

# VERY DIGITAL, VERY EASY!



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**We have concluded a quarter-century in our journey of success, a journey undertaken to contribute to the distribution of capital to the societal base by offering capital markets services swiftly, safely and at high quality, in line with the next-generation investment banking approach.**

**We consistently create important values for the investment world while renewing and constantly updating our own institution. We continue to highlight our differences as a key player, shaping the future of our industry with further technology investments.**





# Halk Invest's difference in corporate financing

We concluded a year in which we created important values in corporate financing. We maintained our contributions to developing debt instruments and sukuk market growth through new product structures. We continued to strengthen our presence in the market with qualified transactions in public offerings, mergers, acquisitions and consultancy while sustainably expanding our market share.

**TL 200 million**

Corporate financing profitability

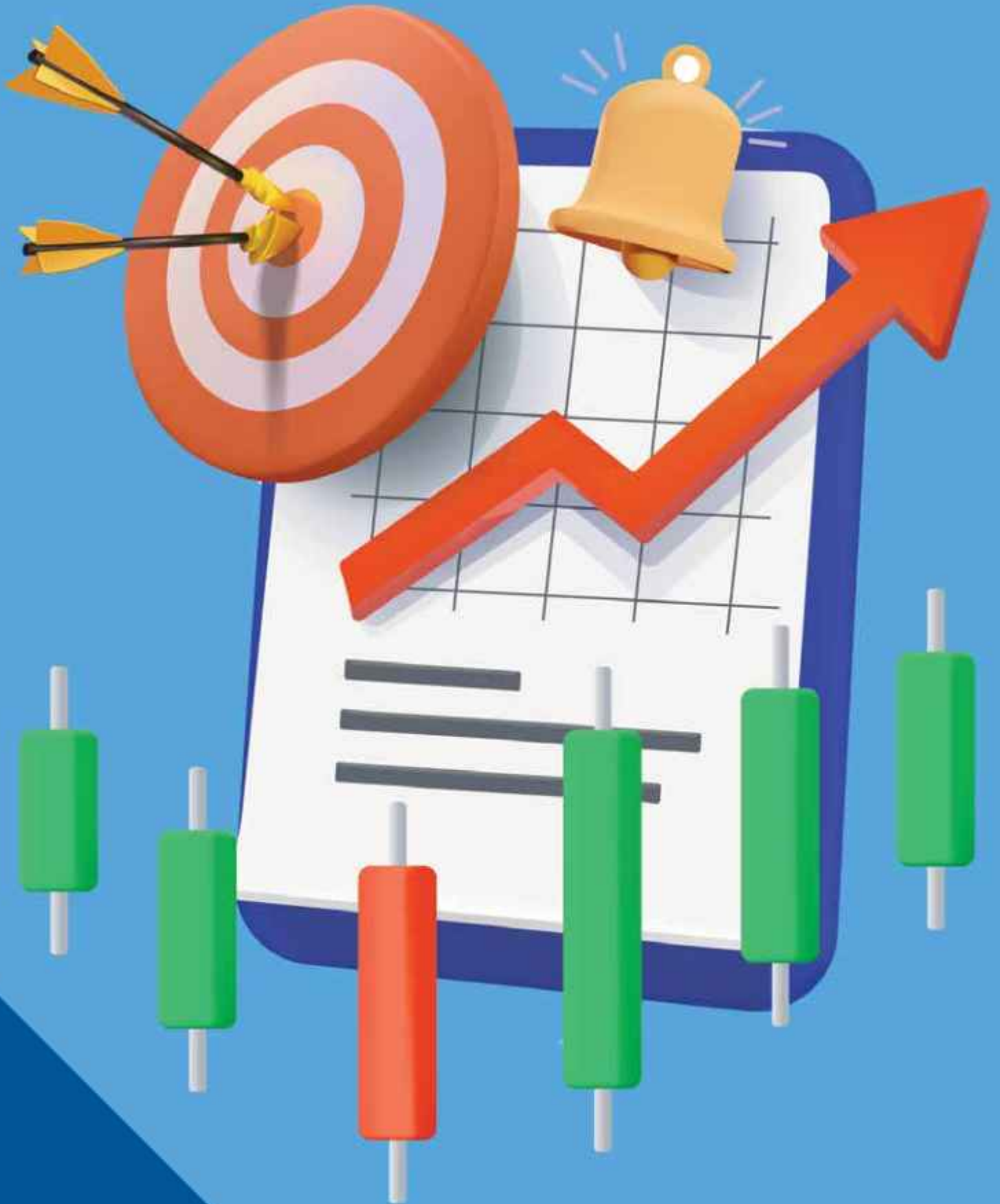




# Halk Invest's difference in public offerings

Yet again, we took the lead with our brokerage experience in 2023, when public offerings were abundant in capital markets. With more than 30 public offerings, six of which took place under our leadership, we broadened our audience through the financial literacy content published on our YouTube channel, as well as by our current analysis and reports. With the trust we offer, we gained a significant increase in customers during this period.

**400 thousand +**  
Number of newly opened accounts





# Halk Invest's difference in technology development

We maintained consistent investments in our technological infrastructure to provide our wide customer base with high-quality, safe, and fast services, taking into account the changing needs in capital markets. As we continue efforts to unite our technology platforms under one roof, we conducted the final tests of our Trader 4.0 application. The application, featuring comprehensive content, will be available to investors in 2024.

**84%**

Share in market transactions performed  
on electronic platforms





# Halk Invest's difference in crowdfunding



Türkiye's crowdfunding platform, Fonlabüyüsün, continues to unite entrepreneurs and investors in innovative projects. Non Nocere and Afara, which conducted investment tours via Fonlabüyüsün, successfully completed those tours and were eventualized after collecting demand from investors. The Badgeway Project, which offers new-generation career and competency management solutions, swiftly and successfully concluded its investment tour. In addition, Tusmec, which produces heterogeneous robotic herd systems and software, and Inlog, which develops autonomous order preparation and storage systems for the e-commerce sector, both embarked on their future journeys through Fonlabüyüsün.

**TL 29,659,800**

Total funding amount





# Halk Invest's difference in social responsibility

As Halk Invest, we support sports and our athletes. We are proud of our young athletes and we believe in their ambition and efforts. This year, we are pleased by the great success achieved by the Halkbank Men's Volleyball Team. The team "Halkın Efeleri" experienced the joy of bringing the cup to their museum for the second time in a row, and the ninth time in total. As Halk Invest, we will maintain our comprehensive support for sports and athletes.





# Halk Invest's difference in sustaining values

We live in a rich geography that has hosted innumerable values throughout history. We believe in leveraging the deep-rooted knowledge of the past for a strong future. Accordingly, for more than a decade, we have worked to carry the Ancient City of Aizanoi into the future. The Ancient City of Aizanoi, one of our most important cultural heritages, housed the Macellum, the world's first known stock exchange structure. In addition, during this year's excavations, we discovered a two-thousand-year-old cosmetic shop containing items such as Roman women's perfumes, necklaces and hairpins, as well as beauty supplies like blush and eye shadow.







## HALK INVEST IN BRIEF

# Reaching a wider audience

Halk Invest reaches a wider audience taking advantage of the widespread distribution network of Halkbank.

Halk Invest was founded on 02.09.1997, under the relevant provisions of the Capital Markets Law to perform investment services and activities, and sub-services. The Company ranks among the top investment firms in terms of indicators such as equity capital, transaction volume, and asset size.

As a subsidiary of Türkiye Halk Bankası, Halk Invest conducts brokerage activities with a total of 10 branches in İstanbul, Ankara, İzmir, Adana, Antalya, Bursa, Denizli and Samsun provinces, more than 1,000 Halkbank branches within order transmission contracts executed with Türkiye Halk Bankası A.Ş. and Türkiye Emlak Katılım Bankası A.Ş., and effective alternative distribution channels.

Halk Invest's mission is to contribute to the spread of capital to the base by offering capital markets services swiftly, safely, and at high quality, in line with its next-generation investment banking approach.

The Company's license was approved by a Capital Markets Board announcement dated 15.10.2015. As an intermediary with broad authority, Halk Invest provides the following services and solutions:

- Trading brokerage activities,
- Portfolio brokerage activities,
- Individual portfolio management activities,
- Public listing intermediary through underwriting,
- Investment advisory activities,
- Limited custody services.

Reaching a wider audience with the advantage of the extensive distribution network of Halkbank, Halk Invest has been providing its customers with the opportunity to make investments easily all over the country, to make the right investment decisions, and to secure their future for 26 years.

Halk Invest stands out in the industry with its strong technological infrastructure. With applications such as SRS, Halk Invest Exchange, Halk Invest Trader 4.0, Halk Invest Mobile, and Halkbank Mobile, the Company offers investors a high-quality and easy investment experience and the convenience of managing investments whenever and wherever they want.

Halk Invest acts as the leader or co-leader of domestic consortiums involved in three of the five largest public offerings undertaken in Turkish capital markets. The Company is one of the most potent players in the corporate finance and consultancy market that covers public offerings, debt instruments, sukuk issues, and corporate M&A services.

Establishment

**1997**

Initial Operation

**1998**

Number of Employees

**166**

Average Age of Employees

**36**

Employees'  
Educational Status:

**97%**

**Higher Education**

Female Employees/  
Total Employees Ratio

**42%**



//////  
Halk Invest provides a "Very Digital, Very Easy" investment experience through the SRS, Halk Invest Exchange, Halk Invest Trader 4.0, Halk Invest Mobile, and Halkbank Mobile applications.  
//////



## HALK INVEST INITIATIVES

# The address of innovations in Türkiye

Halk Invest introduces Türkiye to initiatives and innovations.

### 2007

#### First public offering

This public offering, the first transaction in which Halk Invest participated as the co-leader of the consortium, was the fourth-largest public offering in the history of the Turkish capital markets.

### 2011

#### First debt instrument issue in corporate finance

Halk Invest's first restructured transaction and Halkbank's first domestic debt instrument issue.

### 2012

#### First M&A in corporate finance

Kuwait-based NBK Capital Fund participated in the M&A transaction for Bavet, a distributor of veterinary pharmaceuticals.

### 2013

#### Leverage trading activities (FX)

Halk Invest began leverage trading (FX) activities in 2013.

#### First Outlook Report and investor conference

Halk Invest presented its Outlook Report, where it shared its evaluations and predictions about the economy, at the first "Investor Conference" it organized.

### 2014

#### First sukuk issue

Halk Invest undertook the first sukuk issue for Kuwait Turkish Participation Bank for the first time in Türkiye and in the world.

### 2016

#### First bond issue

Issuing its first commercial paper, Halk Invest borrowed from capital markets with the goal of resource diversification.

## 2017

**Türkiye's first agricultural commodity-based sukuk issue**

In the transaction where the Turkish Grain Board (TMO) obtained funds and Halk Invest served as the restructuring and sales advisor, the Company undertook Türkiye's and the world's first agricultural commodity-based sukuk issue and became the country's first intermediary for an issue transaction of a public institution other than the Treasury.

**Türkiye's first REIT sukuk issue**

Halk REIT executed Türkiye's first real estate investment trust sukuk issue on December 18, 2017, with the brokerage of Halk Invest.

**Secondary capital issue**

Halkbank's secondary capital bond issue transaction in which Halk Invest served as the restructuring and sales advisor was recognized as the "Local Bond Deal of the Year" at the Bonds & Loans Türkiye 2018 Awards competition.

## 2018

**Asset-backed security issue**

The Development and Investment Bank of Türkiye undertook the largest asset-backed security (ABS) issue in Türkiye through its Asset Finance Fund in return for the mortgage-backed securities of the leading banks in the country. Demand from a total of 118 investors was 2.43 times the issue size. Halk Invest contributed to the ABS issue which had a nominal value of TL 3.15 billion.

**100<sup>th</sup> issue transaction**

Halk Invest which brokered Türkiye's first Real Estate Investment Trust and Agricultural Commodity-Based Lease Certificate (Sukuk) issues accomplished its 100<sup>th</sup> issue transaction with Halkbank's Commercial Paper Issue, on December 2, 2019.

**TLREF products offering dynamic returns and simultaneous different bases**

Halk Invest issued 12 different debt instruments indexed to the Turkish Lira Overnight Reference Interest Rate (TLREF). The TLREF was created by Borsa İstanbul in accordance with international standards and is based on the BIST TLREF Index return. Additionally, Halk Invest simultaneously offered to the market the TLREF and Inflation (CPI) Indexed Coupon Halkbank Bond – a first in Türkiye – and the TLREF Indexed and Dynamic Additional Return product, also a first in our country.

## 2020

**The first issue featuring a committed line (irrevocable guarantee by the issuer)**

On 25.03.2020, Halk Invest issued a sukuk worth TL 85 million for Gübretaş, Türkiye's first producer of phosphate and compound fertilizers. Within the scope of the sukuk, the asset portfolio will be chemical fertilizer at the rate of 120% of the issue amount, feature an underlying commodity and a second undertaking mechanism, and be based on a management contract, purchase, and sale. Providing a secondary safety mechanism to investors, this transaction is the first sukuk issue featuring a second undertaking mechanism in the market.

**One of the first equity-based crowdfunding platforms in Türkiye: fonlabuyusun.com**

Fonlabuyusun was authorized by the Capital Markets Board on September 30, 2021, to engage in Equity-Based Crowdfunding activities as a service of Halk Yatırım Menkul Değerler A.Ş. Operating within the structure of Halk Invest, Fonlabuyusun is one of Türkiye's first equity-based crowdfunding platforms that render brokerage services.

**Yıldız Teknik Venture-Capital Investment Trust founded**

Tekno Girişim Sermayesi Yatırım Ortaklığı A.Ş. which was founded with a capital of TL 30 million to support entrepreneurs.

**Issue of real sector and non-bank financial lease certificates with the highest amount**

Halk Invest successfully completed the issue of lease certificates with a nominal value of TL 1 billion based on the agricultural commodity portfolio and management contract, with the Turkish Grain Board as the fund user. It intermediated the issue of real sector and non-bank financial lease certificates with the highest amount until today, which touches the Turkish farmers.

**IFN Awards 2022**

"Kayseri Şeker - Management Contract-Based Sukuk Transaction" received The Most Creative Transaction of the Year Award at IFN Awards 2022.

## 2023

**The first lease certificate issue award for payment systems in the world**

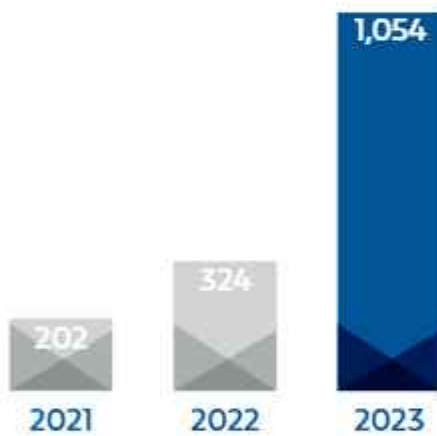
Halk Invest successfully completed the issue of lease certificates with a nominal value of TL 200 million based on repurchase rights and management contract, with Turkcell Ödeme ve Elektronik Para Hizmetleri A.Ş. (Paycell) as the fund user, and was deemed worthy of an award in "Islamic Capital Markets Deal of the Year" category of Bonds, Loans & ESG Capital Markets CEE, CIS & Türkiye 2023 Awards, the world's first lease certificate award for payment systems.

**FINANCIAL INDICATORS**

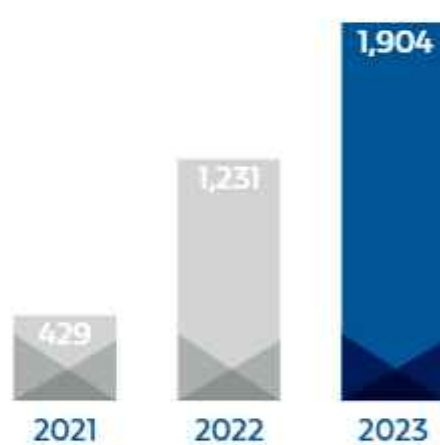
# Strong financial performance

Halk Invest increased its equity capital by 54.6% to TL 1.9 billion and its net profit by 225% to TL 1.1 billion in 2023.

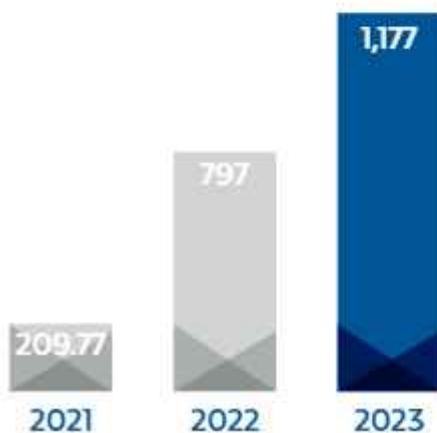
Net Profit (TL Million)



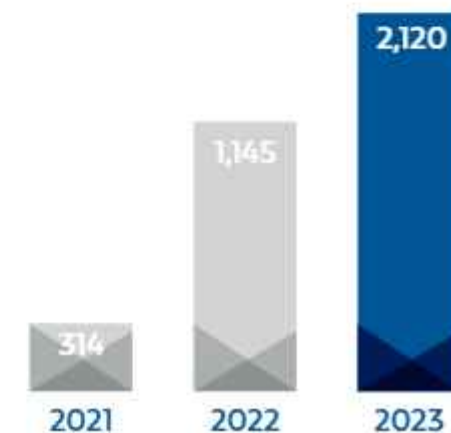
Shareholders' Equity (TL Million)



Stock and VIOP Commission Revenues (TL million)



Total Service Revenue (TL million)





**Balance Sheet Items (TL)**

	31.12.2023	31.12.2022
<b>Assets</b>		
Current Assets	7,676,914,248	6,113,340,152
Cash & Cash Equivalents	4,421,397,916	3,663,579,412
Fixed Assets	180,301,528	106,701,107
<b>Total Assets</b>	<b>7,857,215,776</b>	<b>6,220,041,259</b>
<b>Liabilities</b>	<b>31.12.2023</b>	<b>31.12.2022</b>
Short-Term Liabilities	5,908,241,330	4,970,803,653
Long-Term Liabilities	45,417,467	18,027,444
Shareholder's Equity	1,903,556,979	1,231,210,162
Net Profit for the Period	1,054,040,632	324,165,761
<b>Total Liabilities</b>	<b>7,857,215,776</b>	<b>6,220,041,259</b>

**Income Statement Items (TL)**

	31.12.2023	31.12.2022
Pre-Tax Profit/(Loss)	1,598,201,019	569,531,517
Tax	544,160,387	245,365,756
<b>Net Profit/(Loss) for the Period</b>	<b>1,054,040,632</b>	<b>324,165,761</b>

**Financial Ratios**

	31.12.2023	31.12.2022
<b>Liquidity Ratios</b>		
Current Ratio (Current Assets/Short-Term Liabilities)	130%	123%
Cash Ratio (Liquid Assets/Short-Term Liabilities)	75%	74%
<b>Financial Structure Ratios</b>	<b>31.12.2023</b>	<b>31.12.2022</b>
(Short-Term Liabilities + Long-Term Liabilities)/Assets	76%	80%
Average Shareholders' Equity/Assets	20%	13%
<b>Profitability Ratios</b>	<b>31.12.2023</b>	<b>31.12.2022</b>
Net Profit/Assets	13%	5%
Net Profit/Average Shareholders' Equity	67%	39%

As of 31.12.2023, the Company's shareholders' equity is TL 1,903,556,979 and its balance sheet size is TL 7,857,215,776.

