

TÜRKİYE HALK BANKASI A.Ş.
INFORMATION DOCUMENT FOR THE ANNUAL GENERAL MEETING
JUNE 06, 2024

Pursuant to the relevant provisions of the Turkish Commercial Code, the 2023 Ordinary General Assembly of our Bank, at which the agenda items set forth shall be discussed, shall be held on Thursday, June 06 2024 at 10.00 at the Head Office located at Finanskent Mah. Finans Cad. No:42/1 Ümraniye/İstanbul Pursuant to Article 437 of the Turkish Commercial Code, the Financial Statements, the Dividend Distribution Statement, the Annual Report of the Board of Directors, the Report of the Board of Auditors, the Independent Audit Report, and other documents of our Bank relevant to the agenda 2023 shall be made available at the Head Office Building for the shareholders to examine on Wednesday, May 15, 2024 at the latest. In addition, the aforementioned documents and their annexes shall be accessible via the Internet at <https://www.halkbank.com.tr/en/investor-relations/corporate-governance/general-assembly.html> and <https://www.halkbank.com.tr/en/investor-relations/financial-information/financial-reports.html>.

Pursuant to the Turkish Commercial Code No 6102, the Capital Markets Law No 6362, and other relevant legislation adopted in accordance with these laws, shareholders may attend the General Assembly using the "Electronic General Assembly System" (EGAS), an electronic platform provided by the Central Registry Agency (CRA), or by presenting themselves in person at the location of the General Assembly.

Attending the General Assembly via EGAS

Shareholders who have dematerialized their shares in their own names may attend the General Assembly in person or by proxy provided that they obtain a qualified electronic certificate and that they complete the EGAS trainings. Shareholders can obtain further information about how they can attend the General Assembly via EGAS by visiting the website of the Central Registry Agency.

Shareholders who declare that they will attend the General Assembly via EGAS may not attend the General Assembly in person.

Attending the General Assembly in Person

- 1) Real person shareholders must present an identity card which bears their Turkish Identification Number.
- 2) If real person shareholders have designated a proxy via EGAS, the proxy must present an identity card which bears their Turkish Identification Number.
- 3) If real person shareholders have not designated a proxy via EGAS, the proxy must present an identity card which bears their Turkish Identification Number and a power of attorney given below which shows that they have been designated as a proxy.
- 4) Proxies designated by real person shareholders may attend the General Assembly by presenting an identity card that bears their Turkish Identification Number and a power of attorney given below which proves that they have been designated as a proxy.

Proxies who will attend the General Assembly must use the sample power of attorney given below. The powers of attorney must be notarized and, if they will not be notarized, the shareholder's notarized circular of signature must be attached to the power of attorney.

(Annex-1)

The power of attorney must bear the following information: name of the company; date of the General Assembly; the full name and Turkish Identity Number of the proxy; the number of shareholder shares; the full name, title, Turkish Identification Number/Taxpayer Identification Number and signature of the shareholder. Powers of attorney which do not bear any of this information shall be considered invalid.

Custodial institutions may attend the General Assembly as representing shareholders who hold shares in their accounts, by being authorized by shareholders via EGAS. If the said institutions authorize their own employees to attend the General Assembly in person, these persons must present, in addition to their powers of attorney, the Power of Attorney and Instruction Notice Form contained in the Regulation on the “Procedures and Principles Regarding the General Assemblies of Joint Stock Companies and Ministry of Representatives to be Present at these Assemblies” issued by the Ministry of Customs and Trade.

TÜRKİYE HALK BANKASI A.Ş.
BOARD OF DIRECTORS

AGENDA:

1. Opening and formation of the General Assembly Presidency,
2. Reading and discussion of the 2023 Annual Report prepared by the Board of Directors, the Independent Audit Report, and the Report of the Board of Auditors,
3. Reading, discussion and approval of the financial statements for the 2023 financial and fiscal year,
4. Reading, discussion and approval of the Profit Distribution Tables for year 2023 proposed by the Board of Directors,
5. Discharging of the members of the Board of Directors and Board of Auditors from any liability,
6. Election of the members of the Board of Directors and the Board of Auditors,
7. Determination of the remuneration of members of the Board of Directors and the Board of Auditors,
8. Approval of the audit firm, which is selected by the Board of Directors and which will conduct the independent audit activities in 2024,
9. As to the year 2022; approval for the return of reserves, which had been transferred to the special fund account as per the duplicated article 298-ç and the Temporary article 32 of the Tax Procedure Law No. 213, to the extraordinary reserves account within the scope of the duplicated article 298-ç and the Temporary article 33 of the Tax Procedure Law No. 213 as well as the Tax Procedure Law Circular No. 165, promulgated thereunder,
10. Submission of information to the General Assembly regarding the donations made in the business year of 2023,
11. Authorization of the Board of Directors to permit the members of the Board of Directors to engage in activities mentioned in Article 395 and Article 396 of the Turkish Commercial Code and submission of information to the General Assembly pursuant to Article 1.3.6 of the Corporate Governance Principles issued by the Capital Markets Board of Turkey,
12. Submission of information to the General Assembly about the share buy-back and sale-back transactions as per the resolution of the Board of Directors,
13. Requests and Closing.

