

## Corporate Governance Rating

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

### Publication Date:

28/06/2022

**Sector:** Banking

## TÜRKİYE HALK BANKASI A.Ş.

### Ratings

Overall Score	<b>9.46</b>	AAA(Trk)/aa (Stable)
Shareholders	<b>9.44</b>	AAA(Trk)/aa (Stable)
Public Disclosure & Transparency	<b>9.55</b>	AAA(Trk)/aaa (Stable)
Stakeholders	<b>9.66</b>	AAA(Trk)/aaa (Stable)
Board of Directors	<b>9.34</b>	AAA(Trk)/aa (Stable)

### Bank Profile

<b>Trade Name</b>	TÜRKİYE HALK BANKASI A.Ş.
<b>Address</b>	Barbaros Mahallesi, Şebboy Sokak No:4/1 34746 Ataşehir / İstanbul
<b>Chairman</b>	Mr. Recep Süleyman ÖZDİL
<b>General Manager</b>	Mr. Osman ARSLAN
<b>Investor Contact</b>	Phone: +90 216 503 70 70 halkbank.ir@halkbank.com.tr
<b>Web</b>	<a href="http://www.halkbank.com.tr">www.halkbank.com.tr</a>
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## Bank Overview

**Türkiye Halk Bankası A.Ş. (Halkbank or Bank), {credit ratings assigned by JCR Eurasia Rating on November 29, 2021: LC: AAA(Trk)/(A-1+)(Trk) Stable}}** Established in 1938 with the aim of supporting craftsmen, Türkiye Halk Bankası A.S. (hereinafter referred to as "Halkbank" or "the Bank") consistently expanded its operations in line with the growth in the Turkish economy to become one of the country's leading banks offering wide ranging financial services with a prominent position in SME banking. As of FY2021, the Bank conducts its operations through 1,018 domestic branches and 4,082 ATMs along with a country directorate and 5 branches in the TRNC, a branch in Bahrain and 2 representational offices in London, and Tehran.

The Bank's shares have been listed on the Borsa Istanbul (BIST) index since 2007 with a current free-float rate of 12.30% whilst the Turkish Wealth Fund is the qualified shareholder with a rate of 87.70% in 1Q2022. Turkish Wealth Fund represents the country's sovereign wealth fund and aims to promote the country's long-term economic growth and development through the effective management of state-owned assets.

The Bank's Board of Directors consists of 9 members, including the General Manager and three independent members whilst there are 7 committees operating under the Board which namely include audit, corporate governance, operational risk, credit, asset/liability management, remuneration and sustainability. The total number of employed personnel across the Bank's operations amounted to 20,339 as of FY2021.

### Strengths

- Well-prepared contingency plans against emergent and unexpected circumstances
- 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
- Three independent members in the Board of Directors
- Effective and transparent website in both Turkish and English
- Effective Board of Directors comprised of highly qualified, educated and experienced members
- As of 2021, sustainability performance and financial performance will be integrated and published as an integrated annual report

### Constraints

- Absence of any clauses in the articles of association that broaden the exercise of minority rights beyond the current legislation for shareholders holding less than 5% of share capital
- Lack of disclosure of the per-person remuneration of the top managers and the board members
- Absence of an incentive system based on performance evaluation for Board members
- Share of women members (11%) on the Board not meeting the 25% threshold

## 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 Halkbank's level of compliance with Corporate Governance Principles as of June 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 put special emphasis on functional compliance along with structural compliance to the Code and scores are put under pressure mathematically 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 as outlined below;

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

These coefficients were 25%, 35%, 15% and 25%, respectively, prior to 2014.

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 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 Bank to the public through various channels and also submitted to JCR Eurasia Rating in writing and verbal communication, 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.

The general compliance level of Bank with Code as of June 2021, and the corresponding levels within the JCR Eurasia's notation were as follows;

June 28, 2021				
Fields	Numerical Value	Convergence Level	Notch degree	Outlook
Shareholders	94.37	AAA (Trk) (Distinctive)	(aa) (Superior)	Stable
Public Disclosure and Transparency	95.50	AAA (Trk) (Distinctive)	(aaa) (Exceptional)	Stable
Stakeholders	95.65	AAA (Trk) (Distinctive)	(aaa) (Exceptional)	Stable
Board of Directors	93.41	AAA (Trk) (Distinctive)	(aa) (Superior)	Stable
<b>Overall</b>	<b>94.51</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.jcrer.com.tr/Upload/Files/Reports/538\\_kyder\\_notation\\_oct2010.pdf](http://www.jcrer.com.tr/Upload/Files/Reports/538_kyder_notation_oct2010.pdf)

Finally, at the end of previous monitoring period, a comprehensive rating review was performed in June 2022. The Bank's overall compliance note has been increased to 9.46 from 9.45.