## HALKBANK IN BRIEF

# Well-established, pioneering, and respected brand

Halkbank is a steadily growing institution that ranks among the well-established, pioneering, and respected brands in progressing Türkiye.

The establishment process of Türkiye Halk Bankası started in 1933 with the Halkbank and Public Funds Law No. 2284, and the Bank began its operations in 1938.

Conducting credit services through the Public Funds which it provided financing between 1938 and 1950, Halkbank started to operate with the authority to open branches directly and extend loans after 1950.

Since 1964, Halkbank has steadily grown its deposit and loan volume and become one of the steadily growing, well-established, pioneering, and respected brands of the rising Türkiye.

# 1,079

Total Number of Branches

# 4,064

Total Number of ATMs

The Bank which has been leading the development of the Turkish banking industry for 85 years maintains its mission of supporting the real sector.

Rendering an unparalleled banking experience to its customers with 1,073 domestic branch locations, 6 overseas branches, 1 country office, 2 overseas representative offices, 4,064 ATMs, Telephone and Internet Banking channels, and Mobile Banking applications as of the end of 2023, Halkbank serves with innovative products and services as part of its global vision.

Halkbank, the bank of producing Türkiye, sees all tradesmen, farmers, and small, medium, and large business owners, who produce and create employment, as a business partner. It also considers that supporting them in good times and bad times with its all financing facilities is the reason for being. Increasing its SME lending market share to 18.6% and allocating 55.7% of its commercial loans to SMEs, Halkbank continues to be the biggest booster of the Turkish economy.

The Bank has been continuing its support to the entrepreneurship ecosystem uninterruptedly for developing new ideas and increasing

contributions to sustainable growth in our country. The Bank's credit support for entrepreneurs of all ages and educational levels, who wish to start their own business, reached TL 24.2 billion, and the number of supported entrepreneurs increased to 137 thousand. The scope of support for women entrepreneurs of powerful Türkiye has reached 207 thousand entrepreneurs and women's cooperatives, and the total support to women entrepreneurs has increased to TL 54.4 billion.

In addition to its financial achievements, Halkbank leads the industry with its efforts for a greener, cleaner, and healthier world. Having committed to align its activities and investments with net zero emission targets until 2050 as per the Paris Climate Agreement and joined the Net Zero Banking Alliance established by the United Nations Environment Programme Finance Initiative, Halkbank became the first Turkish bank that made "Net Zero" commitment for both its direct activities and portfolio emissions as part of the Science Based Targets Initiative, of which the United Nations Global Compact is a party, and where companies declare their scientific targets for reducing carbon emissions.



A tall, modern skyscraper with a glass and metal facade, featuring the Halkbank logo at the top. The building is set against a clear blue sky with scattered white clouds. In the foreground, there is a green lawn and some trees. Other buildings are visible in the background.

**HALKBANK**

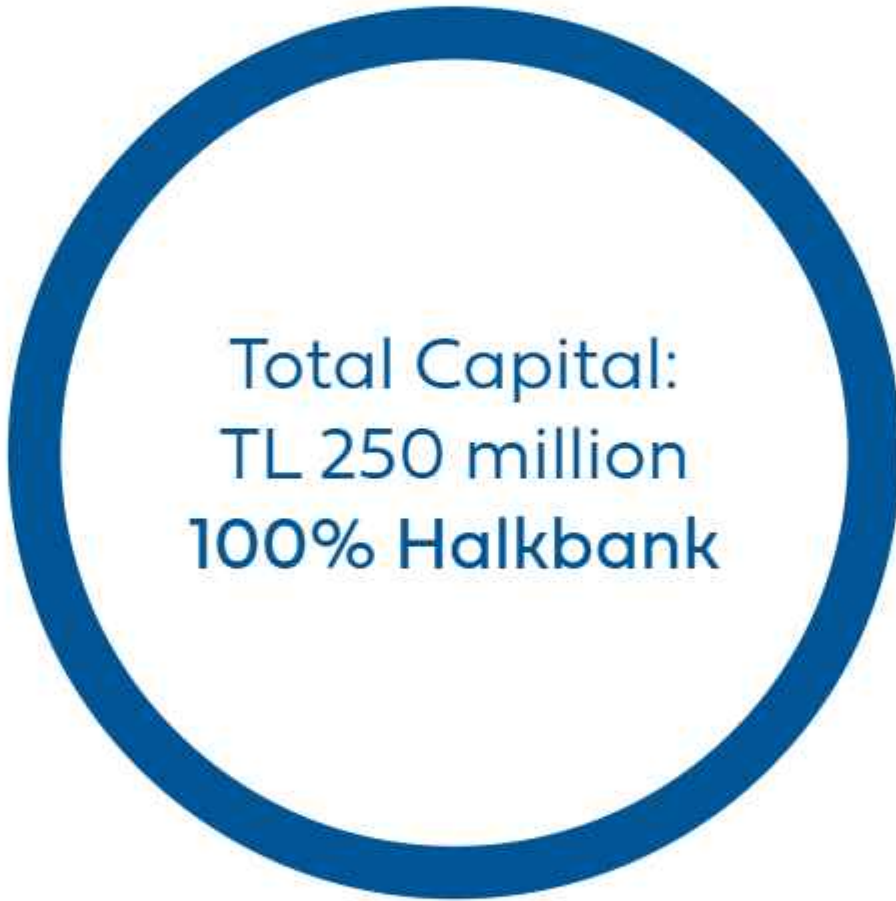
## **Serving with a global vision**

Offering a unique banking experience to its customers, Halkbank serves with innovative products and services and a global vision.



**CAPITAL AND SHAREHOLDING STRUCTURE**

# Halk Invest draws its strength from Halkbank.



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Full Name/Trade Name of Shareholder	Share in Capital	Share in Capital (%)
Türkiye Halk Bankası A.Ş.	250,000,000.00	100.00
<b>Total</b>	<b>250,000,000.00</b>	<b>100.00</b>



## MILESTONES

# Halk Invest is one of the most effective players in the sector.

### 2011

- Establishment of Halk Portföy and 25% partnership

### 2012

- Halkbank's second public offering: USD 2.5 billion
- First merger & acquisition (M&A) advisory transaction

### 2013

- First Outlook Report and investor conference
- Halk REIT's IPO
- Emlak Konut REIT's second public offering: USD 1.6 billion
- Sponsorship of Aizanoi, home of the world's first known stock exchange
- Leverage trading activities (FX)

### 2014

- First sukuk issue brokerage and leadership with 40% market share
- Corporate identity creation

### 2015

- Leadership in Sukuk issues with a market share of 68%
- Donation to Diyarbakır Yıllarca Halkbank Şehit Haşim Türkoğlu Primary School
- Establishment of Halk Invest Memorial Forest
- Türkiye's Best Brokerage Firm Award in Global Banking & Finance Review Sukuk Issues

### 2016

- JCR Rating AA (Trk)
- First Halk Invest bond issue
- Türkiye's Best Brokerage Firm Award in Sukuk Issues and Corporate Social Responsibility by Global Banking & Finance Review
- TCMA – Aizanoi Best Corporate Social Responsibility Project Award

### 2017

- JCR Rating AA+ (Trk)
- The first sukuk issue based on agricultural commodities
- First REIT sukuk issue
- Halkbank secondary capital bond issue
- Main sponsorship of Aizanoi, home of the world's first known stock exchange

### 2018

- JCR Rating AAA (Trk)
- Support for the largest asset-backed security (ABS) issue in Türkiye
- 103 debt instruments and sukuk issues intermediated during the year
- Introduction of individual portfolio management services
- Efforts related to Halk Intrader, the international trading platform
- + IFN Türkiye's Best Islamic Finance Transaction Award: Turkish Grain Board ("TMO") Agricultural Commodity-Based Sukuk Issue – Most Creative Capital Market Project Award (TMO-Agricultural Commodity-Based Sukuk Issue)
- Bonds & Loans-Local Bond Transaction (Halkbank-Subordinated Securities First Prize)

### 2019

- 110 debt instruments and sukuk issues intermediated during the year
- TLREF Issues
- Bonds & Loans-Local Currency Bond/Sukuk Deal of the Year First Prize-Turkish Grain Board ("TMO") Agricultural Commodity-Based Sukuk Issue
- Bonds & Loans-Türkiye's Best Islamic Finance Transaction Award First Prize-Turkish Grain Board ("TMO") Agricultural Commodity-Based Sukuk Issue
- Bonds & Loans-Real Estate Finance Deal of the Year First Prize-Halk Gayrimenkul Yatırım Ortaklığı A.Ş. ("Halk REIT") Management Contract-Based Sukuk Issue
- Bonds & Loans-Structured Bond Deal of the Year Second Prize-Halk Gayrimenkul Yatırım Ortaklığı A.Ş. ("Halk REIT") Management Contract-Based Sukuk Issue
- TCMA-Private Sector Debt Instrument Issue and Sales Leader Award



## 2020

- 98 debt instruments and sukuk issues intermediated during the year
- BIST TLREF issues
- Bonds & Loans: Türkiye's Best Islamic Finance Transaction Award First Prize: Turkcell Superonline-Management Contract-Based Sukuk Issue
- Bonds & Loans: Real Estate Finance Deal of the Year (Sukuk): Emlak Konut Gayrimenkul Yatırım Ortaklığı (EKGYO) Management Contract-Based Sukuk Issue First Prize and Halk REIT Management Contract-Based Sukuk Issue Second Prize
- Bonds & Loans: Real Estate Finance Deal of the Year (Bond): EKGYO-Conventional Bond Third Prize
- Bonds & Loans: Structured Bond Deal of the Year: Turkcell Superonline-Management Contract-Based Sukuk Issue Third Prize
- + IFN World's Best Islamic Finance Transaction Award: EKGYO-Management Contract-Based Sukuk Issue

## 2021

- JCR Rating AAA (Trk)
- 74 debt instruments and sukuk issues intermediated during the year
- Establishment of Yıldız Tekno Girişim Sermayesi Yatırım Ortaklığı A.Ş. ("Yıldız Tekno GSYO")
- Establishment of www.fonlabuyusun.com crowdfunding platform
- Three Awards at the LAPC (American Communications Professionals) 2020 Vision Awards
- The Gold Award worldwide, the Bronze Award in the ranking of most improved annual reports, and the Technical Success Award with its 2020 annual report "Smart Recommendations Transform Lives" at the LAPC 2020 Vision Awards
- Horizon Interactive Awards The Gold Award with halkinzaferi.com and "Love Is The Biggest Investment" movie project, the Silver Award with the SRS
- The Silver Award in the web sites (Banking & Finance Industry) category with ilkborsa.com which presents the stock exchange history beginning from Aizanoi, the world's first known stock exchange, and to the future of investment at Horizon Interactive Awards

## 2022

- JCR Rating AAA (TR)
- 88 debt instruments and sukuk issues
- Public offerings of Makim Makina Teknolojileri Sanayi Ticaret A.Ş. with a value of TL 158.4 million and Birikim Varlık Yönetim A.Ş. with a value of TL 174.4 million
- "Best Microsite" award at the Golden Spider, one of the most prestigious competitions of Türkiye, to ilkborsa.com that offers a digital experience from the history of exchange markets to the future of investments
- 3 bronze awards to SRS at "International Business Awards," the largest award program of Stevie Awards
- Silver award to Halk Invest for SRS in "Company of the Year in FinTech" at the Globe Awards
- Establishment of Fonlabüyüsün Venture Capital Investment Fund (Fonlabüyüsün GSYF) by Fonlabüyüsün and Ziraat Portföy A.Ş., and obtaining of issuance approval
- IFN Awards 2022 "Most Creative Deal of the Year" Award: Kayseri Şeker – Management Contract-Based Sukuk Deal

## 2023

- 132 debt instruments and sukuk issues
- Public offerings of - Fuzul Gayrimenkul Yatırım Ortaklığı A.Ş. (TL 817,5 million),
- ASCE Gayrimenkul Yatırım Ortaklığı A.Ş. (TL 2,079 billion),
- Baydöner Restoranlar A.Ş. (TL 378 million),
- Tarım Bitki Koruma Sanayi ve Ticaret A.Ş. (TL 537,5 million), Gıpta Ofis Kırtasiye ve Promosyon Ürünleri İmalat Sanayi A.Ş. (TL 836 million),
- Pasifik Eurasia Lojistik Dış Ticaret A.Ş. (TL 850 million),
- Batı Ege Gayrimenkul Yatırım Ortaklığı A.Ş. (TL 870 million)
- Award in "Islamic Capital Markets Deal of the Year" category of Bonds, Loans & ESG Capital Markets CEE, CIS & Türkiye 2023 Awards with the issue for Turkcell Ödeme Hizmetleri A.Ş. (Paycell)
- First green lease certificate issue under Halk Invest, with Yes Oto Kiralama ve Turizm Yatırımları A.Ş. as the fund user

## DEVELOPMENTS IN 2023

# 13.50% market share

As a result of the issues, Halk Invest ended 2023 in the second rank with a market share of 13.50%.

In 2023, Halk Invest mediated the sukuk and green sukuk issues of Turkcell Superonline, Halk REIT, Halk Leasing, Kayseri Şeker, the Turkish Grain Board, Paycell, Emlak Konut REIT, Dinçer Lojistik, and Yes Oto (Enterprise).

### TL 62 Billion Issue

In 2023, Halk Invest mediated 132 debt instruments and sukuk issues amounting to TL 62 billion. Additionally, the Company mediated 52 sukuk deals worth TL 13.6 billion in total, and 80 debt instrument issues worth TL 48.6 billion in total. Consequently, Halk Invest concluded 2023 in the second rank with a market share of 13.50%.

Halk Invest provides rational solutions for funding requirements in both the financial and real sectors by issuing products such as commercial papers, sukuk, and green sukuk. In 2023, the Company mediated the debt instrument issues of Halkbank, Halk Invest, Halk Leasing, Turkcell Finansman, the Turkish Grain Board, and Aztek Teknoloji. In the same year, Halk Invest mediated the sukuk and green sukuk issues of Turkcell Superonline, Halk REIT, Halk Leasing, Kayseri Şeker, the Turkish Grain Board, Paycell, Emlak Konut REIT, Dinçer Lojistik, and Yes Oto (Enterprise).

In 2023, Halk Invest undertook nine sukuk issues amounting to TL 1.6 billion, with a sukuk issue structure based on a management contract featuring an asset portfolio that included the fiber internet infrastructure services of Turkcell Superonline, a subsidiary of Turkcell, one of the major digital operator companies in Türkiye, with Halk Varlık Kiralama A.Ş. (Halk VKŞ) as the issuer.

In 2023, Halk Invest performed 12 sukuk issues amounting to a total of TL 1.2 billion, based on a management contract for Halk Gayrimenkul Yatırım Ortaklığı, which realized the first sukuk deal in the real estate investment trust industry, and in which Halk Varlık Kiralama A.Ş. (Halk VKŞ) participated as the issuer.

A total of three sukuk issues corresponding to TL 538 million were carried out based on a management contract. Halk Varlık Kiralama A.Ş. (Halk VKŞ), which performed the first sukuk deal on behalf of Halk Finansal Kiralama A.Ş. (which operates in the financial leasing industry), participated as the issuer.

Halk Invest undertook one sukuk issue for Kayseri Şeker, Türkiye's second-largest sugar producer, with a total amount of TL 52 million based on a management contract. In the issue, the asset portfolio was beet sugar (crystal sugar) included in quota A, at the rate of 120% of the issue amount.





In 2023, the Turkish Grain Board ("TMO"), which operates in Türkiye's agricultural product markets, performed five sukuk issues based on a management contract. Halk VKŞ served as the issuer for the issue and Halk Invest the intermediary; the total amount corresponded to TL 4.3 billion.

In 2023, Paycell, Turkcell's group company operating in payment and electronic money services, performed 10 sukuk issues based on a management contract. In the issue, where Halk Varlık Kiralama A.Ş. (Halk VKŞ) was the issuer, the total amount corresponded to TL 1.7 billion.

In 2023, Emlak Konut REIT, Türkiye's largest real estate investment trust, undertook 10 sukuk issues with a total value of TL 3.7 billion in which Halk VKŞ participated as the issuer and Halk Invest participated as the intermediary.

In 2023, Dinçer Lojistik, one of Türkiye's leading logistics companies, undertook one sukuk issue based on a management contract. The issue amounted to TL 130 million with Halk VKŞ as the issuer and Halk Invest as the intermediary.

In 2023, Yes Oto (Enterprise), the world's largest car rental company, undertook one sukuk issue based on a management contract. The issue amounted to TL 125 million with Halk VKŞ as the issuer and Halk Invest as the intermediary.

#### **IPO Leaderships**

In 2023, Halk Invest completed seven public offerings with a total transaction volume of TL 6.3 billion.

The following public offerings were completed within the year: Fuzul Gayrimenkul Yatırım Ortaklığı A.Ş., with a value of TL 817.5 million; ASCE Gayrimenkul Yatırım Ortaklığı A.Ş., with a value of TL 2.079 billion; Baydöner Restoranları A.Ş., with a value of TL 378 million; Tarkim Bitki Koruma Sanayi ve Ticaret A.Ş., with a value of TL 537.5 million; Gıpta Ofis Kirtasiye ve Promosyon Ürünleri İmalat Sanayi A.Ş., with a value of TL 836 million; Pasifik Eurasia Lojistik Dış Ticaret A.Ş., with a value of TL 850 million; and Batı Ege Gayrimenkul Yatırım Ortaklığı A.Ş., with a value of TL 870 million.



