

**HALK YATIRIM MENKUL DEĞERLER  
ANONİM ŞİRKETİ**

CONDENSED FINANCIAL STATEMENTS  
FOR THE SIX-MONTH PERIOD  
ENDED 30 JUNE 2023 AND  
REVIEW REPORT

(CONVENIENCE TRANSLATION OF  
REVIEW REPORT AND  
CONDENSED INTERIM FINANCIAL  
STATEMENTS ORIGINALLY  
ISSUED IN TURKISH)



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**(CONVENIENCE TRANSLATION OF THE REVIEW REPORT ON REVIEW OF FINANCIAL  
INFORMATION ORIGINALLY ISSUED IN TURKISH)**

**REPORT ON REVIEW OF CONDENSED  
INTERIM FINANCIAL INFORMATION**

**To the Board of Directors of  
Halk Yatırım Menkul Değerler A.Ş.**

***Introduction***

We have reviewed the accompanying condensed statement of financial position of Halk Yatırım Menkul Değerler A.Ş. ("the Company") as at 30 June 2023, and the condensed statement of profit or loss, condensed statement of other comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the six-month period then ended. The Company management is responsible for the preparation and fair presentation of this interim financial information in accordance with Turkish Accounting Standards 34 "Interim Financial Reporting" ("TAS 34"). Our responsibility is to express a conclusion on this interim financial information based on our review.

***Scope of Review***

We conducted our review in accordance with Independent Auditing Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Independent Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

***Conclusion***

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with TAS 34 "Interim Financial Reporting".

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## *Other Matter*

As disclosed in detail in Note 20, we draw attention to the following matter which might affect the Parent Bank:

On October 15, 2019, the US Department of Justice, United States Attorney Southern District of New York indicted the Parent 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 Parent Bank requests an appeal under the “Foreign Sovereign Immunity Act” (“FSIA”). The US Supreme Court has rejected the Parent 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 civil case was filed against the Parent Bank on March 27, 2020 with a claim for damages by plaintiffs in the Southern District of New York Court "on the grounds that they (plaintiffs) could not collect their judgments from Iran due to the violations of sanctions." District Court dismissed the case. Plaintiffs have appealed the decision to the US Court of Appeals for the Second Circuit (“Second Circuit”). The Second Circuit ruled in the Parent Bank’s favor and dismissed the lawsuit seeking to satisfy judgements on May 2, 2023.

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

## *Additional paragraph for convenience translation to English*

*In the accompanying interim condensed consolidated financial statements, the accounting principles described in Note 2 (defined as Turkish Accounting Standards/Turkish Financial Reporting Standards) differ from International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board with respect to the application of inflation accounting. Accordingly, the accompanying interim condensed consolidated financial statements are not intended to present the financial position and results of operations in accordance with IFRS.*

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

Erdem Taş  
Partner

Istanbul, 8 August 2023

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**HALK YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ****Condensed Statement of Financial Position as of 30 June 2023**

(Currency: Turkish Lira (“TL”) unless otherwise stated)

	Notes	Reviewed 30 June 2023	Audited 31 December 2022
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	3	3.277.262.268	2.223.411.130
Financial investments	4	217.040.741	270.244.170
Trade receivables	5-6	1.200.557.648	1.067.607.393
- Trade receivables from related parties	5	295.752	138.414
- Trade receivables from third parties	6	1.200.261.896	1.067.468.979
Other receivables		321.681.161	134.458.324
Prepaid expenses		11.465.123	13.160.850
<b>TOTAL CURRENT ASSETS</b>		<b>5.028.006.941</b>	<b>3.708.881.867</b>
<b>Non-current assets</b>			
Financial investments	4	4.179.969	5.447.818
Property, plant and equipment	8	14.457.256	14.225.622
Intangible assets	9	4.154.460	4.909.300
Right-of-use assets	10	13.480.118	5.971.132
Deferred tax asset	12	7.832.133	7.532.660
<b>TOTAL NON-CURRENT ASSETS</b>		<b>44.103.936</b>	<b>38.086.532</b>
<b>TOTAL ASSETS</b>		<b>5.072.110.877</b>	<b>3.746.968.399</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Current liabilities</b>			
Short-Term Borrowings	7	3.024.809.310	2.240.691.908
- Short-term borrowings from third parties	7	3.024.809.310	2.240.691.908
Trade payables	5-6	725.642.300	660.770.901
- Trade payables to related parties	5	478.918	2.345.903
- Trade payables to third parties	6	725.163.382	658.424.998
Other payables		29.166.731	25.772.757
Current tax liability	12	55.326.278	62.467.943
Short-term provisions		18.800.629	21.452.462
- Short-term provisions related to employee benefits		14.326.876	18.215.398
- Other short-term provisions	11	4.473.753	3.237.064
Lease liabilities	10	8.694.273	5.604.123
<b>TOTAL CURRENT LIABILITIES</b>		<b>3.862.439.521</b>	<b>3.016.760.094</b>
<b>Non-current liabilities</b>			
Long-term provisions		11.836.090	9.731.984
- Long-term provisions related to employee benefits		11.836.090	9.731.984
Lease liabilities	10	4.952.933	1.208.797
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>16.789.023</b>	<b>10.940.781</b>
<b>EQUITY</b>			
<b>Equity attributable to the parent</b>			
Paid-in capital	13	150.000.000	150.000.000
Restricted reserves appropriated from profit		97.792.814	97.792.814
Other accumulated comprehensive income (expenses) not to be reclassified to profit or loss		3.070.441	4.338.290
- Revaluation and measurement gains (losses)	4	3.876.294	5.144.143
- Other gains (losses)		(805.853)	(805.853)
Prior years' profit or loss		467.136.420	44.415.499
Net profit or loss for the period		474.882.658	422.720.921
<b>TOTAL EQUITY</b>		<b>1.192.882.333</b>	<b>719.267.524</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>5.072.110.877</b>	<b>3.746.968.399</b>

The accompanying notes form an integral part of these financial statements.

**HALK YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ**  
**Condensed Statement of Profit or Loss and Other Comprehensive Income**  
**For the Period Ended 30 June 2023**

(Currency: Turkish Lira (“TL”) unless otherwise indicated)

	Notes	Reviewed 1 January - 30 June 2023	Reviewed 1 April - 30 June 2023	Reviewed 1 January - 30 June 2022	Reviewed 1 April - 30 June 2022
<b>PROFIT OR LOSS</b>					
Revenue	14	9.643.121.040	2.574.002.419	2.968.228.893	1.780.571.797
Cost of sales	14	(8.995.895.965)	(2.255.709.096)	(2.744.699.617)	(1.649.277.352)
<b>GROSS PROFIT (LOSS) FROM BUSINESS OPERATIONS</b>		<b>647.225.075</b>	<b>318.293.323</b>	<b>223.529.276</b>	<b>131.294.445</b>
Receivables from Financial Activities	14	273.647	274.258	14.162.471	15.552.629
<b>GROSS PROFIT (LOSS)</b>		<b>647.498.722</b>	<b>318.567.581</b>	<b>237.691.747</b>	<b>146.847.074</b>
General administrative expenses	15	(118.100.609)	(61.345.116)	(58.007.310)	(32.987.027)
Marketing expenses	15	(82.206.444)	(41.088.650)	(33.308.946)	(17.149.641)
Other income from operating activities	16	1.746.459	671.929	2.575.279	1.738.773
Other expenses from operating activities	16	(43.042.919)	(534.761)	(740.262)	(720.993)
<b>OPERATING PROFIT (LOSS)</b>		<b>405.895.209</b>	<b>216.270.983</b>	<b>148.210.508</b>	<b>97.728.186</b>
Finance income	17	582.631.705	360.249.062	79.075.750	27.689.195
Finance expense	17	(372.654.242)	(231.211.145)	(59.291.391)	(37.185.236)
<b>PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS</b>		<b>615.872.672</b>	<b>345.308.900</b>	<b>167.994.867</b>	<b>88.232.145</b>
Tax (expense) income from continuing operations					
- Current tax (expense) income	12	(141.289.487)	(76.833.707)	(46.893.636)	(31.139.615)
- Deferred tax (expense) income	12	299.473	(1.772.313)	1.137.240	3.883.165
<b>PROFIT (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS</b>		<b>474.882.658</b>	<b>266.702.880</b>	<b>122.238.471</b>	<b>60.975.695</b>
<b>PROFIT (LOSS) FOR THE PERIOD</b>		<b>474.882.658</b>	<b>266.702.880</b>	<b>122.238.471</b>	<b>60.975.695</b>
<b>OTHER COMPREHENSIVE INCOME</b>		<b>(1.267.849)</b>	<b>319.924</b>	<b>378.896</b>	<b>149.877</b>
<b>Items not to be reclassified to profit or loss</b>					
Other comprehensive income not to be reclassified to other profit or loss	4	(1.267.849)	319.924	378.896	149.877
<b>TOTAL COMPREHENSIVE INCOME (EXPENSE)</b>		<b>473.614.809</b>	<b>267.022.804</b>	<b>122.617.367</b>	<b>61.125.572</b>

The accompanying notes form an integral part of these financial statements.

# HALK YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ

## Condensed Statement of Changes in Equity

### For the Period Ended 30 June 2023

(Currency: Turkish Lira ("TL") unless otherwise indicated)

	Notes	Paid-in capital	Accumulated other comprehensive income not to be reclassified to profit or loss	Restricted reserves appropriated from profit	Retained earnings		Equity
			Gains/losses on revaluation and classification		Prior years' profit / (losses)	Net profit/(loss) for the period	
<b>Balances as of 1 January 2022</b>		<b>150.000.000</b>	<b>1.509.509</b>	<b>73.246.202</b>	<b>2.305.761</b>	<b>201.656.350</b>	<b>428.717.822</b>
Transfers		-	-	24.546.612	177.109.738	(201.656.350)	-
Profit (loss) for the period		-	-	-	-	122.238.471	122.238.471
Other comprehensive income (expense)		-	378.896	-	-	-	378.896
<i>Gains (losses) on revaluation and reclassification</i>		-	378.896	-	-	-	378.896
Increase / (decrease) due to other changes		-	(192.453)	-	-	-	(192.453)
<b>Total comprehensive income (expense)</b>		-	<b>378.896</b>	-	-	<b>122.238.471</b>	<b>122.617.367</b>
Profit shares	13	-	-	-	(135.000.000)	-	(135.000.000)
<b>Balances as of 30 June 2022</b>		<b>150.000.000</b>	<b>1.695.952</b>	<b>97.792.814</b>	<b>44.415.499</b>	<b>122.238.471</b>	<b>416.142.736</b>
<b>Balances as of 1 January 2023</b>		<b>150.000.000</b>	<b>4.338.290</b>	<b>97.792.814</b>	<b>44.415.499</b>	<b>422.720.921</b>	<b>719.267.524</b>
Transfers		-	-	-	422.720.921	(422.720.921)	-
Profit (loss) for the period		-	-	-	-	474.882.658	474.882.658
Other comprehensive income (expense)		-	(1.267.849)	-	-	-	(1.267.849)
<i>Gains (losses) on revaluation and reclassification</i>		-	(1.267.849)	-	-	-	(1.267.849)
<b>Total comprehensive income (expense)</b>		-	<b>(1.267.849)</b>	-	-	<b>474.882.658</b>	<b>473.614.809</b>
<b>Balances as of 30 June 2023</b>		<b>150.000.000</b>	<b>3.070.441</b>	<b>97.792.814</b>	<b>467.136.420</b>	<b>474.882.658</b>	<b>1.192.882.333</b>

The accompanying notes form an integral part of these financial statements.

