

## Corporate Governance Rating

This report has been prepared by JCR-ER in compliance with the regulations of Capital Markets Board of Turkey

**Publication Date:** 25/02/2022  
**Sector:** Real Estate Investment Trust (Reit)

## Halk Gayrimenkul Yatırım Ortaklığı A.Ş.

### Ratings

Overall Score	<b>9.22</b>	AAA(Trk)/aa (Stable)
Shareholders	<b>9.12</b>	AAA(Trk)/aa (Stable)
Public Disclosure & Transparency	<b>9.55</b>	AAA(Trk)/aaa (Stable)
Stakeholders	<b>9.44</b>	AAA(Trk)/aa (Stable)
Board of Directors	<b>8.97</b>	AAA(Trk)/a (Stable)

### Company Profile

<b>Trade Name</b>	Halk Gayrimenkul Yatırım Ortaklığı A.Ş.
<b>Address</b>	Şerifali Çiftliği Tatlısu Mahallesi Ertuğrulgazi Sokak No:1 34774 Yukarı Dudullu - Ümraniye / İSTANBUL
<b>Chairman</b>	Mr. Ergin Kaya
<b>General Manager</b>	Mr. Bülent Karan
<b>Investor Contact</b>	Phone: +90.216.600 10 25 ir@halkgyo.com.tr
<b>Web</b>	<a href="http://www.halkgyo.com.tr/">http://www.halkgyo.com.tr/</a>
<b>Investor Relations</b>	Mr. Uğur Güney

### Senior Analyst

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## Company Overview

**Halk Gayrimenkul Yatırım Ortaklığı A.Ş. (HALK GYO or Company)** was established in 2010 as a subsidiary of Türkiye Halk Bankası A.Ş. Halk GYO's shares have been listed on the Borsa İstanbul (BIST) index with the ticker symbol of 'HLGYO' since February 2013 with a listed share of 28% whilst the Halkbank is the qualified shareholder with a rate of 71,96%.

The main operating field of Halk Gayrimenkul Yatırım Ortaklığı A.Ş. is to operate a portfolio consisting of real estate, real estate projects, rights based on real estate, capital market instruments and other assets and rights to be determined by the Capital Market Board ("CMB"). The Company's operating principles with respect to portfolio investment policies and management restrictions in compliance with the regulations of the CMB and relevant legislation. Investment property portfolio of the Company consists of lands and rental properties which are used as bank branches and bank headquarter.

The Company's Board of Directors consists of six members, including the General Manager and two independent members whilst four functional committees have been established under the scope of the Board; Audit, Corporate Governance, Early Deduction of Risk and Remuneration. The total number of personnel employed across the Company's operations amounted to 42 as of FY2021. BIST Indices that the Company is included can be listed as BIST CORPORATE GOVERNANCE / BIST STARS / BIST ALL SHARES / BIST REAL EST. INV. TRUSTS / BIST 100 / BIST 100-30 / BIST DIVIDEND / BIST FINANCIALS.

### Strengths

- Satisfactory transparency and disclosure on web site in both Turkish and English
- Presence of a comprehensive and effective risk management, internal control system and internal audit activities structured in accordance with international practices, principles and organizational framework
- Two independent members in the Board of Directors and high qualifications of members in terms of education and track record
- Well established committee structure with clearly defined responsibilities and independent status of committee chairs
- Comfortable, safe and healthy working environment supported with occupational health and safety (ohs) principles
- Publishing Sustainability Report as an appendix of year-end annual report and recently established Sustainability Committee

### Constraints

- Absence of internal regulations to broaden the exercise of minority rights beyond the current legislation
- Lack of disclosure of the board members and the top managers' remunerations per person
- The privilege on the A group shares to determine majority of board members
- Non-existence of a female member in the Board
- Liability insurance coverage for Board Members and top managers below the threshold %25 of Company's capital as per regulations
- Absence of an incentive system based on performance evaluation for Board members

## 1. Rating Methodology and Executive Summary

This report was prepared in light of JCR Eurasia Rating's original methodological procedures in accordance with the Corporate Governance Principles (the code) set by the Capital Markets Board (CMB) and states Halk GYO's level of compliance with Corporate Governance Principles as of February 2022.

