

TÜRKİYE HALK BANKASI A.Ş.
BOARD OF DIRECTORS' REPORT

Leveraging our 87 years of experience as a well-established institution in the sector, we at Halkbank continued to support the real economy in 2025 by offering premium products and services, underpinned by our robust risk management and agility in responding to market conditions. We continued to significantly contribute to the national economy through our sustained support for tradespeople, SMEs, and women and young entrepreneurs. This support was fueled by our broad deposit base and acquired funds from our capital increase and the capital market instruments we issued both domestically and internationally. Within the scope of the 2025 Year of the Family, we introduced tailored products designed to encourage women's participation in the workforce, support work–life balance, and contribute to social development.

In 2025, Halkbank increased its assets from 3,022.2 billion Turkish lira to 4,292.8 billion Turkish lira, up by 42 percent year-over-year. It also ranked fourth in asset size within the sector. By the year-end, cash loans accounted for 46.5 percent of the balance sheet. Its commercial loans, including the SME loans, rose to 1,761.7 billion Turkish lira and its retail loans to 232.3 billion Turkish lira. The Bank ranked fifth in cash loans within the sector. Cash and non-cash loan volumes increased from 2,262.2 billion Turkish lira to 3,168.5 billion Turkish lira, up 40.1 percent year-on-year. Loan disbursement for artisan loans was recorded at 175.8 billion Turkish lira, as the artisan loan balance increased by 20.1 percent year-on-year to 319.7 billion Turkish lira.

By the end of 2025, the Bank provided 120 billion Turkish lira in financial support to 264,000 women entrepreneurs through the Women Entrepreneurs Loan Package introduced in 2021. We at Halkbank are committed to fostering the growth of the women's entrepreneurship ecosystem through our ongoing initiatives, including the fifth annual Productive Women Competition held in February 2026, and the Productive Women Academy MasterClass Brand Training Sessions.

We continued to stand by young entrepreneurs through an expanding range of entrepreneurship initiatives, including the “HUBrica Acceleration Program,” launched to enhance the global competitiveness of projects in fintech, artificial intelligence, and sustainability; the “GençİZ Youth Summit,” which connects young potential with entrepreneurship opportunities and technology; and the “Jet Luck Elevator Pitch Competition,” designed to help entrepreneurs present their projects to the business world. We also continued to offer the “Young Business Loan” and the “First Step Loan,” introduced to facilitate young people's access to the financial system and to support their active participation in the entrepreneurship ecosystem. Additionally, in 2025, we launched the “GençİZ Loan” to encourage recent university graduates to pursue entrepreneurship, offering favorable costs and flexible repayment terms. By year-end 2025, we have issued a total of 38.4 billion Turkish lira in financing to 227,000 entrepreneurs through our Entrepreneurs Loans.

In 2025, the Bank's securities portfolio expanded to 1,186.8 billion Turkish lira, up by 51.7 percent year-on-year, accounting for 27.6 percent of the balance sheet. In 2025, Halkbank issued additional Tier 1 bonds abroad with a total nominal value of \$1 billion, and further secured \$1.6 billion worth of foreign funding, comprising \$700 million obtained through loan agreements with various international banks and \$900 million through repo and collateralized loan agreements. The Bank also issued commercial papers to qualified domestic investors without making any public offering with a par value of 4.1 billion Turkish lira.

Halkbank's total deposit base grew by 46.4 percent to 3,487.1 billion Turkish lira, up from 2,381.8 billion Turkish lira year-on-year, ranking us second in the sector. In addition, demand deposit volume amounted to 997.4 billion Turkish lira in 2025.

The Bank posted a 27.1 billion Turkish lira year-end profit, marking a 23.1 percent increase from the previous year, showcasing its sustainable profitability in 2025. The Bank's equity increased by 31.1 percent to 218.3 billion Turkish lira, with a capital adequacy ratio of 16.17 percent.

With 17 new branches opening in 2025, Halkbank expanded its branch network to 1,105 branches and ended the year with 22,575 employees.

We express our gratitude to our employees, whose dedication and efforts have propelled Halkbank's sustained growth in 2025, contributing to a profitable and productive year. We hereby submit the Board of Directors' and Auditors' Reports, as well as financial statements for the year 2025, to our esteemed shareholders and their representatives for their consideration.

Respectfully,

Osman ARSLAN
Board Member
General Manager

R. Süleyman ÖZDİL
Chairman