# HALK YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ

## Condensed Statement of Cash Flows

### For the Period Ended 30 June 2023

(Currency: Turkish Lira ("TL") unless otherwise indicated)

		Reviewed 1 January- 30 June 2023	Reviewed 1 January- 30 June 2022
<b>A. Cash flows from operating activities</b>		<b>688.183.713</b>	<b>(23.963.611)</b>
<b>Profit (Loss) for the Period</b>		<b>474.882.658</b>	<b>122.238.471</b>
<b>Adjustments to reconcile net profit (loss) for the period</b>			
Adjustments related to depreciation and amortization expenses	8-9-10	8.480.042	5.111.356
Adjustments related to provisions		14.014.697	7.722.542
-Adjustments related to provision for doubtful receivable expense	6	467.352	-
-Adjustments related to provision for retirement pay expense		2.788.331	2.578.648
-Adjustments related to provision for unused vacation expense		1.193.356	1.415.696
-Adjustments related to provision for personnel dividend premium		8.328.969	4.210.515
-Adjustments related to provision for payables expense		1.236.689	(482.317)
Adjustments related to tax (income) expense		140.990.014	45.756.396
-Adjustments related to current tax expense	12	141.289.487	46.893.636
-Adjustments related to deferred tax (income) expense	12	(299.473)	(1.137.240)
Adjustments related to interest income and expenses		(166.259.450)	(24.658.446)
-Adjustments related to interest income	17	(526.692.061)	(67.462.147)
-Adjustments related to interest expenses	17	360.432.611	42.803.701
Adjustments Related to Fair Value Losses (Gains)	16	2.202	10.417.842
-Adjustments Related to Fair Value Losses (Gains) of Financial Assets	16	2.202	10.417.842
Other adjustments related to profit (loss) reconciliation		-	(21.509)
-Dividend income from associates		-	(21.509)
<b>Changes in working capital</b>			
Adjustments related to increase/decrease in trade receivables		(134.719.313)	(364.365.518)
Adjustments related to increase/decrease in trade payables		64.871.399	263.080.590
Increase/decrease in financial investments		53.890.429	(62.494.266)
Adjustments related to other increase/decrease in working capital		(125.896.159)	(50.036.224)
Adjustments related to increase/decrease in lease payables		(674.700)	(140.776)
<b>Cash flows generated from operating activities</b>			
Interest received		521.130.320	70.242.251
Dividends received		(2.202)	21.509
Tax (payments) returns	12	(148.431.152)	(41.819.507)
Payments related to provision for employee benefits		(14.095.072)	(5.018.322)
<b>B. Cash flows from investing activities:</b>		<b>(2.767.222)</b>	<b>(5.544.204)</b>
Cash Outflows due to Associates and/or Subsidiary Purchase or Capital Increase		-	(192.453)
Cash outflows from the purchase of property, plant and equipment	8	(2.767.222)	(2.108.089)
Cash outflows from the purchase of intangible assets	9	-	(3.243.662)
<b>C. Cash flows from financing activities</b>		<b>377.821.079</b>	<b>(171.709.745)</b>
Cash inflows from borrowings	7	742.985.892	6.121.808
-Cash outflows from debt securities issued	7	(361.509.423)	-
-Cash inflows from other financial borrowings	7	1.104.495.315	6.121.808
Interest paid		(365.164.813)	(42.831.553)
Dividends paid	13	-	(135.000.000)
<b>Net increase (decrease) in cash and cash equivalents before the effect of foreign currency translation differences (A+B+C)</b>		<b>1.063.237.570</b>	<b>(201.217.560)</b>
<b>D. Effects of foreign currency translation differences on cash and cash equivalents</b>		<b>18.663.503</b>	<b>8.407.740</b>
<b>Net increase (decrease) in cash and cash equivalents (A+B+C+D)</b>		<b>1.081.901.073</b>	<b>(192.809.820)</b>
<b>E. Cash and cash equivalents at the beginning of the period</b>	3	<b>2.045.782.001</b>	<b>243.068.760</b>
<b>Cash and cash equivalents at the end of the period (A+B+C+D+E)</b>	3	<b>3.127.683.074</b>	<b>50.258.940</b>

The accompanying notes form an integral part of these financial statements.



# HALK YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ

## Notes to the Condensed Financial Statements For the Period Ended 30 June 2023

(Currency: Turkish Lira (“TL”) unless otherwise indicated)

### 1 Organization and operations of the Company

Halk Yatırım Menkul Değerler A.Ş. (the “Company”) was established on 2 September 1997. The purpose of the Company is to carry out capital market activities in accordance with the provisions of the Capital Markets Law and the relevant legislation.

Under the Capital Market Law’s serial III-37.1 numbered “Disclosure of Investment Services and Operations with Ancillary Services Principles” that was published in official gazette on 11 July 2013 and come into force on 1 July 2014, the Company carries out its activities as “Broad Authorized Intermediary Firm”.

The Company has been authorized to carry out investment services and activities by being classified as “Broad Authorized Intermediary Firm” according to Capital Market Law’s 15 October 2015 dated 2015/27 numbered board release.

The Company operates with 10 branches (31 December 2022: 10). Each branch of Türkiye Halk Bankası A.Ş., acts as an intermediary for the transmission of orders on behalf of the company in capital market transactions.

The address of the Headquarters of the Company is Barbaros Mah. Mor Sümbül Sk. WBC İş Merkezi Blok No:9 İç Kapı No:21 Ataşehir / İstanbul.

As of 30 June 2023, the Company has 171 employees (31 December 2022: 165).

The shareholders of the Company and their ownership percentages are as follows:

	30 June 2023	31 December 2022
Türkiye Halk Bankası A.Ş.	100,00%	100,00%
<b>Total</b>	<b>100,00%</b>	<b>100,00%</b>

### Approval of the Financial Statements:

Board of Directors has approved the financial statements and delegated authority for publishing it on 8 August 2023.

# HALK YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ

## Notes to the Condensed Financial Statements

### For the Period Ended 30 June 2023

(Currency: Turkish Lira (“TL”) unless otherwise indicated)

## 2 Basis of presentation of the financial statements

### *Basis of presentation*

#### Statement of Compliance in TFRS

The accompanying financial statements are prepared in accordance with Communiqué Serial II, No: 14.1, “Principles of Financial Reporting in Capital Markets” (the “Communiqué”) published in the Official Gazette numbered 28676 on 13 June 2013. According to Article 5 of the Communiqué, financial statements are prepared in accordance with the Turkish Financial Reporting Standards (“TFRS”) issued by Public Oversight Accounting and Auditing Standards Authority (“POA”).

In addition, the financial statements and footnotes have been presented in accordance with the formats announced by the POA on 15 April 2019 with the “Announcement on TFRS Taxonomy” and with the CMB's announcement on 7 June 2013. The financial statements are prepared on the basis of historical cost, with the exception of financial assets, derivative financial instruments at FVTPL and financial assets at FVTOCI. In determining the historical cost, the fair value of the amount paid for the assets is generally taken as the basis.

In addition, the accounting policies used in the preparation of these condensed interim financial statements for the six-months period ended 30 June 2023, are consistent with those used in the preparation of annual financial statements for the year ended 31 December 2022. Accordingly, these condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2022.

#### Currency Used

The accompanying financial statements are presented in Turkish Lira (“TL”), which is the functional and presentation currency of the Company, and all financial information is presented in TL unless otherwise stated.

#### Adjustment of financial statements in hyperinflationary periods

In accordance with the decision numbered 11/367 and dated 17 March 2005 issued by CMB, for companies that operate in Turkey and prepare their financial statements applying Turkish Financial Reporting Standards, it is decided not to apply inflation accounting from 1 January 2005. Accordingly, as of 1 January 2005, No:29 “Financial reporting in Hyperinflationary Economies” (“TAS 29”) was not applied.

POA made an announcement on 20 January 2022 regarding the application of TAS 29, “Financial Reporting in Hyperinflationary Economies” (IAS 29 Financial Reporting in Hyperinflationary Economies) for entities adopting Turkish Financial Reporting Standards (“TFRS”) for the year ended 31 December 2021. The announcement stated that, entities that apply TFRS should not adjust their financial statements in accordance with TAS 29 - Financial Reporting in Hyperinflationary Economies for the year ended 30 June 2023. As of the date of this report, POA has not made any further announcements regarding the scope and application of TAS 29. As a result, no inflation adjustment was made to the accompanying financial statements as at 30 June 2023 in accordance with TAS 29.

#### Comparative Information and Reclassification of Prior Period Financial Statements

The financial statements of the Company have been prepared comparatively with the prior period in order to give information about financial position and performance. In order to maintain consistency with current year financial statements, comparative information is reclassified and significant changes are disclosed if necessary.

Derivative transaction income and expenses, which were stated in finance income and finance expenses in prior periods, are classified under revenue from financial sector activities and cost of finance sector activities in the current period.

# HALK YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ

## Notes to the Condensed Financial Statements For the Period Ended 30 June 2023

(Currency: Turkish Lira (“TL”) unless otherwise indicated)

### 2 Basis of presentation of the financial statements (cont’d)

#### *Changes in Accounting Policies*

Significant changes in accounting policies have been applied retrospectively and prior period financial statements are restated. The Company, in the current year, has not made any changes in accounting policies due to the effects of changes in standards.

#### *Changes in Accounting Estimates and Errors*

If changes in accounting estimates and errors are for only one period, changes are applied in the current year but if the estimated changes affect the following periods, changes are applied both on the current and following years prospectively. There has been no significant change in the accounting estimates of the Company in the current year.

Accounting errors determined are corrected retrospectively and prior period’s financial statements are restated. In the current year, no accounting errors have been identified that will cause the Company to restate its financial statements.

#### **New and Amended Turkish Financial Reporting Standards**

##### a) Amendments that are mandatorily effective from 2023

Amendments to TAS 1	<i>Disclosure of Accounting Policies</i>
Amendments to TAS 8	<i>Definition of Accounting Estimates</i>
Amendments to TAS 12	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>
Amendments to TFRS 17	<i>Initial Application of TFRS 17 and TFRS 9 — Comparative Information (Amendment to TFRS 17)</i>

#### **Amendments to TAS 1 Disclosure of Accounting Policies**

The amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies.

Amendments to TAS 1 are effective for annual reporting periods beginning on or after 1 January 2023 and earlier application is permitted.

#### **Amendments to TAS 8 Definition of Accounting Estimates**

With this amendment, the definition of “a change in accounting estimates” has been replaced with the definition of “an accounting estimate”, sample and explanatory paragraphs regarding estimates have been added, and the differences between application of an estimate prospectively and correction of errors retrospectively have been clarified.

Amendments to TAS 8 are effective for annual reporting periods beginning on or after 1 January 2023 and earlier application is permitted.

# HALK YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ

## Notes to the Condensed Financial Statements

### For the Period Ended 30 June 2023

(Currency: Turkish Lira (“TL”) unless otherwise indicated)

## 2 Basis of presentation of the financial statements (cont’d)

### New and Amended Turkish Financial Reporting Standards (cont’d)

#### a) Amendments that are mandatorily effective from 2023 (cont’d)

##### **Amendments to TAS 12 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction***

The amendments clarify that the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition.

Amendments to TAS 12 are effective for annual reporting periods beginning on or after 1 January 2023 and earlier application is permitted.

##### **Amendments to TFRS 17 *Insurance Contracts and Initial Application of TFRS 17 and TFRS 9 — Comparative Information***

Amendments have been made in TFRS 17 in order to reduce the implementation costs, to explain the results and to facilitate the initial application.

The amendment permits entities that first apply TFRS 17 and TFRS 9 at the same time to present comparative information about a financial asset as if the classification and measurement requirements of TFRS 9 had been applied to that financial asset before.

Amendments are effective with the first application of TFRS 17.

#### b) New and revised TFRSs in issue but not yet effective

The Company has not yet adopted the following standards and amendments and interpretations to the existing standards:

TFRS 17	<i>Insurance Contracts</i>
Amendments to TFRS 4	<i>Extension of the Temporary Exemption from Applying TFRS 9</i>
Amendments to TAS 1	<i>Classification of Liabilities as Current or Non-Current</i>
Amendments to TFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to TAS 1	<i>Non-current Liabilities with Covenants</i>

##### **TFRS 17 *Insurance Contracts***

TFRS 17 requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. TFRS 17 supersedes TFRS 4 *Insurance Contracts* as of 1 January 2024 for insurance and reinsurance and pension companies.

##### **Amendments to TFRS 4 *Extension of the Temporary Exemption from Applying TFRS 9***

The amendment changes the fixed expiry date for the temporary exemption in TFRS 4 *Insurance Contracts* from applying TFRS 9, so that insurance and reinsurance and pension companies would be required to apply TFRS 9 for annual periods beginning on or after 1 January 2024 with the deferral of the effective date of TFRS 17.

# HALK YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ

## Notes to the Condensed Financial Statements For the Period Ended 30 June 2023

(Currency: Turkish Lira ("TL") unless otherwise indicated)

### 2 Basis of presentation of the financial statements (cont'd)

#### New and Amended Turkish Financial Reporting Standards (cont'd)

##### b) New and revised TFRSs in issue but not yet effective (cont'd)

#### **Amendments to TAS 1 *Classification of Liabilities as Current or Non-Current***

The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.