**ADDITIONAL EXPLANATIONS PURSUANT TO THE COMMUNIQUE ON
CORPORATE GOVERNANCE**

1-) Ownership Structure

Latest ownership and capital structure of the bank is shown below and there are no privileged shareholders in the bank.

HALKBANKASI SHAREHOLDER STRUCTURE (TRY)		
SHAREHOLDER	PAID-IN CAPITAL (TRY)	SHAREHOLDING (%)
Turkey Wealth Fund	6,573,603,541.963	91.4934811
Free Float	611,092,845.592	8.5053824
Other	81,654.408	0.0011365
TOTAL	7,184,778,041.963	100.0000000

2-) Information regarding changes in management and business that would significantly affect the operations of the Bank or the Subsidiaries of the Bank

There are no changes in management and business that significantly affected the operations of the Bank or the Subsidiaries of the Bank in the past financial period.

3-) Written requests of the shareholders in relation to adding a clause to the agenda

There have been no written requests by the shareholders conveyed to the Investor Relations Department in relation to adding a clause to the agenda within the period.

EXPLANATIONS ON AGENDA ITEMS

1. Opening and formation of the General Assembly Presidency,

The Board of Presidency will be established in accordance with Turkish Commercial Code No: 6102 and the provision of the Article 15 of the Bank's Articles of Association.

2. Reading and discussion of the 2023 Annual Report prepared by the Board of Directors, the Independent Audit Report, and the Report of the Board of Auditors,

Annual Report prepared by the Board of Directors, the Independent Audit Report and the Report of the Board of Auditors, which have been submitted for the review of the shareholders at the Bank's Head Office Building, on the Bank's website (www.halkbank.com.tr), on the Public Disclosure Platform and on EGAS will be read and submitted for the shareholders' discussion. **(Annex-2)**

3. Reading, discussion and approval of the financial statements for the 2023 financial and fiscal year,

Financial statements for the year 2023, which have been submitted for the review of the shareholders at the Bank's Head Office Building, on the Bank's website (www.halkbank.com.tr) and EGAS will be read and submitted for the shareholders' discussion and approval.

4. Reading, discussion and approval of the Profit Distribution Tables for year 2023 proposed by the Board of Directors,

Profit Distribution Tables for 2023 proposed by the Board of Directors, which has been submitted for the review of the shareholders at the Bank's Head Office Building, on the Bank's website (www.halkbank.com.tr), on the Public Disclosure Platform and on EGAS will be read and submitted for the shareholders' discussion and approval. **(Annex-3)**

5. Discharging of the members of the Board of Directors and Board of Auditors from any liability,

Discharging of the members of the Board of Directors and the Board of Auditors for the year 2023 regarding their operations, transactions and accounts will be submitted for the shareholders' approval.

6. Election of the members of the Board of Directors and the Board of Auditors,

Elections will be held for the Members of the Board of Directors and the Board of Auditors.

7. Determination of the remuneration of members of the Board of Directors and the Board of Auditors,

In accordance with the provisions of the Articles 23 and 31 of the Bank's Articles of Association the remuneration of Members of the Board of Directors and the Board of Auditors will be determined.

8. Approval of the audit firm, which is selected by the Board of Directors and which will conduct the independent audit activities in 2024,

In accordance with the Article 399 of Turkish Commercial Code No: 6102 and the provision of the Article 30 of the Bank's Articles of Association, KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş., which was selected by the Board of Directors for independent audit activities of the Bank in 2024 will be submitted for the General Assembly' approval.

9. As to the year 2022; approval for the return of reserves, which had been transferred to the special fund account as per the duplicated article 298-ç and the Temporary article 32 of the Tax Procedure Law No. 213, to the extraordinary reserves account within the scope of the duplicated article 298-ç and the Temporary article 33 of the Tax Procedure Law No. 213 as well as the Tax Procedure Law Circular No. 165, promulgated thereunder;

As to the year 2022; the return of reserves, which had been transferred to the special fund account as per the duplicated article 298-ç and the Temporary article 32 of the Tax Procedure Law No. 213, to the extraordinary reserves account within the scope of the duplicated article 298-ç and the Temporary article 33 of the Tax Procedure Law No. 213 as well as the Tax Procedure Law Circular No. 165, promulgated thereunder, will be submitted for the General Assembly's approval.

10. Submission of information to the General Assembly regarding the donations made in the business year of 2023,

Information will be presented to the General Assembly about the donations made in 2023.

