

## Corporate Governance Rating

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

**Publication Date:** 24/02/2023  
**Sector:** Real Estate Investment Trust (REIT)

## Halk Gayrimenkul Yatırım Ortaklığı A.Ş.

### Ratings

Overall Score	<b>9.23</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>9.00</b>	AAA(Trk)/aa (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. Erdal Bekin
<b>Investor Contact</b>	Phone: +90 216 600 10 33 ir@halkgyo.com.tr
<b>Web</b>	<a href="https://www.halkgyo.com.tr/">https://www.halkgyo.com.tr/</a>
<b>Investor Relations</b>	Ms. Serpil Yörük

### Senior Analyst

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## Company Overview

**Halk Gayrimenkul Yatırım Ortaklığı A.Ş.** (Halk GYO or Company), (credit ratings by JCR Eurasia Rating on April 26, 2022: **"AA+ (tr)/Stable"** on the Long-Term National Scale and **"J1+ (tr) Stable"** on the Short Term National Scale) was founded in 2010 as a subsidiary of Türkiye Halk Bankası A.Ş. Halk GYO's shares have been listed on the Borsa Istanbul (BIST) stock exchange with the ticker symbol of 'HLGYO' since February 2013 with a current free-float rate of 20.63% whilst the Halkbank is the controlling shareholder with a rate of 79.33%.

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, ongoing project and rental properties which are used as bank branches, bank headquarter and hotels.

The Company's Board of Directors consists of six members, including the General Manager and two independent members whilst five functional committees have been established under the Board of Directors; Audit, Corporate Governance, Early Deduction of Risk, Remuneration and Sustainability. The total number of employees across the Company's operations was 45 as of FY2022. BIST Indices that the Company is included can be listed as BIST CORPORATE GOVERNANCE / BIST STARS / BIST ALL SHARES-100 / BIST ALL SHARES / BIST REAL EST. INV. TRUSTS / BIST FINANCIALS.

### Strengths

- Providing satisfactory transparency to domestic and international stakeholders through comprehensive and effective information on the website,
- Well-prepared annual report in accordance with regulatory requirements,
- Existence of two independent members in the Board of Directors meeting qualifications in the communique,
- Well established committee structure with clearly defined responsibilities and independent status of committee chairs,
- 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,
- Prioritizing occupational safety and supporting employees with trainings for their professional and personal development.

### Constraints

- Absence of internal procedures to extend the exercise of minority rights for shareholders holding less than 5% of the capital,
- 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 and the lack of a policy in this regard,
- The insurance amount against the losses to be caused by the faults of the members of the board of directors during their duties has not exceeded 25% of the Company's capital,
- 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 2023.

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 "Outlook" determinations which exists 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 2022, 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, 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>

Finally, since the previous monitoring period, a comprehensive review was performed in February

2023. The Company's overall compliance note stood at 9.23.

- The implementation of the Electronic Board of Directors System (EYKS) in which members of board of directors can legally participate meetings regardless of time and location, and board decisions can be taken instantly and signed with digital signatures.

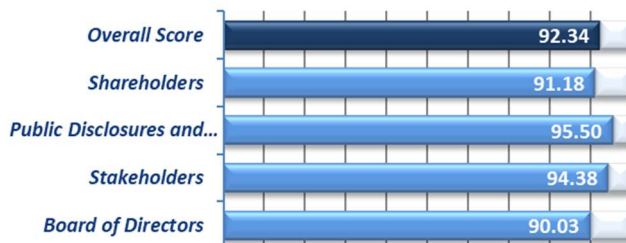
is the factor behind this increase in compliance. The Company's compliance level and their corresponding notes are outlined below:

- Numerical value of 9.23
- Convergence Level **AAA(Trk)** representing the category of **"Distinctive Compliance"**
- Notch degree **(aa)** representing the category of **"Superior"**
- Outlook (**Stable**)