The Capital Markets Board's Corporate Governance Principles were first made public in 2003. Important revisions and changes were made at the beginning of 2012, in January 3, 2014 and October 2, 2020 as detailed in the Communiqué II-17.1 (accessible on [www.spk.gov.tr](http://www.spk.gov.tr)).

The CMB pursued a significant change regarding the methodology of calculation of compliance rating scores in the beginning of 2014. Based on the recent CMB legislation, the new scoring methodology consists of two stages in which companies are allocated a base and a full score. In the new system, companies are first assigned a base score with a maximum of 85 points determining their compliance with the rules and practices outlined in the Code. In the second stage, an additional 15 points may be awarded depending on the efficient implementation and value creation achieved through practices exceeding those specified in the principles. Practices not stated in the Code but determined by JCR Eurasia Rating as best governance practices are also taken into account in the assignment of additional points. With these changes, CMB has placed special emphasis on functional compliance along with structural compliance with the Code and scores have been depressed as a result of the new calculation in two stages.

The Code consists of four main sections: Shareholders, Public Disclosure and Transparency, Stakeholders and Board of Directors. These main sections' coefficients, which were determined by the CMB, have been recently changed with the latest weight composition outlined below;

- Shareholders: 25%
- Public Disclosure and Transparency: 25%
- Stakeholders: 15%
- Board of Directors: 35%

These coefficients were 25%, 35%, 15% and 25%, respectively, in the previous years.

Subject to the preservation of the integrity of CMB regulations and regulations related to the Borsa İstanbul Corporate Governance Index and compliance with the limitations thereof, this report also covers topics such as implementations regarding "**Outlook**" determinations and "**Financial Efficiency**" analyses, all of which exist in JCR Eurasia Rating's original methodological structure.

Findings and assessments within the content of the report are based on information and documents disclosed by the Company to the public through various channels and also submitted to JCR Eurasia Rating in writing and verbally, as well as reports and statistics disclosed on Public Disclosure Platform (PDP).

Distinct levels of the 4 main categories regarding compliance with the CMB Corporate Governance Principles are exhibited in the following table. The overall score has been calculated based on weightings determined for these 4 categories in line with CMB regulations.

Through the analysis of JCR ER's original methodology, the general compliance level of the Company with corporate governance principles as of February 2021, can be seen in the table below.

- Numerical value of
- Convergence Level **AAA(Trk)** representing the category of "**Distinctive Compliance**"
- Notch degree **(aa)** representing the category of "**Superior**"
- Outlook **(Stable)**

February 26, 2021				
Fields	Numerical Value	Convergence Level	Notch degree	Outlook
Shareholders	91.18	AAA (Trk) (Distinctive)	(aa) (Superior)	Stable
Public Disclosure and Transparency	95.50	AAA (Trk) (Distinctive)	(aaa) (Exceptional)	Stable
Stakeholders	93.93	AAA (Trk) (Distinctive)	(aa) (Superior)	Stable
Board of Directors	89.73	AAA (Trk) (Distinctive)	(a) (Excellent)	Stable
<b>Overall</b>	<b>92.16</b>	<b>AAA(Trk) (Distinctive)</b>	<b>(aa) (Superior)</b>	<b>Stable</b>

Finally, since the previous monitoring period, a comprehensive review was performed in February 2022. The Company's overall compliance note stood at 9.22.

- The Company carried out for the implementation of sustainability principles during the monitoring period in regard with the implementation of the "Communiqué Amending the Corporate Governance Communiqué (II-17.1.a)" of the Capital Markets Board, which entered into force with its publication in the Official Gazette dated 02.10.2020 and numbered 31262. As a result "Framework for Compliance with Sustainability Principles" has been published as the first appendix of the 2020 year-end annual report. Additionally, the Sustainability Committee was established with the decision of the Board of Directors dated October 18, 2021 to address sustainability matters.