**RATINGS RECEIVED FROM THE CREDIT RATING AGENCY**

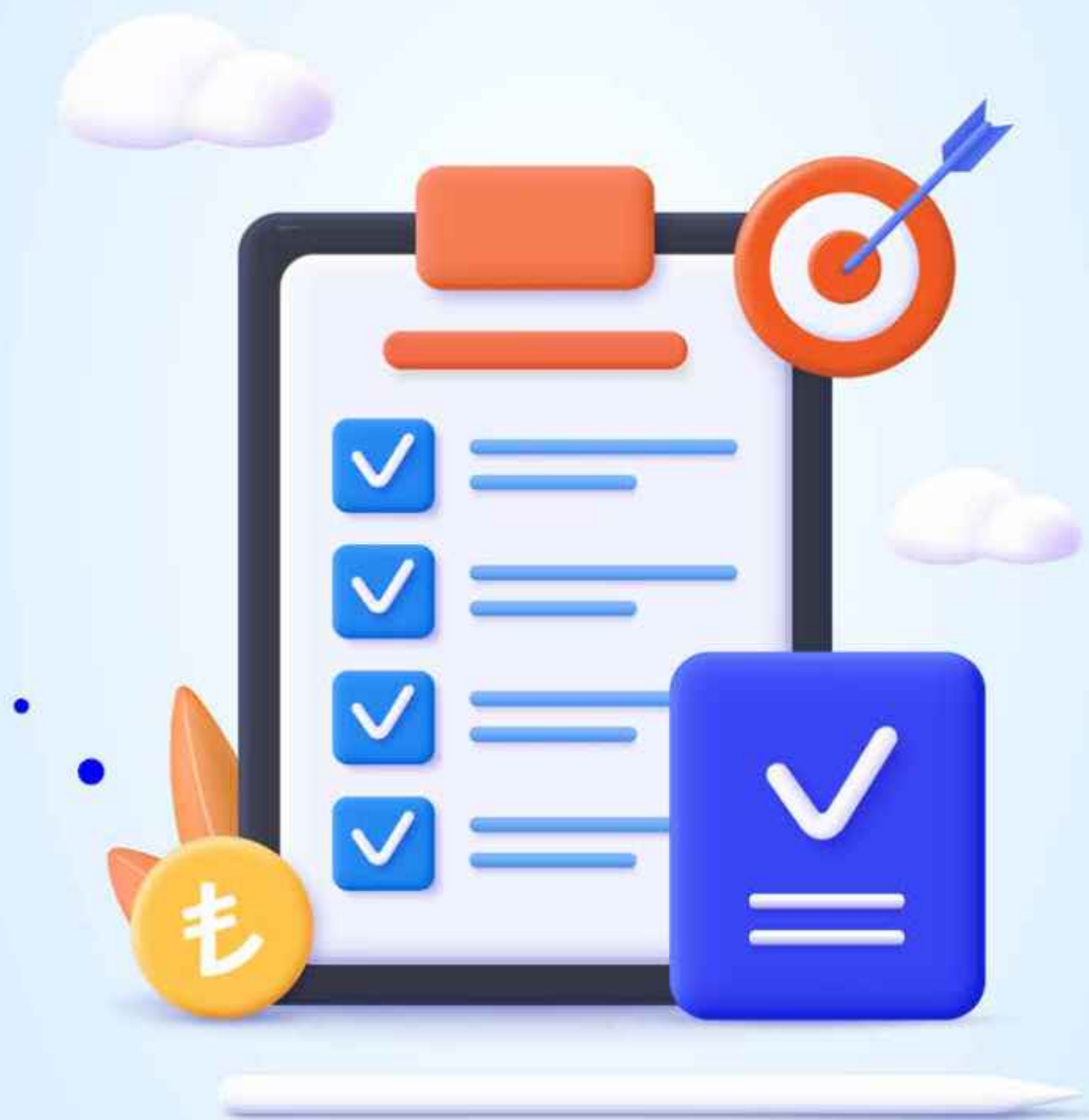
# Stable outlook was confirmed.

JCR Eurasia Rating confirmed the Company's Long-Term National Credit Rating as AAA (tr) and outlook as "Stable."

As a result of JCR Eurasia Rating's assessment of Halk Yatırım Menkul Değerler A.Ş., the rating agency assigned Halk Invest the highest-level investment grade and confirmed the Company's rating of AAA (tr) on the Long-Term National Credit Rating with a "Stable" outlook. The situation was announced on the Public Disclosure Platform on 26.05.2023.

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Long-Term National Credit Rating	AAA (tr) / (Stable Outlook)
Short-Term National Credit Rating	11+ (tr) / (Stable Outlook)
Long-Term International Foreign Currency Rating	BB / (Negative Outlook)
Long-Term International Local Currency Rating	BB / (Negative Outlook)



**MESSAGE FROM THE CHAIRMAN**

In 2023, Halk Invest completed seven public offerings with a total transaction volume of TL 6.3 billion.



**Ali Şöner**  
Chairman of the  
Board of Directors



### Esteemed Stakeholders,

The year 2023 can be described as a period where the central banks of advanced economies, which play a leading role in driving global markets, shaped the rising interest rate environment without compromising on their resolve to fight inflation. Supported by the elimination of disruptions on the supply side, the year saw positive results in terms of tight monetary policies designed to reduce price pressures, and the avoidance of a recession scenario despite tightening measures.

Policy interests rose to historical levels with the tightening measures taken by the FED and ECB, although the fate of the high-interest environment will be dependent on net indicators of achieving the medium-term inflation target. It is anticipated that medium-term targets will be approached in 2025 at the earliest.

**TL 1.1 billion**

Net profit

**TL 7.9 billion**

Total assets

The delayed impact of monetary tightening is expected to play a critical role in 2024. Because it may take up to three years to observe these impacts in advanced economies, it is believed that the recession risk in 2024 will be tested more seriously if signs of weakening continue and indicators on the shrinkage side cannot shift to the expansion side.

In the meantime, Türkiye is undergoing a period in which policies have become more rational with the new economic administration and a supportive monetary standing, and a new balancing has started in economic dynamics. In an environment where financial discipline commitment is held within the prioritized framework of macro-financial stability, balanced growth, and permanently decreased inflation, the Turkish economy will be among those that are distinguished positively.

In terms of the BIST, 2023 was a period in which the global economy and internal dynamics saw the reflections of partial balancing in addition to significant policy standing. The BIST 100 index closed the year at 7,470 points, rising in value by 35.60% in 2023 as a new balancing was achieved in economic dynamics.

As a leading institution in the capital markets, Halk Invest maintains its growth trajectory through visionary and effective strategies, as well as the broad distribution channel of Halkbank. The Company maintained its success and strong position in the sector, and increased its net profit by 225.2% year-on-year, reaching the level of TL 1,054 million. In the same period, Halk Invest raised its shareholders' equity from TL 1,231 million to TL 1,903 million and achieved an average return on equity of 54.6%.

As Halk Invest, we will continue rapidly expanding our market share. We continue to stand out in the industry by introducing innovative products and services while achieving growth in profitability.

In 2023, Halk Invest mediated 132 debt instruments and sukuk issues amounting to TL 62 billion. As a result of these issues, the Company ended 2023 in the second rank with a market share of 13.50%.

In 2023, Halk Invest undertook nine sukuk issues amounting to TL 1.6 billion, with its sukuk issue structure based on a management contract featuring an asset portfolio that included the fiber internet infrastructure services of Turkcell Superonline, a subsidiary of Turkcell, one of the major digital operator companies in Türkiye, with Halk Varlık Kiralama A.Ş. (Halk VKŞ) as the issuer.

## MESSAGE FROM THE CHAIRMAN

# In 2023, Halk Invest mediated 132 debt instruments and sukuk issues amounting to TL 62 billion.

In 2023, Halk Invest performed 12 sukuk issues amounting to a total of TL 1.2 billion, based on a management contract for Halk Gayrimenkul Yatırım Ortaklığı, which realized the first sukuk deal in the real estate investment trust industry and in which Halk Varlık Kiralama A.Ş. (Halk VKŞ) participated as the issuer.

A total of three sukuk issues corresponding to TL 538 million were carried out based on a management contract. Halk Varlık Kiralama A.Ş. (Halk VKŞ), which performed the first sukuk deal on behalf of Halk Finansal Kiralama A.Ş. (which operates in the financial leasing industry), participated as the issuer.

Halk Invest undertook one sukuk issue for Kayseri Şeker, Türkiye's second-largest sugar producer, with a total amount of TL 52 million based on a management contract. In the issue, the asset portfolio was beet sugar (crystal sugar) included in quota A, at the rate of 120% of the issue amount.

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In 2023, Yes Oto (Enterprise), the world's largest car rental company, undertook one sukuk issue based on a management contract. The issue amounted to TL 125 million with Halk VKŞ as the issuer and Halk Invest as the intermediary.

In 2023, Halk Invest completed seven public offerings of TL 6.3 billion in total, including Fuzul Gayrimenkul Yatırım Ortaklığı A.Ş., with a value of TL 817.5 million; ASCE Gayrimenkul Yatırım Ortaklığı A.Ş., with a value of TL 2.079 billion; Baydöner Restoranları A.Ş., with a value of TL 378 million; Tarkim Bitki Koruma Sanayi ve Ticaret A.Ş., with a value of TL 537.5 million; Gıpta Ofis Kırtasiye ve Promosyon Ürünleri İmalat Sanayi A.Ş., with a value of TL 836 million; Pasifik Eurasia Lojistik Dış Ticaret A.Ş., with a value of TL 850 million; and Batı Ege Gayrimenkul Yatırım Ortaklığı A.Ş., with a value of TL 870 million.



Following the successful campaigns on Fonlabüyüsün in 2023, in January 2024, a new venture called Orbiba Robotics started collecting investment demands for the "AI-supported Autonomous Agricultural Robot." Positively supporting the environment and ecosystem in agriculture and offering Türkiye's first agricultural robot solution for weed control, Orbiba Robotics develops robot solutions and software for the global organic agriculture market. Through the placement of advanced sensors, robots can detect biodiversity as well as soil and plant values such as moisture and organic substance content. Orbiba Robotics can offer insights by providing farmers with analysis results on plant stress, diseases, and infestation.

I am confident that we will maintain our position as a leading company in the capital markets and that in 2024 we will continue taking successful steps towards our goals, completing the year with the desired results. On behalf of the Board of Directors and myself, I extend my gratitude to our main shareholder, Halkbank, and to our employees, our esteemed customers, and all our business partners.

Sincerely,

**Ali Şöner**  
Chairman of the Board of Directors

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Following successful campaigns on Fonlabüyüsün in 2023, in January 2024, a new venture called Orbiba Robotics started collecting investment demands for the "AI-supported Autonomous Agricultural Robot."

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## BOARD OF DIRECTORS

### **Ali Şöner**

#### **Chairman of the Board of Directors**

Ali Şöner was born in Istanbul in 1968. He graduated from Boğaziçi University, Faculty of Economics and Administrative Sciences, Department of International Relations. He worked as an Assistant Specialist and Specialist at Pamukbank TAŞ. Having worked as a Director and Head of Department at Türkiye Halk Bankası A.Ş. since 2004, Mr. Şöner has been serving as the Deputy General Manager in charge of Treasury Management and International Banking at Türkiye Halk Bankası A.Ş. since 28.07.2021.

### **Yusuf Duran Ocak**

#### **Vice Chairman of the Board of Directors**

Yusuf Duran Ocak was born in Kadırlı-Osmaniye in 1966. He graduated from Gazi University, Faculty of Economics and Administrative Sciences, Finance Department. After serving as an Assistant Inspector, Inspector, Deputy Head of the Board of Inspectors, and Department Head at Türkiye Halk Bankası A.Ş., Mr. Ocak has served as the Deputy General Manager in charge of Financial Management and Planning since 18.07.2017.

### **Bülent Sezgin**

#### **Board Member-CEO**

Bülent Sezgin was born in Bandırma in 1975. He graduated in 1997 from Middle East Technical University, Department of Political Sciences and Public Administration, and began his professional career in capital markets that same year. He went on to work in various positions in the industry until 2011. In 2011, Mr. Sezgin was appointed as the Manager of the Corporate Finance Department at Halk Invest. He served as the Deputy General Manager in charge of Corporate Finance and Treasury from December 2012. Acting as the CEO of the Company as of 20.10.2020, Mr. Sezgin is also a member of the Board of Directors.

### **Gökhan Fidan**

#### **Board Member**

Gökhan Fidan was born in Trabzon in 1975. He completed his undergraduate education in Business Administration at Atatürk University, Faculty of Economics and Administrative Sciences in 1998. His banking career which started at Halkbank Araklı/Trabzon Branch in 1999 continued under the title of Specialist at Treasury Management between 2003 and 2008. He served as Line Manager at Trabzon Regional Coordination Office from 2008 to 2013. He held the position of Branch Manager at Gümüşhane, Ortahisar, Ordu, and Samsun Commercial Branches between 2013 and 2021. Since July 2021, he has been working as Head of the Department of Tradesmen Banking at Türkiye Halk Bankası A.Ş.

**Okan Karadağ**  
**Board Member**

He was born in Erzincan in 1971. He completed his undergraduate education at METU Faculty of Engineering, Department of Computer Engineering in 1993. He worked as an Information Technologies Manager at TCDD Foundation, a Software Development Expert at Akbank - Aknet A.Ş., and a Systems Analyst/Authorized Person at Pamukbank T.A.Ş. Mr. Karadağ joined Türkiye Halk Bankası A.Ş. in 2004 as IT Director and then Head of IT Department. He is still Head of the Information Technologies Planning and Governance Department at Türkiye Halk Bankası A.Ş.

**Ahmet Hoşcan**  
**Board Member**

Ahmet Hoşcan was born in Kadirli in 1984. He graduated from Adana Atatürk High School in 2003. He completed his undergraduate education at Ankara University, Faculty of Political Sciences, Department of International Relations in 2007. He obtained a Master's Degree in Business Administration from Istanbul Aydın University, Institute of Social Sciences. His banking career started when he began to serve as an Assistant Specialist at Türkiye Halk Bankası A.Ş. in 2008. Later, he worked as a Specialist, Senior Specialist, and Director in the same institution. Between October 2018 and August 2021, he held office as the Line Manager of Liquidity Management in the Department of Asset-Liability Management. He has served as the Head of the Treasury Management Department since August 2021.

**Beyza Öziçsel**  
**Board Member**

She was born in Ankara in 1976. She completed her undergraduate education at Gazi University, Faculty of Economics and Administrative Sciences, Department of Public Administration. She worked as Inspector, Assistant Inspector, and Head of Department at Sümerbank A.Ş. and OyakBank A.Ş. Ms. Öziçsel took office as Head of Department and Department Manager at Türkiye Halk Bankası A.Ş. in 2011 and is currently the Head of the Retail Loans Department at Türkiye Halk Bankası A.Ş.

**MESSAGE FROM THE CEO**

In 2023, Halk Invest consistently maintained its investments in technological infrastructure.



**Bülent Sezgin**  
CEO



Dear Stakeholders,

In addition to marking the 100<sup>th</sup> anniversary of our Republic, 2023 was a year when our Company proudly achieved new targets, reinforced by our strong history, our confidence, and our constantly growing corporate capabilities.

On February 6, 2023, a pair of earthquakes took place in Kahramanmaraş. As one of our nation's greatest tragedies, the earthquakes caused enormous loss across a large region and deep sorrow throughout our country. We wish Allah's mercy to our citizens who lost their lives, and we extend our sincerest condolences to their families and loved ones. Our entire country united to stand by the victims of this disaster and to heal their wounds. As Halk Invest, we activated all channels and deployed every means available to contribute from the moment we became aware of the earthquakes. I hope we never experience such grief and loss again.

Now, I would like to share my opinions and evaluations of the developments and activities in 2023.

We left behind 2023 as a period where the central banks of advanced economies, which play a leading role in driving global markets, shaped the rising interest rate environment without compromising on their resolve to fight inflation. Supported by the elimination of disruptions on the supply side, it was a period of achieving positive results; the tight monetary stance successfully reduced price pressures, avoiding the recession scenario despite tightening measures and only witnessing deceleration in the growth rate.

Domestically, we are going through a period when, after the elections, policies developed along more rational lines with the new economic administration, based on a supportive and tight monetary stance, and a new balancing started in economic dynamics. In an environment where structural transformation is revived and financial discipline commitment is

held within the prioritized framework of macro-financial stability, balanced growth, and permanently decreased inflation, the Turkish economy is expected to stand out positively.

In 2023, Halk Invest maintained investments in its technological infrastructure to provide its wide customer group with high-quality, safe, and fast services, considering the changing needs in capital markets. Our new corporate website launched in 2023. New servers were included in the infrastructure, and server updates were completed. Moreover, radical changes were made in virtualization infrastructure, while projects were developed to renew the Information Technologies infrastructure, due to both an increasing workload in recent years and the growth potential of the markets in the future.

In 2023, we undertook sukuk and public issues, mainly debt instruments. In 2020, Halk Invest undertook 132 transactions amounting to TL 62 billion in total. Of those transactions, 52 were sukuk issues (TL 13.6 billion) and 80 were issues of conventional debt instruments (TL 48.6 billion). With our issues in 2023, we ranked second in the market.

Halk Invest provides rational solutions for the funding requirements of both the financial sector and the real sector by issuing products such as commercial papers, sukuk and green sukuk. In 2023, the Company mediated the debt instrument issues of Halkbank, Halk Invest, Halk Leasing, Turkcell Finansman, the Turkish Grain Board, and Aztek Teknoloji. It also mediated the sukuk and green sukuk issues of Turkcell Superonline, Halk REIT, Halk Leasing, Kayseri Şeker, Turkish Grain Board, Paycell, Emlak Konut REIT, Dinçer Lojistik, and Yes Oto (Enterprise).

Halk Invest was among the leading companies in terms of public offerings in 2023, completing seven public offerings of TL 6.3 billion in total, including Fuzul Gayrimenkul Yatırım Ortaklığı A.Ş. with a value of TL 817.5 million; ASCE Gayrimenkul Yatırım Ortaklığı A.Ş. with a value of TL 2.079 billion; Baydöner Restoranları A.Ş. with a value of TL 378 million; Tarkim Bitki Koruma Sanayi ve Ticaret A.Ş. with a value of TL 537.5 million; Gıpta Ofis Kırtasiye ve Promosyon Ürünleri İmalat Sanayi A.Ş. with a value of TL 836 million; Pasifik Eurasia Lojistik Dış Ticaret A.Ş. with a value of TL 850 million; and Batı Ege Gayrimenkul Yatırım Ortaklığı A.Ş. with a value of TL 870 million.

As a part of the Halkbank group with deep-rooted and large-scale infrastructure opportunities, Halk Invest plays an effective role in the popularization of the Fonlabüyüsün crowdfunding system, a platform that aims to meet the sectoral needs in the early stages and the needs for deep technology investments. Fonlabüyüsün provides entrepreneurs with the opportunity to introduce their projects to a wide user and investor audience and to find the financing source they need, as well as to attract potential customers with the equity-based financing model. Initiatives with growth potential in the global market, that produce and effectively deploy technology and aim at corporate customers, will be useful for all ecosystem stakeholders by contributing to our country's growth targets and exports with high added value.

**Our next-generation mobile platforms and internet branch are the smart financial assistants of investors.**



## MESSAGE FROM THE CEO

# Halk Invest effectively deploys technology to facilitate investors' access to the markets.

Halk Invest uses technology effectively to facilitate the access of investors to the markets. Halkbank, Halk Invest, and the Halk Invest Exchange mobile applications bring investors and the investment world together with mobile applications. Investors can easily perform transactions, follow instant data flows, and enjoy access to research reports and many investment advisory analyses through such applications.

Our investors can easily use electronic platforms anytime and anywhere to utilize their savings in an effective way. With next-generation platforms and the internet branch, Halk Invest continues to be the smart financial assistant of investors and conducts a variety of activities to offer a satisfactory investment experience. Moreover, the Customer Satisfaction Center plays an active role in ensuring customer satisfaction by promptly resolving customer complaints and the complaints received through the CMB, Cimer, BRSA, and social media.