11. Authorization of the Board of Directors to permit the members of the Board of Directors to engage in activities mentioned in Article 395 and Article 396 of the Turkish Commercial Code and submission of information to the General Assembly pursuant to Article 1.3.6 of the Corporate Governance Principles issued by the Capital Markets Board of Turkey,

The authorization of the Board of Directors to permit the members of the Board of Directors to engage in activities mentioned in Article 395 and 396 of the Turkish Commercial Code will be submitted for the approval of the General Assembly. Further, in case of any transactions executed in the scope of the relevant the Article 1.3.6 of the Corporate Governance Principle, information on these transactions will be presented to the General Assembly.

12. Submission of information to the General Assembly about the share buy-back and sale-back transactions as per the resolution of the Board of Directors,

Information will be presented to the General Assembly about the share buy-back and sale-back transactions executed as per the resolution of the Board of Directors within the context of the Capital Markets Board Communique on Share Buy-backs.

POWER OF ATTORNEY

I hereby designate _____ as my proxy to represent me as per the opinions I have stated below, to represent me, to vote, to make proposals and to sign documents at the Ordinary General Assembly of Halkbank to be held on Thursday, June 06 2024 at 10.00 at the Head Office of Finanskent Mah. Finans Cad. No:42/1 Ümraniye/İstanbul.

PROXY'S (*)

Full Name/Title:

Turkish Identification Number/Tax Identification Number, Trade Registry Number and MERSİS Number:

(*)Proxies who are non-Turkish citizens must submit, if existing, the equivalent of these information, requested above.

A) SCOPE OF THE POWER OF ATTORNEY

For sections 1 and 2, the scope of the attorney shall be determined by choosing (a), (b) or (c) given below.

1. ABOUT THE AGENDA ITEMS OF THE GENERAL ASSEMBLY

- a) The Proxy is authorized to vote in line with his/her own views.
- b) The Proxy is authorized to vote in line with the proposals made by the company management.
- c) The Proxy is authorized to vote in line with the instructions contained in the table below.

Instructions:

If the shareholder chooses (c), he/she provides instructions to the proxy by choosing (accepting/rejecting) one of the options in front of the relevant agenda items. If the shareholder makes a rejection, he/she inserts his/her dissenting opinion, if any, to be recorded in the minutes of the General Assembly.

Agenda Items	Accept	Reject	Dissenting Opinion
1.Opening and formation of the General Assembly Presidency			
2.Reading and discussion of the 2023 Annual Report prepared by the Board of Directors, the Independent Audit Report, and the Report of the Board of Auditors			
3.Reading, discussion and approval of the financial statements for the 2023 financial and fiscal year			
4.Reading, discussion and approval of the Profit Distribution Tables for year 2023 proposed by the Board of Directors			
5.Discharging of the members of the Board of Directors and Board of Auditors from any liability			
6.Election of the members of the Board of Directors and the Board of Auditors			
7.Determination of the remuneration of members of the Board of Directors and the Board of Auditors			
8.Approval of the audit firm, which is selected by the Board of Directors and which will conduct the independent audit activities in 2024			
9. As to the year 2022; approval for the return of reserves, which had been transferred to the special fund account as per the duplicated article 298-ç and the Temporary article 32 of the Tax Procedure Law No. 213, to the extraordinary reserves account within the scope of the duplicated article 298-ç and the			

Temporary article 33 of the Tax Procedure Law No. 213 as well as the Tax Procedure Law Circular No. 165, promulgated thereunder,			
10.Submission of information to the General Assembly regarding the donations made in the business year of 2023,			
11.Authorization of the Board of Directors to permit the members of the Board of Directors to engage in activities mentioned in Article 395 and Article 396 of the Turkish Commercial Code and submission of information to the General Assembly pursuant to Article 1.3.6 of the Corporate Governance Principles issued by the Capital Markets Board of Turkey			
12.Submission of information to the General Assembly about the share buy-back and sale-back transactions as per the resolution of the Board of Directors			
13.Requests and Closing			

2. Special instruction regarding other issues that may arise during the General Assembly and especially on the use of minority rights:

- a) The Proxy is authorized to vote in line with his/her own views.
- b) The Proxy is authorized to represent the shareholder regarding these issues.
- c) The Proxy is authorized to vote in line with the special instructions listed below

SPECIAL INSTRUCTIONS: Shareholder gives his/her special instructions, if any, to the Proxy here.

B) SHAREHOLDER CHOOSES ONE OF THE OPTIONS BELOW TO DESIGNATE THE SHARES HE/SHE WANTS THE PROXY TO REPRESENT

1. I hereby authorize the proxy to represent my shares, the details of which are given below.

- a) Order and series:*
- b) Number/Group:**
- c) Amount-Nominal Value:
- d) Voting or Non-voting Share:
- e) Bearer or Registered Share:*
- f) Ratio of the total amount of shares owned and voting rights enjoyed by shareholder:

*This information is not requested for dematerialized shares.