Amendments to TAS 1 are effective for annual reporting periods beginning on or after 1 January 2024 and earlier application is permitted.

#### **Amendments to TFRS 16 *Lease Liability in a Sale and Leaseback***

Amendments to TFRS 16 clarify how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in TFRS 15 to be accounted for as a sale.

Amendments are effective from annual reporting periods beginning on or after 1 January 2024.

#### **Amendments to TAS 1 *Non-current Liabilities with Covenants***

Amendments to TAS 1 clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability.

Amendments are effective from annual reporting periods beginning on or after 1 January 2024.

The Company evaluates the effects of these standards, amendments and improvements on the financial statements.

# HALK YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ

## Notes to the Condensed Financial Statements For the Period Ended 30 June 2023

(Currency: Turkish Lira (“TL”) unless otherwise indicated)

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### Cash and cash equivalents

Cash and cash equivalents as of 30 June 2023 and 31 December 2022 are as follows:

	30 June 2023	31 December 2022
Banks	3.269.258.892	2.191.979.212
- Time deposit	3.146.415.395	2.020.004.348
- Demand deposit	122.843.497	171.974.864
Receivables from reverse repo transactions	8.445.446	31.731.215
Provision for expected credit loss (-)	(442.070)	(299.297)
<b>Total cash and cash equivalents in the statement of financial position</b>	<b>3.277.262.268</b>	<b>2.223.411.130</b>
Interest income discounts on cash and cash equivalents	(53.194.595)	(46.331.148)
Provision for expected credit loss on cash and cash equivalents	442.070	299.297
Customer deposits <sup>(1)</sup>	(96.826.669)	(131.597.278)
<b>Total cash and cash equivalents in the statement of cash flows</b>	<b>3.127.683.074</b>	<b>2.045.782.001</b>

<sup>(1)</sup> TL 96.826.669 (31 December 2022: TL 131.597.278) of bank deposits consists of the demand deposits assets of the Company which has not turned to an investment as of 30 June 2023.

As of 30 June 2023, TL 2.688.530.464 of time deposits (31 December 2022: TL 1.968.864.622) and TL 108.855.335 of demand deposits (31 December 2022: TL 161.307.803) is at Türkiye Halk Bankası A.Ş., the main shareholder of the Company.

As of 30 June 2023, the interest rate applied to reverse repurchase agreements is 20% and their maturity is 8 days (31 December 2022: 13,39% with maturity of 32 days).

As of 30 June 2023 and 31 December 2022, the details of time deposits of the Company are as follows:

30 June 2023				
	Interest rate (%)	Maturity	Currency Type	Amount
Time deposits	30%-46%	3 July 2023-29 August 2023	TL	3.146.415.395
<b>Total</b>				<b>3.146.415.395</b>
31 December 2022				
	Interest rate (%)	Maturity	Currency Type	Amount
Time deposits	20%-26%	2 January 2023-16 March 2023	TL	2.020.004.348
<b>Total</b>				<b>2.020.004.348</b>

As at 30 June 2023 and 31 December 2022, there is no blockage on cash and cash equivalents of the Company.

# HALK YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ

## Notes to the Condensed Financial Statements For the Period Ended 30 June 2023

(Currency: Turkish Lira ("TL") unless otherwise indicated)

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### Financial investments

#### Short-term financial investments

As of 30 June 2023 and 31 December 2022, short-term financial investments are as follows:

#### Financial assets at fair value through profit or loss

	30 June 2023			31 December 2022		
	Nominal value	Cost value	Book value	Nominal value	Cost value	Book value
Shares	303.128	6.400.000	7.087.000	-	-	-
Government bonds	28.000.000	28.094.816	27.863.216	118.690.002	116.405.287	118.502.314
Investment Funds	147.402.678	149.123.198	182.090.525	136.303.563	150.000.254	151.741.856
<b>Total</b>			<b>217.040.741</b>			<b>270.244.170</b>

#### Long-term financial investments

As of 30 June 2023 and 31 December 2022, long-term financial investments are as follows:

#### Financial assets at fair value through other comprehensive income

Share investments	30 June 2023		31 December 2022	
	Book value	Ownership rate (%)	Book value	Ownership rate (%)
Borsa İstanbul A.Ş.(1)	1.517.254	0,038	1.517.254	0,038
Halk Gayrimenkul Yatırım Ortaklığı A.Ş.	2.612.715	0,038	3.880.564	0,038
Ziraat Portföy Yönetimi A.Ş.(2)	50.000	0,001	50.000	0,001
<b>Total</b>	<b>4.179.969</b>		<b>5.447.818</b>	

(1) In the current period, the related shares are valued with the price per share determined by Borsa İstanbul A.Ş. at the meeting dated 15 January 2018 and numbered 2018/6 and the valuation effect is recognized under gains on revaluation and reclassification in equity.

(2) Stated at cost value in financial statements.

# HALK YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ

## Notes to the Condensed Financial Statements For the Period Ended 30 June 2023

(Currency: Turkish Lira ("TL") unless otherwise indicated)

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### Related party disclosures

#### Receivables from related parties and payables to related parties

Assets from related parties and liabilities to related parties as of 30 June 2023 and 31 December 2022 are as follows:

	30 June 2023	31 December 2022
<b>Cash and cash equivalents</b>		
Türkiye Halk Bankası A.Ş.	2.797.385.799	2.130.172.425
-Time deposit	2.688.530.464	1.968.864.622
-Demand deposit	108.855.335	161.307.803
<b>Total</b>	<b>2.797.385.799</b>	<b>2.130.172.425</b>

	30 June 2023	31 December 2022
<b>Share investments</b>		
Halk Gayrimenkul Yatırım Ortaklığı A.Ş.	2.612.715	3.880.564
-Shares	2.612.715	3.880.564
<b>Total</b>	<b>2.612.715</b>	<b>3.880.564</b>

	30 June 2023	31 December 2022
<b>Trade receivables from related parties</b>		
Türkiye Halk Bankası A.Ş.	295.752	138.414
<b>Total</b>	<b>295.752</b>	<b>138.414</b>

	30 June 2023	31 December 2022
<b>Payables to related parties</b>		
Halkbank Spor Kulübü	-	2.060.000
Türkiye Halk Bankası A.Ş.	478.918	277.482
Other	-	8.421
<b>Total</b>	<b>478.918</b>	<b>2.345.903</b>



# HALK YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ

## Notes to the Condensed Financial Statements For the Period Ended 30 June 2023

(Currency: Turkish Lira ("TL") unless otherwise indicated)

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### Related party disclosures (*cont'd*)

#### Transactions with related parties

Transactions with related parties for the periods ended 30 June 2023 and 30 June 2022 are as follows:

#### Income from related parties

	1 January – 30 June 2023	1 April – 30 June 2023	1 January – 30 June 2022	1 April – 30 June 2022
<b><u>Türkiye Halk Bankası A.Ş.</u></b>				
Commission income on public offerings brokerage	20.399.450	8.172.950	9.066.750	3.558.750
Interest income on deposits	418.480.219	266.292.892	11.482.550	3.489.285
Commission income from brokerage	2.097.281	187.485	744.798	47.148
Investment consultancy service income	1.920.000	940.000	1.430.000	830.000
Other income	849.719	493.465	580.158	275.070
<b><u>Halk Gayrimenkul Yatırım Ortaklığı A.Ş.</u></b>				
Consultancy service income	-	-	375.000	-
Commission income from brokerage	1.882	-	-	-
<b><u>Halk Finansal Kiralama A.Ş.</u></b>				
Commission income on public offerings brokerage	1.011.563	312.500	596.500	312.750
Amortization income on bonds	20.411	20.411	-	-
<b><u>Halk Varlık Kiralama A.Ş.</u></b>				
Sukuk issuance brokerage commission income	3.946.850	1.381.400	3.510.510	1.691.510
Amortization income from lease certificate	33.104	33.104	187.559	187.559
<b>Total</b>	<b>448.760.478</b>	<b>277.834.206</b>	<b>27.973.825</b>	<b>10.392.072</b>

#### Expenses to related parties

	1 January – 30 June 2023	1 April – 30 June 2023	1 January – 30 June 2022	1 April – 30 June 2022
<b><u>Türkiye Halk Bankası A.Ş.</u></b>				
Rent expenses	3.591.687	1.778.951	2.212.894	1.366.955
Common expense contribution expense	3.103.829	1.524.945	1.196.669	628.630
Premium expense	513.452	275.753	492.835	492.835
Commission of guarantee letter	115.478	42.318	57.582	17.774
Bank charges	55.599	27.301	41.376	28.746
Loan interest expense	-	-	169.072	169.072
<b><u>Halkbank Spor Kulübü</u></b>				
Sponsorship expenses	5.100.000	2.550.000	3.450.000	1.725.000
<b>Total</b>	<b>12.480.045</b>	<b>6.199.267</b>	<b>7.620.428</b>	<b>4.429.012</b>

#### Benefits provided to key management

The key personnel received remuneration and fees amounting in total TL 6.573.855 for the period ended 30 June 2023 (30 June 2022: TL 3.137.840).

# HALK YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ

## Notes to the Condensed Financial Statements For the Period Ended 30 June 2023

(Currency: Turkish Lira ("TL") unless otherwise indicated)

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### Trade receivables and payables

#### Trade receivables

As of 30 June 2023 and 31 December 2022, trade receivables of the Company are as follows:

	30 June 2023	31 December 2022
Receivables from loan customers	822.869.419	712.340.476
Futures and options market collaterals	358.599.111	244.514.819
Leveraged trade collaterals	4.740.213	5.041.890
Receivables from customers	14.053.153	102.360.869
Collaterals of borrowed securities	-	3.210.925
Receivables from related parties (Note 5)	295.752	138.414
Doubtful trade receivables	13.766.683	13.322.401
Provision for doubtful trade receivables	(13.766.683)	(13.322.401)
<b>Total</b>	<b>1.200.557.648</b>	<b>1.067.607.393</b>

The movement of the provision of doubtful receivables of the Company as of 30 June 2023 and 30 June 2022 is as follows:

	1 January - 30 June 2023	1 January - 30 June 2022
Beginning of the period	13.322.401	13.614.630
Provisions made during the period	467.352	-
Collected during the period	(23.070)	(391.591)
<b>End of the period</b>	<b>13.766.683</b>	<b>13.223.039</b>

#### Trade payables

As of 30 June 2023 and 31 December 2022, trade payables of the Company are as follows:

	30 June 2023	31 December 2022
Leveraged trade collaterals	4.127.779	4.506.581
Futures and options market collaterals	356.840.270	244.449.525
Payables to customers	342.048.862	275.925.223
Public offering demands	-	118.732.576
Sellers	22.146.471	11.600.167
Payables to related parties (Note 5)	478.918	2.345.903
Guarantees received for securities lent	-	3.210.926
<b>Total</b>	<b>725.642.300</b>	<b>660.770.901</b>

# HALK YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ

## Notes to the Condensed Financial Statements For the Period Ended 30 June 2023

(Currency: Turkish Lira ("TL") unless otherwise indicated)

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### Short-term borrowings

As of 30 June 2023 and 31 December 2022, the details of the Company's borrowings are as follows:

	30 June 2023	31 December 2022
Financial bonds issued	390.995.773	747.630.223
Payables to Takasbank money market	2.633.813.537	1.493.061.685
<b>Total</b>	<b>3.024.809.310</b>	<b>2.240.691.908</b>

As of 30 June 2023 and 31 December 2022, the Company's issued bonds, notes and bills are as follows:

30 June 2023					
ISIN	Issue date	Maturity	Interest rate (%)	Nominal	Amount
TRFHALK82310	6 June 2023	1 Ağustos 2023	37,00%	105.000.000	101.877.525
TRFHALK82328	23 June 2023	29 Ağustos 2023	37,50%	306.500.000	289.118.248
<b>Total</b>					<b>390.995.773</b>

  

31 December 2022					
ISIN	Issue date	Maturity	Interest rate (%)	Nominal	Amount
TRFHALK12317	17 November 2022	25 January 2023	22,00%	100.000.000	98.611.130
TRFHALK12325	30 November 2022	25 January 2023	22,00%	225.000.000	221.851.607
TRFHALK22316	9 December 2022	7 February 2023	22,25%	100.000.000	97.824.400
TRFHALK32315	15 December 2022	2 March 2023	22,00%	118.000.000	113.922.104
TRFHALK32323	27 December 2022	16 March 2023	22,00%	225.000.000	215.420.982
<b>Total</b>					<b>747.630.223</b>

As of 30 June 2023, the Company's financial borrowings are as follows.