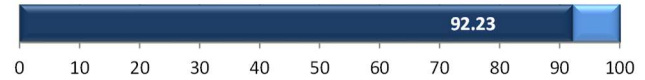
February 24, 2023				
Fields	Numerical Value	Convergence Level	Notch degree	Outlook
Shareholders	91.18	AAA (Trk) (Distinctive)	(aa) (Superior)	Stable
Public Disclosure and Transparency	95.50	AAA (Trk) (Distinctive)	(aaa) (Exceptional)	Stable
Stakeholders	94.38	AAA (Trk) (Distinctive)	(aa) (Superior)	Stable
Board of Directors	90.03	AAA (Trk) (Distinctive)	(aa) (Superior)	Stable
<b>Overall</b>	<b>92.34</b>	<b>AAA(Trk) (Distinctive)</b>	<b>(aa) (Superior)</b>	<b>Stable</b>

JCR Eurasia Rating's notation system may be viewed at: <https://www.jcrer.com.tr/en/methodology/notations/corporate-governance-rating-notation>

#### Corporate Governance Score %



#### Overall Score %



### Overall Result

**9.23**

**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), (credit ratings by JCR Eurasia Rating on April 26, 2022: **"AA+ (tr)/Stable"** on the Long-Term National Scale and **"J1+ (tr) Stable"** on the Short Term National Scale) was founded in 2010 as a subsidiary of Türkiye Halk Bankası A.Ş. Halk GYO's shares have been listed on the Borsa İstanbul (BIST) stock exchange with the ticker symbol of 'HLGYO' since February 2013 with a current free-float rate of 20.63% whilst the Halkbank is the controlling shareholder with a rate of 79.33%.

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Halk GYO-Vakif 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

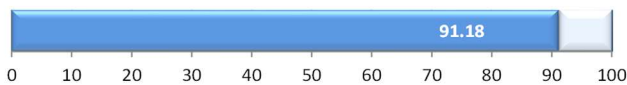
### 3. Shareholders

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 Investor Relations Department facilitates the use of shareholding rights, particularly the rights to obtain information. In this regard, all inquiries from shareholders and potential investors via telephone and e-mail were answered.
- ✓ 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. In addition, 4 quarterly earnings calls in which the Company's financial performance was evaluated by senior management were made for equity analysts.
- ✓ The investor relations department kept shareholders, stakeholders, and prospective investors up to date via the website, e-mail, and PDP (public disclosure platform).
- ✓ At the Board of Directors Meeting dated 02.11.2022, Ms. Serpil YÖRÜK was appointed as Investor Relations Department Manager and Corporate Governance Committee Member.
- ✓ The 2021 ordinary general meeting was held on March 31, 2022 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. Meeting date, time and address, total number of shares and voting rights, information document including the agenda items under a separate heading, solo and consolidated financial statements, annual report, audit reports and profit distribution proposal of the Board of Directors were made available for review of shareholders at least three weeks before the date of the general assembly meeting and announced on the Company's website and Public Disclosure Platform. All other premeeting preparations were carried out by the Investor Relations Department according to the Code. All stakeholders and media organs were invited to the General Assembly Meeting. Within the framework of democratic principles, all shareholders were treated equally in the meeting, the Company's 2021 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 list of attendees, meeting minutes showing the quorums of approval and rejection votes for the agenda items and other relevant documents were disclosed to investors on the internet site.

- ✓ In addition to physical participation, the required infrastructure was 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 and the shareholders were given the opportunity to ask questions and share their thoughts.
- ✓ There was no request for the postponement of the general assembly meeting and no lawsuit was opened by shareholders to cancel the resolutions made in the shareholders meeting.
- ✓ The article 8 of the articles of association has been amended as a result of the increase in the Company's paid-in capital.
- ✓ 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.
- ✓ A total of TRY 714,142.79 of donations and aid were realized in FY2021, and the shareholders were informed in this regard at the general assembly.
- ✓ 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's paid-in capital was increased from TRY 1,020mn to TRY 1,570mn with TRY 40mn capital increase through bonus issues and TRY 510mn capital increase through rights issues.
- ✓ The Company realized TL 378,556,382 of profit during FY2021. In the general meeting on March 31, 2022 and it is decided to distribute