**For dematerialized shares, information about the group rather than the number of shares will be provided.

2. I authorize the proxy to represent all of my shares contained in the list, prepared by the Central Registry Agency, of shareholders who may attend the General Assembly a day before the start of the General Assembly.

SHAREHOLDER'S (*)

Full Name and Title:

Turkish Identification Number/Tax Identification Number, Trade Registry Number and MERSİS Number:

Address:

(*)Shareholders who are non-Turkish citizens must submit, if existing the equivalent of the information, requested above.

Signature

TÜRKİYE HALK BANKASI A.Ş.
BOARD OF DIRECTORS REPORT

On February 6, 2023, an earthquake with Kahramanmaraş at its epicenter struck, deeply affecting our community. We mourn the loss of ten active and seven retired Halkbank employees, and we extend our prayers for all the lives lost in the catastrophe. Our Bank acted swiftly following news of the first tremors to deliver basic needs, such as clothing, food, medicine, and containers, to the affected area. We have allocated 9.1 billion Turkish lira in aid, including a 7 billion cash donation to AFAD. Furthermore, our Bank helped the recovery of the area by postponing 56.7 billion Turkish lira of loan payments for 394,000 citizens and providing 28.2 billion Turkish lira worth of loans to 72,000 tradespeople.

Leveraging our 85 years of experience as a pillar in the sector, we at Halkbank steadfastly supported the real economy in 2023 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 funds from capital market instruments we issued, a broad deposit base, and an increase in capital.

In 2023, Halkbank's assets grew to 2,195.3 billion Turkish lira from 1,392.9 billion Turkish lira, marking a year-on-year increase of 57.6 percent and ranking us fourth by asset size in the sector.

The share of loans in the balance sheet was 57.9 percent at the year's end. Commercial loans, including the SME loans, rose to 1,104.1 billion Turkish lira and retail loans to 166.4 billion Turkish lira, placing us third by cash loans in the sector. In 2023, cash and non-cash loan volumes increased from 1,157.8 billion Turkish lira to 1,871.3 billion Turkish lira, up 61.6 percent year-on-year. Loan disbursement for artisan loans was recorded at 164 billion Turkish lira, as the artisan loan balance increased by 82.9 percent year-on-year to 235.1 billion Turkish lira.

We provided 54.4 billion Turkish lira in financial support to 214,000 women entrepreneurs by the end of 2023 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 third annual Productive Women Competition, the Productive Women Academy MasterClass Brand Training Sessions, and the Women Leaders and Entrepreneurs Vision Meeting.

We support innovative ideas and projects across all sectors with the aim of strengthening the culture of entrepreneurship in our country. The Jet Luck Project, in which innovative thinkers compete to implement their fresh business ideas, supported young entrepreneurs while the Vision Meeting for Young Entrepreneurs of the Digital Future brought them together. In this context, 24.2 billion Turkish lira was provided to 137,000 entrepreneurs who sought to establish their own businesses in 2023.

In 2023, the securities portfolio expanded by 56.2 percent to 584.4 billion Turkish lira, accounting for 26.6 percent of the balance sheet. Halkbank also issued commercial bonds to qualified investors without making any public offering with a face value of 39.6 billion Turkish lira.

Halkbank's total deposit base grew by 76.5 percent to 1,872.8 billion Turkish lira, up from 1,060.9 billion Turkish lira year-on-year, ranking us third in the sector. In addition, the demand deposit volume amounted to 526.2 billion Turkish lira in 2023.

The Bank posted a 10.1 billion Turkish lira year-end profit, maintaining its sustainable profitability in 2023. The Bank's equity increased by 41.6 percent to 128.4 billion Turkish lira, with a capital adequacy ratio of 14.26 percent.

With 41 new branches opening in 2023, Halkbank expanded its branch network to 1,079 domestic branches and ended the year with 22,219 employees.

We express our gratitude to our employees, whose dedication and efforts have propelled Halkbank's sustained growth in 2023, 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 2023, to our esteemed shareholders and their representatives for their consideration.

Respectfully,

Osman ARSLAN
Board Member
General Manager

R. Süleyman ÖZDİL
Chairman

INDEPENDENT AUDITOR'S REPORT

To the General Assembly of Türkiye Halk Bankası A.Ş.

