

## Corporate Governance Rating

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**Publication Date:** 26/06/2023  
**Sector:** Banking

## TÜRKİYE HALK BANKASI A.Ş.

### Ratings

Overall Score	<b>9.46</b>	AAA(Trk)/aa (Positive)
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 (Positive)
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>
<b>Investor Relations</b>	Mr. Yusuf Duran OCAK

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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, 2022: LC: AAA(Tr)/(J1+)(Tr) 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 FYE2022, the Bank conducts its operations through 1,032 domestic branches and 4,075 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% in 1Q2023. 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 management, remuneration and sustainability. The total number of employed personnel across the Bank's operations amounted to 20,781 as of FYE2022.

### Strengths

- The existence of functional Investor Relations Department that acts as a bridge between the Bank and shareholders,
- Functional and transparent website in Turkish and English, containing comprehensive information for all stakeholders beyond requirement of legislation,
- 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 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 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.