

Corporate Governance Rating

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Sector: Banking

TÜRKİYE HALK BANKASI A.Ş.

Ratings

Overall Score	9.45	AAA(Trk)/aa (Stable)
Shareholders	9.44	AAA(Trk)/aa (Stable)
Public Disclosure & Transparency	9.55	AAA(Trk)/aaa (Stable)
Stakeholders	9.57	AAA(Trk)/aaa (Stable)
Board of Directors	9.34	AAA(Trk)/aa (Stable)

Bank Profile

Trade Name	TÜRKİYE HALK BANKASI A.Ş.
Address	Barbaros Mahallesi, Şebboy Sokak No:4/1 34746 Ataşehir / İstanbul
Chairman	Mr. Recep Süleyman ÖZDİL
General Manager	Mr. Osman ARSLAN
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Bank Overview

Türkiye Halk Bankası A.Ş. (Halkbank or Bank), {credit ratings assigned by JCR Eurasia Rating on October 26, 2020: 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 FYE2020, the Bank conducts its operations through 1,007 domestic branches and 4,060 ATMs along with a country directorate and 5 branches in the TRNC, a branch in Bahrain and 3 representational offices in London, Singapore and Tehran.

The Bank’s shares have been listed on the Borsa Istanbul (BIST) index since 2007 with a current free-float rate of 24.70% whilst the Turkish Wealth Fund is the qualified shareholder with a rate of 75.29% following the increase in the paid-in capital to TRY 2.47bn in May, 2020. 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 20,171 as of FYE2020.

Strengths

- Well-prepared contingency plans against emergent and unexpected circumstances
- Presence of a comprehensive and effective risk management and internal control system
- Three independent members in the Board of Directors
- High level of effectiveness in internal audit activities
- Effective and transparent website in both Turkish and English
- Effective Board of Directors comprised of highly qualified, educated and experienced members
- Directors’ and Officers’ Liability Insurance Schemes covering the top management

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.
- Share of women members on the Board not meeting the 25% threshold