A) Report on the Audit of the Financial Statements

1) Qualified Opinion

We have audited the financial statements of Türkiye Halk Bankası A.Ş. (“the Bank”), which comprise the unconsolidated balance sheet as at 31 December 2023, and the unconsolidated statement of profit or loss, unconsolidated statement of profit or loss and other comprehensive income, unconsolidated statement of changes in shareholders’ equity and unconsolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matters on the unconsolidated financial statements described in the basis for the qualified opinion paragraphs, the accompanying financial statements present fairly, in all material respects, the financial position of the Bank as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with “the Banking Regulation and Supervision Agency (“BRSA”) Accounting and Reporting Regulations” including the regulation on “The Procedures and Principles Regarding Banks’ Accounting Practices and Maintaining Documents” published in the Official Gazette dated 1 November 2006 with No. 26333, and other regulations on accounting records of banks published by the Banking Regulation and Supervision Board and circulars and pronouncements published by the BRSA and provisions of Turkish Financial Reporting Standards (TFRS) for the matters not legislated by the aforementioned regulations.

2) Basis for Qualified Opinion

The Bank reclassified the government bonds amounting to TRY 18.965.006 thousand, which were previously classified under financial assets at fair value through other comprehensive income according to the business model prepared in accordance with Turkish Financial Reporting Standard (“TFRS”) 9, into financial assets measured at amortised cost and reversed the marketable securities revaluation fund accumulated under other comprehensive income or loss to be reclassified through profit or loss amounting to TRY 2.229.977 thousand on 23 May 2018. The reclassification constitutes a departure from TFRS 9. The government bonds reclassified into financial assets measured at amortised cost as at 31 December 2023 amounted to TRY 44.066.438 thousand. If such classification were not made, total assets and shareholders’ equity, excluding tax effect, would be lower by TRY 6.117.199 thousand as at 31 December 2023.

We conducted our audit in accordance with the regulation on “Independent Auditing of Banks” published in the Official Gazette dated 2 April 2015 with No. 29314 and Standards on Independent Auditing (“SIA”) which is a part of Turkish Auditing Standards published by the Public Oversight Accounting and Auditing Standards Authority (“POA”). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Bank in accordance with the Code of Ethics for Independent Auditors (“Code of Ethics”) published by the POA, together with the ethical requirements that are relevant to our audit of the financial statements,

and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3) Emphasis of Matter

As detailed in Section Six Note One, we draw attention to the following:

On October 15, 2019, the US Department of Justice, United States Attorney Southern District of New York indicted the Bank in the Southern District of New York Court (“District Court”) for the violations of Iranian sanctions. This criminal case is pending at the District Court. The proceedings are stayed as the Bank requests an appeal under the “Foreign Sovereign Immunity Act” (“FSIA”). The US Supreme Court has rejected the Bank’s FSIA appeal and remanded the case to the US Court of Appeals for the Second Circuit to be reviewed on common law immunity grounds. The process is ongoing.

In addition, a group of plaintiffs filed a civil lawsuit (the *Owens* case) against the Bank with a claim for damages before the District Court for the Southern District of New York on March 27, 2020, "on the grounds that they (plaintiffs) could not collect their judgments from Iran due to the violations of sanctions." The case was dismissed by the District Court, the Second Circuit and the U.S. Supreme Court, respectively. Consequently, the *Owens* case was conclusively dismissed on January 8, 2024.

Finally, on July 26, 2023, a new civil case (the *Hughes* case) was filed against the Bank by a group of plaintiffs in a complaint filed with the District Court, seeking to satisfy judgements similar to the civil case dated March 27, 2020. The plaintiffs seek judgments by attempting to establish a connection between certain aggrievements they have suffered in various countries and the allegations in the current criminal case against the Bank, which was filed on October 15, 2019. The Bank filed its motion to dismiss the case with the District Court on December 22, 2023. The process is ongoing.

At this stage, the Bank's Management stated that there is no penalty, compensation, sanction or other measure arising from the pending criminal and civil cases against the Bank. There is an uncertainty if any decisions will be made by the US authorities that may adversely affect the financial position of the Bank. No provision has been made in the financial statements of the Bank related to these matters. However, the above mentioned matters do not affect the opinion provided by us.

4) Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter explained in the Basis for Qualified Opinion section, the issues described below have been identified as key audit matters and are disclosed in our report.