- The first Integrated Annual Report which states the Company's corporate governance approach, sustainability approach, and areas of business to the

readers at the level of capital elements, was presented in March 3, 2022.

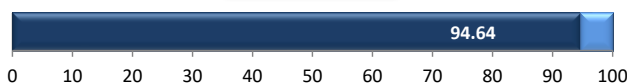
- Assignment and Career Management Department in the HR organization, within the scope of the development and correct orientation of talents, has been repositioned as two separate sections, Talent Management and Assignment Management. In addition, Halkbank's competency model was developed, enabling the competency assessment process to be reviewed with a new approach. Systemic developments regarding the integrated human resources management module continue in order to carry out the assignment, promotion and talent management studies that carried out by Human Resources in an integrated manner in a single environment.

These positive developments are factors behind this increase in compliance. The Bank's compliance level and their corresponding notes are outlined below:

- Numerical value of **9.46**
- Convergence Level **AAA(Trk)** representing the category of **"Distinctive Compliance"**
- Notch degree **(aa)** representing the category of **"Superior"**
- Outlook **(Stable)**

June 28, 2022				
Fields	Numerical Value	Convergence Level	Notch degree	Outlook
Shareholders	94.37	AAA (Trk) (Distinctive)	(aa) (Superior)	Stable
Public Disclosure and Transparency	95.50	AAA (Trk) (Distinctive)	(aaa) (Exceptional)	Stable
Stakeholders	96.55	AAA (Trk) (Distinctive)	(aaa) (Exceptional)	Stable
Board of Directors	93.41	AAA (Trk) (Distinctive)	(aa) (Superior)	Stable
<b>Overall</b>	<b>94.64</b>	<b>AAA(Trk) (Distinctive)</b>	<b>(aa) (Superior)</b>	<b>Stable</b>

Overall Score %



## Overall Result

**9.46**

**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 Bank will maintain its level of compliance on an overall basis. For this reason, the outlook for the Bank has been determined as **"Stable"**.

### 2. Bank Overview

The roots of Halkbank date back to 1938 in accordance with the law numbered 2284 and dated 1933 and was established with the aim of providing financial support to small tradesmen and large industrialists under favorable terms. Having conducted its operations through the cooperatives in the period of 1938-1950, the Bank was empowered with the authority to open branches and allocate loans from 1950 onwards and increased its capital from the beginning of 1964 to expand its branch network across the country. Craftsman, small tradesman and SMEs constituted the initial target group of the Bank which gradually widened the scope of its operations.

Türkiye Öğretmenler Bankası (Töbank), Sümerbank and Etibank were transferred to Halkbank in 1992, 1993 and 1998 respectively. In line with the restructuring efforts implemented by the Common Board of the State-owned Banks in 2001, the Bank's organizational structure was changed to adopt modern banking practices as required by international competitive dynamics with the integration of customer-centered marketing activities. 96 branches of Türkiye Emlak Bankası was transferred to Halkbank in 2001 along with Pamukbank in the second half of 2004. The Bank underwent an Initial Public Offering on the Borsa Istanbul (BIST) index in 2007.

As of the report date, the Bank maintained its operations through wide-ranging business fields and country-wide branch network and representational offices based overseas. As of FY2021, the Bank conducts its operations through 1,018 domestic branches and 4,082 ATMs along with a country directorate and 5 branches in the TRNC, a branch in Bahrain and 2 representational offices in London and Tehran. As of end May 2022, the total number of employed personnel across the Bank amounted to 20,160.

The Turkish Wealth Fund (TWF) became the qualified shareholder following the acquisition of shares in

March, 2017 with a rate of 51.11% whilst the remaining 48.89% of shares were traded on the Borsa Istanbul (BIST) index as of FYE2019. The paid-in capital was increased to TRY 4.97bn as of 1Q2022 with an increase in the share of Turkish Wealth Fund to 87.70%.

The Turkish Wealth Fund (TWF) was established in August, 2016 and has been operating under the Presidency of the Republic of Turkey since July, 2018 and aims to make a contribution to the country's economic stability and development, realize the more effective and efficient management of state-owned assets, attract greater foreign investor interest and enhance the diversity and depth of the country's capital markets and support sectors that are deemed to be strategically important nationally.

