



TO : **Investment Community**
FROM : **Garanti Bank / Investor Relations**
SUBJECT : **Dividend Distribution Policy Revision**
DATE : **January 31, 2018**

At our Bank's Board of Directors' meeting held on January 31, 2018, it was resolved that the Dividend Policy of the Bank be revised as attached hereto in order to comply with the requirements of the Communiqué On Dividends (II-19.1) issued by the Capital Markets Board of Turkey, to increase the distributable profit from 25% to 30% provided that the distribution being still subject to the approval of the competent authorities, and such revised Policy be submitted for the approval of the Bank's shareholders during the upcoming Ordinary General Shareholders Meeting.

In contradiction between the Turkish and English versions of this public disclosure, the Turkish version shall prevail.

We declare that our above statements are in conformity with the principles included in the Board's Communiqué, Serial II Nr.15.1, that it exactly reflects the information we received; that the information complies with our records, books and documents; that we did our best to obtain the correct and complete information relative to this subject and that we are responsible for the declarations made in this regard.

Yours sincerely,
Garanti Bank

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T. Garanti Bankası A.Ş. Dividend Distribution Policy

The details of our Bank's dividend distribution policy are specified in articles 45, 46, and 47 of the Articles of Association. In this context, by taking into account our Bank's growth in accordance with its goals within the sector and its financial needs, the General Assembly is authorized to distribute dividend in cash or capitalize the dividends and distribute the bonus shares which are to be issued by the Bank, or implement both methods together, and execute the dividend distribution within the time period specified in the relevant legislation.

Following the affirmative opinion of the Banking Regulation and Supervision Agency, the Bank's dividend distribution policy is in the manner to distribute up to % 30 of the distributable profit in cash or bonus shares, provided that there is no unfavorable situation in the local and/or global economic conditions and the standard rates, which are specified by the protective measures in the Banking Law no.5411 and its sub-regulations, are at the targeted level. Following the set aside of the legal reserves and the funds which have to be saved by the Bank, the remaining net profit amount which has not been distributed to the shareholders should be transferred to the Extraordinary Reserve Account.

Dividend distribution shall start within 3 months after the date of distribution decision at the latest, that it is started at the end of the accounting period in which decision of the distribution is given by general assembly meeting.

There is no dividend advance payment in the Bank.

In accordance with Article 46 of the Articles of the Association, the dividend distribution proposals shall be submitted for approval of the General Assembly following a decision by the Board of Directors in this regard, by taking into account the Bank's operational performance, financial needs, growth target and the legal regulations applicable to the Bank. The dividend distribution resolution becomes effective when adopted in the General Assembly Meeting and resolutions shall be published via Public Disclosure Platform on the same day the resolution becomes effective.