

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

As a long-established bank in the sector, Halkbank has provided full support to the real economy and, in 2022, continued to offer high-quality products and services to its customers by drawing upon its 84 years of experience, risk management activities and quick responses to market conditions. In this context, the Bank helped contribute to the country's economy through sustained support for Tradespeople, SMEs and Women Entrepreneurs in particular with funds obtained from capital market instruments it has issued and its widespread deposit base.

In 2022, Halkbank increased its assets from 901.2 billion Turkish lira to 1,392.1 billion Turkish lira with a year-on-year increase of 54.5 percent. It also ranked fourth in assets within the sector.

The share of loans within the balance sheet in 2022 end-of-year was 60.5 percent. Its commercial loans, including the SME loans, rose to 726.2 billion Turkish lira and its retail loans to 116.4 billion Turkish lira. The Bank ranked third in cash loans within the sector. In 2022, cash and non-cash loan volumes increased from 730.5 billion Turkish lira to 1,157.8 billion Turkish lira, up 58.5 percent year-on-year. Loan disbursement for artisan loans was recorded at 90.5 billion Turkish lira in 2022, as the artisan loan balance increased by 60.8 percent year-on-year to 128.5 billion Turkish lira.

The size of the securities portfolio also increased to 374.2 billion Turkish lira in 2022, up 67.6 percent year-on-year. The portfolio's share in the balance sheet amounted to 26.9 percent.

In 2022, Halkbank issued commercial papers and bonds to qualified investors without making any public offering with a par value of 19.9 billion Turkish lira.

Halkbank's total deposit base grew by 69.5 percent to 1,060.9 billion Turkish lira, up from 625.9 billion Turkish lira year-on-year, in turn lifting the Bank to the third-highest position in the sector. In addition, demand deposit volume amounted to 304.3 billion Turkish lira in 2022.

The Bank posted a 14.8 billion Turkish lira year-end profit and maintained its sustainable profitability in 2022. In 2022, the Bank's capital adequacy ratio was 14.70 percent.

With 14 new branches opening in 2022, Halkbank expanded its branch network to 1,032 domestic branches and ended the year with 20,781 employees.

We would like to thank our employees. Their efforts and contributions have enabled Halkbank to maintain its sustained growth in 2022 and contributed to our profitable and productive year. We hereby submit the Reports of the Board of Directors' and Auditors', as well as financial statements for the year 2022, to our esteemed shareholders and their representatives for their consideration.

Respectfully,

Osman ARSLAN
Board Member
General Manager

R. Süleyman ÖZDİL
Chairman