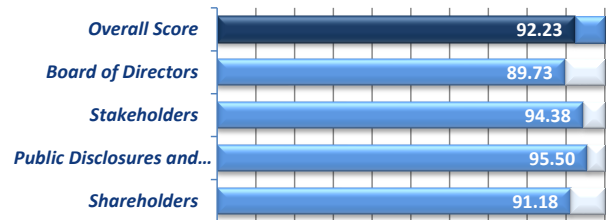
is the factor behind this increase in compliance. The Company's compliance level and their corresponding notes are outlined below:

- Numerical value of **9.22**
- Convergence Level **AAA(Trk)** representing the category of "**Distinctive Compliance**"
- Notch degree **(aa)** representing the category of "**Superior**"
- Outlook (**Stable**)

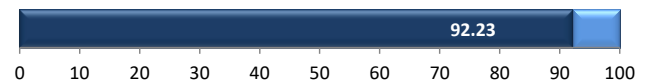
February 25, 2022				
Fields	Numerical Value	Convergence Level	Notch degree	Outlook
Shareholders	91.18	AAA (Trk) (Distinctive)	(aa) (Superior)	Stable
Public Disclosure and Transparency	95.50	AAA (Trk) (Distinctive)	(aaa) (Exceptional)	Stable
Stakeholders	94.38	AAA (Trk) (Distinctive)	(aa) (Superior)	Stable
Board of Directors	89.73	AAA (Trk) (Distinctive)	(a) (Excellent)	Stable
<b>Overall</b>	<b>92.23</b>	<b>AAA(Trk) (Distinctive)</b>	<b>(aa) (Superior)</b>	<b>Stable</b>

JCR Eurasia Rating's notation system may be viewed at: [http://www.jcra.com.tr/Upload/Files/Reports/538\\_kyder\\_notation\\_oct2010.pdf](http://www.jcra.com.tr/Upload/Files/Reports/538_kyder_notation_oct2010.pdf)

### Corporate Governance Score %



### Overall Score %



## Overall Result

**9.22**  
**AAA (Trk) / aa**  
**Stable**

### Outlook

JCR Eurasia Rating is of the opinion that during the upcoming monitoring period following the publication date of this report the Company will maintain its level of compliance on an overall basis. For this reason, the outlook for the Company has been determined as "**Stable**".

## 2. Halk GYO Overview

**Halk Gayrimenkul Yatırım Ortaklığı A.Ş. (HALK GYO or Company)** was established in 2010 as a subsidiary of Türkiye Halk Bankası A.Ş. Halk GYO's shares have been listed on the Borsa Istanbul (BIST) index with the ticker symbol of 'HLGYO' since February 2013 with a current listed share of 28% whilst the Halkbank is the qualified shareholder with a rate of 71.96%.

The main operating field of Halk Gayrimenkul Yatırım Ortaklığı A.Ş. is to operate a portfolio consisting of real estate, real estate projects, rights based on real estate, capital market instruments and other assets and rights to be determined by the Capital Market Board ("CMB"). The Company's operating principles with respect to portfolio investment policies and management

restrictions in compliance with the regulations of the CMB and relevant legislation. Investment property portfolio of the Company consists of lands and rental properties which are used as bank branches and bank headquarter.

The Company's Board of Directors consists of seven members, including the General Manager and two independent members whilst four functional committees have been established under the scope of the Board; Audit, Corporate Governance, Early deduction of risk and Remuneration. The total number of personnel employed across the Company's operations amounted to 41 as of 3Q2021. BIST Indices that the Company is included can be listed as BIST CORPORATE GOVERNANCE / BIST STARS / BIST ALL SHARES / BIST REAL EST. INV. TRUSTS / BIST 100 / BIST 100-30 / BIST DIVIDEND / BIST FINANCIALS.