TL 4,000,000 in cash and TL 40,000,000 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**

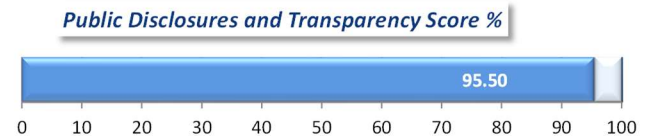
JCR Eurasia Rating is of the opinion that during the upcoming monitoring period following the publication date of this report the Company will maintain its level of compliance in the Shareholders main section. For this reason, the outlook for this section has been determined as "**Stable**".

**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**)



<b>Public Disclosure and Transparency Result</b>
<b>9.55</b>
<b>AAA (Trk) / aaa</b>
<b>Stable</b>

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



- ✓ The Company's website, which provides comprehensive information to investors and stakeholders, is maintained up to date. In addition to the information required to be disclosed in accordance with the Code, the website also contains investor presentations and information on real estate in the Company's portfolio.
- ✓ The Company also discloses important policies in terms of public disclosure such as Information Policy, Dividend Policy, Remuneration Policy, Donation Policy, Code of Ethics etc. on the website. However, information requests, inquiries, and complaints received by the Company, as well as the responses provided to them, are not disclosed on the website.
- ✓ 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 website has also been prepared in English for international investors, with the same content as in Turkish.
- ✓ The Company's website was completely renewed in 2022.
- ✓ Significant developments in the organizational structure and activities of the Company and changes in the senior management are published in a timely manner.
- ✓ A total of 111 notifications in the monitoring period was disclosed to the Public Disclosure Platform (PDP). Following these disclosures, no extra information was requested.
- ✓ 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 and Sustainability Principles Compliance Framework Report on the website and PDP.
- ✓ 102 telephone calls and 28 e-mails from investors were answered in the monitoring period.
- ✓ There were no face-to-face or online investor meetings and roadshows during the period.
- ✓ The annual report was published in 2022 successfully with a high compliance level with the Code and posted on the website. In addition to the information required to be included as per the legislation, the annual report covers a wide range of issues, from share performance to economic and sectoral developments, in detail.

- ✓ Remuneration provided to members of the board of directors and executives are not disclosed on an individual basis in the annual integrated annual report.
- ✓ The Company's 2021 financial tables were audited by the independent audit firm DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A. Ş., member of Deloitte, the same audit firm carried out independent auditing activities in 2022.

### Outlook

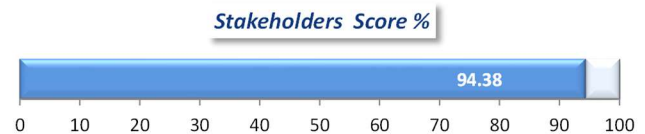
JCR Eurasia Rating is of the opinion that during the upcoming monitoring period following the publication date of this report the Company will maintain its level of compliance in the Public Disclosure and Transparency field. For this reason, the outlook for this section has been determined as **"Stable"**.

### 5. Stakeholders

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

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)**



Stakeholders Result
<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 45 as of FY2022. During monitoring period, Halk GYO hired 6 new employees, 3 employees left the Company, 1 employee retired and 1 employee was dismissed. No loss in employee rights was observed.
- ✓ The ongoing lawsuits were filed against the Company are 10. There are 2 consumer lawsuits, 1 negative declaratory action, 3 civil lawsuits, 2 labor lawsuits, 1 cancellation lawsuit in the administrative court and 1 execution proceeding. Considering the size of operations and number of staff, the number of lawsuits filed against the Company is reasonable.
- ✓ The Company has no customer relations and/or call center. Incoming customer complaints are directed to the relevant contractor companies. However, stakeholders may submit queries to the Company's Corporate Governance Committee regarding transactions that they believe violate legislation and ethical principles.
- ✓ The Company discloses important policies for stakeholders such as Donation Policy, Information Policy, Anti-Corruption Policy, Protection and Processing Of Personal Data Policy and Ethic Principles on its website.
- ✓ Although there are 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.
- ✓ Recruitment conditions, orientation and promotion conditions, financial and social benefits were written down and shared with the employees.
- ✓ There were no complaints from the employees about discrimination.
- ✓ The company, which prioritizes occupational safety and equality of opportunity, also supports its employees with various trainings for their professional and personal development.
- ✓ The Company publishes the sustainability compliance framework report on its website and PDP.
- ✓ Halk GYO continues studies on establishing a sustainability policy.