On an unconsolidated basis, as of FY2021, Halkbank had an asset size of TRY 901bn (FY2020: TRY 680bn), cash loans of TRY 540bn (FY2020: TRY 450bn), total deposits of TRY 626bn (FY2020: TRY 457bn), equity of TRY 44bn (FY2020: 43bn) along with a net profit figure of TRY 1.51bn (FY2020: TRY 2.60bn). As of FYE2021, the Bank's market shares in the banking sector across the three segments of total assets, cash loans and deposits amounted to 9.8% (FYE2020: 11.1%), 10.5% (FYE2020: 11.9%) and 11.3% (FYE2020: 12.6%) respectively, indicating its systemic importance.

In line with its strategy, the Bank aims to increase specially designed product/service offering in addition to core banking activities and their provision to SMEs and personal banking customers with medium and upper-medium income segments, adopt a customer-centered high quality service provision approach, ensure effectiveness in credit and financial risk management along with efficiency in business processes through rich product portfolio and system/transaction security, enable continuous development and monitoring of employees through career and performance management systems, adoption of the corporate identity by the internal and external customers and provide high quality services in the field of international banking via its overseas branch network.

The Board of the Bank consists of 9 members including the Chief Executive Officer (CEO) 1 of whom is a woman member along with 3 independent members. The Board meetings are held via physical attendance or in an electronical setting and the Board convenes at least once on a monthly basis. There are 7 committees

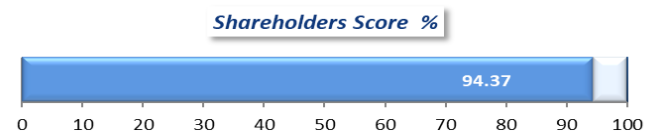
operating under the Board which namely include audit, corporate governance, operational risk, credit, asset/liability, remuneration and sustainability. The lines of responsibility and delegation of authority for each committee is summarized on the Bank's website and the annual report.

### 3. Shareholders

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

The Bank's compliance level in this section 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>Shareholders Result</b>
<b>9.44</b>
AAA (Trk) / aa
Stable

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

- ✓ The 2021 Ordinary Shareholders Meeting was simultaneously held on March 25, 2022 at 10.00 a.m. at the Bank's headquarters and remotely via e-GEM (Electronic General Meeting System). Pre-meeting preparations, announcements and invitations were carried out by the Financial Accounting Department according to the Code. Within the framework of democratic principles, all shareholders were treated equally in the meeting, the Bank'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 relevant

documents were disclosed to investors on the website.

- ✓ The required infrastructure is used for the shareholders to attend the general assembly remotely via e-GEM (Electronic General Meeting System).
- ✓ There is a change in the 6th article of articles of association of the Company.
- ✓ The Bank discloses Dividend Distribution Policy on the website. There has been no dividend distribution during the monitoring period.
- ✓ The Bank's Board of Directors, CEO and Deputy General Managers are not shareholders in the Bank.
- ✓ No lawsuit was opened by shareholders to cancel the resolutions made in the shareholders' meeting.
- ✓ There are no restrictions preventing shares from being transferred.
- ✓ The Investors Relations Department prepares the financial presentations of the Bank every quarter and submits to the investors on the website.
- ✓ The Investor Relations Department answered a total of 446 questions from shareholders via telephone and e-mail.
- ✓ In 2021 within the scope of social responsibility, the Bank donated TRY 5.27mn to various institutions. The Board of Directors submitted information to the shareholders regarding these donations in the general shareholders meeting.
- ✓ The Bank realized TRY1.508mn of profit during FY2021. After setting aside TRY75mn as legal reserves, TRY1.432mn was designated as extraordinary reserves. The dividend distribution table was disclosed to the public via the company's website and the PDP following the general meeting.

#### Outlook

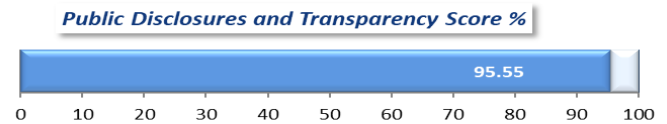
JCR Eurasia Rating is of the opinion that during the upcoming monitoring period following the publication date of this report the Bank will maintain its level of compliance in the Shareholders main section. For this reason, the outlook for this section has been determined as **"Stable"**.