Halk GYO has 3 joint ventures (JV) as of FY2021;

Halk GYO-Vakıf GYO JV.: Real estate investment services, specifically for Bizimtepe Aydos project.

Halk GYO-Erkonut JV.: Real estate investment services, specifically for Erzurum – Şehristan project

Teknik Yapı-Halk GYO JV.: Real estate investment services, specifically for İzmir-Evora project

Halk GYO has a subsidiary, Halk Yapı Projeleri Geliştirme A.Ş., operating in the field of real estate construction

As of FY2021 Halk GYO employed 42 employees.

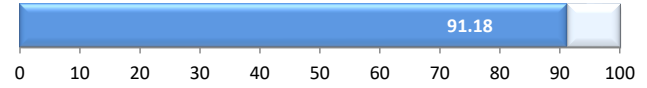
### 3. Shareholders

The Company succeeded in maintaining its previous level of compliance in this main section in the previous monitoring period.

The Company's level in this section and their corresponding notes are outlined below;

- Numerical value is **9.12**,
- Convergence Level **AAA(Trk)** representing the category of "**Distinctive Compliance**",
- Notch degree (**aa**) representing the category of "**Superior**",
- Outlook (**Stable**),

#### Shareholders Score %



### Shareholders Result

**9.12**

AAA (Trk) / aa

Stable

#### Activities carried out during the monitoring period in the Shareholder field:

- ✓ The 2020 ordinary general meeting was held on March 31, 2021 at 14:30 p.m., at the address of Şerifali Çiftliği Tatlısu Mahallesi Ertuğrulgazi Sokak No:1 34774 Yukarı Dudullu Ümraniye/İSTANBUL which represented the Company's headquarters. Pre-meeting preparations, announcements and invitations were carried out by the Investor Relations Department according to the Code. Within the framework of democratic principles, all shareholders were treated equally in the meeting, the Company's 2020 activities were outlined, all shareholders were given the right to address each agenda item and voting was done by an open show of hands. Following the meeting the relevant documents were disclosed to investors on the internet site.
- ✓ The required infrastructure is used for the shareholders to attend the general assembly remotely via e-GEM (Electronic General Meeting System).
- ✓ Members of the board of directors, other relevant persons, officials and auditors responsible for the preparation of the financial statements were present at the General Shareholders' Meeting.
- ✓ No findings of discrimination against any shareholder were made.
- ✓ No lawsuit was opened by shareholders to cancel the resolutions made in the shareholders meeting.
- ✓ There is a change in the 5<sup>th</sup> and 16<sup>th</sup> article of articles of association of the Company.

- ✓ Shareholders, stakeholders and prospective investors were regularly informed by the investor relations department via the web site, e-mail and PDP (public disclosure platform).
- ✓ The Investor Relations Department prepares Company's financial presentations to investors in every quarter of monitoring period and these presentations both in English and Turkish are available in the Company's web site.
- ✓ There is a privilege on the Company's shares. Group A (has a share of 1.62%) shares are entitled to nominate a candidate for the election of the members of the Board of Directors.
- ✓ No donations or aid payments were realized during the period.
- ✓ Although there is no provision in the Company's Articles of Association to extend the use of minority rights to those who own less than one twentieth of the outstanding shares, the Company takes the utmost care for facilitating the exercise of minority rights.
- ✓ The Company realized TL 352,595,666 of profit during FY2020. In the general meeting on March 31, 2021 and it is decided to distribute TL 5,000,000 in cash and TL 50,000,000 as bonus share pursuant to CMB Legislation, Company Dividend Policy and Article 30 of Articles of Association named "Determination, Allocation and Distribution of Net Profit". The dividend distribution table was disclosed to the public via the company's website and the PDP following the general meeting.

#### Outlook

JCR Eurasia Rating is of the opinion that during the upcoming monitoring period following the publication date of this report the Company will maintain its level of compliance in the Shareholders main section. For this reason, the outlook for this section has been determined as "**Stable**".