30 June 2023			
	Interest rate (%)	Maturity	Amount
Takasbank Money Market	15,5-% 35%	3 July 2023-28 July 2023	2.633.813.537
<b>Total</b>			<b>2.633.813.537</b>

  

31 December 2022			
	Interest rate (%)	Maturity	Amount
Takasbank Money Market	10,9-% -17,5%	2 January 2023-15 February 2023	1.493.061.685
<b>Toplam</b>			<b>1.493.061.685</b>

# HALK YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ

## Notes to the Condensed Financial Statements For the Period Ended 30 June 2023

(Currency: Turkish Lira ("TL") unless otherwise indicated)

### 8 Property, plant and equipment

The movement of property, plant and equipment for the years ended 30 June 2023 and 30 June 2022, is as follows:

	<b>Machinery and equipment</b>	<b>Furniture and fixtures</b>	<b>Leasehold improvements</b>	<b>Total</b>
<b>Cost</b>				
Opening balance, 1 January 2022	11.587.738	2.184.909	6.333.658	20.106.305
Additions	898.205	170.972	1.038.912	2.108.089
Disposals	(121.318)	-	-	(121.318)
<b>Closing balance, 30 June 2022</b>	<b>12.364.625</b>	<b>2.355.881</b>	<b>7.372.570</b>	<b>22.093.076</b>
Opening balance, 1 January 2023	15.063.561	2.670.687	8.470.901	26.205.149
Additions	1.498.470	240.419	1.028.333	2.767.222
Disposals	-	(33.180)	-	(33.180)
<b>Closing balance, 30 June 2023</b>	<b>16.562.031</b>	<b>2.877.926</b>	<b>9.499.234</b>	<b>28.939.191</b>
<b>Accumulated depreciation</b>				
Opening balance, 1 January 2022	5.409.074	1.634.820	1.051.466	8.095.360
Charge for the period	1.075.667	87.894	702.555	1.866.116
Disposals	(113.426)	-	-	(113.426)
<b>Closing balance, 30 June 2022</b>	<b>6.371.315</b>	<b>1.722.714</b>	<b>1.754.021</b>	<b>9.848.050</b>
Opening balance, 1 January 2023	7.555.704	1.839.335	2.584.488	11.979.527
Charge for the period	1.477.639	134.305	923.644	2.535.588
Disposals	-	(33.180)	-	(33.180)
<b>Closing balance, 30 June 2023</b>	<b>9.033.343</b>	<b>1.940.460</b>	<b>3.508.132</b>	<b>14.481.935</b>
<b>Net book value</b>				
30 June 2022	5.993.310	633.167	5.618.549	12.245.026
30 June 2023	7.528.688	937.466	5.991.102	14.457.256

During the period ended on 30 June 2023, purchase of property, plant and equipment amounting to TL 2.767.222, sale of property, plant and equipment amounting to TL 33.180 has been realized (30 June 2022: purchase of property, plant and equipment amounting to TL 2.108.089, sale of property, plant and equipment amounting to TL 121.318).

As of 30 June 2023, total insurance on property, plant and equipment is TL 38.062.320 (30 June 2022: TL 14.983.720).

# HALK YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ

## Notes to the Condensed Financial Statements For the Period Ended 30 June 2023

(Currency: Turkish Lira ("TL") unless otherwise indicated)

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### Intangible assets

The movement of intangible assets for the years ended 30 June 2023 and 30 June 2022 is as follows:

	<b>Software</b>
<b>Cost value</b>	
Opening balance, 1 January 2022	5.627.089
Additions	3.243.662
<b>Closing balance, 30 June 2022</b>	<b>8.870.751</b>
Opening balance, 1 January 2023	10.835.890
Additions	-
<b>Closing balance, 30 June 2023</b>	<b>10.835.890</b>
<b>Accumulated amortization</b>	
Opening balance, 1 January 2022	4.490.740
Charge for the period	673.149
<b>Closing balance, 30 June 2022</b>	<b>5.163.889</b>
Opening balance, 1 January 2023	5.926.590
Charge for the period	754.840
<b>Closing balance, 30 June 2023</b>	<b>6.681.430</b>
<b>Net book value</b>	
30 June 2022	3.706.862
30 June 2023	4.154.460

During the period ended on 30 June 2023 no purchase of intangible assets has been realized (30 June 2022: TL 3.243.662).

# HALK YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ

## Notes to the Condensed Financial Statements For the Period Ended 30 June 2023

(Currency: Turkish Lira (“TL”) unless otherwise indicated)

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### Right-of-use assets and lease liabilities

For the periods ended 30 June 2023 and 30 June 2022, movement of right-of-use assets and lease liabilities is as follows:

	Building lease rights	Vehicle lease rights	Total
<b>Cost</b>			
Opening balance, 1 January 2022	8.574.591	3.560.814	12.135.405
Additions	2.986.041	628.853	3.614.894
<b>Closing balance, 30 June 2022</b>	<b>11.560.632</b>	<b>4.189.667</b>	<b>15.750.299</b>
Opening balance, 1 January 2023	12.171.671	2.550.391	14.722.062
Additions	3.420.829	9.862.884	13.283.713
Disposals	(1.272.135)	(1.256.497)	(2.528.632)
<b>Closing balance, 30 June 2023</b>	<b>14.320.365</b>	<b>11.156.778</b>	<b>25.477.143</b>
<b>Accumulated depreciation</b>			
Opening balance, 1 January 2022	2.814.659	2.132.927	4.947.586
Charge for the period	1.963.181	608.910	2.572.091
<b>Closing balance, 30 June 2022</b>	<b>4.777.840</b>	<b>2.741.837</b>	<b>7.519.677</b>
Opening balance, 1 January 2023	7.040.673	1.710.258	8.750.930
Charge for the period	3.554.364	1.635.250	5.189.614
Disposals	(687.032)	(1.256.487)	(1.943.519)
<b>Closing balance, 30 June 2023</b>	<b>9.908.005</b>	<b>2.089.021</b>	<b>11.997.025</b>
<b>Net book value</b>			
30 June 2022	6.782.792	1.447.830	8.230.622
30 June 2023	4.412.360	9.067.757	13.480.118
	<b>30 June 2023</b>	<b>31 December 2022</b>	
Distribution of lease liabilities			
Short-term		8.694.273	5.604.123
Long-term		4.952.933	1.208.797
<b>Closing balance</b>		<b>13.647.206</b>	<b>6.812.920</b>

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### Provisions, contingent assets and liabilities

#### Other short-term provisions

As at 30 June 2023 and 31 December 2022, provisions for current liabilities are as follows:

	30 June 2023	31 December 2022
Provision for litigation	3.189.000	3.189.200
Provision for repo interest expense	1.211.211	-
Expenses payable	73.542	35.042
Common expense contribution share	-	12.284
Other expense provisions	-	538
<b>Total</b>	<b>4.473.753</b>	<b>3.237.064</b>

# HALK YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ

## Notes to the Condensed Financial Statements For the Period Ended 30 June 2023

(Currency: Turkish Lira ("TL") unless otherwise indicated)

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### Provisions, contingent assets and liabilities (*cont'd*)

#### Off-balance sheet liabilities

As at 30 June 2023 and 31 December 2022, off-balance sheet liabilities are as follows:

##### *Guarantee letters*

	30 June 2023	31 December 2022
TMM Transaction Collaterals (Takasbank)	2.650.000.000	1.500.000.000
Borsa İstanbul AŞ (BİST)	80.000	80.000
CMB	1.776	1.776
Other	1.633.050	1.384.550
<b>Total</b>	<b>2.651.714.826</b>	<b>1.501.466.326</b>

As of 30 June 2023, the Company has guarantees given to liquidity providers in order to perform transaction on foreign marketable securities market amounting to USD 2.000.000 (31 December 2022: USD 2.000.000).

##### *Other off-balance liabilities*

Items held in custody (nominal)	30 June 2023	31 December 2022
Share	10.577.975.897	7.446.567.336
Warrants	81.012.624	93.773.944
Other securities	10.267.626.488	8.079.922.161
Futures and options market contracts (number)	327.817	98.451

As of 30 June 2023, there are futures and options market transaction collaterals amounting to TL 356.840.270 held at Takasbank (31 December 2022: TL 244.449.525).

As at 30 June 2023 and 31 December 2022, open position transactions made on behalf of the customers in futures and options market are as follows:

	30 June 2023	31 December 2022
Amount of open transaction	1.429.081.301	701.534.127

##### *Lawsuits*

As at 30 June 2023, total risk of lawsuits sued against the Company are amounting to approximately TL 3.189.000 (30 June 2022: TL 1.500.880) and TL 3.189.000 of provision is provided for these lawsuits on the financial statements (30 June 2022: TL 1.500.880).

	1 January – 30 June 2023	1 January – 30 June 2022
Beginning of the period	3.189.200	577.669
Increase during the period	-	923.211
Provisions released	(200)	-
<b>End of the period</b>	<b>3.189.000</b>	<b>1.500.880</b>

# HALK YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ

## Notes to the Condensed Financial Statements

### For the Period Ended 30 June 2023

(Currency: Turkish Lira ("TL") unless otherwise indicated)

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#### Tax assets and liabilities

In Turkey, the corporate tax rate is 20%. However, within the scope of the Law No. 7316 on the "Law on the Collection of Public Claims and Amendments to Some Laws" published in the Official Gazette dated 22 April 2022, this rate will be applied as 25% for the corporate earnings of the corporations for the 2022 taxation period, and as 23% for the corporate earnings of the 2023 taxation period, starting from the declarations that must be submitted as of 1 July 2022. This change will be valid in the taxation of corporate earnings for the periods starting from 1 January 2022, starting with the declarations that must be submitted as of 1 July 2022. Corporate tax rate is applied to the tax base that will be found as a result of adding expenses that are not accepted as a discount in accordance with tax laws to the commercial earnings of institutions, deducting exceptions and deductions contained in tax laws. If the profit is not distributed, no other tax is paid.

Evaluation of Immovable Property Owned by the Treasury No. 7394, which was published in the Official Gazette dated 15 April 2023 and numbered 31810 and the Law on Amending the Value Added Tax Law and the Law on Amending Certain Laws and Decrees with the Force of Law and with the paragraph added to the provisional article 13 of the Corporate Tax Law No. 5520, it has been decided to apply the corporate tax rate for financial institutions as 25% of the corporate earnings for the 2023 taxation period.

Transfer pricing provisions have been stated under the Article 13 of Corporate Tax Law numbered 5520, published at Official Gazette dated 21 June 2006 and with number 26205 and these new regulations have become valid as of 1 January 2007. New arrangements for transfer pricing are in line with basis and principles in guidelines of OECD about transfer pricing.

The article 13 of Corporate Tax Law and announcements related with this article make clear how to apply arm's length principle between related parties.

If a taxpayer enters into transactions regarding sale or purchase of goods and services with related parties, where the prices are not set in accordance with arm's length principle, then related profits are considered to be distributed in a disguised manner through transfer pricing. Purchase, sale, manufacturing and construction transactions, leasing and renting transactions, borrowing and lending money, premium, fees and similar payment transactions are always accepted as good or service purchase or sale.

Companies are obliged to fill out transfer pricing form attached to yearly corporate tax return. This form should include amounts of all transactions made with related parties and methods of transfer pricing used for these transactions.

According to "the General Communiqué on Disguised Profit Distribution via Transfer Pricing" numbered 1, dated 18 November 2007 and published on Official Gazette, taxpayers registered in "Large Taxpayers Office" have to prepare Transfer Pricing Report for domestic or foreign transactions made with related parties in an accounting period. Other corporate taxpayers have to prepare Transfer Pricing Report for foreign transactions made with related parties in an accounting period.

As per the decision no. 2006/10731 of the Council of Ministers published in the Official Gazette no. 26237 dated 23 July 2006, certain duty rates included in the articles no. 15 and 30 of the new Corporate Tax Law no.5520 are revised. Accordingly, the withholding tax rate on the dividend payments other than the ones paid to the non-resident institutions generating income in Turkey through their operations or permanent representatives and the resident institutions, increased to 15% from 10%. In applying the withholding tax rates on dividend payments to the non-resident institutions and the individuals, the withholding tax rates covered in the related Double Tax Treaty Agreements are taken into account.



