

TÜRKİYE HALK BANKASI A.Ş. 2025 BOARD OF SUPERVISORY' REPORT

The 2025 Board of Auditors' Report for Türkiye Halk Bankası A.Ş. is finalized, with key findings outlined below.

The Bank is open to public audit and is audited by the Banking Regulation and Supervision Agency, Turkish Court of Auditors, and an Independent Auditing Institution under Article 30 of the Bank's Articles of Association.

By the end of 2025, the Turkish banking sector's total assets soared by 43.7 percent year-over-year to 46,946,798 million Turkish lira. The total portfolio of securities rose by 34.2 percent to 7,012,501 million Turkish lira. Deposits saw a 43.5 percent increase, totaling 28,283,591 million Turkish lira. Non-cash loans surged by 47.8 percent to 8,999,180 million Turkish lira, and cash loans rose to 23,127,970 million Turkish lira, up by 44.1 percent. The ratio of non-performing loans to total cash loans amounted to 2.5 percent.

Meanwhile, by the end of 2025, Türkiye Halk Bankası A.Ş.'s assets increased by 42 percent year-over-year to 4,292,781 million Turkish lira. The Bank's non-cash loans grew by 46.7 percent to 1,174,496 million Turkish lira (2024: 800,473 million Turkish lira), while its cash loans reached 1,842,074 million Turkish lira (2024: 1,373,373 million Turkish lira), representing an increase of 34.1 percent.

The volume of commercial loans provided to SMEs, who are the backbones of our country's economic growth, climbed to 881,829 million Turkish lira (2024: 681,170 million Turkish lira), up by 29.5 percent. The Bank continued to be an industry leader with a 14.2 percent market share in SME loans. In 2025, the tradespeople loan balance reached 297,213 million Turkish lira (2024: 248,448 million Turkish lira), marking a 19.6 percent increase. Total securities increased by 51 percent to 790,326 million Turkish lira (2024: 523,472 million Turkish lira). The Bank's total deposits climbed by 47.6 percent to 3,448,295 million Turkish lira (2024: 2,335,689 million Turkish lira), and the ratio of non-performing loans to total cash loans came in at 3.28 percent.

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.

As a historical mission, the Bank grants loans to small- and medium-sized enterprises, artisans and tradespeople, as well as corporate, commercial and retail customers. Accordingly, as of year-end 2025, the ratio of cash loans to total assets, an indicator of asset quality, amounted to 42.9 percent in contrast to the sector average of 49.3 percent.

The Bank's registered capital ceiling was 30,000 million Turkish lira and its paid-in capital was 7,185 million Turkish lira. Equity rose by 31.1 percent from 166,535 million Turkish lira at the end of 2024 to 218,333 million Turkish lira at the end of 2025.

The net profit for the period amounted to 27,131 million Turkish lira at the end of 2025.

In 2025, the total number of Halkbank credit cards was 7.3 million. The Bank increased its number of POS devices from 598,000 to 653,000, and the member businesses from 397,000 to 427,000.

By the end of 2025, the Bank had provided 120 billion Turkish lira in financial support to 264,000 women entrepreneurs through the Women Entrepreneurs Loan Package, which was introduced in 2021. The Bank supports innovative ideas and projects across all sectors with the aim of strengthening the culture of entrepreneurship in our country. Within this scope, we launched the “Gençİz Loan” in 2025 to facilitate young entrepreneurs’ access to funding, offering favorable costs and flexible repayment terms. By year-end 2025, we issued a total of 38.4 billion Turkish lira in financing to 227,000 entrepreneurs through our “Entrepreneurs Loan”, “Techno Entrepreneurs Loan”, “Young Business Loan”, “First Step Loan,” and “Gençİz Loan.”

For the period from January 1 to December 31, 2025, the Bank’s financial reports and information on its annual operations are provided in accordance with Banking Law No. 5411, Turkish Commercial Code No. 6102, Capital Market Law No. 6362, Banking Regulation and Supervision Agency’s regulations, Regulation on Internal Systems and Internal Capital Adequacy Assessment Process of Banks, provisions on Accounting and Financial Reporting in the Bank’s Articles of Association, generally accepted accounting principles, and procedures and principles in other applicable regulations. The Bank’s bookkeeping, and the books and records that the Bank is obligated to keep, are kept according to the legal requirements, with records and documents that serve as evidence kept suitably. Furthermore, the decisions regarding the Bank’s administration are recorded in the Board’s decision notebook, and its accounting and reporting systems are carried out duly and efficiently.

The Bank’s internal control, risk management, and internal auditing systems are managed duly and effectively as indicated by the findings of audits performed both at the head office and on site.

The Bank maintained its growth operations by opening 17 new branches in 2025. The number of domestic branches reached 1,097, and with seven branches in Cyprus and one branch in Bahrain, the Bank has 1,105 offices in total. Additionally, the Bank maintains its operations in Tehran and London through one representative office in each location.

In 2024, 442 employees left the Bank to retire or for other reasons. The Bank recruited 1,497 new employees to meet its personnel needs, increasing the total number of employees to 22,575. The ratio of personnel expenses to total revenues declined to 30.4 percent in 2025, down from 39.8 percent in 2024.

In 2025, university graduates accounted for 89.8 percent of the total headcount, up 20 basis-points year-on-year.

In 2025, the Bank continued to provide service training to foster employee development and reported the average training hour per employee as 52. This included in-class and e-learning training programs.

We respectfully submit to the General Assembly the Board of Auditors’ Report, prepared pursuant to Article 31 of the Bank’s Articles of Association.

Mehmet AYDIN
Member of the Supervisory Board

Faruk ÖZÇELİK
Member of the Supervisory Board

*Figures excluding rediscount.