

ADDITIONAL EXPLANATIONS PURSUANT TO THE COMMUNIQUE ON CORPORATE GOVERNANCE

1-) Ownership Structure

Latest ownership and capital structure of the bank is shown below and there are no privileged shareholders in the bank.

HALKBANKASI SHAREHOLDER STRUCTURE (TRY)		
SHAREHOLDER	PAID-IN CAPITAL (TRY)	SHAREHOLDING (%)
Turkey Wealth Fund *	638,825,500	51.1060400
Free Float *	611,091,275	48.8873020
Other **	83,225	0.0066580
TOTAL	1,250,000,000	100.0000000

* TRY 549,932 shares out of total shares belonging to Turkey Wealth Fund are eligible to be traded at Borsa İstanbul. The free float rate corresponds to 48.93%.

** 80,604 TL of the shares under the “Other” group belongs to our shareholders whose shares do not trade on the Exchange (though these shareholders have been dematerialized them in their own accounts); and 2,621 TL of the shares in the “Other” group belong to the shareholders whose shares are monitored under the DESA - Dematerialized Unknown Shareholder Account (KAYDBOH) due to the ongoing legal action.

2-) Information regarding changes in management and business that would significantly affect the operations of the Bank or the Subsidiaries of the Bank

There are no changes in management and business that significantly affected the operations of the Bank or the Subsidiaries of the Bank in the past financial period.

3-) Written requests of the shareholders in relation to adding a clause to the agenda

Mr. Jilber TOPUZ (share ownership certified with relevant documentation issued by Vakıf Yatırım Menkul Değerler A.Ş.) sent a certified email to our Department of Investor Relations, presenting a letter dated April 01, 2019, which requested an additional item to be put on the agenda to discuss why the Bank has not bought back any shares so far pursuant to the Share Buy-back Program announced on August 29, 2018.

The Bank’s Board of Directors discussed this request, and decided in the negative on grounds that there is already a separate item on the agenda for the presentation of a summary to the General Assembly concerning all transactions performed under Communique on Share Buy-backs, Article 12, Paragraph 8.