# HALK YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ

## Notes to the Condensed Financial Statements For the Period Ended 30 June 2023

(Currency: Turkish Lira (“TL”) unless otherwise indicated)

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### Tax assets and liabilities (*cont’d*)

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Corporate tax returns are submitted to the relevant tax office until the evening of the 25th day of the fourth month following the month in which the accounting period is closed. Tax authorities may, however, examine such returns and the underlying accounting records and may revise assessments within five years.

In accordance with the tax legislation, tax losses can be carried forward up to 5 years.

A reconciliation illustrates the differences between the total tax provision and the amount calculated by applying the legal tax rate to the profit before tax of the periods ended 30 June 2023 and 30 June 2022.

	1 January – 30 June 2023	1 April – 30 June 2023	1 January – 30 June 2022	1 April – 30 June 2022
Profit before tax	615.872.672	345.308.900	167.994.867	88.232.145
Corporate tax calculated with statutory tax rate (25%)	153.968.168	86.327.225	41.998.717	23.653.291
Non-deductible expenses	12.288.997	11.557.489	4.444.574	3.791.784
Non-taxable income	(25.267.151)	(19.278.694)	(1.242.119)	(743.849)
The effect of temporary change in prepaid corporate tax rate	-	-	555.224	555.224
<b>Tax expense</b>	<b>140.990.014</b>	<b>78.606.020</b>	<b>45.756.396</b>	<b>27.256.450</b>

	1 January – 30 June 2023	1 April – 30 June 2023	1 January – 30 June 2022	1 April – 30 June 2022
Current tax expense	(141.289.487)	(76.833.707)	(46.893.636)	(31.139.615)
Deferred tax (expense)/income	299.473	(1.772.313)	1.137.240	3.883.165
<b>Tax expense</b>	<b>(140.990.014)</b>	<b>(78.606.020)</b>	<b>(45.756.396)</b>	<b>(27.256.450)</b>

As of 30 June 2023 and 31 December 2022, the corporation tax payable after deduction of prepaid taxes is accounted under “current tax liabilities” in “corporate tax payable” or in “current tax assets” account.

	30 June 2023	31 December 2022
Prepaid deferred tax	85.963.209	84.120.201
Current corporate tax expense	(141.289.487)	(146.588.144)
<b>Current tax liabilities / (assets)</b>	<b>(55.326.278)</b>	<b>(62.467.943)</b>

# HALK YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ

## Notes to the Condensed Financial Statements For the Period Ended 30 June 2023

(Currency: Turkish Lira ("TL") unless otherwise indicated)

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### Tax assets and liabilities (*cont'd*)

#### Deferred tax

As at 30 June 2023 and 31 December 2022, details of net deferred tax assets and liabilities are as follows:

	Total Temporary Differences		Deferred Tax Asset/(Liability)	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
<b>Deferred tax assets</b>				
Provision for employment termination benefits	11.836.090	9.731.984	2.959.023	2.432.996
Provision for unused provision	5.997.907	5.065.523	1.499.477	1.266.381
Provision for personnel premium	8.328.969	13.149.875	2.082.242	3.287.469
Provision for doubtful receivables	444.283	-	111.071	-
Provision for litigation	3.189.000	3.189.200	797.250	797.300
Financial investments valuation differences	2.611.214	590.002	381.295	124.008
Provision for expected loss	575.832	426.340	143.957	106.585
<b>Total deferred tax assets</b>	<b>32.983.295</b>	<b>32.152.924</b>	<b>7.974.315</b>	<b>8.014.739</b>
<b>Deferred tax liabilities</b>				
Tax laws and method differences of property, plant and equipment and intangible asset depreciation	(568.528)	(636.088)	(142.132)	(159.022)
Provision for doubtful receivables	-	(292.230)	-	(73.057)
Other	(200)	(1.000.000)	(50)	(250.000)
<b>Total deferred tax liability</b>	<b>(568.728)</b>	<b>(1.928.318)</b>	<b>(142.182)</b>	<b>(482.079)</b>
<b>Net deferred tax asset / (liability)</b>	<b>32.414.567</b>	<b>30.224.606</b>	<b>7.832.133</b>	<b>7.532.660</b>

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#### Shareholders' equity

At the General Assembly held on 30 March 2022, it is decided that first order general legal reserve amounting to TL 9.200.000 will be set aside from the net profit for the year 2021, in accordance with Article 21/b of the Articles of Association, the Company's shareholders will be paid a 1st dividend of TL 7.500.000 at the rate of 5% of the paid-in capital, in accordance with Article 21/d of the Articles of Association, TL 127.500.000 will be allocated to the shareholders of the company as II. dividend, TL 13.168.333 will be set aside as II. legal reserve, total of TL 135.000.000 will be paid to the shareholders in cash, including of a 1st dividend of TL 7.500.000 and a 2nd dividend of TL 127.500.000, TL 2.178.278 will be allocated as Special Reserves, (it is 75% of the participation earnings in accordance with the 1/e clause of the 5th article of the Corporate Tax Law No. 5520) and TL 42.109.738 will be set aside as extraordinary reserve. Trade registry approval was registered on 8 April 2022 and announced in the Trade Registry Gazette dated 4 April 2022 and numbered 10555.

# HALK YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ

## Notes to the Condensed Financial Statements For the Period Ended 30 June 2023

(Currency: Turkish Lira (“TL”) unless otherwise indicated)

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### Shareholders’ equity (cont’d)

#### **Restricted reserves appropriated from profit**

Under the Turkish Commercial Code legal reserves consist of first and second legal reserves. The first legal reserve is appropriated out of statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the paid-in share capital. The second legal reserve is calculated as the 10% of dividend distributions, in excess of 5 percent of paid-in capital. The legal reserves can be used only to offset losses and are not available for any other usage unless they exceed 50 percent of paid-in capital.

As of 30 June 2023, the Company has restricted reserves amounting to TL 97.792.814 appropriated from profit (31 December 2022: TL 97.792.814).

#### **Revaluation and reclassification gains (securities increment value fund)**

Securities increment value fund consists of the accumulated net change in the fair value of financial assets held for sale until they are derecognised or impaired.

#### **Other earnings**

All actuarial gains and losses arising from the recognition of defined benefit liabilities resulting from the new amendment to TAS 19, are recognized as “other earnings” under other comprehensive income.

#### **Retained earnings**

As of 30 June 2023, the Company has retained earnings profit amounting to TL 467.136.420 (31 December 2022: TL 44.415.499).

# HALK YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ

## Notes to the Condensed Financial Statements For the Period Ended 30 June 2023

(Currency: Turkish Lira ("TL") unless otherwise indicated)

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### Revenue and cost of sales

Income from operating activities for the years ended 30 June 2023 and 30 June 2022 is as follows:

	1 January – 30 June 2023	1 April – 30 June 2023	1 January – 30 June 2022	1 April – 30 June 2022
<b>Revenue</b>				
Government bond sales	389.673.603	98.760.040	285.362.525	88.959.704
Government bond repo sales	4.855.869.590	343.750.000	1.319.280.000	824.390.000
Share sales	93.539.069	92.962.846	385.619.998	254.439.897
Private sector bond sales	28.133.104	-	114.849.825	50.558.235
Finance bond sales	21.516.263	969.691	-	-
Eurobond sales	419.195.553	263.996.978	662.931.989	451.239.752
Treasury bond sales	54.792.205	-	-	-
Investment funds sales	3.163.798.488	1.471.027.692	-	-
<b>Total revenue</b>	<b>9.026.517.875</b>	<b>2.271.467.247</b>	<b>2.768.044.337</b>	<b>1.669.587.588</b>
<b>Services</b>				
Share transactions brokerage commissions	308.788.269	138.372.200	121.153.777	65.745.896
Interest income from customers	224.408.593	114.911.679	38.245.114	24.062.560
Public offering, issuance commissions and consultancy income	51.985.011	32.737.773	21.996.986	11.980.841
Commission on common stock trading	188.886	98.437	88.807	68.811
Repo-reverse repo brokerage commissions	3.519.339	1.870.597	77.085	13.839
Takasbank Money Market brokerage commissions	38.833	14.170	173.814	116.547
Futures and options market transaction brokerage commissions	11.135.948	5.644.570	11.518.863	5.448.115
Securities Lending Market and other commission	1.805.787	1.068.075	506.061	341.761
Leveraged income	1.834.806	1.266.354	1.579.981	576.519
Fund sales and distribution commissions	5.970.016	2.921.340	2.384.646	1.341.665
Portfolio management and consultancy service income	5.433.898	2.908.273	1.914.678	993.461
Bank transfer instrument income on condition of electronic product note	373.244	260.169	544.744	294.194
Crowdfunding platform and venture capital advisory revenue	1.120.535	461.535	-	-
<b>Total service income</b>	<b>616.603.165</b>	<b>302.535.172</b>	<b>200.184.556</b>	<b>110.984.209</b>
<b>Total sales income</b>	<b>9.643.121.040</b>	<b>2.574.002.419</b>	<b>2.968.228.893</b>	<b>1.780.571.797</b>
<b>Cost of sales</b>				
Government bond purchases	(385.425.249)	(98.197.849)	(283.208.561)	(87.750.674)
Government bond repo purchases	(4.855.869.590)	(343.750.000)	(1.319.280.000)	(824.390.000)
Share purchases	(93.684.144)	(93.107.026)	(374.046.448)	(242.107.003)
Private sector bond purchases	(28.100.001)	-	(114.490.155)	(50.260.155)
Finance bond purchases	(20.949.278)	(949.280)	-	-
Eurobond purchases	(413.825.236)	(260.828.229)	(653.674.453)	(444.769.520)
Treasury bond purchases	(54.165.512)	-	-	-
Investment funds purchases	(3.143.876.955)	(1.458.876.712)	-	-
<b>Total cost of sales</b>	<b>(8.995.895.965)</b>	<b>(2.255.709.096)</b>	<b>(2.744.699.617)</b>	<b>(1.649.277.352)</b>
<b>Gross profit from trade operations</b>	<b>647.225.075</b>	<b>318.293.323</b>	<b>223.529.276</b>	<b>131.294.445</b>
<b>Finance Sector Operating Revenue</b>				
Gain on Financial Derivative Transactions	273.647	274.258	14.162.471	15.552.629
<b>Total finance sector operating revenue</b>	<b>273.647</b>	<b>274.258</b>	<b>14.162.471</b>	<b>15.552.629</b>
<b>Gross profit</b>	<b>647.498.722</b>	<b>318.567.581</b>	<b>237.691.747</b>	<b>146.847.074</b>

# HALK YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ

## Notes to the Condensed Financial Statements For the Period Ended 30 June 2023

(Currency: Turkish Lira ("TL") unless otherwise indicated)

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### General administrative and marketing expenses

General administrative expenses for the years ended 30 June 2023 and 30 June 2022 are as follows:

<i>General administrative expenses</i>	<b>1 January – 30 June 2023</b>	<b>1 April – 30 June 2023</b>	<b>1 January – 30 June 2022</b>	<b>1 April – 30 June 2022</b>
Personnel expenses	73.282.878	38.362.611	33.660.216	19.710.202
-Personnel salaries and bonuses	37.871.971	19.230.933	18.172.389	9.594.820
-Personnel insurance and premium expenses	12.160.172	6.755.495	4.845.982	2.748.720
-Personnel additional bonus	8.328.969	3.882.231	4.210.515	2.954.397
-Personnel employment termination benefit expenses	2.788.331	2.074.953	2.630.874	2.178.063
-Personnel food expenses	3.528.296	1.929.249	1.211.384	644.070
-Other personnel expenses	8.605.139	4.489.750	2.589.072	1.590.132
Data display and distribution expenses	6.077.728	2.904.695	3.125.665	1.625.635
Rent expenses	455.026	297.642	740.364	280.521
Depreciation and amortization expenses	8.480.042	4.366.354	5.111.356	2.674.096
Outsourced benefits and services	10.225.161	5.176.774	5.979.508	3.301.739
Communication expenses	2.580.928	1.401.137	1.643.886	855.150
Taxes, duties and fees	2.995.999	1.555.099	1.979.392	1.308.951
Service and travel expenses	1.514.167	743.535	709.670	513.313
Common area expenses contribution share	1.677.932	750.438	947.559	551.615
Audit and consultancy expenses	944.475	378.067	596.631	332.115
Vehicle rent and fuel expenses	1.273.397	582.322	545.796	333.070
Maintenance expense	6.639.902	3.810.664	1.274.941	561.391
Representation and entertainment expenses	440.802	256.008	217.461	175.210
Other	1.512.172	759.770	1.474.865	764.019
<b>Total</b>	<b>118.100.609</b>	<b>61.345.116</b>	<b>58.007.310</b>	<b>32.987.027</b>

