of the Corporate Governance Principle issued by the Capital Markets Board, our shareholders were informed that shareholders controlling the management, board of directors members, executives with administrative responsibilities and their spouses and relatives by blood and marriage up to the second degree have not entered into any significant transaction that may give rise to a conflict of interest with our Bank or its subsidiaries and that they have not realized any transaction of a commercial nature falling within the field of operation of our Bank or its subsidiaries either in their own name or in the name of others, and they have not become a partner with unlimited liability in another partnership engaged in a similar commercial business.

As there were no other items to be discussed in the agenda, the President of the Meeting declared the end of the meeting after thanking the General Assembly.

The dissenting opinions for the relevant items provided herein by Shareholder Ali İhsan GÜRCAN, who casted dissenting votes in decisions and submitted a written dissenting opinion to the Presidency of the Meeting, were annexed to the minutes.

These Minutes of the General Assembly Meeting were issued and signed by us at the place of meeting. 30.03.2017

REPRESENTATIVES OF THE MINISTRY

METİN YÖNEY DEVRİM DEMİRCAN

MEETING PRESIDENT

AVNİ AYDIN DÜREN

VOTE COLLECTING OFFICERS

BBVA Representative İHSAN CAN ARGON

SECRETARY OF MINUTES

GİZEM DUYGU SELVİ

DISSENTING VOTES

ALİ İHSAN GÜRCAN