

**TÜRKİYE HALK BANKASI A.Ş.**  
**2024 BOARD OF SUPERVISORY' REPORT**

The 2024 Board of Supervisory's 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 2024, the Turkish banking sector's total assets soared by 38.7 percent year-over-year to 32,657,234 million Turkish lira. The total portfolio of securities rose by 31.6 percent to 5,225,981 million Turkish lira. Deposits saw a 27.5% increase, totaling 19,708,792 million Turkish lira. Non-cash loans surged by 40.5 percent to 6,087,374 million Turkish lira, and cash loans rose to 16,052,180 million Turkish lira, up by 37.5 percent. The ratio of non-performing loans/total cash loans amounted to 1.80 percent.

Meanwhile, at the end of 2024, Türkiye Halk Bankası A.Ş.'s assets increased by 37.0 percent year-over-year to 3,008,250 million Turkish lira. The Bank's non-cash loans grew by 33.3 percent to 800,473 million Turkish lira (2023: 600,716 million Turkish lira) while its cash loans reached 1,373,373 million Turkish lira (2023: 1,224,877 million), representing an increase of 12.1 percent.

The volume of commercial loans provided to SMEs, who are the backbones of our country's economic growth, jumped to 681,170 million Turkish lira, up by 14.5 percent (2023: 594,984 million Turkish lira). The Bank led the sector with an 15.9 percent market share in SME loans. The tradespeople loan balance reached 248,448 million Turkish lira in 2024, marking a 9.7 percent increase (2023: 226,424 million Turkish lira). Total securities increased by 24.4 percent to 523,472 million Turkish lira (2023: 420,860 million Turkish lira). The Bank's total deposits climbed by 27.2 percent to 2,335,689 million Turkish lira (2023: 1,836,858 million Turkish lira), and the ratio of non-performing loans/total cash loans came at 2.06 percent.

In 2024, the Bank domestically issued bonds totalling 30,9 billion Turkish lira which can be included in equity calculations as well as commercial papers with a total par value of 29.9 billion Turkish lira by directly issuing to qualified investors, without any public offerings.

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 2024, the ratio of cash loans/total assets, an indicator of asset quality, amounted to 45.7 percent (sector average: 49.2 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 18.8 percent from 128,406 million Turkish lira at the end of 2023 to 152,565 million Turkish lira at the end of 2024.

The net profit for the period amounted to 15,105 million Turkish lira at the end of 2024.

In 2024, the Bank increased its credit cards from 7.1 million to 7.5 million, its POS devices from 545,000 to 598,000, and the member businesses from 368,000 to 397,000.

By the end of 2024, the Bank had provided 79.8 billion Turkish lira in financial support to 239,000 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 context, in 2024, two new credit packages, the Youth Loan and the First Step Loan, each supported by the Credit Guarantee Fund (KGF) coverage support were offered to facilitate the access of young entrepreneurs to financing, and financing supports of 394 million and 41.8 million Turkish Lira were extended with the Youth Loan and the First Step Loan, respectively. By the end of 2024, 28.2 billion Turkish Lira were provided in financial support to 186 thousand entrepreneurs.

In the period from January 1 to December 31, 2024, 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 Markets 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 notebooks 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 20 new branches in 2024. The number of domestic branches reached 1,084, and with seven branches in Cyprus and one branch in Bahrain, the Bank has 1,092 offices in total. Additionally, the Bank maintains its operations in Tehran and London through one representative office in each location.

In 2024, 1,552 employees left the Bank to retire or for other reasons. The Bank recruited 853 new employees to meet its personnel needs, increasing the total number of employees to 21,520. The share of personnel expenses in total revenues increased to 39.3 percent in 2024, up from 33 percent in 2023.

In 2024, university graduates accounted for 89.6 percent of the total headcount, up 70 basis-points year-on-year.

The Bank continued to provide service training to foster employee development and reported the average training hour per employee as 60.99 in 2024. This included instructor-led, on-the-job, and e-learning training programs.

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

Mehmet AYDIN  
Member of the Supervisory Board

Faruk ÖZÇELİK  
Member of the Supervisory Board

\*Figures excluding rediscount.