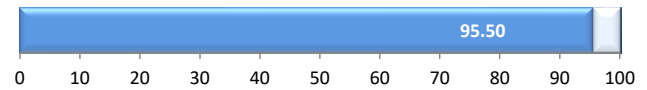
#### 4. Public Disclosure and Transparency

The Company succeeded in maintaining its previous level of compliance in this main section in the previous monitoring period.

Halk GYO's level in this section and their corresponding notes are outlined below;

- Numerical value of **9.55**,
- Convergence Level of **AAA(Trk)** representing the category of "**Distinctive Compliance**",
- Notch degree (**aaa**) representing the category of "**Exceptional**",
- Outlook (**Stable**)

*Public Disclosures and Transparency Score %*



### Public Disclosure and Transparency Result

**9.55**  
**AAA (Trk) / aaa**  
**Stable**

#### Activities carried out during the monitoring period in this field:

- ✓ The annual report was published in 2021 successfully with a high compliance level with the Code and posted on the website.
- ✓ A total of 98 notifications in the monitoring period was disclosed to the Public Disclosure Platform (PDP). Following these disclosures, no extra information was requested.
- ✓ 102 telephone calls and 17 e-mails from investors were answered in the monitoring period.
- ✓ The Company's quarterly financial statements were released to the public within the period specified by CMB legislation and posted on the website.
- ✓ The Company disclosed Corporate Governance Principles Compliance Report on the PDP.
- ✓ The Company discloses important policies in terms of public disclosure such as Information Policy, Dividend Policy, Remuneration Policy etc. on the website.
- ✓ The Company's website is kept up to date in Turkish and English.
- ✓ There were no face-to-face or online investor meetings during the period.
- ✓ The company's quarterly investor presentations are posted on its website in Turkish and English.

- ✓ Significant improvements in the Company’s organizational structure and operations are published in a timely manner.
- ✓ Halk GYO provides the list of shareholders who directly or indirectly own more than 5% of the shares in the annual report presented in website.
- ✓ The Company’s 2020 financial tables were audited by the independent audit firm DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A. Ş. Same audit firm carried out independent auditing activities in 2021.
- ✓ The Company publishes the sustainability compliance framework and relevant documents on its website and PDP.

**Outlook**

JCR Eurasia Rating is of the opinion that during the upcoming monitoring period following the publication date of this report the Company will maintain its level of compliance in the Public Disclosure and Transparency field. For this reason, the outlook for this section has been determined as **“Stable”**.

**5. Stakeholders**

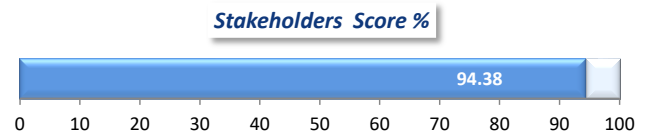
The Company’s score in the Stakeholders main section has been increased from 9.39 to 9.44.

- The Company carried out for the implementation of sustainability principles during the monitoring period in regard with the implementation of the "Communiqué Amending the Corporate Governance Communiqué (II-17.1.a)" of the Capital Markets Board, which entered into force with its publication in the Official Gazette dated 02.10.2020 and numbered 31262.
- “Framework for Compliance with Sustainability Principles” has been published as the first appendix of the 2020 year-end annual report. The same practice continued during the publication of the 2021 year-end annual report.
- In 2021, the Sustainability Committee was established with the decision of the Board of Directors dated October 18, 2021. The sustainability matters would be addressed and discussed by this resulting committee.

are the factors behind this increase in compliance.

