

## Corporate Governance Rating

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**Publication Date:** 16/07/2020

**Sector:** Banking

## TÜRKİYE HALK BANKASI A.Ş.

### Ratings

Overall Score	<b>9.43</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>9.52</b>	AAA(Trk)/aaa (Stable)
Board of Directors	<b>9.31</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
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## Bank Overview

Financial Data	2019*	2018*	2017*	2016*	2015*
Total Assets (000,000 USD)	78,881	73,966	81,712	67,246	65,437
Total Assets (000,000 TRY)	468,571	389,130	311,354	236,654	190,265
Total Deposits (000,000 TRY)	300,637	250,549	193,253	150,390	122,499
Total Net Loans (000,000 TRY)	306,815	260,079	208,279	161,434	129,067
Equity (000,000 TRY)	32,159	29,525	26,313	22,007	19,312
Net Profit (000,000 TRY)	2,305	2,698	4,185	3,018	1,787
Market Share (%) **	10.18	9.79	9.37	8.47	7.96
ROAA (%)***	0.57	0.87	1.92	1.75	1.30
ROAE (%)***	7.86	10.95	21.73	18.04	12.55
Equity/Assets (%)	6.86	7.59	8.45	9.30	10.15
CAR - Capital Adequacy Ratio (%)**	14.33	13.80	14.18	13.08	13.83
Asset Growth Rate (Annual) (%)	20.41	24.98	31.57	24.38	21.19

\*consolidated year-end IFRS compliant financials, \*\*solo basis, \*\*\*pre-tax profit to avg. total assets and equity

**Türkiye Halk Bankası A.Ş.** (Halkbank or Bank), {credit ratings assigned by JCR Eurasia Rating on October 31, 2019: 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 FYE2019, the Bank conducts its operations through 1,000 domestic branches and 4,051 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 24.71% 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 6 sub-committees namely including audit, operational risk, asset and liability management, corporate governance, remuneration and sustainability. The total number of personnel employed across the Bank's operations amounted to 18,967 as of FYE2019.

### Strengths

- Well-prepared contingency plans against emergent and unexpected circumstances
- Presence of a comprehensive and effective risk management and internal control system
- 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