#### 4. Public Disclosure and Transparency

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

The Bank's compliance 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 Disclosure and Transparency Result

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

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

- ✓ The Bank's quarterly financial statements were released to the public within the period specified by CMB legislation and posted on the website.
- ✓ A total of 241 notifications in the monitoring period was disclosed to the PDP.
- ✓ The Bank's website is kept up to date in both Turkish and English.
- ✓ The annual report of 2021 was published successfully with a high compliance level with the Code.
- ✓ The Bank disclosed Corporate Governance Principles Compliance Report and Corporate Governance Information Form on the PDP.
- ✓ The Bank continues to be included in the BIST Sustainability Index.
- ✓ The Bank regularly publishes the sustainability compliance framework and relevant documents on its website. As of FY2021, the Bank integrated its non-financial performance with its financial performance and publishes its annual reports within the scope of the integrated reporting framework.
- ✓ The Bank discloses important policies in terms of public disclosure such as Disclosure Policy, Corporate Governance Policy etc. on the website.

- ✓ Significant improvements in the Bank's organizational structure and operations are published in a timely manner.
- ✓ Obligations regarding administrative fines and irregularity penalties imposed by regulatory and supervisory institutions and other public institutions due to legislative incompatibilities were fulfilled by taking advantage of the discounts permitted by the legislation, and within this scope, TRY2.907k was paid.
- ✓ The Bank's 2021 financial tables were audited by the independent audit firm DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (a member firm of Deloitte). The same audit firm will continue to carry out independent audit 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 Bank will maintain its level of compliance in the Public Disclosure and Transparency main section. For this reason, the outlook for this section has been determined as **"Stable"**.

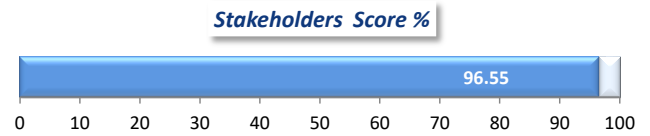
## 5. Stakeholders

This main section's score has been increased to 9.66 from 9.57. The reason behind this increase is;

- The first Integrated Annual Report which states the Company's corporate governance approach, sustainability approach, and areas of business to the readers at the level of capital elements, was presented in March 3, 2022.
- Assignment and Career Management Department in the HR organization, within the scope of the development and correct orientation of talents, has been repositioned as two separate sections, Talent Management and Assignment Management. In addition, Halkbank's competency model was developed, enabling the competency assessment process to be reviewed with a new approach. Systemic developments regarding the integrated human resources management module continue in order to carry out the assignment, promotion and talent management studies that carried out by Human Resources in an integrated manner in a single environment.

The compliance level of the Bank's practices in the field of stakeholders with the Code has been determined as below:

- Numerical value is **9.66**,
- Convergence Level **AAA(Trk)** representing the category of **"Distinctive Compliance"**,
- Notch degree **(aaa)** representing the category of **"Exceptional"**,
- Outlook **(Stable)**



Stakeholders Result
<b>9.66</b>
AAA (Trk) / aaa
Stable

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

- ✓ The Bank hired 643 new employees, 420 employees left the Company in the period of between June 30, 2021 and May 31, 2022. 169 employees are retired in the same period. No loss in employee rights was observed during these developments. As of May 31, 2022, the number of employed personnel within the Company is 20.160.
- ✓ Despite the Company has not yet adopted a succession plan for all key managerial positions, scheduled the key positions and continues the works on determining backup policies and establishing backup repositories.
- ✓ The Bank has not established such regulation regulate the participation of employees in management.
- ✓ During the monitoring period, there were total of 311 lawsuits filed against the Bank by employees, customers, suppliers and public authorities with the total amounts of TRY11.543k, EUR533k, USD15k and GBP4k in the period of between June 28, 2021 and June 1, 2022.

- ✓ The number of cases concluded during the monitoring period is 304, and the total amount of these cases is TRY4.116k.
- ✓ Precautions have been taken against cyber attacks. No service interruption or loss of information has been experienced.
- ✓ New services continued to be launched in customer relations and call center.
- ✓ In accordance with the dynamics of the COVID-19 process, all technological processes of the Bank have been brought in compliance with the personnel to work remotely.
- ✓ During the monitoring period, the Bank continued to take part in many social projects.
- ✓ The Sustainability Committee and the Sustainability Coordination Group continued to increase the Bank's sustainability performance by developing environmentally sensitive projects within the scope of sustainability efforts in 2021.
- ✓ The Bank discloses the important policies for the stakeholders such as Sustainability, Environment, Social Responsibility and Public Relations Policy, Donation and Aid Policy, Stakeholders Policy, Ethical Rules etc. on the website.