Key Audit Matter	How the matter was addressed in the audit
<p data-bbox="183 241 767 315"><i>Impairment of loans in accordance with TFRS 9 “Financial Instruments Standard”</i></p> <p data-bbox="183 353 767 680">Impairment of loans is a key area of judgement for the management. The Bank has the total loans amounting to TRY 1.270.544.675 thousand, which comprise 58% of the Bank’s total assets in its unconsolidated financial statements and the total provision for expected credit loss amounting to TRY 48.509.527 as at 31 December 2023.</p> <p data-bbox="183 719 767 1267">The Bank recognizes provisions for impairment in accordance with the TFRS 9 requirements according to the “Regulation on the Procedures and Principles for Classification of Loans by Banks and Provisions to be set aside” published in the Official Gazette dated 22 June 2016 numbered 29750. Applied accounting policies are explained in detail in the Section 3 Note VIII. The expected credit loss estimates are required to be unbiased, probability-weighted and should include supportable information about past events, current conditions, and forecasts of future economic conditions.</p> <p data-bbox="183 1305 767 1599">The Bank exercises significant decisions using judgement, interpretation and assumptions over calculating loan impairments. These judgements, interpretations and assumptions are key in the development of the financial models built to measure the expected credit losses on loans.</p> <p data-bbox="183 1637 767 1964">There is a potential risk of impairment losses/provisions provided/will be provided may not meet the requirements of the TFRS 9. Failure in determining the loans that are impaired and not recording the adequate provision for these impaired loans is the aforementioned risk. Accordingly, impairment of loans is considered as a key audit matter.</p> <p data-bbox="183 2002 767 2031">Related explanations relating to the</p>	<p data-bbox="794 315 1396 389">As part of our audit work, the following procedures were performed:</p> <p data-bbox="794 427 1396 680">We assessed and tested the design, implementation and operating effectiveness of key controls applied by the Bank with respect to classification of loans and determination and calculation of impairments. Our information system experts have also participated to perform these procedures.</p> <p data-bbox="794 719 1396 866">We have read and analysed the relevant contract terms to assess management’s accounting policy and classification of the instrument for selected samples.</p> <p data-bbox="794 904 1396 1158">We have performed audit procedures on selected samples of loans and receivables with the objective of identifying whether the loss event had occurred and whether the provision for expected credit loss has been recognized in a timely manner within the framework of the provisions of the relevant regulation.</p> <p data-bbox="794 1196 1396 1711">We have tested relevant inputs and assumptions used by the management considering the expected credit loss calculation by considering whether those appear reasonable, the relationship between the assumptions and whether the assumptions are interdependent and internally consistent, whether the assumptions appropriately reflect current market information and collections, and whether the assumptions appear reasonable when considered collectively with other assumptions, including those for the same accounting estimates and those for other accounting estimates.</p> <p data-bbox="794 1749 1396 2002">We have tested historical loss data to validate the completeness and accuracy of key parameters. We tested the application of the model to the relevant inputs and the mathematical integrity of each stage of the expected credit loss calculation.</p>

<p>impairment of loans are presented in Section 5 Note I.5.</p>	<p>Based on our discussions with the Bank management, we evaluated whether the key assumptions and other judgements underlying the estimations of impairments were reasonable.</p> <p>Our specialists are involved in all procedures related to models and assumptions.</p> <p>We have reviewed disclosures made within the TFRS 9 framework in the financial statements of the Bank with respect to loans and related impairment provisions.</p>
<p>Key Audit Matter</p>	<p>How the matter was addressed in the audit</p>
<p><i>Valuation of Pension Fund Obligations</i></p> <p>Defined benefit pension plan that the Bank provides to its employees is managed by Türkiye Halk Bankası AŞ Emekli Sandığı Vakfı and T.C. Ziraat Bankası ve T. Halk Bankası Çalışanları Emekli Sandığı Vakfı (“Plan”) which were established by the 20th provisional article of the Social Security Law numbered 506 (the “Law”).</p> <p>As disclosed in the Section III Note XVII to the unconsolidated financial statements, the Plan is composed of benefits which are subject to transfer to the Social Security Foundation (“SSF”) as per the Social Security Law no.5510 provisional article 20, and other social rights and pension benefits provided by the Bank that are not transferable to the SSF. The Council of Ministers has been authorized to determine the transfer date. Following the transfer, the funds and the institutions that employ the funds’ members will cover the non-transferable social rights and pension benefits provided under the Plan even if it is included in foundation deed.</p> <p>As of 31 December 2023, the Bank’s transferrable liabilities are calculated by an independent actuary using the actuarial assumptions regulated by the Law, and in accordance with the Decision of the Council of Ministers announced in the Official Gazette dated 15 December 2006 and No.26377. The valuation of the Plan</p>	<p>Our audit work included the following procedures:</p> <p>We involved internal experts (actuary) in our audit team to evaluate the assumptions used in the calculation of the pension obligations and the appropriateness of the estimates.</p> <p>It has been tested whether the plan assets meet plan obligations in accordance with the methods and assumptions used.</p> <p>In addition, reconciliations and tests were carried out through sampling of the accuracy of the data provided to the Bank’s actuary.</p> <p>We have assessed whether there is a significant change in the actuarial assumptions, methods, legal regulations and legislation used in the calculations and whether the assumptions are reasonable. In addition, we have reviewed the sufficiency of disclosures prepared with this regard.</p>