Marketing expenses for the years ended 30 June 2023 and 30 June 2022 are as follows:

<i>Marketing expenses</i>	<b>1 January – 30 June 2023</b>	<b>1 April – 30 June 2023</b>	<b>1 January – 30 June 2022</b>	<b>1 April – 30 June 2022</b>
Stock exchange expenses	30.575.570	13.831.271	11.977.605	6.280.065
Data display and distribution expenses	16.647.554	8.307.654	8.596.898	4.120.111
Financial bond issuance expenses	2.502.263	862.768	-	-
Exchange and custody expenses	11.538.001	6.483.000	3.590.884	2.113.781
Commission, premium and service expenses	8.927.088	5.570.583	518.583	254.655
Advertisement and promotion expenses	4.824.799	2.460.963	3.564.013	1.783.515
Stock exchange and union fees	689.106	310.794	409.756	181.260
Stock exchange remote access expense	1.327.063	674.117	723.706	404.825
Sponsorship expenses	5.175.000	2.587.500	3.525.000	1.800.000
Other	-	-	402.501	211.429
<b>Total</b>	<b>82.206.444</b>	<b>41.088.650</b>	<b>33.308.946</b>	<b>17.149.641</b>

# HALK YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ

## Notes to the Condensed Financial Statements For the Period Ended 30 June 2023

(Currency: Turkish Lira (“TL”) unless otherwise indicated)

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### Operating income and expenses

As of 30 June 2023 and 30 June 2022, the details of operating income and expenses are as follows:

<i>Other income from operating activities</i>	1 January –	1 April –	1 January –	1 April –
	30 June 2023	30 June 2023	30 June 2022	30 June 2022
Other service income <sup>(1)</sup>	1.615.634	789.157	1.186.487	643.399
Dividend income <sup>(2)</sup>	2.202	2.202	280.241	280.241
SSI refund premiums and other income <sup>(2)</sup>	128.423	90.570	108.551	60.564
Provisions released <sup>(3)</sup>	200	(210.000)	1.000.000	754.569
<b>Total</b>	<b>1.746.459</b>	<b>671.929</b>	<b>2.575.279</b>	<b>1.738.773</b>

(1) It consists of transfer commissions received from customers, support services provided, collections from lawsuits and other incomes.

(2) It consists of TL 37.853 SSI incapacity payments and minimum wage support. (30 June 2022: TL 47.987).

(3) It consists of cancellation income of provisions set aside in the prior period.

<i>Other expenses from operating activities</i>	1 January –	1 April –	1 January –	1 April –
	30 June 2023	30 June 2023	30 June 2022	30 June 2022
Provision for litigation expense	-	-	923.211	759.848
Other expenses and losses <sup>(1)</sup>	43.042.919	534.761	(182.949)	(38.855)
<b>Total</b>	<b>43.042.919</b>	<b>534.761</b>	<b>740.262</b>	<b>720.993</b>

(1) A cash donation of TL 42.000.000 was made to the Ministry of Interior Disaster and Emergency Management Presidency (AFAD), which organizes aid in the region, in order to support our citizens who were harmed by the earthquakes in Kahramanmaraş, which devastatingly affected 11 provinces.

# HALK YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ

## Notes to the Condensed Financial Statements For the Period Ended 30 June 2023

(Currency: Turkish Lira (“TL”) unless otherwise indicated)

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### Finance income and expenses

As of 30 June 2023 and 30 June 2022, the details of finance income and expenses are as follows:

	1 January –	1 April –	1 January –	1 April –
	30 June 2023	30 June 2023	30 June 2022	30 June 2022
<b>Finance income</b>				
Deposit interest income	421.638.227	265.509.805	11.482.550	3.489.285
Reverse repo interest income	88.504.432	46.159.243	44.303.668	23.093.577
Fixed income securities depreciation, coupon interest and rediscount income	6.852.151	(753.566)	7.448.401	5.240.820
Futures and options market and other collateral interest income	7.919.631	5.435.267	3.232.569	1.890.494
Takasbank money market interest income	1.777.620	1.777.620	994.959	737.669
Exchange differences income	22.314.474	20.628.024	11.062.609	5.820.647
Stock valuation differences	687.000	687.000	-	(13.123.699)
Investment fund valuation differences	31.225.725	19.915.370	-	-
Other	1.712.445	890.299	550.994	540.402
<b>Total</b>	<b>582.631.705</b>	<b>360.249.062</b>	<b>79.075.750</b>	<b>27.689.195</b>
	1 January –	1 April –	1 January –	1 April –
	30 June 2023	30 June 2023	30 June 2022	30 June 2022
<b>Financial expenses</b>				
Takasbank Money Market borrowing and loan interest expenses	223.704.856	158.073.416	3.003.300	2.972.999
Financial bond interest expenses	90.027.031	44.461.725	-	-
Repo interest expenses	46.700.724	20.691.877	39.800.401	21.164.971
Exchange differences expenses	3.089.008	2.565.669	5.793.593	2.412.021
Stock valuation differences	-	-	10.417.842	10.417.842
Letter of guarantee commissions	9.132.295	5.418.362	274.547	215.740
Other	328	96	1.708	1.663
<b>Total</b>	<b>372.654.242</b>	<b>231.211.145</b>	<b>59.291.391</b>	<b>37.185.236</b>

### 18 Nature and level of risks arising from financial instruments

The Company manages its financial risk in accordance with the Communiqué Serial: V, No: 34 “Communiqué on Capital and Capital Adequacy of Brokerage Companies” (“Communiqué 34”) promulgated by CMB. The Company is obliged to prepare risk provision, capital adequacy basis and liquidity requirement calculation tables in accordance with Communiqué 34 and report these to CMB periodically.

#### 18.1 Credit risk

The Company conducts brokerage services on behalf of corporate and individual investors and provides advisory services. The Company also makes trading of various marketable securities. The Company may be exposed to the risk that counterparty may default on its contractual obligations resulting in financial loss to the Company. In order to control or mitigate such risks, the Company wants its customers to hold cash or cash equivalents in their accounts. Credit risk monitoring is carried out by monitoring the liquidity and value of collaterals (such as stocks) over daily loan balances, by limiting daily the risks of counterparty and monitoring the adequacy of collateral received for the credit. The Company sells trust collaterals if counterparty fails to keep its credit margin which has determined before.

# HALK YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ

## Notes to the Condensed Financial Statements For the Period Ended 30 June 2023

(Currency: Turkish Lira ("TL") unless otherwise indicated)

### 18 Nature and level of the risks arising from financial instruments (*cont'd*)

#### 18.1 Credit risk (*cont'd*)

##### *Credit risks exposed by types of financial instruments:*

30 June 2023	Receivables			Deposits at banks <sup>(1)</sup>	Financial investments <sup>(2)</sup>
	Trade receivables		Other receivables		
	Related party	Other party	Other party		
<b>Maximum credit risk exposed as of balance sheet date (A+B+C+D+E)</b>	<b>295.752</b>	<b>1.214.028.579</b>	<b>321.681.161</b>	<b>3.277.262.268</b>	<b>209.953.741</b>
- Secured portion of the maximum credit risk by guarantees etc.	-	-	-	-	-
A. Net book value of financial assets that are neither past due nor impaired	295.752	1.200.261.896	321.681.161	3.277.262.268	209.953.741
B. Net book value of financial assets of which the terms are renegotiated otherwise which will be regarded as past due or impaired	-	-	-	-	-
C. Net book value of financial assets that are past due but not impaired	-	-	-	-	-
- Secured portion of the maximum credit risk by guarantees etc	-	-	-	-	-
D. Net book value of the impaired assets	-	-	-	-	-
- Past due (gross amount)	-	13.766.683	-	-	-
- Impairment (-)	-	(13.766.683)	-	-	-
- Secured portion of the net value by guarantees, etc.	-	-	-	-	-
- Not passed due (gross amount)	-	-	-	-	-
- Impairment (-)	-	-	-	-	-
- Secured portion of the net value by guarantees, etc.	-	-	-	-	-
E. Off-balance sheet items which include credit risks	-	-	-	-	-

(1) Receivables from reverse repo transactions amounting to TL 8.445.446 stated under cash and cash equivalents are included.

(2) Long-term financial investments are not included. Equity shares are not included in financial investments since they are not subject to credit risk.

31 December 2022	Receivables			Deposits at banks <sup>(1)</sup>	Financial investments <sup>(2)</sup>
	Trade receivables		Other receivables		
	Related party	Other party	Other party		
<b>Maximum credit risk exposed as of balance sheet date (A+B+C+D+E)</b>	<b>138.414</b>	<b>1.080.791.380</b>	<b>134.458.324</b>	<b>2.223.411.130</b>	<b>270.244.170</b>
- Secured portion of the maximum credit risk by guarantees etc.	-	-	-	-	-
A. Net book value of financial assets that are neither past due nor impaired	138.414	1.067.468.979	134.458.324	2.223.411.130	270.244.170
B. Net book value of financial assets of which the terms are renegotiated otherwise which will be regarded as past due or impaired	-	-	-	-	-
C. Net book value of financial assets that are past due but not impaired	-	-	-	-	-
- Secured portion of the maximum credit risk by guarantees etc	-	-	-	-	-
D. Net book value of the impaired assets	-	-	-	-	-
- Past due (gross amount)	-	13.322.401	-	-	-
- Impairment (-)	-	(13.322.401)	-	-	-
- Secured portion of the net value by guarantees, etc.	-	-	-	-	-
- Not passed due (gross amount)	-	-	-	-	-
- Impairment (-)	-	-	-	-	-
- Secured portion of the net value by guarantees, etc.	-	-	-	-	-
E. Off-balance sheet items which include credit risks	-	-	-	-	-

(1) Receivables from reverse repo transactions amounting to TL 31.731.215 stated under cash and cash equivalents are included.

(2) Long-term financial investments are not included. Equity shares are not included in financial investments since they are not subject to credit.



# HALK YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ

## Notes to the Condensed Financial Statements For the Period Ended 30 June 2023

(Currency: Turkish Lira (“TL”) unless otherwise indicated)

### 18 Nature and level of the risks arising from financial instruments (*cont'd*)

#### 18.2 Liquidity risk

As of 30 June 2023, the profile of financial liabilities according to their remaining maturities is as follows:

Contractual maturities	Carrying value	Total contractual cash outflows	Less than 3 months	3 to 12 months	1 to 5 years
<b>Non-derivative financial liabilities</b>	<b>3.793.265.547</b>	<b>3.842.022.384</b>	<b>3.828.838.050</b>	<b>6.126.163</b>	<b>7.058.171</b>
Trade payables	725.642.300	725.642.300	725.642.300	-	-
Finance payables	3.024.809.310	3.065.842.528	3.065.842.528	-	-
Other payables	29.166.731	34.041.704	34.041.704	-	-
Lease liabilities	13.647.206	16.495.852	3.311.518	6.126.163	7.058.171

As of 31 December 2022, the profile of financial liabilities according to their remaining maturities is as follows:

Contractual maturities	Carrying value	Total contractual cash outflows	Less than 3 months	3 to 12 months	1 to 5 years
<b>Non-derivative financial liabilities</b>	<b>2.934.048.486</b>	<b>2.969.158.481</b>	<b>2.963.285.683</b>	<b>4.243.260</b>	<b>1.629.538</b>
Trade payables	660.770.901	660.770.901	660.770.901	-	-
Finance payables	2.240.691.908	2.264.925.616	2.264.925.616	-	-
Other payables	25.772.757	35.729.780	35.729.780	-	-
Lease liabilities	6.812.920	7.732.184	1.859.386	4.243.260	1.629.538

As at 30 June 2023 and 31 December 2022, the liquidity requirement of the Company in accordance with Communiqué 34 is as follows:

	30 June 2023	31 December 2022
Current assets (A)	5.014.904.945	3.694.604.380
Current payables (B)	3.862.439.521	3.016.760.096
<b>Current assets/Current payables (A/B)</b>	<b>1,30</b>	<b>1,22</b>

The Company is not exposed to liquidity risk since its current assets exceed its current liabilities.