## Outlook

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

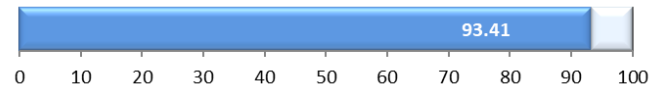
## 6. Board of Directors

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

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

- Numerical value is **9.34**,
- Convergence Level **AAA(Trk)** representing the category of **"Distinctive Compliance"**,
- Notch degree **(aa)** representing the category of **"Superior"**,
- Outlook **(Stable)**

### Board of Directors Score %



### Board of Directors Result

**9.34**

AAA (Trk) / aa  
Stable

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

- ✓ At the general meeting held on March 25, 2022 the shareholders approved the 2021 activities 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.
- ✓ One women member in the Board representing below 25% of the full number of members (11%) 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.
- ✓ 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.
- ✓ The board of directors has not conducted a board performance evaluation to review whether it has discharged all its responsibilities effectively.
- ✓ Liability insurance for board members and top managers was renewed by the Bank. However, the insurance amount does not exceed 25% of the Bank's capital. The current policy is valid until 8 October 2022.
- ✓ The Bank was certificated the ISO 9001:2015 Quality Management System Certificate on March 16, 2021.
- ✓ Since July 2020, remote access and control activities have been added to the Bank's processes as a new workflow.
- ✓ Deputy chairperson Mr. Himmet Karadağ resigned from his position and Mr. Mevlüt Uysal was appointed to replace him at the General

- Assembly Meeting on March 25, 2022. Mr. Mesut Karakaş was also appointed as an Independent Board member in the same period.
- ✓ Serdar Sürer got retired from his post as Treasury Management and International Banking Executive Vice President in July 2021 and Ali Şöner was appointed instead of him.
  - ✓ Olcay Atlioğlu's title changed as Information Technologies Deputy General Manager in July, 2021.
  - ✓ With the Board decision taken in July, 6, 2021, Olcay Doğan was appointed to replace Mehmet Zihni Güvener's position of Internal Systems Group Presidency.
  - ✓ With the Board decision taken in May, 24, 2022, Hamdi Coşkun was appointed to replace Olcay Doğan's position of Internal Systems Group Presidency.
  - ✓ Changes of the whole board member were disclosed in a timely manner to the PDP and the website.
  - ✓ No lawsuits were filed against the Board of Directors by shareholders.
  - ✓ The Board of Directors continued the internal control system activities in accordance with the scale and complexity of the Company's activities. All planned internal audit and control activities were successfully performed and reported to the Bank's Board of Directors in 2021.
  - ✓ Board of Directors Office Services Department carried out sufficient activities with respect to the Board of Directors meetings' preparations, applications and follow-ups. During the meetings, the necessary services were provided for the members by the Board of Directors Office Services Department and minutes were kept in accordance with the Code.
  - ✓ The Bank disclosed the total remuneration amount provided for the board members and the top managers in the 2021 annual report (FY2021: TRY 13.412k).
  - ✓ In the monitoring period, 40 Board meetings were held.
  - ✓ In the monitoring period, 93 Committee meetings were held.
  - ✓ The Sustainability Committee works within the scope of the Bank's Sustainability Policy and was held 5 times in 2021.

- ✓ The audit committee held 4 meetings in the monitoring period.
- ✓ Chairperson of four sub-committees are consisted of independent members in the Board of Directors.
- ✓ Efforts to transfer the reporting process for instant reporting of all kinds of numerical data to the Senior Management and business units in the decision-making position to the electronic environment and to enter it into the database and allowing all processes such as reporting, evaluation, finding follow-up, and notice to be carried out over the paperless banking infrastructure and monitored instantly, was completed in January 2021, with the inclusion of information systems and general directorate service units reporting into the process.
- ✓ Audit, Corporate Governance, Operational Risk, Credit, Asset-Liability Management, Remuneration and Sustainability committees held their periodic meetings and conducted effective activities in this period.