<p>liabilities requires judgment in determining appropriate assumptions such as defining the transferrable social benefits, discount rates, salary increases, inflation levels, demographic assumptions, and the impact of changes in the Plan. Management uses expert opinion of the independent actuary in assessing uncertainties related to these underlying assumptions and estimates.</p> <p>As described in Section Five Note II.9.f considering the subjectivity of key judgments and assumptions, plus the uncertainty around the transfer date and basis of the transfer calculation given the fact that the technical interest rate is prescribed under the Law, we considered this as a key audit matter.</p>	
<p>Key Audit Matter</p>	<p>How the matter was addressed in the audit</p>
<p><i>Information Technologies Audit</i></p> <p>The Bank and its finance functions are dependent on the IT-infrastructure for the continuity of its operations, and the demand for technology-enabled business services is rapidly growing in the Bank and its subsidiaries. Controls over reliability and continuity of the electronic data processing are within the scope of the information systems internal controls audit. The reliance on information systems within the Bank means that the controls over access rights, continuity of systems, privacy and integrity of the electronic data are critical and found to be key area of focus as part of our risk based scoping.</p>	<p>Procedures within the context of our information technology audit work:</p> <ul style="list-style-type: none"> • We identified and tested the Banks' controls over information systems as part of our audit procedures. • Information generation comprise all layers of information systems (including applications, networks, transmission systems and database). The information systems controls tested are categorized in the following areas: <ul style="list-style-type: none"> • Security management • Change management • Operations management • We selected high-risk areas as, database logging and change management control activities, to prevent and detect whether accesses to financial data had been identified in a timely manner. • We tested the accesses and logging controls underlying all applications that have direct or indirect impacts on financial data generation.

	<ul style="list-style-type: none"> • Automated controls and integration controls are tested to underly and detect changes and accesses in the process of financial data generation. • We also tested the appropriateness and accuracy of the information produced by the entity and information used in controls reports as inputs to our controls and outputs generated by the IT components. • Finally, we understood and tested the controls over database, network, application and operating system layers of applications.
--	---

5) Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the BRSA Accounting and Reporting Regulations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Bank’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Bank’s financial reporting process.

6) Auditor’s Responsibilities for the Audit of the Financial Statements

Responsibilities of independent auditors in an independent audit are as follows:

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the regulation on “Independent Auditing of Banks” published in the Official Gazette dated 2 April 2015 with No. 29314 and SIA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the regulation on “Independent Auditing of Banks” published in the Official Gazette dated 2 April 2015 with No. 29314 and SIA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. (The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.)
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

B) Report on Other Legal and Regulatory Requirements

In accordance with paragraph four of the Article 402 of the Turkish Commercial Code (“TCC”), nothing has come to our attention that may cause us to believe that the Bank’s set of accounts for the period 1 January-31 December 2023 does not comply with the TCC and the provisions of the Bank’s articles of association in relation to financial reporting.

In accordance with paragraph four of the Article 402 of the TCC, the Board of Directors provided us all the required information and documentation with respect to our audit.

The engagement partner on the audit resulting in this independent auditor’s report is Erdem Taş.

Additional Paragraph for English Translation

The effect of the differences between the accounting principles summarized in Section III and the accounting principles generally accepted in countries in which the accompanying financial statements are to be distributed and International Financial Reporting Standards (“IFRS”) have not been quantified and reflected in the accompanying financial statements. Accordingly, the accompanying financial statements are not intended to present the Bank’s financial position and results of its operations in accordance with accounting principles generally accepted in such countries of users of the financial statements and IFRS.

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.
Member of **DELOITTE TOUCHE TOHMATSU LIMITED**

Erdem Taş
Partner

Istanbul, 14 February 2024

TÜRKİYE HALK BANKASI A.Ş.
2023 BOARD OF SUPERVISORY' REPORT

The 2023 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 2023, the Turkish banking sector's total assets soared by 63.9 percent year-over-year to 23,519,337 million Turkish lira. The total portfolio of securities rose by 67.4 percent to 3,969,830 million Turkish lira. Deposits saw a 67% increase, totaling 15,457,133 million Turkish lira. Non-cash loans surged by 71.8 percent to 4,332,346 million Turkish lira, and cash loans rose to 11,677,135 million Turkish lira, up by 54 percent. The ratio of non-performing loans/total cash loans amounted to 1.62 percent.

Meanwhile, at the end of 2023, Türkiye Halk Bankası A.Ş.'s assets increased by 57.6 percent year-over-year to 2,195,287 million Turkish lira. The Bank's non-cash loans grew by 90.6 percent to 600,716 million Turkish lira (2022: 315,186 million Turkish lira) while its cash loans reached 1,224,877 million Turkish lira (2022: 811,639 million), representing an increase of 50.9 percent.

The volume of commercial loans provided to SMEs, who are the backbones of our country's economic growth, jumped to 594,984 million Turkish lira, up by 60.3 percent (2022: 371,281 million Turkish lira). The Bank led the sector with an 18.6 percent market share in SME loans. The tradespeople loan balance reached 226,424 million Turkish lira in 2023, marking a 83.7 percent increase (2022: 123,240 million Turkish lira). Total securities increased by 48.5 percent to 420,860 million Turkish lira (2022: 283,364 million Turkish lira). The Bank's total deposits climbed by 74.3 percent to 1,836,858 million Turkish lira (2022: 1,053,841 million Turkish lira), and the ratio of non-performing loans/total cash loans came at 1.36 percent (the sector average: 1.62 percent).