The Halk Invest organization has a dynamic structure well suited for managing investors' expectations. The Company continues to render services to customers with products in mobile and web application formats comprised of modules such as the Smart Recommendation System (SRS), which provides customers with daily investment advisory recommendations and information on investment preferences; as well as quantitative analysis, stock, and fund reports created with artificial intelligence; and investment advisory recommendations and up-to-date model portfolio recommendations, etc. The Smart Recommendation

System and several different projects are some of the driving factors in achieving the Company's objectives. In addition, following the commissioning of these automated products, the subsequent increase in the diversity and depth of research unit products and services contributed to investor satisfaction. The Model Portfolio of the Research Unit ended the year with a quite satisfactory return performance above the BIST.

Halk Invest also continued winning new awards in 2023. The issue for Turkcell Ödeme Hizmetleri A.Ş. (Paycell) received an award in the "Islamic Capital Markets Deal of the Year" category of Bonds, Loans & ESG Capital Markets CEE, CIS & Türkiye 2023 Awards; while the public offering of Tarkim Bitki Koruma Sanayi ve Ticaret A.Ş. was the IPO with the highest number of investors (2,746,785 orders in total) among IPOs carried out with the method of "Selling on the Stock Exchange-Collecting Demand at a Fixed Price."

At this point, I would like to emphasize that the effective combination of Halk Invest's qualified human resources and its strong infrastructure has played an important role in the achievement of these successful results.

We plan to complete our new mobile application and put it into service in the first quarter of 2024. Our projects include the integration of new modules through both native and MicroApp methods, in order to increase service diversity in the new mobile application, which will have alternative screen options according to customer authorizations, habits, and transaction preferences.

In 2024, we aim to contribute to the growth of the market by developing debt instruments and structuring new products in the sukuk market; sustainably capturing higher market share; and bolstering our market position through qualified transactions in merger and acquisition advisory.

Through the Fonlabüyüsün crowdfunding system, we plan to carry out the crowdfunding campaigns of deep technology ventures in the early stages of their life cycle, which will contribute to our country's growth targets and high value-added exports. Our goals for 2024 include the popularization of crowdfunding activities and the Fonlabüyüsün Platform. In addition, we aim to sign cooperation protocols with technoparks and continue to work towards the development of the entrepreneurship ecosystem in our country based on cooperation.

After achieving our targets and raising our bar for success in 2023, we are looking at 2024 with a hope and confidence supported by our increased productivity, continuous development, commitment to corporate values, and culture of disciplined business conduct. I would like to extend my thanks to our customers, whose support we always feel in our sustainable achievements, and to our employees, who walk with us by creating value in line with our strategy.

Sincerely,

**Bülent Sezgin**  
CEO

## EXECUTIVE MANAGEMENT

### **Bülent Sezgin**

#### **Board Member-CEO**

Bülent Sezgin was born in Bandırma in 1975. He graduated in 1997 from Middle East Technical University, Department of Political Sciences and Public Administration, and began his professional career in capital markets that same year. He went on to work in various positions in the industry until 2011. In 2011, Mr. Sezgin was appointed as the Manager of the Corporate Finance Department at Halk Invest. He served as the Deputy General Manager in charge of Corporate Finance and Treasury from December 2012. Acting as the CEO of the Company as of 20.10.2020, Mr. Sezgin is also a member of the Board of Directors.

### **Ali Mutlu**

#### **Deputy General Manager**

Ali Mutlu was born in Osmaniye in 1968. He completed his undergraduate education at Marmara University, Faculty of Economics and Administrative Sciences, Department of Economics. He also received an MBA from Oklahoma State University, Department of Economics. He served in various roles in the field of information technologies in the capital markets since 1998. He started to work at Halk Yatırım Menkul Değerler A.Ş. as Information Technologies Director in 2015 and is still the Deputy General Manager in charge of Financial Management, Human Resources, Corporate Communications and Information Technologies.

### **Şafak Akdaş**

#### **Deputy General Manager**

Şafak Akdaş was born in Sivas in 1985. He completed his undergraduate education at Erciyes University, Department of Chemistry, and his graduate education at Cumhuriyet University, Department of Financial Econometrics. He started his career in capital markets in 2010 and held office in various positions. In 2019, Mr. Akdaş began to serve as Manager at the Department of Domestic Sales of Halk Yatırım Menkul Değerler A.Ş. He is currently working as the Deputy General Manager in charge of Markets, Investment Advisory and Corporate Brokerage, Sales Management, Branches, and Operations.

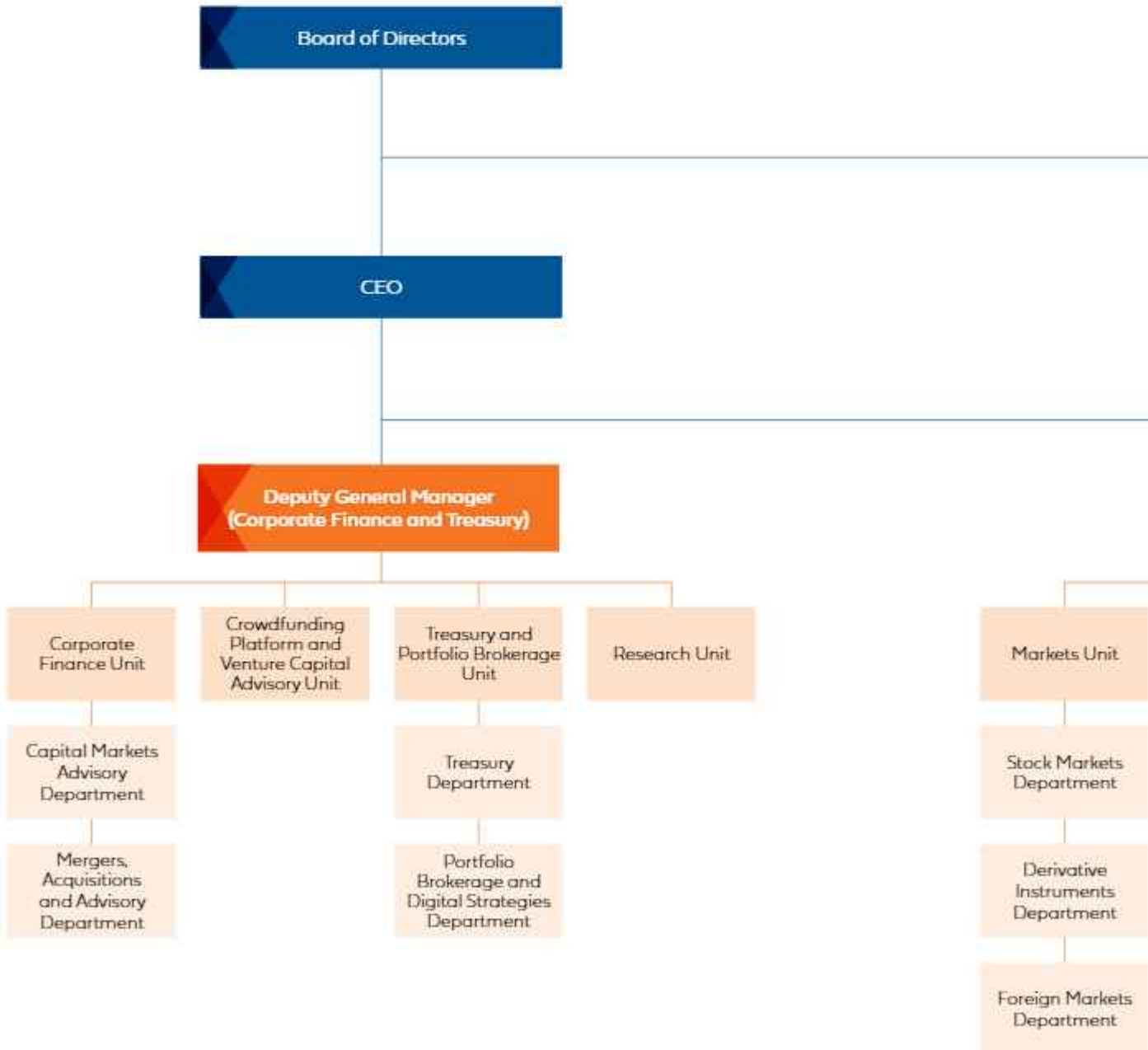
### **Zafer Mustafaoğlu**

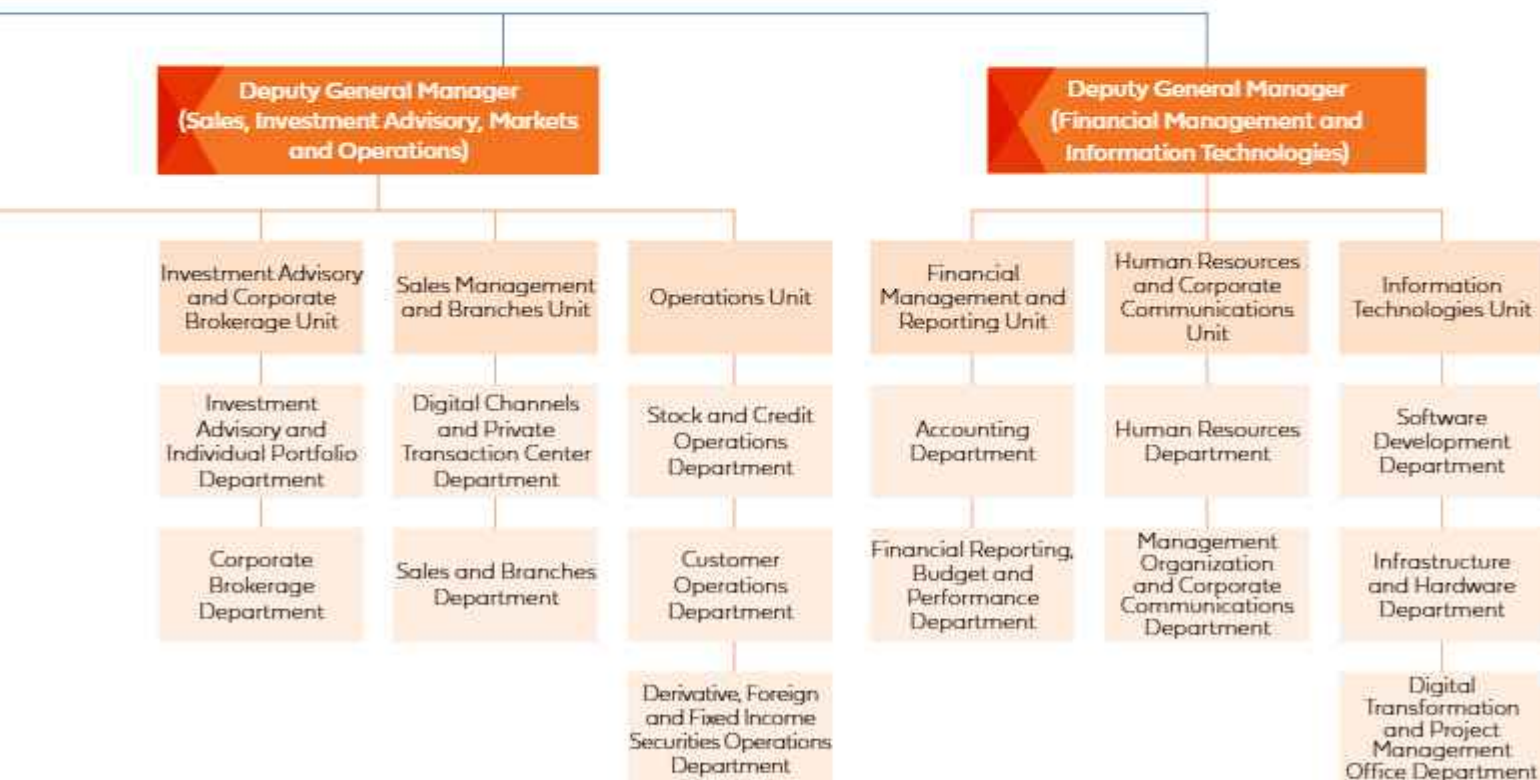
#### **Deputy General Manager**

Zafer Mustafaoğlu was born in Sivas in 1972. He completed his undergraduate education at Istanbul Technical University, Department of Management Engineering, and his graduate education at Istanbul Technical University, Department of Business Administration. After taking several duties in Corporate Financing and Financial Management in his career from 1995, he joined Halk Yatırım Menkul Değerler A.Ş. as Corporate Financing Director in 2020. Zafer Mustafaoğlu is currently working as the Deputy General Manager in charge of Corporate Financing, Crowdfunding Platform and Venture Capital Initiative Advisory, Research, and Treasury & Portfolio Brokerage.



## ORGANIZATIONAL CHART





## MACROECONOMIC OUTLOOK

# Service sector is the driving force of growth

Although industrial production slowed down due to tighter lending conditions, the services sector remained strong and was the main driver of growth.

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**Policy interest has increased to 45% with the monetary tightening stance, which has started as a front-end arrangement and is determined to continue in a timely and restrained manner if required.**

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2023 can be described as a period where the central banks of advanced economies, which play a leading role in driving global markets, shaped the rising interest rate environment without compromising on their resolve to fight inflation. Supported by the elimination of disruptions on the supply side, it was a period of achieving positive results of the tight monetary standing to reduce price pressures while avoiding the recession scenario despite tightening measures, and only witnessing deceleration in the growth rate.

As for the US, the FED's stable monetary stance calmed inflationary pressures, which had hit all-time highs in the previous year, and the implications of these moves on growth were monitored. In tandem with monetary tightening, the solution to pandemic-related supply chain problems, and the easing of Russia-Ukraine tensions, CPI inflation fell slightly below 3% in June. Although this level pointed to a significant decline from 9% in 2022, annual inflation rose moderately to 3.4% in December 2023, as base support waned and inflationary rigidities remained at the forefront. On the other hand, in terms of monetary tightening, the extremely cautious and balancing use of liquidity tools is seen as a critical element in ensuring that the growth outlook remains positive despite the bold and determined moves on the interest side. The US economy ended

2023 with GDP growth of 2.5%, which is predicted to recess to 1.6% in 2024, depending on the delayed impacts of economic rigidities and tightening.

In the Euro Zone, where the delayed impacts of monetary tightening have become evident on a sectoral basis, the economic outlook leads to increasing downward risks on growth. The Zone's economy achieved a GDP growth rate of 3.4% in 2022, and only 0.5% in 2023. The recession of 0.3% in Germany, which is the driving force of the Euro Zone economy, plays an important role in the rising worries regarding the Zone. It is anticipated that the Euro Zone economy will show a GDP growth rate of 0.5%, in the light of the weak growth of 0.2% expected in Germany's economy for 2024. Despite the prominent weak outlook of the Euro Zone's economy, the most important component of 2024's challenging outlook is the expectation of converging to the medium-term target in 2025 at the earliest, due to ongoing inflationary rigidities. CPI ended 2022 with a single-digit but historically high level of 8.4% and ended 2023 with 5.5% because of the impacts of the tensions between Russia and Ukraine, the increase in energy inflation, the increase of import prices due to the weakening Euro, and salary increases on the rise that have been feeding the services inflation. After CPI recesses to 2.7% at the end of 2024, it is expected to



converge to the medium-term target of 2.1% in 2025 at the earliest. It is thought that policy interest is at its highest levels despite increasing downward risks on growth and ongoing belief in disinflation; however, according to the current outlook, it can be said that policy interest will remain high until inflationary rigidities are solved. In other words, in the ECB's dilemma of managing inflationary pressures or achieving growth, it will assume an attitude on inflation's side.

The Japanese economy grew by 1.8% annually with the support of diminishing supply chain problems, strengthening exports, and acceleration in tourism in the first half of 2023, and demonstrated a stronger development compared to its GDP growth rates of 1.15% in the first half of 2022 and 1.1% in the whole year. A growth rate of 2% was recorded in the whole year as the slowdown in consumption spending was balanced with investments and increasing exports. On the other hand, the current outlook suggests that a stalemate of low growth remains. An important pressure factor is the impact of the weak yen on domestic consumption and commodity imports. Moreover, no permanent recovery is expected for exports due to the weakening of China. Accordingly, the growth rate in 2024 is expected to recess to 0.8% due to the weakening of net exports, private investments, and consumption. Japan's CPI increase of 3.3% in 2023 was the highest level since 2014 due to the acceleration in the services inflation, while the 2024 outlook will depend on BoJ's policy preferences and the spending habits of the people. In light of the scenario that inflation may become permanent above the target, Japan is expected to end the yield curve control in 2024. However, in the current situation where permanent inflation is still questioned in the country and a theme of slowing down comes to the forefront in the world, a rapid and radical change of policy seems hard.

Chinese economy recorded a growth of 5.2% in 2023 when the zero COVID policy was ended and the growth composition was in favor of services. However, it remained below past growth rates that could lead to an increase in employment, due to factors such as the government's avoidance of taking broad supportive steps, a decline in the foreign trade surplus, a decrease in demand, and a slowdown in the real estate sector. Fixed capital investments maintain their weak outlook, while exports and imports, which declined by 4.6% and 5.3% respectively in 2023, are anticipated to increase only around 2% in 2024. Therefore, the growth expectation for China, which has a 35% share of global GDP, is at the level of 4.6% for 2024.

In summary, despite the stable hawkish policies implemented by developed countries in 2023, it is expected that global inflation, which only recessed to 6.9% due to prominent rigidities, will be at the level of 5.8% in 2024, remaining above the 2000–2021 level. Accordingly, it can be said that 2024 reflects a challenging period for developing economies, with the central banks of developed economies at the risk of maintaining the high-interest environment for a long time in their fight with inflationary rigidities.

In the meantime, the Turkish economy recorded an annual growth of 4.7% in the first nine months of the year, while the net foreign demand pulled down the growth rate by 4.1 points despite domestic demand's contribution of 8.7 points. Although industrial production slowed down due to tighter lending conditions, the services sector remained strong and was the main driver of growth. The agricultural sector, on the other hand, has been performing poorly for the last three years.

The inflation outlook was similar to the global inflation in 2023. The annual CPI inflation rate peaked at 85.51% in October 2022 and recessed sharply to 38.21% by the end of June 2023. The slowdown of inflationary pressures was affected by supply restriction indicators below historical averages, and short-

term demand-supply inconsistencies in some goods and services due to disasters, in addition to the decline in global commodity prices and transportation costs. Tightening lending conditions and decreased volatility in exchange rates are among additional supportive factors. However, the rapid depreciation in exchange rates after the elections, as well as cost- and demand-related pressures caused by salary and tax arrangements, led to another upward move in inflation at the beginning of the second half. Increases of unprocessed food prices beyond the impact area of the monetary policy, and the rigid services inflation were also effective in the fast comeback of inflation. Therefore, year-end inflation was realized as 64.77%, close to the level of 64.27% at the end of 2022.

After the interest rate reduction process, which took place from September 2021 to February 2023, was suspended in March, there was a period in which the policy interest rate was kept constant at 8.5% until June. In the first MPC meeting held after the presidential elections, it was determined that creating the monetary and financial conditions that would enable the main trend of inflation to decline and reach the 5% target in the medium term was necessary, and a significant change was made in the policy stance. Policy interest has increased to 45% with the monetary tightening stance, which has started as a front-end arrangement and is determined to continue in a timely and restrained manner if required.