#### Outlook

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



**TABLE: 1**

**SHAREHOLDING STRUCTURE**

<b>Years</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>1Q2022</b>
<b>Paid Capital (000TRY)</b>	<b>1,250,000</b>	<b>1,250,000</b>	<b>2,473,776</b>	<b>2,473,776</b>	<b>4,969,121</b>
<b>Shareholders (%)</b>					
TURKISH WEALTH FUND	51.106	51.106	75.294	75.294	87.701
LISTED	48.887	48.887	24.703	24.703	12.298
OTHERS	0.007	0.007	0.003	0.003	0.001
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

**TABLE: 2**

**AFFILIATES & SUBSIDIARIES (as of 1Q2022)**

Company Name	Headquarters	Fields of Activities	Interest Share %	Acquisition Date
HALK YATIRIM MENKUL DEĞERLER A.Ş.	Turkey	Brokerage	100.00	1997
HALK FİNANSAL KİRALAMA A.Ş.	Turkey	Leasing	100.00	1991
HALK FAKTORİNG A.Ş.	Turkey	Factoring	100.00	2012
HALK GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.	Turkey	Real Estate Investment	79.33	2010
HALK VARLIK KİRALAMA A.Ş.	Turkey	Islamic Equivalent of Bonds	100.00	2017
HALK BANK A.D. BEOGRAD	Serbia	Banking	100.00	2015
HALK BANKA A.D., SKOPJE	North Macedonia	Banking	99.48	2011
BİLEŞİM FİNANSAL TEKNOLOJİLER VE ÖDEME SİSTEMLERİ A.Ş.	Turkey	Financial Services	33.33	1998
KOBİ GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş.	Turkey	Venture Capital Investment	31.47	2004
DEMİR-HALKBANK (NEDERLAND) N.V.	Netherlands	Banking	30.00	1992
KREDİ KAYIT BÜROSU A.Ş.	Turkey	Financial Services	18.18	2002
PLATFORM KARTLI SİSTEMLER A.Ş.	Turkey	Financial Services	20.00	2019

TABLE: 3

BOARD OF DIRECTORS

Name	Task	Expertise	Date Elected	Experience	Education	Executive/Non-Executive	Independent/Non-Independent	Committee
				(Year)				Membership
Recep Süleyman ÖZDİL	Chairman	Banker	28.08.2015	38	Bachelor's Degree	Non-Executive	Independent	Audit Committee Chairperson, Corporate Governance Committee Chairperson
Mevlüt UYSAL	Deputy Chairman	Lawyer	27.05.2019	31	Bachelor's Degree	Non-Executive	Independent	Audit Committee Member, Credit Committee Member
Meltem TAYLAN AYDIN	Member	Banker	08.06.2017	14	Bachelor's Degree	Non-Executive	Non-Independent	Remuneration Committee Member
Maksut SERİM	Member	Banker	08.06.2017	45	Master Degree	Non-Executive	Non-Independent	Credit Committee Reserve Member
Sezai UÇARMAK	Member	Customs Inspector	27.02.2019	35	Bachelor's Degree	Non-Executive	Non-Independent	Credit Committee Reserve Member
Şeref AKSAÇ	Member	Banker	26.03.2021	40	Bachelor's Degree	Non-Executive	Non-Independent	Corporate Governance Committee Member, Credit Committee Member
Ebubekir ŞAHİN	Member	Civil Servant	12.06.2020	27	Master Degree	Non-Executive	Non-Independent	Sustainability Committee Member
Osman ARSLAN	Member, CEO	Banker	08.06.2017	27	Master Degree	Executive	Non-Independent	Credit Committee Chairperson
Mesut KARAKAŞ	Member	Academician	25.03.2022	14	PhD	Non-Executive	Independent	Remuneration Committee Chairperson, Sustainability Committee Chairperson

## Rating Info

<b>Rated Company:</b>	Türkiye Halk Bankası A.Ş. Barbaros Mahallesi, Şebboy Sokak No:4/1 34746 Ataşehir/İstanbul Telephone: +90 216 503 70 70
<b>Rating Report Preparation Period:</b>	31.05.2022-24.06.2022
<b>Rating Publishing Date:</b>	28.06.2022
<b>Rating Expiration Date:</b>	1 full year after publishing date, unless otherwise stated
<b>Previous Rating Results:</b>	'June 28, 2021 / Overall score / (9.45) 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 (Executive Vice President), B. Pakyürek (Chief Analyst), F. Lap (Chief Analyst), K.F. Özüdoğru (Chief Analyst)