The Company’s level in this field and their corresponding notes are outlined below;

- Numerical value is **9.44**,
- Convergence Level **AAA(Trk)** representing the category of **“Distinctive Compliance”**,
- Notch degree **(aa)** representing the category of **“Superior”**,
- Outlook (**Stable**)



<b>Stakeholders Result</b>
<b>9.44</b>
AAA (Trk) / aa
Stable

**Activities carried out during the monitoring period in the Stakeholders field:**

- ✓ The number of employed personnel within the Company is 42 as of FY2021. During monitoring period, Halk GYO hired 6 new employees, 2 employees left the Company and not any employee retired. No loss in employee rights was observed.
- ✓ The ongoing lawsuits were filed against the Company are 12. There are 3 consumer lawsuits, 1 negative declaratory action, 4 civil lawsuits, 1 receivables action in the civil court of first instance, 1 labor lawsuit, 1 cancellation lawsuit in the administrative court and 1 execution proceeding.
- ✓ The Company has no customer relations and/or call center. Incoming customer complaints are directed to the relevant contractor companies.
- ✓ The Company discloses important policies for stakeholders such as Donation Policy, Information Policy, Human Resources, Ethics Principles on its website.
- ✓ In accordance with the dynamics of the COVID-19 process, technological processes of the Company have been brought in compliance with the personnel to work remotely.

- ✓ Although there is no written internal regulations in the participation of employees in Management or model to support the participation of stakeholders in management, the protection of the shareholders' right to participate in the management is ensured within the framework of the relevant laws, legislation and Articles of Association.
- ✓ Halk GYO continues studies on establishing a sustainability policy.

**Outlook**

JCR Eurasia Rating is of the opinion that during the upcoming monitoring period following the publication date of this report the Company will maintain its level of compliance in the Stakeholders field. For this reason, the outlook for this section has been determined as **"Stable"**.

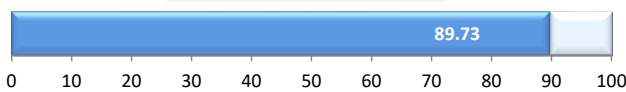
**6. Board of Directors**

JCR Eurasia Rating is of the opinion that during the upcoming monitoring period following the publication date of this report the Company will maintain its level of compliance in the Board of Directors field.

The Company's level in this section and their corresponding notes are outlined below:

- Numerical value is **8.97**,
- Convergence Level **AAA(Trk)** representing the category of **"Distinctive Compliance"**,
- Notch degree **(a)** representing the category of **"Excellent"**,
- Outlook (**Stable**)

*Board of Directors Score %*



<b>Board of Directors Result</b>
<b>8.97</b>
AAA (Trk) / a
Stable

**Activities carried out during the monitoring period in this field:**

- ✓ The secretariat of the Board of Directors is carried out by the Investor Relations Department.
- ✓ At the general meeting held on March 31, 2021 the shareholders approved the 2020 activities of the Board of Directors.
- ✓ The number of board members decreased to 6 from 7 in the monitoring period, two of which are independent and one is executive.
- ✓ The Company has a Directors' Liability Insurance Scheme at a value of EUR 15mn, set by the main shareholder, Türkiye Halk Bankası A.Ş., which covers the Board of Directors' personal responsibilities and the mistakes they may make while carrying out their tasks, below the threshold %25 of Company's capital as per regulations. The policy has been renewed as of October 8, 2021.
- ✓ The Board of Directors continued the internal control system activities in accordance with the scale and complexity of the Company's activities, is also disclosed in the annual report.
- ✓ All planned internal audit and control activities were successfully performed and information on the functioning and effectiveness of the internal control system is provided in the annual report.
- ✓ The benefits provided to the Board of Directors and senior executives are totally shown in the Financial Statements. As of FY2021, the net payment amounted to TL 2,371,433 provided or to be provided to the key managers of the Bank, including the members of the Board of Directors.
- ✓ The roles of the Chairman and Chief Executive Officer are separated and duties and authorities of the members of the board of directors are disclosed in the annual report.
- ✓ No women members in the Board not meeting. Thus the Company does not meet the suggested 25% female ratio mentioned in the Code and the Company does not have any policy determining target rate and time providing that the rate of woman members are not less than 25% in the Board of Directors.
- ✓ Changes of the whole board member were disclosed in a timely manner to the PDP and the website.