# HALK YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ

## Notes to the Condensed Financial Statements

### For the Period Ended 30 June 2023

(Currency: Turkish Lira ("TL") unless otherwise indicated)

## 18 Nature and level of the risks arising from financial instruments (*cont'd*)

### 18.3 Market risk

#### *Foreign currency risk*

The assets denominated in foreign currency of the Company expose to foreign currency risk, due to changes between currency rate at transaction date and at end of the reporting date, while translating the assets denominated in foreign currency. As of 30 June 2023 and 31 December 2022, the Company's foreign currency position is as follows:

	30 June 2023			
	TL equivalent (Functional currency)	US Dollar	Euro	Other
1. Trade receivables	19.020.165	698.727	29.436	4.515
2a. Monetary financial assets (Including cash, bank deposit accounts)	49.970.326	1.845.790	50.182	27.234
3. Other	-	-	-	-
<b>4. Current assets (1+2+3)</b>	<b>68.990.491</b>	<b>2.544.517</b>	<b>79.618</b>	<b>31.749</b>
5. Trade receivables	-	-	-	-
6a. Monetary financial assets	-	-	-	-
6b. Non-monetary financial assets	-	-	-	-
7. Other	-	-	-	-
<b>8. Non-current assets (5+6+7)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>9. Total assets (4+8)</b>	<b>68.990.491</b>	<b>2.544.517</b>	<b>79.618</b>	<b>31.749</b>
10. Trade payables	435.145	16.851	-	-
11. Financial liabilities	-	-	-	-
12a. Other monetary liabilities	-	-	-	-
12b. Other non-monetary liabilities	-	-	-	-
<b>13. Current liabilities (10+11+12)</b>	<b>435.145</b>	<b>16.851</b>	<b>-</b>	<b>-</b>
14. Trade payables	-	-	-	-
15. Financial liabilities	-	-	-	-
16a. Other monetary liabilities	-	-	-	-
16b. Other non-monetary liabilities	-	-	-	-
<b>17. Non-current liabilities (14+15+16)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>18. Total liabilities (13+17)</b>	<b>435.145</b>	<b>16.851</b>	<b>-</b>	<b>-</b>
<b>19. Net asset/(liability) position of off balance sheet derivative financial instruments (19a-19b)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
19a. Amount of active foreign derivative currency off-balance sheet	-	-	-	-
19b. Amount of passive foreign derivative currency off-balance	-	-	-	-
<b>20. Net foreign currency assets/(liabilities) position (9-18+19)</b>	<b>68.555.346</b>	<b>2.527.666</b>	<b>79.618</b>	<b>31.749</b>
<b>21. Monetary items net foreign currency asset/(liability) position (tfrs 7.b23) (=1+2a+5+6a-10-11-12a-14-15-16a)</b>	<b>68.555.346</b>	<b>2.527.666</b>	<b>79.618</b>	<b>31.749</b>
<b>22. Fair value of financial instruments used for currency hedge</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>23. Hedged foreign currency assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>24. Hedged foreign currency liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# HALK YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ

## Notes to the Condensed Financial Statements For the Period Ended 30 June 2023

(Currency: Turkish Lira ("TL") unless otherwise indicated)

### 18 Nature and level of the risks arising from financial instruments (*cont'd*)

#### 18.3 Market risk (*cont'd*)

##### Foreign currency risk (*cont'd*)

	31 December 2022			
	TL equivalent (Functional currency)	US Dollar	Euro	Other
1. Trade receivables	22.953.911	1.131.979	68.039	19.186
2a. Monetary financial assets (including cash, bank deposit accounts)	24.796.284	1.291.223	8.824	21.197
3. Other	-	-	-	-
<b>4. Current assets (1+2+3)</b>	<b>47.750.195</b>	<b>2.423.202</b>	<b>76.863</b>	<b>40.383</b>
5. Trade receivables	-	-	-	-
6a. Monetary financial assets	-	-	-	-
6b. Non-monetary financial assets	-	-	-	-
7. Other	-	-	-	-
<b>8. Non-current assets (5+6+7)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>9. Total assets (4+8)</b>	<b>47.750.195</b>	<b>2.423.202</b>	<b>76.863</b>	<b>40.383</b>
10. Trade payables	109.092	422	-	4.500
11. Financial liabilities	-	-	-	-
12a. Other monetary liabilities	-	-	-	-
12b. Other non-monetary liabilities	-	-	-	-
<b>13. Current liabilities (10+11+12)</b>	<b>109.092</b>	<b>422</b>	<b>-</b>	<b>4.500</b>
14. Trade payables	-	-	-	-
15. Financial liabilities	-	-	-	-
16a. Other monetary liabilities	-	-	-	-
16b. Other non-monetary liabilities	-	-	-	-
<b>17. Non-current liabilities (14+15+16)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>18. Total liabilities (13+17)</b>	<b>109.092</b>	<b>422</b>	<b>-</b>	<b>4.500</b>
<b>19. Net asset/(liability) position of off balance sheet derivative financial instruments (19a-19b)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
19a. Amount of active foreign derivative currency off-balance sheet	-	-	-	-
19b. Amount of passive foreign derivative currency off-balance	-	-	-	-
<b>20. Net foreign currency assets/(liabilities) position (9-18+19)</b>	<b>47.641.103</b>	<b>2.422.780</b>	<b>76.863</b>	<b>35.883</b>
<b>21. Monetary items net foreign currency asset/(liability) position (tfrs 7.b23) (=1+2a+5+6a-10-11-12a-14-15-16a)</b>	<b>47.641.103</b>	<b>2.422.780</b>	<b>76.863</b>	<b>35.883</b>
<b>22. Fair value of financial instruments used for currency hedge</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>23. Hedged foreign currency assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>24. Hedged foreign currency liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# HALK YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ

## Notes to the Condensed Financial Statements

### For the Period Ended 30 June 2023

(Currency: Turkish Lira ("TL") unless otherwise indicated)

#### 18 Nature and level of the risks arising from financial instruments (*cont'd*)

##### 18.3 Market risk (*cont'd*)

###### *Sensitivity to foreign currency*

The Company is exposed to foreign currency risk denominated mainly in Euro, US Dollar and other currencies.

The sensitivity of the Company to 20% increase and decrease of Euro, US Dollar and other currencies presented below. This rate of 20% is the rate that is used in reporting of the Company's currency risk to key management and represents possible change in foreign currency rates that is expected by the management. Sensitivity analysis includes only foreign currency monetary items and represents the effect of change of 20% currency rate at the end of period. Positive value represents increase in profit/loss and other equity items.

<b>30 June 2023</b>		
	<b>Foreign currency appreciation</b>	<b>Foreign currency depreciation</b>
<u>Change in US Dollar by 20% against TL:</u>		
1- US Dollar net asset/liability	13.054.434	(13.054.434)
2- Hedged risk (US Dollar) (-)	-	-
<b>3- US Dollar net effect (1+2)</b>	<b>13.054.434</b>	<b>(13.054.434)</b>
<u>Change in Euro by 20% against TL:</u>		
4- Euro net asset / liability	448.313	(448.313)
5- Hedged risk (Euro) (-)	-	-
<b>6- Euro net effect (4+5)</b>	<b>448.313</b>	<b>(448.313)</b>
<u>Change in other currencies by 20% against TL:</u>		
7- Other net asset / liability	208.323	(208.323)
8- Hedged risk (Other) (-)	-	-
<b>9- Other net effect (7+8)</b>	<b>208.323</b>	<b>(208.323)</b>
<b>Total (3+6+9)</b>	<b>13.711.070</b>	<b>(13.711.070)</b>
<b>31 December 2022</b>		
	<b>Foreign currency appreciation</b>	<b>Foreign currency depreciation</b>
<u>Change in US Dollar by 20% against TL:</u>		
1- US Dollar net asset/liability	9.060.373	(9.060.373)
2- Hedged risk (US Dollar) (-)	-	-
<b>3- US Dollar net effect (1+2)</b>	<b>9.060.373</b>	<b>(9.060.373)</b>
<u>Change in Euro by 20% against TL:</u>		
4- Euro net asset / liability	306.451	(306.451)
5- Hedged risk (Euro) (-)	-	-
<b>6- Euro net effect (4+5)</b>	<b>306.451</b>	<b>(306.451)</b>
<u>Change in other currencies by 20% against TL:</u>		
7- Other net asset / liability	161.397	(161.397)
8- Hedged risk (Other) (-)	-	-
<b>9- Other net effect (7+8)</b>	<b>161.397</b>	<b>(161.397)</b>
<b>Total (3+6+9)</b>	<b>9.528.221</b>	<b>(9.528.221)</b>

# HALK YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ

## Notes to the Condensed Financial Statements

### For the Period Ended 30 June 2023

(Currency: Turkish Lira ("TL") unless otherwise indicated)

#### 18 Nature and level of the risks arising from financial instruments (*cont'd*)

##### 18.3 Market risk (*cont'd*)

###### *Price risk*

Share price risk is the market value decrease risk of shares due to the change in the share index levels and relevant equity shares.

As at 30 June 2023 and 31 December 2022, in case of having a 20% decrease/increase in Borsa İstanbul stock market index while having all other variables constant, the effects on profit or loss and comprehensive income would be as follows:

30 June 2023	Profit / (loss)		Equity <sup>(*)</sup>	
	Increase by 20%	Decrease by 20%	Increase by 20%	Decrease by 20%
<i>Financial assets at fair value through profit or loss</i>				
- Stock shares	1.417.400	(1.417.400)	1.417.400	(1.417.400)
<i>Financial assets at fair value through other comprehensive income</i>				
- Stock shares	-	-	522.543	(522.543)
<b>Total</b>	<b>1.417.400</b>	<b>(1.417.400)</b>	<b>1.939.943</b>	<b>(1.939.943)</b>

(\*) Profit / (loss) change is included.

31 December 2022	Profit / (loss)		Equity <sup>(*)</sup>	
	Increase by 20%	Decrease by 20%	Increase by 20%	Decrease by 20%
<i>Financial assets at fair value through profit or loss</i>				
- Stock shares	-	-	-	-
<i>Financial assets at fair value through other comprehensive income</i>				
- Stock shares	-	-	776.113	(776.113)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>776.113</b>	<b>(776.113)</b>

(\*) Profit / (loss) change is included.

# HALK YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ

## Notes to the Condensed Financial Statements For the Period Ended 30 June 2023

(Currency: Turkish Lira ("TL") unless otherwise indicated)

### 18 Nature and level of the risks arising from financial instruments (*cont'd*)

#### 18.3 Market risk (*cont'd*)

##### *Interest rate risk*

The Company allocates cash and cash equivalents it possesses in marketable securities or bank deposits, depending on the market conditions.

		30 June 2023	31 December 2022
<b>Financial instruments with fixed interest</b>			
	Financial assets at fair value through profit or loss	-	1.851.866
Financial assets	Time deposits at banks	3.146.415.395	2.020.004.348
	Receivables from reverse repo agreements	8.445.446	31.731.215
Trade receivables	Receivables from credit customers	822.869.419	712.340.476
Financial liabilities	Finance payables	3.024.809.310	2.240.691.908
<b>Financial instruments with floating interest</b>			
Financial assets	Financial assets at fair value through profit or loss	27.863.216	116.650.448

##### *Interest risk position table*

Stocks are not included in financial investments.

The Company's debt securities classified as financial assets at fair value through profit/loss, are exposed to price risk depending upon interest rate changes in the market. As of 30 June 2023, according to the Company's analysis, in case of 1% interest rate increase or decrease in TL interest rates, on the assumption that all other variables remain constant, the effect of debt securities on the fair value, net profit/loss before tax and shareholders' equity is presented in the table below. Sensitivity analysis was applied for 2022 on the same basis.

	Profit / (loss)		Equity	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
<b>30 June 2023</b>				
Financial investments	(1.961.490)	1.061.802	(1.961.490)	1.061.802
<b>31 December 2022</b>				
Financial investments	(1.641.579)	1.698.751	(1.641.579)	1.698.751

# HALK YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ

## Notes to the Condensed Financial Statements For the Period Ended 30 June 2023

(Currency: Turkish Lira (“TL”) unless otherwise indicated)

### 18 Nature and level of the risks arising from financial instruments (*cont’d*)

#### 18.4 Capital management

As of 30 June 2023 and 31 December 2022, the minimum liability for shareholders’ equity that the Company should possess shall be TL 80.000.000 since the Company is defined as “Entity with Broad Authority” in the scope of the Communiqué 34.