Summing up, 2023 was left behind with substantial policy stances/transitions and partial rebalancing in both the global economy and internal dynamics. We envisage 2024 to be a critical period in which the effects/delayed impacts of the policy moves implemented to tackle economic imbalances will be seen. While the struggle to bring inflation back to medium-term targets despite rigidities is considered a common economic priority both externally and internally, this is expected to be achieved internally within the framework of macro-financial stability and more balanced growth.

## MARKETS

# Brokerage commission revenues increased.

By the end of 2023, share trading brokerage commission revenues corresponded to TL 1.137 million with a year-on-year increase of 49.80%.

The Halk Invest Markets Unit is structured on the Futures and Options Market, in which derivative instruments within Borsa Istanbul are traded, and Stock Market and Foreign Markets activities.

While the Markets Unit uses Halkbank's broad distribution network effectively, 10 investment branches, Stock Market, Derivative Instruments, Foreign Markets, and Corporate Brokerage departments provide services to investors through Halkbank branches in 81 cities across Türkiye. The Unit offers traditional brokerage services to private, corporate, and/or collective investment institutions willing to transfer the trading transactions to stock markets.

The dominance of Halkbank in the retail channel, the climb in the number of mass customers and customers preferring Halk Invest as well as innovations and developments put into practice in terms of service quality contributed to a rise in commission revenues.

### Equity Market

Halk Invest reached a transaction volume of TL 1.917 billion in 2023. The Company ranked 11<sup>th</sup> among 58 intermediary institutions and had a market share of 2.93%. By the end of 2023, share trading brokerage commission revenues corresponded to TL 1.137 million with a year-on-year increase of 49.80%.

### Margin Trading

Stock loans extended to the customers against securities collateral rose by 164.9% as of the end of 2023, compared to the same period of the previous year, and reached a daily average of TL 957.6 million.

Loan interest revenue generated from margin trading rose by 425.38 % compared to the same period of the previous year and reached approximately TL 683 million. In addition, an interest revenue of TL 614 million comprised of loan and default interests was generated.

In 2023, 367 Credit Committee decisions were made for 1,556 limit allocations/increases.

For loan limit demands, the customer must provide collateral to cover the 50% equity ratio of the portfolio value. The customer's current portfolio value must be higher than the loan limit.

Loan limit demands up to TL 10,000,000 are submitted to the Credit Committee while demands over TL 10,000,000 are approved by the Board of Directors following the approval of the Credit Committee.

### Foreign Markets

Brokerage activities in foreign markets are brokerage activities that are regulated with the permission of the CMB and allow resident individual and institutional investors to invest in the products (such as stocks, mutual funds, derivatives, and fixed-income products) of foreign capital markets.

Reporting to the Halk Invest's Markets Unit, the Foreign Markets Department was established to enable resident individual and institutional investors to have access to stocks and ETFs (Exchange Traded Funds) traded in the world's leading exchanges in terms of market depth such as Frankfurt, London, and New York, via desktop and mobile platforms.

Within this scope, an agreement was signed with the relevant foreign intermediary institution in 2021, and the mediation activities were resumed as of August 2022. Paris, Milan, and Madrid stock exchanges were added to the tradable exchange portfolio in this context.

### Derivative Instruments

As the first publicly-owned intermediary operating in the leverage trading market, Halk Invest has been sharing its technical infrastructure as well as its experience in pricing and liquidity management in international norms for Forex products with its investors since 2013.



**TL 291.5 million**

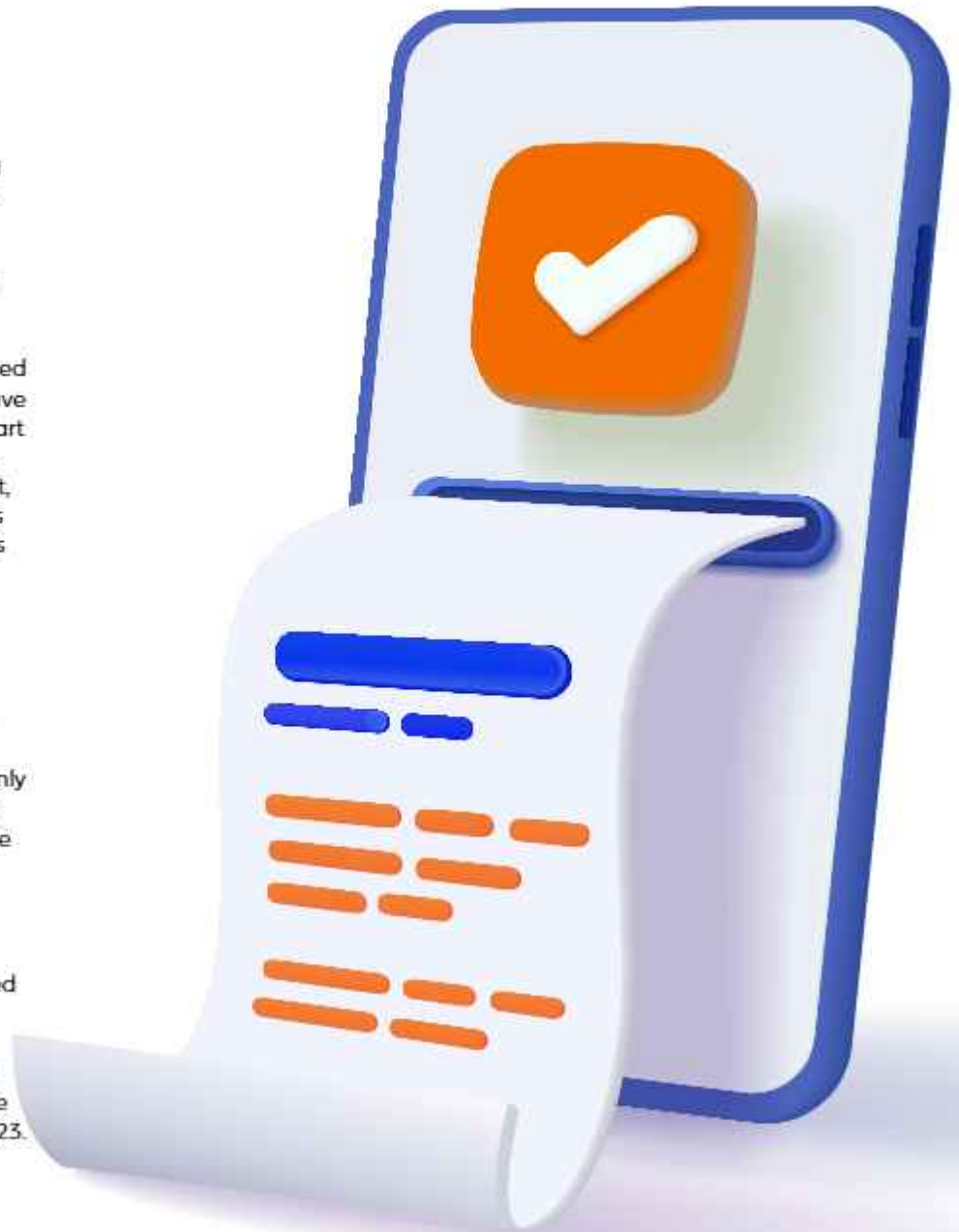
VIOP transaction volume

Customers can transmit their trading orders from the electronic platforms provided to them at no charge via personal computers, smartphones, or tablets and enjoy the advantages provided by the derivative markets.

Following the CMB communiqué issued in 2017, the leverage ratios of 1:100 have been reduced to 1:10 and an initial start limit of TL 50,000 was introduced for new accounts. After this development, the transaction volume and revenues in leverage trading contracted across the industry. Furthermore, in special circumstances, the CMB is entitled to limit the 1:10 leverage ratio down to 1:1 based on the product pair. Following the excessive volatility in product prices due to the pandemic, measures were taken to protect the customers and it was decided that only professional investors, whose criteria are determined by the CMB, will trade in this market.

As of the end of 2023, the number of open accounts is 1,634. The total transaction volume with LP amounted to USD 2.636 million.

The Bank reached a market share of 1.25% with a VIOP transaction volume of TL 291.498 million by the end of 2023. With this market share, it ranked 21<sup>st</sup> among 71 intermediaries and banks with an increase of 127.5% year-on-year.





## INVESTMENT ADVISORY AND CORPORATE BROKERAGE

# Smart Charts Module was added to the Smart Recommendation System (SRS).

“Smart Charts Module,” which highlights shares that can stand out positively or negatively within the day, and shows BIST 30 shares broken down in terms of daily changes, transaction volumes, and relative performances, was included in the SRS.

The Investment Advisory Department provides services related to all capital market instruments. The department provides financial solutions and suggestions that satisfy the expectations of investors, along with guidance and recommendations, ensuring that it is easier for investors to make final decisions.

This service is provided to customers under an Investment Advisory Framework Agreement and in accordance with the results of a suitability test. The Investment Advisory aims to expand an investor's knowledge and financial literacy. Suitability Test and Investment Advisory Framework Agreement can be accessed electronically to make access to services easier for investors.

In addition to conducting necessary informational activities offered to customers and sales teams regarding qualified capital market products and preparing customized analyses, the department continued its activities with projects aiming to contribute to the development of financial literacy.

The Smart Recommendation System (SRS) was established for Halk Invest customers. The SRS collects all financial market data and analyses, as well as the modules that assist in making investment decisions, on one platform. The system is targeted towards increasing the number of investors in the capital markets, as well as helping our current investors to build a knowledge base in terms of all financial services and ensure their success in investment decisions.

“Smart Charts Module,” which highlights shares that can stand out positively or negatively within the day, and shows BIST 30 shares broken down in terms of daily changes, transaction volumes, and relative performances, was included in the SRS. Efforts were also made to enhance the activities of Research, Treasury and Portfolio Brokerage, and Corporate Finance units; Corporate Brokerage, Stock Market, Derivative Instruments, and Private Transaction Center departments, as well as Branches and Qualified Investment Consultants, and to facilitate the access of our customers to these units and departments.

In 2024, Halk Invest will continue the works for mainstreaming the use of

the Smart Recommendation System (SRS), enriching its contents and updating the existing modules, as well as expanding the activities of Research, Treasury and Portfolio Brokerage, and Corporate Finance units and Corporate Brokerage, Stock Market, and Derivative Instruments departments, and facilitating the access of customers to these units and departments.

“Daily Technical Bulletin” reports covering trend follow-up levels during the day together with relevant support and resistance values as well as moving averages were prepared in 2023, in addition to ViOP technical analysis, Sentiment Algo, Analyst Advice and Target Prices, Investment Funds, Strategy Meeting Notes with the support of Research and Treasury departments, Foreign Clearing Rates, CBRT Securities Statistics, and Monthly Foreign Transaction reports.

Moreover, the preparation of projects and reports on different subjects will continue in order to be more effective in customers' investment decisions and increase their financial success in the upcoming period. Analysis and detailed research customized for investors' needs will contribute to the development of financial literacy skills, and support more conscious investment decisions.





In 2023, a series of YouTube videos was started and actively used to help customers access reports and index-based developments easily and understandably. Similar videos to inform investors will continue in 2024. The series aims to increase financial literacy skills and help investors to have a better understanding of changes and developments in financial markets.

Individual Portfolio Management (IPM) is a portfolio management service designed for individuals and institutions that is offered by expert portfolio managers to manage their savings in line with the management criteria such as benchmarking criterion, portfolio distribution composition, financial products and transactions to be included in the portfolio which will be determined by themselves.

IPM services are offered to qualified investors with a portfolio size of TL 5 million and above, through an "Individual Portfolio Management Framework Agreement" signed between investors and Halk Invest.

With this service, investors can channel their savings to opportunities in the markets without analyzing the news and data flow, without having to constantly and closely follow the markets, without dealing with complex financial calculations, and most importantly, by having more time for themselves and their business.

The Individual Portfolio Management service process takes place with the steps below:

- After determining the customer's investment objectives, the risks that can be taken, and the financial assets that will or will not be included in the portfolio, all criteria such as the benchmarking criterion used to compare portfolio performance, and fees and commissions are specified in the agreement in detail.
- Portfolio managers start the portfolio management process in accordance with the criteria set out in the agreement. Assets are distributed in the relevant portfolio, based on research and quantitative analysis.
- Portfolio performance is monitored in real-time, and portfolio managers implement the position changes and revisions as soon as possible, as required by market conditions.
- A management fee (based on the total portfolio size) and a performance commission (based on the benchmarking criterion) are charged for the Individual Portfolio Management service.

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**IPM services are offered to qualified investors with a portfolio size of TL 5 million and above, through an "Individual Portfolio Management Framework Agreement" signed between investors and Halk Invest.**

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## INVESTMENT ADVISORY AND CORPORATE BROKERAGE

# Portfolio size has been growing.

Portfolio size managed as part of the Individual Portfolio Management service exceeded TL 826 million within the year.

The Individual Portfolio Management service which started actively in 2019 is rendered to qualified individuals and institutions. In 2023, 70 individuals and institutions received the service. The managed portfolio size exceeded TL 826 million during the year.

In 2023, efforts to develop and improve the software infrastructure continued. Productivity increased with the changes made in the staff and the organization. Efforts are ongoing for Smart Recommendation System modules that are in line with the Department's services and are not available in Türkiye. Thanks to increased cooperation with third-party financial institutions, the service network was expanded with new products.

The Department will continue to leverage the deep-rooted history of Halk Invest's main shareholder Türkiye Halk Bankası A.Ş., and the expertise of portfolio managers with capital markets experience, to provide steady and consistent returns and offer the right products for different needs in portfolio management, as well as to deliver a steady performance that will satisfy investors in the long term, and to develop new financial instruments and alternative investment solutions by closely following the evolving market and industry dynamics.

### Corporate Brokerage

Lately, the resource requirements of companies in Türkiye have shifted from money markets to capital markets. The private sector companies wishing to improve their asset quality focus on capital markets. Following the new CMB communiqués, the market has become a platform where companies can borrow more efficiently.

Corporate sales and brokerage activities cover the corporate investment advisory services about capital markets, trade brokerage activities, participation in public offerings and private placements, transactions for listed corporations to purchase their own shares within the scope of the buyback communiqué, follow-up and control of Arbitrage Funds, Electronic Warehouse Receipt (ELÜS) transactions and other investment services and activities which are provided to asset management companies, collective investment institutions, insurance companies, private pension companies, retirement funds, foundations, and qualified investors.

The sales of all kinds of debt securities issued by public or private sector companies to "qualified investors" and the realization of securities market orders transmitted by "professional customers" for stocks, fixed-income securities, derivatives, FX, etc., are carried out in compliance with the relevant legislation.

2023 was a good year in terms of debt instruments and sukuk issues. We mediated TL 62,014,200,000 worth of transactions with 132 issues. This figure accounts for a market share of 13.50%.

The goals of the domestic sales function for 2024 are to expand the corporate customer base as well as develop the customer portfolio with a focus on individual customers through domestic sales and marketing activities and to expand the institutional investor portfolio which contains portfolio management companies, collective investment institutions, insurance companies, retirement funds, foundations, other investment institutions, and qualified individual customers, further. Furthermore, the Company continues its operations to consolidate and maintain its leading position in the debt instruments market in 2024 and produce the most appropriate solutions for the periodically changing trends and product needs of investors.





## SALES MANAGEMENT AND BRANCHES

# Incentive Premium Campaign was launched.

Sales Management and Branches Unit launched the Incentive Premium Campaign in coordination with Halkbank in order to raise sales activities and acquire new customers.

As of 2023, the Sales Management and Branches Unit obtained a total revenue of TL 15.6 million from 189 Eurobond transactions, and TL 20.2 million from TEFAS funds with an increase of 188% on an annual basis.

The Sales Management and Branches Unit offers services to add more value to the financial assets of qualified investors. It provides services to customers with alternative investment products such as fixed-income investment instruments, stocks, derivatives, and mutual funds, taking their risk and return expectations into account.

In coordination with Halkbank and Halk Invest branches, the unit introduces and provides information on products and services to branch managers and personnel in line with the Company's profitability and objectives.

The Sales Management and Branches Unit assumes a significant role in raising profitability and sales volume in mutual funds and Eurobond markets based on the targets in accordance with the relevant legislation while supporting Halk Invest's activities for equities and futures.

As of 2023, the Sales Management and Branches Unit obtained a total revenue of TL 15.6 million from 189 Eurobond transactions, and TL 20.2 million from TEFAS funds with an increase of 188% on an annual basis.

In 2023, deposits were channeled to approximately 1,075 different Halkbank branches by the Sales Management and Branches Unit, considering non-interest expenses, sales activities, and demands of Halk Invest branches.

The Unit launched the Incentive Premium Campaign in coordination with Halkbank in order to raise sales activities and acquire new customers.

In 2024, it is aimed to increase the number of corporate and individual customers and the transaction volume as part of sales activities and to achieve a higher level of income.

In 2024, it is aimed to develop new projects to provide special services for qualified investors in line with the needs of corporate and individual customers. In addition to these services, the organizations that will serve the sales network based on the demands of Halkbank and Halk Invest branches will be established.





### Digital Channels and Private Transaction Center

Halk Invest's Digital Channels and Private Transaction Center Department was built upon the activities of Branches, Private Transaction Center, and Digital Channels & Customer Satisfaction Center to offer services from all around Türkiye.

Utilizing the extensive distribution network of Halkbank, the Department enables a wide range of customers to access the markets. Additionally, services are rendered to investors with the branches located in 10 cities of Türkiye, and a Private Transaction Center at the Head Office.

Halk Invest also continues to make strong and sustainable investments with its ever-changing and -developing technological infrastructure in parallel with the developments and deepening of Turkish capital markets, and their expanding product range.

Halk Invest makes use of technology effectively to facilitate the access of investors to the markets. Thanks to the strong infrastructure of the internet branch, the Company can send orders to markets quickly and securely. Through the internet branch, customers are provided analyses and allowed to make transactions with orders such as Profit-Take, Loss-Cut, Conditional Order, and Time Order.

Halk Invest introduces the investors and the investment world to mobile devices with Halkbank, Halk Invest, and Halk Invest Exchange mobile applications.

Investors can easily perform their transactions, follow instant data flows, and have access to research reports and many investment advisory analyses through such applications. Halk Invest focuses on financial literacy with mobile solutions as well.

In 2023, 90% of the Equities Market transactions were performed through electronic platforms. 95% of investors carry out their transactions through electronic platforms. More than 100 thousand investors performed transactions on a singular basis whereas a daily average of over 200 thousand entries were made to the applications.

Investors can easily use electronic platforms anytime to make use of their savings in an effective way. With next-generation platforms and the internet branch, Halk Invest continues to be the smart financial assistant of investors and carries on all kinds of activities to

offer them a satisfactory investment experience. Moreover, the Customer Satisfaction Center plays an active role in ensuring customer satisfaction by promptly resolving customer complaints and the complaints received through the CMB, Cimer, BRSA and social media.