- ✓ In 2022 within the scope of social responsibility, the Company donated TRY 300.000.

**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**

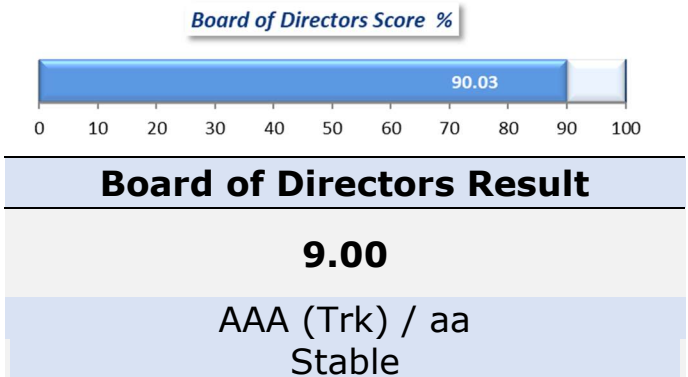
The Company's score in the Stakeholders main section has been increased from 8.97 to 9.00.

- The implementation of the Electronic Board of Directors System (EYKS) in which members of board of directors can legally participate meetings regardless of time and location, and board decisions can be taken instantly and signed with digital signatures.

is the factor behind this increase in compliance.

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

- Numerical value is **9.00**,
- Convergence Level **AAA(Trk)** representing the category of **"Distinctive Compliance"**,
- Notch degree **(a)** representing the category of **"Excellent"**,
- Outlook **(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.
- ✓ The board of directors has defined the Company's strategic goals, determined the human and financial resources that will be required, and oversees the performance of the company management.
- ✓ The distribution of duties among the members of the board of directors was explained in the annual report.
- ✓ 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 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.
- ✓ The board of directors works closely with the corporate governance committee and the Investor Relations Department to ensure effective communication between the company and its shareholders, and to resolve any disputes that may arise.
- ✓ 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 2022.
- ✓ The number of board members remained at 6 in the monitoring period, two of which are independent and only one is executive.
- ✓ At the general meeting held on March 31, 2022 the shareholders approved the 2021 activities of the Board of Directors.
- ✓ 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.

- ✓ No women members in the Board. 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 Tanriverdi (as Vice Chair), Mr. Raci Kaptan Kolaylı, Mr. Mehmet Hakan Tercan, Mr. Fuat Gedik and Mr. Erdal Bekin were elected as Members of the Board of Directors at Company's Ordinary General Assembly Meeting held on March 31, 2022.
- ✓ Mr. Bülent Karan, who was elected as an General Manager and Member of the Board of Directors, resigned from his duties on March 31, 2022 and Erdal Bekin was assigned at his position.
- ✓ Yavuz Öztürk, who served as Project Implementation Manager, was appointed as Project Development and Implementation Assistant General Manager on 14 June 2022.
- ✓ The Board held 73 meetings in 2022 and took 119 decisions. Decisions of the Board of Directors were taken unanimously by the attendees of the meetings.
- ✓ 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. Five committees, Audit, Corporate Governance (with the functions of the Nominating Committee), Early Detection of Risk, Remuneration and Sustainability 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 committees and policies.