- ✓ Ergin Kaya (as chairman), Mr. Mehmet Tanrıverdi (as Vice Chair, Mr. Raci Kaptan Kolaylı, Mr. Memduh Yılmazlar, Mr. Mehmet Hakan Tercan, Mr. Mehmet Hakan Şeker and Mr. Bülent Karan were elected as Members of the Board of Directors at Company's Ordinary General Assembly Meeting held on March 31, 2021.
- ✓ Mr. Mehmet Hakan Şeker, who was elected as an Independent Member of the Board of Directors, resigned from his duties on April 05, 2021 and Fuat Gedik was assigned at his position as of 27 May 2021, to be submitted to the approval of the first General Assembly to be held pursuant to Article 363.
- ✓ Mr. Memduh Yılmazlar, who was elected as an Independent Member of the Board of Directors, resigned from his duties on April 30, 2021 and Remzi Kaya was assigned at his position as of 6 July 2021, to be submitted to the approval of the first General Assembly to be held pursuant to Article 363. Remzi Kaya passed away on 02 September 2021.
- ✓ The Board held 53 meetings in 2021 and took 102 decisions. Decisions of the Board of Directors were taken unanimously by the attendees of the meetings.
- ✓ Board members are elected for a term of 3 years, and the CVs and other information of the current members who continue to work every year, are not presented in each general assembly, as they have been shared with the public before. New candidates, on the other hand, are generally submitted to the approval in General Assembly. Information about new candidates is generally not shared before the General Assembly.
- ✓ When the number of members of the Board of Directors and the number of members of the committees are taken into consideration, a member of the Board of Directors may take part in more than one committee. Four committees, Audit, Corporate Governance (with the functions of the Nominating Committee), Early Detection of Risk and Remuneration have been established within in the scope of the Board. Audit, Corporate Governance, Risk and Remuneration Committees held their periodic meetings and conducted effective activities in this period.

In addition, the annual report and website also contain information about the committee and policies.

- ✓ During 2021, the Corporate Governance Committee held 4 meetings and prepared 4 reports on related issues to be submitted to the Board of Directors.
- ✓ The Audit Committee held 8 meetings and has prepared 4 reports on related issues to be submitted to the Board of Directors.
- ✓ The Early Detection of Risk Committee held 6 meetings and prepared 6 reports on related issues to be submitted to the Board of Directors.
- ✓ The Remuneration Committee, on the other hand, held only one meeting and prepared a report on related matters to be submitted to the Board of Directors.
- ✓ The Company's internal audit report has been submitted to the Audit Committee. During the year, 4 Audit Committee meetings were held.
- ✓ The Company's file servers were renewed in 2021. Projects such as making correspondence over a special system, renewing the accounting system (ERP) and website have been initiated. It is planned that these projects will be completed in 2022, and new servers will be purchased and installed for backup and new accounting system to be created. In addition, the establishment of the emergency center being established in Ankara is planned to be completed significantly within the calendar to be determined by the Halkbank.
- ✓ The number of personnel assigned in the Internal Audit, Risk Management and Compliance Department in 2021 is 1. Within the scope of harmonization activities, 16 letters sent by MASAK in 2021 and 104 letters sent via TSPB were examined, and the letters that needed to be returned within time were answered. In addition, 6 Risk Evaluation Reports were prepared and presented to the relevant committee during the year to be submitted to the Early Detection of Risk Committee.



## **Outlook**

JCR Eurasia Rating is of the opinion that during the upcoming monitoring period following the publication date of this report the Company will maintain its level of compliance in the Stakeholders field. For this reason, the outlook for this section has been determined as **“Stable”**.