In addition, the capital adequacy basis that has to be attained by the Company in accordance with the valuation regulations in Communiqué 34, is the amount calculated by deducting following asset items from share capital compensated by shareholders.

a) Non-current assets,

1) Property, plant and equipment (net),

2) Intangible assets (net),

3) Non-current financial assets (not publicly traded) less any impairment and capital commitments,

4) Other non-current assets,

b) Unsecured receivables from personnel, shareholders, associates, subsidiaries and direct or indirect related parties, even if these are customers, and capital market instruments issued by above mentioned entities which are not publicly traded.

The Company’s capital base is TL 1.148.462.265 as of 30 June 2023 (31 December 2022: TL 681.042.556). The base of adequacy cannot be less than the items stated below.

a) Minimum capital corresponding the license obtained,

b) Risk provision,

c) Operational expenses occurred last three months before valuation date.

As of 30 June 2023, the capital adequacy base of the Company is higher than the abovementioned items.

#### *Risk provision*

The Company calculates risk provision both on and off balance sheet items in accordance with the Communiqué Serial V, No: 34. Risk provision is the sum of position risk, counter-party risk, concentration risk and foreign exchange risk calculated as per Communiqué Serial V, No: 34.

As at 30 June 2023 and 31 December 2022, the risk provision amounts calculated in accordance with the “Communiqué: V, No: 34” are as follows:

	30 June 2023	31 December 2022
Position risk	176.058.506	176.628.544
Counter party risk	190.331.069	142.990.662
Foreign currency risk	3.290.420	2.749.120
<b>Total risk provision</b>	<b>369.679.995</b>	<b>322.368.326</b>

# HALK YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ

## Notes to the Condensed Financial Statements For the Period Ended 30 June 2023

(Currency: Turkish Lira (“TL”) unless otherwise indicated)

19

### Financial instruments

#### *Fair value disclosures*

The Company determined the estimated current price of the financial instruments by using the appropriate valuation methods and available market information.

It is estimated that the fair values and carrying amounts of the financial assets and financial liabilities are close to each other, since they have short-term maturities.

#### *Classification of fair value measurement*

“IFRS 7 – Financial Instruments: Disclosures” standard necessitates the demonstration of a classified data sorted according to its importance and relevancy while determining the fair value of financial instruments. This classification depends on quality of related data observability. Observable data means the usage of market data received from independent sources and non-observable data means the usage of the Company’s estimates and assumptions about the market. This distinction reveals the following classifications.

Level 1: the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices.

Level 2: the fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions.

Level 3: the fair value of the financial assets and financial liabilities are determined where there is no observable market data.

Classification requires the utilisation of observable market data, if available.

In this context, the fair value classification of financial assets and liabilities measured at fair value is as follows:

<b>30 June 2023</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial assets</b>				
Financial investments (short-term)	217.040.741	-	-	217.040.741
Financial investments (long-term) (*)	2.612.715	1.517.254	-	4.129.969
(*) Stock investments amounting to TL 50.000 that are recognized at cost value are not included.				
<b>31 December 2022</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial assets</b>				
Financial investments (short-term)	270.244.170	-	-	270.244.170
Financial investments (long-term) (*)	3.880.564	1.517.254	-	5.397.818

(\*) Stock investments amounting to TL 50.000 that are recognized at cost value are not included.



# HALK YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ

## Notes to the Condensed Financial Statements For the Period Ended 30 June 2023

(Currency: Turkish Lira ("TL") unless otherwise indicated)

### 19 Financial instruments (cont'd)

#### *Fair value disclosures (cont'd)*

##### *Classification of fair value measurement (cont'd)*

Since Halk Gayrimenkul Yatırım Ortaklığı A.Ş. is publicly traded company, the fair value is determined over the market price and represented as Level 1 in the table above.

As of 30 June 2023 and 31 December 2022, the Company's Borsa İstanbul associate rate is 0,377%. The Company holds 159.711 shares with nominal value of TL 15.971.094. In the current period, the relevant shares are valued with price per share that is determined in the 15 January 2018 dated and 2018/6 numbered meeting of Borsa İstanbul, and the valuation effect is recognized under equity in financial statements.

### 20 Other matters

On October 15, 2019, the U.S. Department of Justice, United States Attorney Southern District of New York indicted the Parent Bank by repeating the allegations set forth in the case filed against the former executive of the Parent Bank due to the Iranian sanction violations.

First, the Parent Bank applied to the District Court on November 4, 2019 and requested a special appearance to discuss the issues of personal jurisdiction and recusal. On December 5, 2019, the District Court denied the request of special appearance. The Parent Bank objected to the District Court's decision and appealed the decision at the Second Circuit on December 17, 2019. On February 21, 2020, the Second Circuit denied Parent Bank's objection.

In the meeting held by the Parent Bank's Board of Directors on March 27, 2020, it was decided to attend the District Court hearing at which the case starts to be heard on the merits on March 31, 2020, to accept the arraignment and to appoint Williams & Connolly law firm with a proxy to represent the Parent Bank.

At the hearing on March 31, 2020, the District Court decided to postpone the hearing initially to June 9, 2020 and subsequently to June 30, 2020 due to the global scale COVID-19 outbreak.

At the hearing held in the District Court on June 30, 2020; the schedule was determined regarding the motion to recuse, discovery motions, and filings of other motions. It was decided that the jury trials would begin on March 1, 2021 for which the schedule was revised on October 26, 2020. Accordingly, the jury trials are scheduled to be held on May 3, 2021. In this regard, the Parent Bank filed its recusal motion on July 14, 2020 and its other motions to dismiss the indictment on August 10, 2020 at the District Court.

Parent Bank's recusal motion was denied by the District Court on August 24, 2020 and the Second Circuit on December 23, 2020.

District Court denied Parent Bank's motion to dismiss the indictment on October 1, 2020. The Parent Bank appealed the Second Circuit through the motion to dismiss the indictment based on the Foreign Sovereign Immunity Act (exemption from the jurisdiction of the US courts). On December 23, 2020, the Second Circuit accepted to hear the appeal on the merits and granted Parent Bank's motion to stay the case pending sovereign immunity appeal. Before the Second Circuit, the oral argument was presented on April 12, 2021. The Second Circuit denied the Parent Bank's appeal on October 22, 2021. The Parent Bank filed its petition with the Second Circuit for an en banc rehearing. Second Circuit denied Parent Bank's petition on December 15, 2021.

As the Parent Bank would file its petition for a writ of certiorari with the US Supreme Court in regard to the Foreign Sovereign Immunity Act decision, it requested the Second Circuit to stay the mandate so that the stay on the proceedings in the District Court continues. The petition was granted by the Second Circuit on January 14, 2022. The proceedings in the District Court are stayed until the process is completed in the US Supreme Court.

## **HALK YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ**

### **Notes to the Condensed Financial Statements**

#### **For the Period Ended 30 June 2023**

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#### **Other matters (cont'd)**

The Parent Bank filed its FSIA petition for a writ of certiorari with the US Supreme Court on May 13, 2022. The Solicitor General under the U.S. Department of Justice filed their brief in opposition to the Parent Bank's writ of certiorari on July 18, 2022, and the briefing was concluded on August 2, 2022.

The US Supreme Court reviewed the Parent Bank's petition for a writ of certiorari on September 28, 2022 and announced its decision to grant review on October 3, 2022. Following the grant of review, the Parent Bank filed its appeal on the merits with the Supreme Court on November 14, 2022. Then, the Solicitor General under the U.S. Department of Justice filed its reply brief on December 14, 2022. Briefing was concluded with the Parent Bank filing its counter reply brief with the Court on January 6, 2023. Oral argument was held before the Court on January 17, 2023.

The US Supreme Court announced its opinion regarding the Parent Bank's FSIA appeal on April 19, 2023, ruling that FSIA applied only in civil cases and not in criminal cases. On the other hand, the Supreme Court ruled that the Second Circuit did not fully consider the Parent Bank's sovereign immunity status under common law and remanded the case for reconsideration by the Second Circuit.

The briefing with the Second Circuit has started with the Parent Bank's opening brief filed on July 31, 2023. The Government's brief is scheduled for September 29, 2023, and the Parent Bank's reply brief is due by October 30, 2023. In the course of the next phase, if the Second Circuit review results in a decision that the Parent Bank is entitled to common law sovereign immunity the case will be dismissed before the trial process. In the case of an adverse ruling, the case will be returned to the District Court for the Southern District of New York, with Parent Bank's rights to appeal being fully reserved, and the District Court will need to create a new schedule for the trials.

In addition, a civil case was filed against the Parent Bank on March 27, 2020 with a claim for damages by plaintiffs in the Southern District of New York Court "on the grounds that they (the plaintiffs) could not collect their judgments from Iran due to violations of sanctions" and it was served to the Parent Bank's attorneys on July 1, 2020. The Parent Bank filed a motion at the District Court to dismiss the complaint of plaintiffs, and thereby dismiss the case on September 25, 2020. The case was fully briefed on December 16, 2020. District Court conditionally granted Parent Bank's motion to dismiss on the grounds of forum non conveniens on February 16, 2021. The case was closed at the District Court on March 3, 2021.

The Plaintiffs filed their appeal brief with the Second Circuit as to the District Court's Decision on June 30, 2021. The case is fully briefed, and the oral arguments were heard before the Second Circuit on October 13, 2022. The Second Circuit ruled in the Parent Bank's favor and dismissed the lawsuit seeking to satisfy judgements on May 2, 2023. Plaintiffs moved on July 21, 2023 to apply for an extension of time to file a petition for a writ of certiorari with the U.S. Supreme Court.

The proceedings of both the criminal case and the civil case are closely monitored by the Parent Bank through U.S. law firms with relevant expertise.

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#### **Events after the reporting period**

In accordance with the Presidential Decree numbered 7346 published in the Official Gazette dated 07 July 2023, the general VAT rate applied as 18% for taxable general transactions has been increased to 20% and the VAT rate applied for other deliveries and services subject to 8% VAT rate has been increased to 10% to enter into force on 10 July 2023. This matter is considered as an event after the reporting period that does not require an adjustment within the scope of TAS 10 Events after the Reporting Period.

# HALK YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ

## Notes to the Condensed Financial Statements For the Period Ended 30 June 2023

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### Events after the reporting period (cont'd)

Pursuant to the "Law on the Issuance of Additional Motor Vehicles Tax for the Compensation of Economic Losses Caused by the Earthquakes Occurring on 6/2/2023 and Amendments to Certain Laws and the Decree Law No. 375" published in the Official Gazette dated 15 July 2023; the corporate tax rate of 25% for banks, financial leasing, factoring, financing and savings finance companies, electronic payment and money institutions, authorised foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies has been increased to 30% and the corporate tax rate of 20% for other companies has been increased to 25%. The tax rate change will be effective for the earnings of the companies in 2023 and the following taxation periods. This matter is considered as an event after the reporting period that does not require an adjustment within the scope of TAS 10 Events after the Reporting Period. The Company continues to evaluate the possible effects of the relevant Law as of the date of issuance of the financial statements.

As of 5 July 2023, the Company has realized bond issuances TRFHALK82336 ISIN code with a nominal value of TL 158.000.000 and maturity of 14 August 2023, as of 7 July 2023 TRFHALK82344 ISIN code with a nominal value of TL 192.000.000 and maturity of 17 August 2023, as of 27 July 2023 TRFHALKK2316 ISIN code with a nominal value of TL 324.000.000 and maturity of 11 November 2023, as of 1 August 2023 TRFHALKE2314 ISIN code with a nominal value of TL 150.000.000 and maturity of 31 October 2023.

At the General Assembly held on 7 August 2023, from the net profit for the year 2022 to the shareholders of the Company in accordance with the provisions of Article 21/b of the Articles of Association, it has been decided to pay TL 7.500.000 I, dividend at the rate of 5% of the paid-in capital, to allocate TL 376.278.121 II dividend to the shareholders of the Company pursuant to Article 21/d of the Articles of Association, with the addition of TL 53.778.121 from the II dividends allocated to the shareholders, TL 21.453.063 from the extraordinary reserves account and 24.768.816 TL from the prior years' profits a total of TL 100.000.000 to be distributed to the shareholders as bonus shares and to be added to the capital and to increase the capital of the Company from TL 150.000.000 to TL 250.000.000, to pay a cash dividend of TL 330.000.000 in total as I dividend and II dividend, and to allocate TL 38.942.800 as II legal reserve.