Digital Channels uninterruptedly continue their activities that renew themselves and manage investors' expectations. More comprehensive order types will be made available via the Internet branch in the upcoming period. A new mobile application will also be put into service in 2024.





## RESEARCH

# Smart Charts report is being prepared.

The Research Unit is preparing the Smart Charts report that covers short-term analyses and suggestions, and closely follows market dynamics and trends as well as foreign positions.

Halk Invest Research Unit provides the Bank and the Internal units, branches, and customers with timely and accurate market data. The Unit is also responsible for following and analyzing trends regarding global and domestic macroeconomic dynamics, making projections regarding the outlook of the economy and financial markets, and providing information support including analysis and forecasts.

The Unit prepares the Daily Bulletin, which includes expectations and predictions regarding financial markets, changes in financial indicators, and company news and developments every morning, and the Smart Charts report, which includes short-term analysis and suggestions, while closely following the market dynamics, trends, and foreign positions.

Moreover, Company Reports, which include investment opinions in line with financial statements announced by companies, and Sectoral Assessment Reports, which evaluate sector data and their effects on companies in BIST, are also prepared.

Consisting of the stocks selected by Halk Invest based on basic analysis, the Model Portfolio is dynamically managed within the framework of the determined market strategy.

Regarding the predictability of the global and domestic macroeconomic environment, the Outlook Report, which includes comprehensive and medium-term forecasts is prepared annually.

Models that include predictions and recommendations as a consequence of medium-term analyses of reviewed companies are created within the framework of the Chief Economist's macroeconomic projections and analysts' predictions on sectoral dynamics.

The Smart Charts report with short-term analyses and suggestions, market trends, and daily suggestions are used effectively by investors.

In addition, following the commissioning of these automated products, the increase in the diversity and depth of research unit products and services contributed to investor satisfaction. The Model Portfolio performance managed by the Unit earned a positive return of 47.6% relative to BIST in 2023. Maximum benefit was obtained from the efficient operation of the SRS (Smart Recommendation System), a digital platform that enables branches and customers to actively track the Model Portfolio in which opinions about stocks turn into concrete investment proposals.

The Model Portfolio performance managed by the Research Unit earned a positive return of 47.6% relative to BIST in 2023.

The priority targets of the Unit are to strengthen the Research support for the Investment Advisory Unit and customers through the enrichment of products with high market power, to increase the number of reports within the scope of Research by deepening the update reports for the industry and companies, and to strengthen the Company's market-leading role with accurate, timely and effective analysis reports.

Moreover, research reports and evaluations are shared on social media, especially Twitter and LinkedIn, and visibility on social platforms is increased with short information videos about research reports. The number of strategy briefings on economic and market developments, which are organized for internal units and external parties (banks, investors, etc.) at designated times, was also increased.





## TREASURY AND PORTFOLIO BROKERAGE

# Increase in the number of corporate customers

In 2023, the number of corporate customers, whose Borsa Istanbul Share Repo Market transactions are mediated, and transaction volume were increased.

### Treasury Department

The Treasury Department mediates the transactions of corporate and individual customers on the Borsa Istanbul Debt Instruments Market and Takasbank Money Market on one hand and manages the Company's collateral, equity, and cash flow on the other hand.

Halk Invest reached more individual and corporate customers thanks to its advanced technological infrastructure, and increased transaction volumes with its competitive prices while facilitating investors' access to markets.

In 2023, new corporate customers were included in the portfolio on the side of brokerage services and trading volume and commission revenues of the Borsa Istanbul Debt Instruments Market were boosted with the trading platforms offered.

In 2023, the number of corporate customers, whose Borsa Istanbul Share Repo Market transactions are mediated, and transaction volume were increased. Halk Invest became one of the few companies that can conduct transactions in this market.

T+0 application, which offers customers the opportunity to collect the clearing receivables arising from the sale of stocks on the same day, was completely moved online for a significant saving of time for investors.

On the side of shareholders' equity and cash flow management, the Company's trading transactions of debt instruments issued to the domestic and foreign markets by the public and the private sector within the scope of short-term and long-term expectations, and the projections made have continued with an increasing volume.

As the Debt Instruments Market operating within Borsa Istanbul is generally preferred for transactions, the over-the-counter market is also used frequently, especially for foreign currency debt instruments.

In 2023, Private Sector Debt Instrument Issues were on the rise with the effect of increasing transaction volumes in domestic markets and financing needs. In the last quarter, 19 issues with a total nominal value of TL 4.2 billion were performed, contributing to the Company's profitability with the effective use of borrowing sources.

The Treasury Department aims to obtain a higher market share by increasing the number of individual and institutional customers and the transaction volume reached within the framework of its brokerage activities in 2024.

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**T+0 application, which offers customers the opportunity to collect the clearing receivables arising from the sale of stocks on the same day, was completely moved online for a significant saving of time for investors.**

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### **Portfolio Brokerage and Digital Strategies Department**

Portfolio brokerage relates to the activity whereby investment institutions undertake their customer's capital market buy and sell orders as the counterparty.

The Portfolio Brokerage Department determines the security prices to be applied to customers during the realization of customers' buy and sell orders related to securities.

The Portfolio Brokerage also offers derivative products, known as structured financial instruments, in addition to the major traditional products in the industry. The department adds these instruments to traditional investment portfolios.

In 2023, activities were carried out for developing domestic products based on the derivative transactions in organized and OTC markets, and the needs and demands of the individual/institutional investors, pricing such products and ensuring liquidity. Besides, the diversity of Eurobonds offered to customers and the quality of their prices were enhanced in 2023 by raising the number of Eurobond liquidity provider institutions.

In 2024, the Department will continue the activities for developing the products of the Derivatives Market and OTC derivatives and carrying out OTC foreign currency bond transactions in line with the needs of individual/institutional customers.

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**The diversity of Eurobonds offered to customers and the quality of their prices were enhanced in 2023 by raising the number of Eurobond liquidity provider institutions.**

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## CORPORATE FINANCE

# 80 debt instruments were issued.

In 2023, 80 conventional debt instruments (TL 48.6 billion) were issued by Halk Invest.

The Corporate Finance Unit is responsible for debt instrument issues, public offerings, and sukuk issues, as well as merger and acquisition brokerage and consultancy activities.

The Unit provides brokerage and advisory services to companies seeking to expand their range of operations, enter new markets and increase their competitive edge, meet capitalization needs or go public in capital markets to bolster their corporate reputation, issue debt instruments or Sukuk, and conduct domestic/foreign partnership or share sales transactions.

As part of Halk Invest's corporate finance activities in 2023, the Unit predominantly performed debt instrument, sukuk, and public issues in line with developments in financial markets.

In 2023, Halk Invest undertook 132 transactions amounting to TL 62 billion in total. Of those transactions, 52 were sukuk issues (TL 13.6 billion) while 80 were the issues of conventional debt instruments (TL 48.6 billion). The Company ranks second in the market with the issues it undertook in 2023.

### IPO Leaderships

In 2023, Halk Invest completed 7 public offerings of TL 6.3 billion in total, including Fuzul Gayrimenkul Yatırım Ortaklığı A.Ş. with a value of TL 817.5 million, ASCE Gayrimenkul Yatırım Ortaklığı A.Ş. with a value of TL 2.079 billion, Baydöner Restoranları A.Ş. with a value of TL 378 million, Tarkim Bitki Koruma Sanayi ve Ticaret A.Ş. with a value of TL 537.5 million, Gıpta Ofis Kırtasiye ve Promosyon Ürünleri İmalat Sanayi A.Ş. with a value of TL 836 million, Pasifik Eurasia Lojistik Dış Ticaret A.Ş. with a value of TL 850 million, and Batı Ege Gayrimenkul Yatırım Ortaklığı A.Ş. with a value of TL 870 million.

### Sukuk Issues

In 2023, it undertook 9 sukuk issues amounting to TL 1.6 billion, with its sukuk issue structure based on a management contract featuring an asset portfolio that included the fiber internet infrastructure services of Turkcell Superonline, a subsidiary of Turkcell, which is one of the major digital operator companies in Türkiye, with Halk Varlık Kiralama A.Ş. (Halk VKŞ) as the issuer.

In 2023, Halk Invest performed 12 sukuk issues amounting to a total of TL 1.2 billion, based on a management contract for Halk Gayrimenkul Yatırım Ortaklığı, which realized the first sukuk deal in the real estate investment trust industry and in which Halk Varlık Kiralama A.Ş. (Halk VKŞ) participated as the issuer.

A total of 3 sukuk issues corresponding to TL 538 million were carried out based on a management contract. Halk Varlık Kiralama A.Ş. (Halk VKŞ), which performed the first sukuk deal on behalf of Halk Finansal Kiralama A.Ş. (which operates in the financial leasing industry), participated as the issuer.

Halk Invest undertook one sukuk issue for Kayseri Şeker, Türkiye's second-largest sugar producer, with a total amount of TL 52 million based on a management contract. In the issue, the asset portfolio was beet sugar (crystal sugar) included in quota A, at the rate of 120% of the issue amount.

In 2023, the Turkish Grain Board ("TMO"), which operates in Türkiye's agricultural product markets, performed 5 sukuk issues based on a management contract. In the issue where Halk VKŞ is the issuer and Halk Invest is the intermediary, the total amount corresponded to TL 4.3 billion.

Paycell, a subsidiary of Turkcell, operates in the field of payment and electronic money services. In 2023, 10 sukuk issues amounting to a total of TL 1.7 billion were issued for Paycell based on a management contract. In the transaction, Halk Varlık Kiralama A.Ş. (Halk VKŞ) was the issuer.

In 2023, Emlak Konut REIT, Türkiye's largest real estate investment trust, undertook 10 sukuk issues with a total value of TL 3.7 billion in which Halk VKŞ participated as the issuer and Halk Invest participated as the intermediary.





In 2023, Dinçer Lojistik, one of Türkiye's leading logistics companies, undertook one sukuk issue based on a management contract. The issue amounted to TL 130 million with Halk VKŞ as the issuer and Halk Invest as the intermediary.

In 2023, Yes Oto (Enterprise), the world's largest car rental company, undertook one sukuk issue based on a management contract. The issue amounted to TL 125 million with Halk VKŞ as the issuer and Halk Invest as the intermediary.

#### Issuance of Debt Instruments

In 2023, 80 conventional debt instruments (TL 48.6 billion) were issued by Halk Invest, which ended 2023 as the third largest issuer with a market share of 13.10% as a consequence of debt instrument issues corresponding to TL 48,558 million.

Halk Invest, a wholly-owned subsidiary of Halkbank which keeps providing services with a countrywide branch network and overseas offices, mediated Halkbank's 46 debt instrument issues amounting to TL 39,559 million in 2023.

Halk Invest started to offer brokerage services to Turkcell Finansman A.Ş., one of Turkcell's group companies, for debt instrument issues in 2022. In 2023, 5 debt instruments with a total amount of TL 925 million were issued for Turkcell Finansman A.Ş.

In addition to issuing sukuk on behalf of Halk Finansal Kiralama A.Ş. ("Halk Leasing") operating in the financial leasing industry, Halk Invest issues debt instruments as well. In 2023, 8 debt instruments with a total amount of TL 1,527 billion were issued for Halk Leasing.

In 2023, Halk Invest started to issue debt instruments for Aztek Teknoloji, the distributor of leading brands in the Turkish technology and consumer electronics accessory market. In 2023, one debt instrument with an amount of TL 400 million was issued for Aztek Teknoloji.

Halk Invest issues sukuk and debt instruments for the Turkish Grain Board ("TMO") which operates in Turkish agricultural product markets. In 2023, one debt instrument with an amount of TL 2 billion was issued for the Turkish Grain Board.

## TL 62.2 billion

Debt instrument and sukuk issue size in 2023

19 debt instruments, which amount to TL 4.1 billion, were issued in 2023, and Halk Invest acted as the issuer.

In 2024, the Unit aims to contribute to the growth of the market by developing debt instruments and structuring new products in the sukuk market; sustainably capturing higher market share; and bolstering its market position through qualified transactions in merger and acquisition advisory.

Year	(TL Billion)
2021	21.6
2022	30.8
2023	62.2



## CROWDFUNDING PLATFORM AND VENTURE CAPITAL ADVISORY

# Access to innovative projects with high potential

With Fonlabüyüsün, investors can access innovative projects with high potential.

Fonlabüyüsün was authorized by the Capital Markets Board on September 30, 2021 to engage in Equity-Based Crowdfunding activities as a service of Halk Yatırım Menkul Değerler A.Ş. As part of Halk Invest, Fonlabüyüsün is one of the Türkiye's first platforms that are serving in the area of equity-based crowdfunding.

Fonlabüyüsün offers entrepreneurs the opportunity to introduce their projects to a large number of users and investors and to access necessary capital and attract potential customers through the equity-based investment model. With Fonlabüyüsün, investors can access innovative projects with high potential.

Fonlabüyüsün basically focuses on deep technology startups in the early stages of their life cycle. Within this scope, the platform primarily operates:

A. Towards the growth capital for high tech startups that are

- Targeting the global markets,
- Focusing on business-to-business (B2B) customers,
- Offering innovative engineering solutions and industrial products and/or services,
- Taking sustainability and the concept of circular economy as the basis,
- Closing or within the commercialization scale up stage of their life cycles.

B. Towards commercially innovative and distinctive companies that are

Targeting the global markets,

- Focusing on B2B (business-to-business), B2B2C (business-to-business-to-consumer) including but not limited to corporate customers,
- Offering innovative engineering solutions, products and/or services,
- Taking sustainability and the concept of circular economy as the basis,
- Having innovative business models that cannot be easily or quickly replicated by competitors using only financial resources.

For the evaluation of initiatives and companies in both categories (A and B), the goal is to highlight initiatives that focus on sustainability and the circular economy, positioning them to attract the interest of global investors in upcoming investment rounds.

These startups may be affiliated with technoparks, acceleration programs, incubation centers, and other cooperating investors such as Yıldız Tekno GSYO A.Ş. and projects that apply directly through the platform are evaluated as well.

In this regard, cooperation agreements have been made with leading technoparks across Türkiye, including YTU Yıldız Technopark, Özyeğin University, Bilkent Cyberpark, Gaziantep Technopark, Boğaziçi University Technology Transfer Office, Teknopark İstanbul A.Ş., Gebze Technical University Technology Transfer Office, Manisa Technocity, Technopark İzmir, Sakarya Technocity and Serhat Technopark.

In addition to cooperations, Fonlabüyüsün Venture Capital Investment Fund (Fonlabüyüsün GSYF) was established by Ziraat Portföy A.Ş. with the support of Fonlabüyüsün crowdfunding platform and, its issue document was approved by the Capital Markets Board (CMB) and published on CMB Bulletin no. 2022/70 dated 15.12.2022. Under the scope of the issuance document, Fonlabüyüsün GSYF started demand collection for contributions as of December 26, 2022, and made its first investment in the Tsmec Project through the Fonlabüyüsün Crowdfunding Platform in 2023.

The contribution of initiatives with global market growth potential, that produce and utilize technology effectively, and target B2B customers, will be beneficial to our country's growth targets and high value-added exports, benefiting all ecosystem stakeholders. Focusing on sustainability and circular economy, it is aimed to put forward initiatives that will attract the attention of global investors in successive investment rounds.

### Non Nocere

In line with Türkiye's growth goals, Fonlabüyüsün crowdfunding platform focuses on developing high-value-added exports. It launched its first campaign on 28.11.2022, which concluded successfully in a short time due to significant interest.

Non Nocere is a virtual platform designed to address the challenges faced by junior and specialist surgeons in their medical training by providing modern solutions for skill acquisition. This training platform ensures that doctors receiving surgical training can enhance their knowledge, skills, and experience in a virtual reality environment independently of time and space, and repeat what they have learned whenever they need.

Non Nocere campaign started to collect investment demands on 28.11.2022, with a funding target of TL 7,500,000, and ended on 09.12.2022, by collecting TL 10,418,400 from 540 investors and exceeding the additional funding limit of 20%. Pursuant to the "Communiqué on Crowdfunding," the amount exceeding the additional funding limit of 20% was refunded to the investors. The remaining amount with the additional funding limit as TL 9,000,000 was transferred to the funded startup after the shares were dematerialized at the Central Securities Depository of Türkiye at the beginning of 2023 and distributed to the investors of the campaign.

### Afara

To address the need for automation in the agricultural sector, Fonlabüyüsün Crowdfunding Platform launched the Afara Residual Cotton Collection Robot Project campaign. This robot, which can solve one of the major problems for cotton growers by collecting more than 70% of the residual cotton (afara) in the field after harvest, was introduced to investors on 26.12.2022.

Patent applications for the Afara Agricultural Robot have been made both in Türkiye and internationally. The robot collects residual cotton by detecting its coordinates on the ground after harvest and has the potential to provide valuable data to the agricultural sector by calculating the soil surface area and the ratio of residual cotton in the field.

Developed completely with domestic and national resources, and received R&D and P&D (Production & Development) support from KOSGEB (Small and Medium Enterprises Development Organization of Türkiye), Afara Agricultural Robot identifies its primary target markets as North and South American countries, which are home to the world's largest cotton producers, as well as Türkiye, China, India and Uzbekistan.

An equity-based crowdfunding campaign was organized to raise the funding target of TL 5,600,000 for the Afara Residual Cotton Collection Robot project. The shares of Afara, which raised a total of TL 5,899,800 from 600 investors between 26.12.2022 and 23.02.2023, were dematerialized at the Central Securities Depository of Türkiye, distributed to the campaign investors, and subsequently transferred to the funded venture company.

**Afara Agricultural Robot identifies its primary target markets as North and South American countries, which are home to the world's largest cotton producers, as well as Türkiye, China, India and Uzbekistan.**





CROWDFUNDING PLATFORM AND VENTURE CAPITAL ADVISORY

# Crowdfunding brokerage services

Fonlabüyüsün is one of the Türkiye's first platforms that are serving in the area of equity-based crowdfunding.

Fonlabüyüsün basically focuses on deep technology startups in the early stages of their life cycle.

#### Tusmec

The crowdfunding campaign of Tusmec 'Robotic Swarm Systems' Project, an incubation initiative of Gaziantep Technopark, started on 28.11.2023.

Tusmec produces autonomous 'heterogeneous swarm systems and software' for the logistics and disaster sector. With its coordinated unmanned aerial vehicles (UAVs) and ground vehicles (UGVs), it develops deep technology-oriented solutions for primarily agricultural and logistics sectors. Tusmec, which carries out software and algorithm studies in the field of image monitoring and analysis, aims to accelerate search and rescue operations in reaching disaster victims by using UAVs and UAVs effectively in disaster areas. Tusmec plans to expand its target sectors to entertainment, security, and defense industries.

Tusmec campaign, which started to collect investment demands on 28.11.2023 with a funding target of TL 4,200,000, ended on 07.12.2023 by exceeding the additional funding limit of 20% and collecting TL 5,298,276 from 797 investors. Pursuant to the "Communiqué on Crowdfunding," TL 5,040,000, which is 20% more than the target fund, was transferred to the funded startup after the shares were dematerialized at the Central Securities Depository of Türkiye and distributed to the campaign investors.