**TABLE: 1**

<b>SHAREHOLDING STRUCTURE</b>					
<b>Years</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>3Q2021</b>
<b>Paid Capital (000TRY)</b>	<b>820,000</b>	<b>858,000</b>	<b>928,000</b>	<b>970,000</b>	<b>1,020,000</b>
<b>Shareholders</b>					
Halkbank*	70.38	70.38	70.38	70.38	70.38
Halkbank	1.58	1.58	1.58	1.58	1.58
Listed	28.00	28.00	28.00	28.00	28.00
Halk Yatırım Menkul Değerler A.Ş.	0.04	0.04	0.04	0.04	0.04
Halk Finansal Kiralama A.Ş.	<0.01	<0.01	<0.01	<0.01	<0.01
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

*\*As of FY2021 Türkiye Halk Bankası A.Ş. has 75,116,568.89 publicly traded nominal shares, whereas Halk GYO A.Ş. has 28,756,004,307 nominal shares*

<b>TABLE: 2</b>				
<b>Joint Ventures as of 3Q2021</b>				
<b>Company Name</b>	<b>Headquarters</b>	<b>Fields of Activities</b>	<b>Interest Share %</b>	<b>Acquisition Date</b>
Halk GYO-Vakıf GYO Adi Ortaklığı	Turkey	Real Estate Construction	50	2014
Halk GYO-Erkonut Adi Ortaklığı	Turkey	Real Estate Construction	50	2016
Teknik Yapı-Halk GYO Adi Ortaklığı	Turkey	Real Estate Construction	50	2017
<b>Subsidiary as of 3Q2021</b>				
<b>Company Name</b>	<b>Headquarters</b>	<b>Fields of Activities</b>	<b>Interest Share %</b>	<b>Acquisition Date</b>
Halk Yapı Projeleri Geliştirme A.Ş.	Turkey	Real Estate Construction	100	2020

**TABLE: 3**

**BOARD OF DIRECTORS**

Name	Task	Expertise	Membership Start Date	Duty Selection Date	Experience (Year)	Education	Executive/Non-Executive	Independent/Non-Independent	Committee Membership
Ergin Kaya	Chairman	Banker	24.06.2020	31.03.2021	33	Bachelor's Degree	Non-Executive	Non-Independent	-
Mehmet Tanrıverdi	Deputy Chairman	Banker	6.09.2018	31.03.2021	18	Bachelor's Degree	Non-Executive	Non-Independent	Remuneration Committee
Mehmet Hakan Tercan	Member	Electrical and Electronics Engineering	16.04.2020	31.03.2021	29	Bachelor's Degree	Non-Executive	Non-Independent	Corporate Governance Committee
Raci Kaptan Kolaylı	Member	Civil Engineer	24.06.2020	31.03.2021	31	Bachelor's Degree	Non-Executive	Independent	Audit Committee Chairperson, Corporate Governance Committee Chairperson, Remuneration Committee Chairman, Early Detection of Risk Committee Chairperson
Fuat Gedik	Member	Banker	27.05.2021	27.05.2021	43	Bachelor's Degree	Non-Executive	Independent	Audit Committee, Early Detection of Risk Committee,
Bülent Karan	Member/General Manager	Petroleum Engineering	4.08.2020	31.03.2021	30	Master Degree	Executive	Non-Independent	-

## Rating Info

<b>Rated Company:</b>	Halk Gayrimenkul Yatırım Ortaklığı A.Ş. Şerifali Çiftliği Tatlısu Mahallesi Ertuğrulgazi Sokak No:1 34774 Yukarı Dudullu - Ümraniye / İSTANBUL Telephone: 0216 600 10 00 - 0216 600 10 29
<b>Rating Report Preparation Period:</b>	03.02.2022-24.02.2022
<b>Rating Publishing Date:</b>	25.02.2022
<b>Rating Expiration Date:</b>	1 full year after publishing date, unless otherwise stated
<b>Previous Rating Results:</b>	'February 26, 2021 / Overall score / (9.22) AAA(Trk)' Other rating results for the Company are available at <a href="http://www.jcrer.com.tr">www.jcrer.com.tr</a>
<b>Rating Committee Members:</b>	Ş.Güleç ( Head of Group), B. Pakyürek (Chief Analyst), F. Lap (Chief Analyst), K.F. Özüdoğru (Chief Analyst)