

Corporate Governance Rating

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Sector: Banking

TÜRKİYE HALK BANKASI A.Ş.

Ratings

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

Bank Profile

Trade Name	TÜRKİYE HALK BANKASI A.Ş.
Address	Finanskent Mahallesi, Finans Caddesi, No:42/1, 34760 Ümraniye/İstanbul
Chairman	Mr. Recep Süleyman ÖZDİL
General Manager	Mr. Osman ARSLAN
Investor Contact	Phone: +90 216 503 70 70 halkbank.ir@halkbank.com.tr
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Bank Overview

Türkiye Halk Bankası A.Ş. (Halkbank or the Bank), {credit ratings assigned by JCR Eurasia Rating on November 29, 2023: LC: AAA(Tr)/(J1+)(Tr) Stable}} was established in 1938 with the aim of supporting tradesmen and craftsmen and consistently expanded its operations in line with the growth in the Turkish economy and has become one of the country's prominent banks. As of year-end 2023, the Bank ranked 4th in terms of assets, 3rd in loans and 3rd in deposits in the sector. Offering a wide range of financial services, the Bank has a leading position especially in SME banking. Opening 41 new branches in 2023, the Bank conducts its operations through 1,073 domestic branches and 4,064 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 8.51% whilst the Turkish Wealth Fund is the qualified shareholder with a rate of 91.49%. 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 14 committees operating under the Board which namely including audit, corporate governance, operational risk, credit, asset/liability, remuneration and sustainability. The total number of personnel employed in the Bank's operations is 22,219.

Strengths

- The existence of an experienced Investor Relations Department that has an active role in protecting shareholders' rights,
- Comprehensive and transparent website in Turkish and English providing stakeholders with information beyond legislative requirements,
- Publishing an integrated annual report including environmental, social and governance performance alongside financial results,
- The net zero emissions commitment covering its direct operations as well as its loan and investment portfolio,
- Cooperation with the labor union on employee related issues,
- Establishment of numerous committees and policies for the Bank's operations,
- Presence of a comprehensive risk management, internal control system and internal audit activities structured in accordance with international practices, principles and organizational framework.

Constraints

- Absence of a provision in the articles of association extending minority rights and granting these rights to shareholders with less than 5% shares,
- 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 (22%) on the Board not meeting the 25% threshold and there is no policy about this issue,
- The insurance amount against damages to the corporation that may be caused by faults of the board of directors during the performance of their duties is below 25% of the Bank's capital.