#### Inlog

The crowdfunding campaign of 'Inlog Autonomous Order Preparation and Storage Systems' project, an incubation initiative of Sakarya Technocity, started on 27.11.2023.

The Inlog Project is an integrated solution with mechatronics, automation, and software components that works on the principle of realizing in-warehouse logistics operations through robots that can move on vertical and horizontal axes. In this system, which is designed in accordance with the 'Dark Warehouse' concept within the scope of Industry 4.0, warehouse areas are designed only for robots to work without the use of manpower. Inlog Project aims to minimize errors in the preparation of orders, accelerate delivery, and provide cost advantages to businesses operating in the e-commerce sector.

Inlog campaign, which began collecting investment demands with a funding target of TL 3,000,000, exceeded the additional funding limit of 20%, raising TL 3,805,444 from 742 investors before concluding on 21.12.2023. Pursuant to the Communiqué on Crowdfunding, 20% more than the target amount, totaling TL 3,600,000, was transferred to the funded venture company after the shares were dematerialized at the Central Securities Depository of Türkiye and distributed to the campaign investors.



**Badgeway**

Badgeway, the "New Generation Career and Competence Management" project, an incubation initiative of YTÜ Yıldız Technopark, offers a software and platform service that will contribute to internationalization and digital transformation by providing solutions related to micro-competencies, open badges, and digital wallets for the education sector. In addition to digital solutions in the field of education, Badgeway also aims to develop business models covering financial product and service solutions for extensive national and international student ecosystem.

Badgeway, as a new initiative of an experienced team that offers software solutions for Erasmus+ and other exchange mobilities at 90 universities in Türkiye and more than 30 universities abroad, started to collect investment demands on 25.12.2023.

Badgeway campaign, which had a funding target of TL 5,100,000 ended on 02.01.2023 by exceeding the additional funding limit of 20% and raising TL 6,192,822 of funds from 177 investors. Pursuant to the "Communiqué on Crowdfunding," TL 6,120,000, which is 20% more than the target fund, was transferred to the funded startup after shares were dematerialized at the Central Securities Depository of Türkiye and distributed to the campaign investors.

Initiatives whose campaigns have ended and come to life announce their developments on the Fonlabüyüsün campaign pages and improvements and updates concerning the startups are shared with our members through the campaign page and various communication channels.

**2024 Targets**

In 2024, aligning with its strategic goals, Fonlabüyüsün plans to continue conducting crowdfunding campaigns for initiatives in the early stages of their life cycle, which focus on deep technology and will contribute to our country's growth targets, and high value-added exports.

Following the successful campaigns on Fonlabüyüsün in 2023, the new startup called Orbiba Robotics started to collect investment demands for "AI-supported Autonomous Agricultural Robot" in January 2024. Orbiba Robotics, which actively supports environmental sustainability and the ecosystem in agriculture, offers Türkiye's first agricultural robot solution for weed control. The company develops robotic solutions and software for the global organic agriculture market. Equipped with advanced sensors, Orbiba Robotics' systems can detect biodiversity and measure values such as soil moisture and organic matter. These insights, provided through detailed analysis, help farmers address issues like plant stress, disease, and insect infestation.

In 2024, the goal is to organize various meetings and events and/or participate in invited organizations to raise awareness of crowdfunding activities and to increase the recognition of Fonlabüyüsün Platform. In addition, it is aimed to sign cooperation protocols with technoparks and continue to work towards the development of the entrepreneurship ecosystem in our country based on cooperation.

**In 2024, the goal is to organize various meetings and events and/or participate in invited organizations to raise awareness of crowdfunding activities and to increase the recognition of Fonlabüyüsün Platform.**

## INFORMATION TECHNOLOGIES

# Configuration works have been accelerated.

Technological and architectural configuration works have been accelerated to ensure continuity and meet the workload that increased in parallel with the number of customers, product diversity, and number of transactions.

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**In 2023, works were conducted for a strong infrastructure to carry out services uninterruptedly so that the system load due to new customers and interest in the stock market do not affect the service quality.**

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### Investment Policies and Practices

Halk Invest continues its technological investments to provide its wide customer group with high-quality, safe, and fast services in consideration of changing needs in capital markets.

Technological and architectural configuration works have been accelerated to ensure continuity and meet the workload that increased in parallel with the number of customers, product diversity, and number of transactions. Accordingly, work has been continuing for the use of new-generation servers, faster network devices, and firewalls.

### Hardware and Infrastructure Revision

In 2023, works were conducted for a strong infrastructure to carry out services uninterruptedly so that the system load due to new customers and interest in the stock market do not affect the service quality.

In this context, new servers were added to the infrastructure, and server updates were made. Moreover, radical changes were made in virtualization infrastructure. The Company developed projects to renew the information technologies infrastructure due to the increasing workload in recent years and the growth potential of the markets in the future. As planned, the work will be completed within the first six months of 2024.

### Digital Channels Transformation Plan

Due to advancing technology and changing customer expectations, one of Halk Invest's important missions is to ensure that alternative transaction channels are kept up-to-date in order to provide easier access to financial information and enable faster transactions.

As part of the two-year digital transformation plan for transaction channels, activities were initiated in 2023. The new mobile application project is planned to be launched in the first quarter of 2024. Works have been initiated to integrate new modules through both native and MicroApp methods in order to increase service diversity in the new mobile application, which will have alternative screen options according to customer authorizations, habits, and transaction preferences. The modules that have started to be integrated into the mobile application as MicroApp are as follows:

- Model Portfolio Module with trade entry integration,
- Investment Advisory Module with trade entry integration,
- Fonlabüyüsün Module to popularise the use of crowdfunding platforms.

In addition to these, improvements will be made to increase customer efficiency with additional modules that will start operating in 2024.



Since the new mobile application is designed in a modular structure, there is no obligation to update the version in the markets. In this way, it is ensured that developments are made quickly and independently.

The new corporate website was launched in 2023.

Within the scope of the two-year digital channels transformation plan, studies covering all transaction and service channels are ongoing. Following the launch of the new mobile application, work will continue on the new internet branch, modernization of financial portals, and configuration of other mobile applications.

#### Decision Support System – CRM Study

The Decision Support System project, which was planned to be implemented to monitor digitalized services and increase customer profitability, made significant progress during the three-year development period as planned.

In 2023, with the Data Warehouse project, the third phase of the Decision Support Systems project, the infrastructure for business units to make dynamic reporting without the support of the Information Technologies unit was established. ETL work was completed in the data warehouse created during the third phase studies. The project will be opened to the service of business units in the first quarter of 2024 upon completion of the tests.

In 2024, digital traces created by customers in transaction channels will be included in the data warehouse, and 360-degree analysis will be possible by matching personal and transaction information with digital traces in the data warehouse.

Thanks to the Data Warehouse and dynamic reporting module, customer data will be analyzed faster and more effectively, increasing customer satisfaction and productivity. Moreover, customers can be segmented according to selected criteria and usage habits.

#### Robotic Process Automation

In order to reduce the increasing workload of the business units, the routine business processes of the employees were transferred to RPA and the integration was completed. The 2024 target is to move the processes that will fill the 24 hours of RPA onto the system.

These studies aim to take routine work on RPA and utilize the time of employees with value-added work.

With the processes created during off-hours with robotic automation, effective use of time was made possible, and routine tasks that needed to be completed until the beginning of the day were carried out at night through RPA.

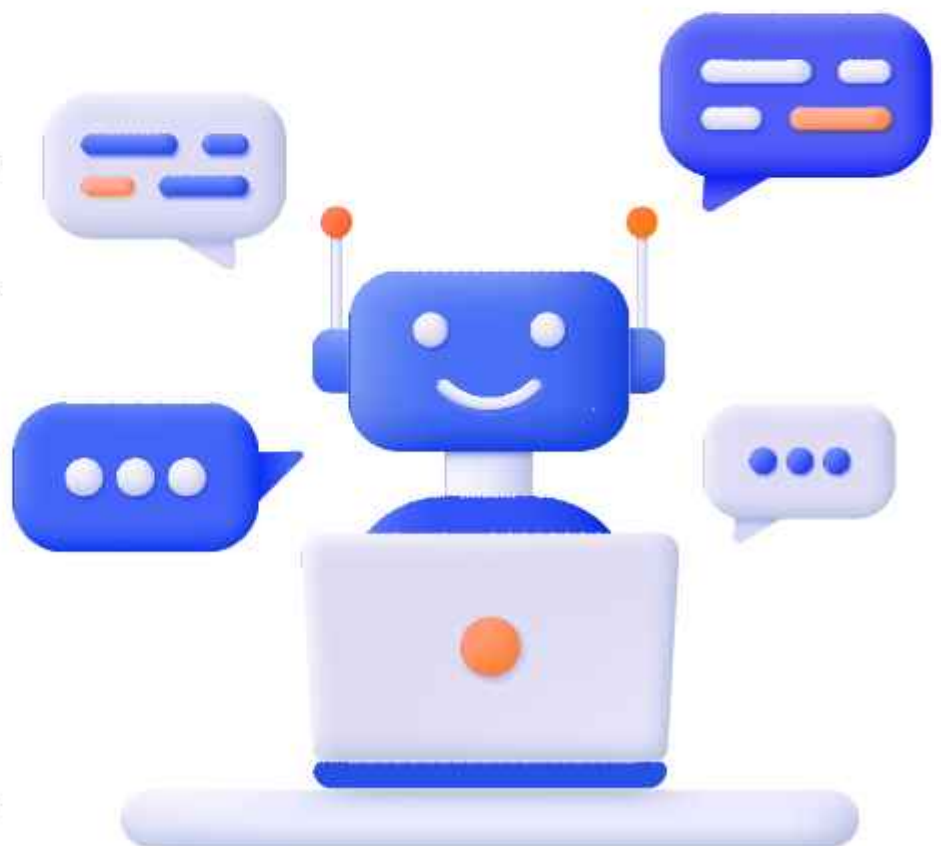
So far, with eight processes on RPA, employees have saved about two hours a day. The goal for 2024 is to increase this time by handling many more processes.

#### Logging Architecture Study

In order to alleviate the instantaneous load on the logging structure database, work on the creation of an asynchronous structure by integrating a different layer has been completed. With the new layer, it is ensured that the database is prevented from being under load by sending the data to a different environment and then writing it to the database, especially when the system density is at its highest.

#### Test Automation Infrastructure Integration

In 2023, test automation infrastructure was started to be used. In 2024, test applications will be integrated into our systems to analyze applications and infrastructure under load.



## INTERNAL AUDIT SYSTEMS

# Policies are being subject to compliance audits.

Halk Invest's Internal Audit Systems Unit consists of the Audit Department, Internal Control Department, Risk Management Department, and Compliance Department. Independence within the Organization was ensured by taking the Unit's activities in the trust of the Board of Directors. Audits are conducted to ensure that activities of all Halk Invest business units, including the head office and external affiliates are carried out in line with the management strategy, efficiently, orderly, and in accordance with applicable laws, rules, regulations, and institutional policies. Periodic reports are submitted to the Board of Directors via the Audit Committee and the Early Detection of Risk Committee.

### **Audit Department**

Independent from the Company's daily activities, the Audit Department conducts audits of compliance with legislation and Company policies based on the needs of the management and structure of the Company. Audits of the Department cover all activities and units of the Company, especially the functioning of the Company's internal control system, and provide an assessment related to these fields. As part of the annual audit program, process audits, branch and department audits, and other examinations are performed.

### **Internal Control Department**

Internal Control Department supervises and controls the Company's organizational plan and all related principles and procedures to ensure that all affairs and transactions of the Company, including external affiliates, are performed regularly, efficiently, and effectively in accordance with the management strategy and policies within the framework of the current legislation and rules, and achieving integrity and reliability of the account and record order and acquisition of the information in the data system in a timely and proper manner, and preventing and detecting mistakes, frauds, and irregularities.

Internal control activities are organized and maintained as an integral part of the daily activities in a way that allows monitoring of the identified risks.

### **Risk Management Department**

It establishes the necessary methods, tools, and implementation procedures for identifying, measuring, monitoring, and controlling the risks carried by the organization. For this purpose, periodic assessments, measurement, reporting, and control activities are performed on a daily, weekly, and monthly basis.

The Department monitors conformance of the activities to management strategies, risk preferences, and portfolio limitations, regularly monitors the risk limits approved by the management, and the risks to which the portfolios monitored are exposed, and generates and implements the risk management system which will measure and control risks, prepares the relevant reports to eliminate the risk-generating activities and ensures that necessary measures are taken.

### **Compliance Department**

The Department ensures the implementation of the compliance program established to achieve compliance with national and international regulations and Group policies and procedures as part of the strategy to combat the laundering of proceeds of crime and financing of terrorism.

Periodic inspections are carried out for the detection of possible suspicious transactions within the scope of MASAK regulation.



## FINANCIAL MANAGEMENT AND REPORTING

# Qualified information on financial situation

The Financial Management and Reporting Unit takes into consideration the expectations of all stakeholders in planning the future of accounting and financial reporting as well as in determining competencies and goals. The Unit provides qualified information regarding the financial status, financial performance, and changes in the financial situation of the Company to the decision-makers in order to be used in their decisions. In this regard, the quality of the reports is increased with the training provided to the employees.

The Unit creates permanent value for all stakeholders by transparently providing accurate data in its financial reports.

Based on the accounting policies, it is ensured that the senior management is informed regularly regarding the realization of budget targets during the year.

The company achieved its budget targets in 2023.

The Financial Management and Reporting Unit conducts activities under four main axes:

- Financial reporting, budget, and performance
- Accounting
- Company cash flow transactions (TL and FX)
- Activities carried out within the scope of Compliance with Corporate Governance Principles

Interaction and coordination with all Units/Departments of the Company within the framework of Corporate Governance Principles are carried out by the Financial Management and Reporting Unit manager.

The Unit is responsible for supervising and monitoring the fulfillment of obligations arising from the Capital Market Legislation, including all kinds of issues related to Corporate Governance Principles, compliance activities, and public disclosure. Within this framework, the interaction and coordination provided with all units of the Company are ensured again by the Unit.

As the Unit that prepares the balance sheet, it is responsible for issuing the legal reports stipulated by the legislation, ensuring communication with regulatory and supervisory authorities in these processes, and managing relations. In this context, the Unit prepares the documents related to the General Assembly and the Board of Directors meeting that must be submitted for examination.

It is responsible for electronically and systematically retaining and managing all kinds of records, documents, forms, invoices, etc. used by different users via the Electronic Document Management program. The Unit systematically combines business activity results and figures obtained from different business lines.

The Unit also presents the relation of these figures to each other in projections published in accordance with financial reporting techniques. Thanks to the improvements made in business intelligence applications and automation solutions, access to financial reports, in which the Company's budget realizations and sector comparisons are calculated, is provided via the system.

An annual Affiliation Report is issued regarding the Company's relations with parent and affiliate companies as per the provisions of Articles 195 and 209 of the Turkish Commercial Code no. 6102.

In the operating year of 2023, the Company did not carry out any legal transactions with our parent company Türkiye Halk Bankası A.Ş., and/or the affiliate companies of the parent company. Also, the Company did not carry out any legal transactions to the benefit of our parent company Türkiye Halk Bankası A.Ş., and/or the affiliate companies of the parent company, following a request by the parent company. There have not been any actions taken or refrained from being taken, to the benefit of Türkiye Halk Bankası A.Ş. or its affiliate companies.

In 2023, all of the commercial activities that took place between the Company and the parent company or with the affiliates of the parent company were realized under the prevailing market conditions.

## OPERATIONS

# Follow-up and control convenience in processes

The additional workflows to the document tracking system established within Halk Invest have provided follow-up and control convenience in processes.

The Operations Unit consists of Share and Credit Operations; Derivative, Foreign and Fixed Income Securities Operations; and Customer Operations. The Unit plays a major role in all projects carried out within the Company. Activity-based operational processes are conducted in all departments under the unit and customer satisfaction is prioritized along with the corporate risk in workflows.

The following activities are within the scope of the Operations Unit:

- Stock operations
- Debt instrument operations
- E-warehouse receipt operations
- Derivative instruments operations
- Issuer company operations
- Fund operations
- Cash operations
- Credit operations
- Customer operations

The Unit aims to reduce operational risk by moving its workflows to electronic platforms. The additional workflows to the document tracking system established within the Company have provided follow-up and control convenience in processes.

A joint work group is formed with the research and business units for Corporate and market risk detections in the lending methodology. By this means, the customer and corporate risks are equally assessed during the risk assessments performed.

Halk Invest is the only broker that provides trading services in E-Warehouse Receipt (ELÜS) transactions carried out at TURİB. ELÜS transactions are managed by the Operations Unit. In this way, the Company allows its customers to trade at TURİB.

Customers' transactions or bids under the Securities Lending Market are carried out by the Share and Credit Operations Department. As customers' demands are met under the Securities Lending Market, the long-term investors are provided with the opportunity to make bids at the Securities Lending Market.

The Share and Credit Operations Department supports the issuer companies in their transactions before the Central Registry System. The transactions of the issuers at the Central Securities Depository of Türkiye are carried out in line with our authority.

In light of the amendments made as part of the legislation, Halkbank customers were provided with the opportunity to open an investment

account electronically. The Customer Operations Department is actively involved in all stages of the project. In the coming period, it will also be possible to open investment accounts through the Company's electronic platforms as part of the legislation. Business development processes regarding the subject are ongoing.

By automating the blockage application used by investors through CRA (after unblocking), the system was developed to ensure that investors' order transmission process to Borsa İstanbul is faster.

Process tests regarding the structuring of the products of business units and providing the automation infrastructure are also carried out by the Operations Unit.

The Unit fulfills all other requests of the customers other than market transactions and makes a significant contribution to customer satisfaction. The Operations Unit complies with all relevant legislation and fulfills its responsibilities to regulatory bodies.





## HUMAN RESOURCES AND CORPORATE COMMUNICATION

# Halk Invest has 166 employees.



Halk Invest has a qualified, experienced, and highly skilled employee profile with the licenses required by capital markets. In 2023, there are 166 employees (42% women and 58% men). 97% of the employees received university education.

While rendering capital markets brokerage services, Halk Invest applies contemporary human resources management principles aimed at attracting, developing, and retaining talented employees, with the awareness that it is the qualified employees who make the difference in superior success.

Halk Invest believes in the unique effect of synergy in its Human Resources policy. From individuals to teams, from teams to the great Halk Invest family as a whole, outstanding success belongs to the employees.



The recruitment process at Halk Invest is carried out with objective evaluations within the scope of modern human resources functions. Each recruited employee is assessed according to their knowledge, skills, abilities, and performances, and continue their career at Halk Invest.

Through human resources activities such as performance management, training and development management, and career management, Halk Invest provides employees with the necessary corporate support for a long and successful career journey.

In 2023, all human resources processes were reviewed, and as-is and to-be analyses were conducted. Improvement and development plans were created accordingly, and priorities were determined. The process started with operational improvements, followed by functional improvements.

A new performance and premium system was designed and put into practice in line with the Company's needs. Each employee's contribution to the overall success was evaluated with business targets and competency assessments. Successful employees were rewarded and development plans were created for employees with developmental needs.