- ✓ The general manager has not participated in the committees that are required to be established in accordance with the Code.
- ✓ During 2022, 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 9 meetings and has prepared 5 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 Early Detection of Risk Committee held 6 meetings and prepared 6 reports on related issues to be submitted to the Board of Directors.
- ✓ In order to provide IT services without interruption in case of a disaster, the emergency center was established at the end of 2022.
- ✓ The benefits provided to the Board of Directors and senior executives are totally shown in the Financial Statements. As of 31 December 2022, the net payment amounted to TL 3,716,816 provided or to be provided to the key managers of the Company, including the members of the Board of Directors.

## **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>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
<b>Paid Capital (000TRY)</b>	<b>858,000</b>	<b>928,000</b>	<b>970,000</b>	<b>1,020,000</b>	<b>1,570,000</b>
<b>Shareholders</b>					
Halkbank (B)*	70.38	70.38	70.38	70.38	70.38
Halkbank (A)	1.58	1.58	1.58	1.58	1.58
Listed (B)	28.00	28.00	28.00	28.00	28.00
Halk Yatırım Menkul Değerler A.Ş. (A)	0.04	0.04	0.04	0.04	0.04
Halk Finansal Kiralama A.Ş. (A)	<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 31 December 2022, Türkiye Halk Bankası A.Ş. has 115,620,590.90 publicly traded nominal shares, whereas Halk GYO A.Ş. has 33,160,262.98 nominal shares.*

<b>TABLE: 2</b>				
<b>Joint Ventures as of 31 December 2022</b>				
<b>Company Name</b>	<b>Headquarters</b>	<b>Fields of Activities</b>	<b>Interest Share (%)</b>	<b>Establishment Date</b>
Halk GYO-Vakıf GYO Adi Ortaklığı	Türkiye	Real Estate Investment	50.00	2014
Halk GYO-Erkonut Adi Ortaklığı	Türkiye	Real Estate Investment	50.00	2016
Teknik Yapı-Halk GYO Adi Ortaklığı	Türkiye	Real Estate Investment	50.00	2017
<b>Subsidiary as of 31 December 2022</b>				
<b>Company Name</b>	<b>Headquarters</b>	<b>Fields of Activities</b>	<b>Interest Share (%)</b>	<b>Establishment Date</b>
Halk Yapı Projeleri Geliştirme A.Ş.	Türkiye	Real Estate Investment	100.00	2020

**TABLE: 3**

**BOARD OF DIRECTORS**

Name	Task	Expertise	Membership Start Date	Duty Selection Date	Experience (Years)	Education	Executive/Non-Executive	Independent/Non-Independent	Committee Membership
Ergin Kaya	Chairman	Banker	24.06.2020	31.03.2022	33	Bachelor's Degree	Non-Executive	Non-Independent	-
Mehmet Tanrıverdi	Deputy Chairman	Banker	06.09.2018	31.03.2022	18	Bachelor's Degree	Non-Executive	Non-Independent	Remuneration Committee
Mehmet Hakan Tercan	Member	Banker	16.04.2020	31.03.2022	29	Bachelor's Degree	Non-Executive	Non-Independent	
Raci Kaptan Kolaylı	Member	Engineer	24.06.2020	31.03.2022	31	Bachelor's Degree	Non-Executive	Independent	Audit Committee, Corporate Governance Committee, Early Detection of Risk Committee, Sustainability Committee
Fuat Gedik	Member	Banker	27.05.2021	31.03.2022	43	Bachelor's Degree	Non-Executive	Independent	Audit Committee, Corporate Governance Committee, Early Detection of Risk Committee, Sustainability Committee, Remuneration Committee
Erdal Bekin	Member/ General Manager	Civil Engineer	31.03.2022	31.03.2022	25	Master Degree	Executive	Non-Independent	Sustainability Committee

## 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>	03.02.2023-22.02.2023
<b>Rating Publishing Date:</b>	24.02.2023
<b>Rating Expiration Date:</b>	1 full year after publishing date, unless otherwise stated
<b>Previous Rating Results:</b>	'February 25, 2022 / 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 ( <i>Executive Vice President</i> ), B. Pakyürek ( <i>Manager</i> ), M. Hayat ( <i>Manager</i> )