In 2023, the Bank issued commercial bonds with a total nominal value of 39.6 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 2023, the ratio of cash loans/total assets, an indicator of asset quality, amounted to 55.8 percent (sector average: 49.6 percent), while the loan-to-deposit ratio reached 66.7 percent (sector average: 75.5 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 41.6 percent from 90,652 million Turkish lira at the end of 2022 to 128,406 million Turkish lira at the end of 2023.

The net profit for the period amounted to 10,112 million Turkish lira at the end of 2023.

In 2023, the Bank increased its credit cards from 6.3 million to 7.1 million, its POS devices from 493,000 to 545,000, and the member businesses from 333,000 to 368,000.

Following the earthquake on February 6, 2023, with its epicenter in Kahramanmaraş, the Bank promptly responded, providing essentials like clothing, food, medicine, and containers to the affected regions. It allocated 9.1 billion Turkish lira in aid, including 7 billion in cash donations to

AFAD. In addition, the Bank led the charge in the recovery efforts by deferring loan payments totaling 56.7 billion Turkish lira for 394,000 citizens and providing loans worth 28.2 billion Turkish lira to 72,000 tradespeople. We mourn the loss of ten active and seven retired Halkbank employees in the catastrophe, and we extend our prayers for all the lives lost.

By the end of 2023, the Bank had provided 54.4 billion Turkish lira in financial support to 214,000 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. In this context, 24.2 billion Turkish lira was provided to 137,000 entrepreneurs who sought to establish their own businesses in 2023.

In the period from January 1 to December 31, 2023, 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 41 new branches in 2023. The number of domestic branches reached 1,073, and with five branches in Cyprus and one branch in Bahrain, the Bank has 1,079 offices in total. Additionally, the Bank maintains its operations in Tehran and London through one representative office in each location.

In 2023, 1,209 employees left the Bank to retire or for other reasons. The Bank recruited 2,647 new employees to meet its personnel needs, increasing the total number of employees to 22,219. The share of personnel expenses in total revenues increased to 33 percent in 2023, up from 11 percent in 2022.

In 2023, university graduates accounted for 88.9 percent of the total headcount, up 110 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 60.12 in 2023. 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.

TÜRKİYE HALK BANKASI A.Ş. 01/01/2023 / 12/31/2023 Period Dividend Payment Table (TRY)		
1.	Paid-In/ Issued Capital	7.184.778.041,96
2.	Total Legal Reserves (According to Legal Records)	4.180.008.485,07
Information on privilege in dividend distribution, if any, in the Articles of Association		-
		Based on Legal Records
3.	Current Period Profit	6.652.736.788,59
4.	Taxes Payable (-)	-3.459.227.814,88
5.	Net Current Period Profit	10.111.964.603,47
6.	Losses in Previous Years (-)	0,00
7.	Primary Legal Reserves (-)	505.598.230,17
	Net Distributable Current Period Profit	9.606.366.373,30
8.	Dividend Advance Distributed (-)	0,00
	Dividend Advance Less Net Distributable Current Period Profit	0,00
9.	Donations Made During The Year (+)	
10.	Donation-Added Net Distributable Current Period Profit on which First Dividend Is Calculated	
	First Dividend to Shareholders	0,00
11.	*Cash	0,00
	*Stock	0,00
12.	Dividend Distributed to Owners of Privileged Shares	0,00
	Other Dividend Distributed	0,00
13.	*To the Employees	0,00
	*To the Members of the Board of Directors	0,00
	*To Non-Shareholders	0,00
14.	Dividend to Owners of Redeemed Shares	0,00
15.	Second Dividend to Shareholders	0,00
16.	Secondary Legal Reserves	0,00
17.	Statutory Reserves	0,00
18.	Special Reserves	0,00
19.	Extraordinary Reserves	9.606.366.373,30
20.	Other Distributable Resources	0,00

Information on Dividend Payout Ratio					
Share Group	CASH DIVIDEND AMOUNT (TL) - NET	STOCK DIVIDEND AMOUNT (TL)	TOTAL DIVIDEND AMOUNT (TL) / NET DISTRIBUTABLE CURRENT PERIOD PROFIT (%)	DIVIDEND TO BE PAID FOR SHARE WITH PAR VALUE OF 1 TL - NET (TL)	DIVIDEND TO BE PAID FOR SHARE WITH PAR VALUE OF 1 TL - NET (%)
-	0,00	0,00	0,00	0,00	0,00
TOTAL	0,00	0,00	0,00	0,00	0,00