#### Corporate Communications

Working to ensure information flow and integration in Halk Invest's communication, Corporate Communications manages communication processes within certain rules to ensure interaction with the target audience.

Corporate Communications also works on the development of corporate social responsibility projects in compliance with the Company's vision. In addition, the Department conducts activities to ensure that services and corporate representation are carried out in line with the predetermined rules and standards, and to keep all communication channels open for the Company's stakeholders and customers.

Developments about Corporate Communications in 2023 are as follows:

- In order to promote the Smart Recommendation System (SRS) and boost the number of mobile downloads, a series of digital content was created with the slogan "The Smart Way: SRS" and shared as sponsored posts through social media channels. Smart Recommendation System (SRS), which provides new transaction recommendations, strategies, Index 30 Company performances, and much more every day, has been utilized by more than 250,000 users.
- Halk Invest was deemed worthy of the world's first lease certificate (sukuk) issue award for payment systems. The issue for Turkcell Ödeme Hizmetleri A.Ş. (Paycell) received an award in the "Islamic Capital Markets Deal of the Year" category of Bonds, Loans & ESG Capital Markets CEE, CIS & Türkiye 2023 Awards. Award-related communications were carried out through Halk Invest digital channels.
- It is aimed to use the YouTube platform more actively to expand Halk Invest's communication strategy, strengthen its digital presence, and increase the number of followers on social media accounts. In this direction, video series describing products & services in accordance with the YouTube algorithm were designed, shot, and published on the YouTube platform.
- In order to increase the brand recognition of Fonlabüyüsün, Türkiye's equity-based crowdfunding platform operating as a Halk Invest service, content concepts that promote projects, products, and services were created for social media and digital channels. These contents were published with sponsorship to reach more people. Contents specific to Fonlabüyüsün were also shared on Halk Invest social media accounts. All digital and social media channels were used effectively and Halkbank's support was received for promotional works of Fonlabüyüsün's new campaigns. Moreover, the campaign was promoted in printed media, contributing to the successful completion of the campaigns with a high funding rate in a very short time.
- Communication activities for public offerings undertaken within the year were carried out through all digital and social media channels with Halkbank's support.
- Efforts for Annual Report 2022 were made and the report was completed and published in coordination with the relevant units and agency.
- Activities for renewing the existing corporate website were completed in coordination with the relevant units and agency, based on creating a more modern website that reflects and bolsters the Company's vision, technological investments, and corporate identity. Accordingly, Halk Invest's new website was launched.
- Halk Invest's Corporate Finance Manager Dr. Menevşe Özdemir Dilidüzgün attended the World Halal Summit, which is held regularly every year, as a speaker at the 'Access to Finance for the Real Sector in the Halal Economy' session and provided information on 'Sukuk Issues in the Real Sector'. Communication activities for promoting the summit were carried out through our social media channels.
- In order to increase internal communication and motivation, the Company participated in basketball and Halkbank Volleyball games sponsored by Halk Invest.
- In order to shed light on the history of stock exchanges by providing information on milestones such as Macellum (the world's first marketplace), European Stock Exchange, and New York Stock Exchange through "ilkborsa.com" microsite, a comprehensive stock exchange history experience website under Halk Invest sponsorship that offers the opportunity to witness significant moments of stock exchange history from Aizanoi until today to contribute to the promotion of Aizanoi Ancient City, the world's first known stock exchange. Visitors of ilkborsa.com have the opportunity to experience the stock exchange's history and expand their financial repertoire.
- Halkbank Sports Club was established on July 21, 1983, to raise new and successful athletes and contribute to developing sports in Türkiye. Halk Invest sponsored the Halkbank Sports Club, covering the expenses for all official and friendly games, national and international championships, and tournaments in the 2023-2024 season.



## CORPORATE SOCIAL RESPONSIBILITY PROJECTS

# Halk Invest supports history, society, culture and art, and sports.

Halk Invest is committed to fulfilling its social responsibility to the public by implementing projects that overlap with its areas of activity and that are well-planned around targeted strategies. Having supported excavation efforts at the 1,700-year-old Aizanoi City located within the borders of the Çavdarhisar district of Kütahya province, home to the world's first known stock exchange, since 2013, Halk Invest increasingly continued its support.

Protecting our country's invaluable cultural heritage is one of the most important responsibilities we will hand down to the next generations. This boundless land has hosted numerous civilizations throughout history, fostered their prosperity, and served as a peaceful home. Our lands will continue to serve in this way and be home for many generations to come, if, with our efforts, we unearth and exhibit Türkiye's unrivaled cultural assets.

Ancient Aizanoi is one of the most exceptional treasures of this rich cultural heritage. The birthplace of global traditions that have extended into today's modern era, this geography has served as home to well-rooted civilizations. The site also proudly hosted the Aizanoi

Macellum; presumably the world's first known stock exchange. The site of Ancient Aizanoi first discovered in 1824 spreads across a wide area that also encompasses the Macellum structure.

The ancient city is dated around 200 A.D. and in different layers reveals rural architectural samples of the Turkish-Islamic Period. Current Çavdarhisar residents of Aizanoi experience their history in sync with their present.

Halk Invest has sponsored Aizanoi Ancient City excavations since 2013. This support included the publication of the Aizanoi Introductory Booklet in English and Turkish in 2015 and the reference book titled "Aizanoi-2," which was edited by the Site Director, and published in 2016.

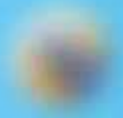
Offering the opportunity to witness significant moments of stock exchange history from Aizanoi to the future of investments, the "ilkborsa.com" microsite was designed under Halk Invest sponsorship to contribute to the promotion of Aizanoi Ancient City, the world's first known stock exchange, encourage financial literacy, and raise the number of conscious investors.

Using the microsite, the milestones such as the world's first known marketplace Macellum, European Stock Exchange, and New York Stock Exchange were described and the history of the stock exchange was highlighted. Visitors of [ilkborsa.com](http://ilkborsa.com) have the opportunity to experience the stock exchange's history and expand their financial repertoire.

Halkbank Sports Club was established on July 21, 1983, to raise new and successful athletes and contribute to developing sports in Türkiye. Halk Invest sponsored the Halkbank Sports Club, covering the expenses for all official and friendly games, national and international championships, and tournaments in the 2023-2024 season.

In 41 years, Halkbank Sports Club became the National Champion nine times, won the Turkish Cup eight times and the Super Cup four times. Halkbank Sports Club, the Turkish men's volleyball team that has represented Türkiye most often and successfully in the CEV Cup and CEV Champions League, ranked third in Europe and fourth in the World in the 2022-2023 season and became the first men's team to participate in the World Club Championship.





## COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES

### PART I – SHAREHOLDERS

#### Shareholder relations unit

The Financial Management and Reporting Unit conducts relations with shareholders.

#### Exercise of the shareholders' right to access information

Shareholders are provided with information regarding the Company's accounts and financial structure at Shareholders' General Assembly meetings. The Company's Financial Reports are periodically audited by an independent auditor appointed by the Board of Directors and approved by the General Assembly. An Independent audit for 2023 has been carried out under the responsibility of DRT Bağımsız Denetim ve SMMM A.Ş. (Deloitte).

Other than General Assembly meetings, information is also provided by the Company's Financial Management and Reporting Unit in interim periods in the 3<sup>rd</sup>, 6<sup>th</sup>, and 9<sup>th</sup> months of the year, either in written form or by e-mail, whenever requested. The request for the appointment of a private auditor is not regulated in the Company's Articles of Association as an individual right.

#### General Assembly information

The Company's General Assembly Meeting for the 2022 operating year was held on 07.08.2023 without announcement or invitation ceremony in accordance with Article 416 of the Turkish Commercial Code no. 6102. In the meeting, it was decided to pay the Company's shareholders a first dividend of TL 7,500,000.00, corresponding to 5% of the paid capital as per Article 21/b of the Articles of Association; to allocate a second dividend of TL 376,278,121.40 for the Company's shareholders as per Article 21/d of the Articles of Association; to increase the Company's capital from TL 150,000,000.00 to TL 250,000,000.00 by distributing TL 100,000,000.00 in total (TL 53,778,121.40 from the second dividend allocated to the shareholders, TL 21,453,062.76 from the extraordinary reserves account and TL 24,768,815.84 from the retained earnings) to shareholders as bonus shares and adding this amount to the capital, to pay a cash dividend of TL 330,000,000.00 in total (first and second dividend), and to allocate second legal reserves of TL 38,942,799.60.

The minutes of the General Assembly Meeting were made available to all investors on the Company's website. The relevant documents were also uploaded on the Information Society Services web page of the Central Securities Depository of Türkiye ("MKK"), as required by the Turkish Commercial Code.

#### Voting rights and minority rights

The Company's activities and management are undertaken by the Board of Directors which comprises at least 5 (five) members that are appointed by the General Assembly in accordance with the provisions of the Turkish Commercial Code. The Board of Directors appoints a chairman and vice chairman at its first meeting.

#### Profit distribution policy and profit distribution time

This is mentioned in Article 21 "Determining and Distributing Profit" of the Company's Articles of Association.

<https://www.halkyatirim.com.tr/content/tr/esas-sozlesme>

As per the resolution taken at the Ordinary General Assembly Meeting on 07.08.2023, TL 330,000,000.00 was paid to the only shareholder Halkbank as dividend.

#### Transfer of shares

The Company's Articles of Association do not contain any restrictions regarding the transfer of shares.

#### Amendments to the Articles of Association during the period

None.



## PART II – PUBLIC DISCLOSURE AND TRANSPARENCY

### Public disclosure policy

www.halkyatirim.com.tr is the Company's website in Turkish and English. Information concerning the Company is published through the CRA e-company platform and the Member Management System and Public Disclosure Form on the TCMA website.

The Company uses Registered Electronic Mail (KEP), a safe electronic mail service, where the sender and recipients are identified, the message time and content may not be changed, and which is legally valid in the event of a dispute.

The Company's periodic financial reports and announcements are published on <https://www.kap.org.tr/en/> and the Company's website.

### Material disclosures

Material disclosures made by the Company as of the end of 2023 were published on [www.kap.gov.tr](http://www.kap.gov.tr).

### Company website and electronic platforms

The Company's website and electronic platforms provide investors with market data and trading services.

In parallel with market conditions and technological advancements, the Company made investments in technological infrastructure to enable the security, sustainability, and performance of services offered.

	halkyatirim.com.tr	halkbank.com.tr	Halk Invest Trader/Halk Invest Exchange/ Halk Invest Mobile	halkfx.com	Smart Recommendation System (SRS)	FX Platform Meta Trader Mobile
			iOS/Android			
Market Data	√	√	√	√		√
Research Reports	√	√	√	√	√	
Our Financial Statements	√			√		
About Us	√			√		
Emergency Plan	√	√		√		
Portfolio Status	√	√	√			√
Common Stock Trend	√	√	√			
VIOP (Derivatives) Transaction	√	√	√			
I. Fund Transaction	√	√	√			
FX Transaction Foreign Market Transactions						√

Investors are also able to monitor the developments in the market through the Company's Facebook and Twitter pages.

### Disclosure of non-corporate ultimate shareholder(s) who have a controlling interest

Türkiye Halk Bankası A.Ş. is the only shareholder of the Company.

### Public disclosure of insiders

No such list is disclosed since our Company is not publicly listed.

## COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES

### PART III - STAKEHOLDERS

#### Informing stakeholders

Stakeholders may access information concerning the Company at any time by KAP, e-mail, and/or in written form through the Company's website.

#### Participation of stakeholders in the management

Stakeholders receive a written invitation to participate in the General Meeting of Shareholders.

Several models or mechanisms were established for the participation of stakeholders in management.

Besides, the opinions of employees on some issues of general interest are directly received. In this way, direct involvement of employees in several resolutions to be taken is ensured.

Opinions of the stakeholders are also taken via the "Contact Us" tab on the website, social media, and similar alternative means.

Customer satisfaction surveys are conducted during the period as well.

#### Human resources policy

Recognizing that qualified manpower carries strategic importance in the financial services sector, Halk Invest consistently works towards continuous improvement and development of its human resources management. Designed to ensure the most efficient and productive use of its employees' talents and skills, the Company's Human Resources Policy is intended to constantly improve individual and team performance through quality enhancement processes and systems, while also offering a professional environment and career development opportunities to its employees.

Halk Invest Human Resources Department designs and conducts training programs for employees' personal and professional development; conducts recruitment, career planning, and performance management processes in line with the principle of efficiency. The Company has 166 employees as of the end of 2023. 42% of the employees are female and 58% are male. University graduation rate is 97%.

Career plans are established in consideration of employees' performance and personal competencies, professional knowledge and skills, and the managerial capacity of the employee during the period and within the framework of Human Resources regulations.

Salary management at Halk Invest is carried out for each position individually and relies on a salary scale prepared objectively, first on the basis of business values, as well as on current conditions. The salary scale is revised annually, in January, and applied to employees' salaries in accordance with each employee's periodic performance indicators.

The opportunities to attend training and seminar programs held in and/or out of Türkiye are offered to employees of all levels. The Policy endeavors to ensure personal and professional development, taking into consideration each employee's career goals and the required qualifications.

According to the staff planning made in line with the Company's objectives, it is targeted to recruit qualified personnel for the positions to be filled.



Developments in Human Resources in 2023 are described below:

- In 2023, all human resources processes were reviewed, and as-is and to-be analyses were conducted. Improvement and development plans were created accordingly, and priorities were determined.
- The process started with operational improvements, followed by functional improvements.
- A new performance and premium system designed in line with the Company's needs and in accordance with the Performance Assessment System and Premium Regulation was put into practice in 2023.
- Each employee's contribution to the overall success was evaluated with business targets and competency assessments. Successful employees were rewarded and development plans were created for employees with developmental needs.

#### Organizational chart

The Company's organizational chart is available at the address <https://www.halkyatirim.com.tr/content/tr/organizasyon-yapisi>.

#### Information about relations with customers and suppliers

Customer Satisfaction Center Department was established as per the resolution of the Company's Board of Directors dated 07.07.2021, no. 2021/57. The Department strives to provide services to its customers quickly and accurately with electronic communication tools in addition to the organizational structure it has formed with specialized employees to ensure that the customer demands are met in the best way possible. Within this framework, the Company continues to make new technology investments to increase customer satisfaction.

To promote the Company's products and services and increase the synergy between Halkbank and Halk Invest, product, sales, and marketing training activities are offered to Retail Banking Customer Representatives determined by Halkbank.

#### Social responsibility

The Company develops and conducts social responsibility policies to contribute to society while aiming to become a pioneer in all fields. A tangible example of these efforts is the support provided for the excavations at the Ancient City of Aizanoi, home to the world's first known stock exchange. In line with its commitment to fulfilling its social responsibilities by implementing projects that overlap with its areas of activity and within the framework of well-planned strategies, the Company started providing financial support for the excavations at the Ancient City of Aizanoi, which is accepted to be the world's first stock exchange 1,700 years ago and is located within the borders of Çavdarhisar district of Kütahya province today. With the permission of the Ministry of Culture and Tourism, General Directorate of Cultural Assets and Museums, cash support has been provided since 2013. The Company continues its support incrementally.

#### Code of ethics

In accordance with the regulations of the Company's main shareholder Türkiye Halk Bankası A.Ş. and the Turkish Capital Markets Association, the Code of Ethics was established and presented to employees in written form.

## COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES

### PART IV – BOARD OF DIRECTORS

#### Structure and formation of the Board of Directors and independent members

Name-Surname	Position
1- Ali Şöner	Chairman of the Board of Directors
2- Yusuf Duran Ocak	Vice Chairman of the Board of Directors
3- Bülent Sezgin	CEO/Member of the Board of Directors
4- Ahmet Hoşcan	Board Member
5- Gökhan Fidan	Board Member
6- Okan Karadağ	Board Member
7- Beyza Öziçsel	Board Member

There is no Independent Member on the Board of Directors.

#### Qualifications of the Board Members

The 2<sup>nd</sup> paragraph of Article 9 titled "Board of Directors and Term of Office" of the Company's Articles of Association states that "One more than half of the Board Members must be university graduates and meet the qualifications set out in the capital markets legislation."

#### Vision, mission, corporate values and strategic objectives of the Company

Pioneering the structuring of new products in the capital markets, the Company manages projects of strategic importance to adapt quickly to the impact of developing technologies on financial markets by effectively using Halkbank's strong distribution channels.

#### Our Vision

To become a leading and reputable intermediary institution that fulfills all requirements of financial markets and pays the utmost respect to human values with a strong infrastructure and a wide product range.

#### Our Mission

To become a reference point in capital markets and one of Türkiye's leading intermediary institutions that establishes trustworthy and sustainable customer relations, adheres to ethical values, shares up-to-date and objective information with investors, pioneers in technological innovation, effectively utilizes its distribution channels and opens up to the world through an efficiency-based business model.

#### Our Corporate Values

Our corporate values are available on <https://www.halkyatirim.com.tr/kurumsal-degerler>

#### Strategic Objectives of the Company – Assessment of Activities

Strategic objectives set for the activities of Halk Invest and its budget targets are submitted to the Board of Directors. As of the end of 2023, the Company exceeded its profit before tax and net profit targets.

As of the end of 2023, there were no significant legislative changes that could affect the Company's strategic objectives.

#### Duties and responsibilities of the Board of Directors and Managers

As per Article 10 of the Articles of Association titled "Duties and Powers of the Board of Directors":

"Representation and management of the Company belong to the Board of Directors. The Board of Directors reserves the right to take decisions concerning all activities regarding the Company's purpose and areas of activity, except for



authorizations that were granted solely to the General Meeting of Shareholders.

The Board of Directors regulates, fulfills, and may transfer duties regarding the management and representation within the framework of Articles 367 and 370 of the Turkish Commercial Code.

The Board of Directors is authorized to delegate management completely or partially with an internal circular. At least one Board member is required to hold representation power when the Board of Directors delegates the representation power to one, or several executive members or third parties as managers.\*

#### Operating principles of the Board of Directors:

The Board of Directors meets monthly or in interim periods when necessary, and reviews the extent to which the Company has reached its objectives, its activities, and past performance. The agenda of the Board of Directors is created within the context of the proposal offered by the Company management. The Board of Directors took 123 decisions in the operating year between 01.01.2023 and 31.12.2023 without any countervote. None of these decisions received any dissenting views or vetoes since Board members were informed by the Company management about the agenda items in advance.

The rate of Board members' participation in meetings was 99.9%.

#### Distribution of Duties of the Board of Directors

Duties and Responsibilities of the Board of Directors	Appointed Board Members		
	Name-Surname	Date of Appointment	Procedure of Appointment
<b>Chairman of the Board of Directors</b>	Ali Şoner	07/08.2023 - 2023/65	General Assembly
<b>Vice Chairman of the Board of Directors</b>	Yusuf Duran Ocak	07/08.2023 - 2023/65	General Assembly
<b>Board Member in Charge of Internal Control</b> Board Member in charge of Internal Control as per Article 8 of CMB Communiqué on "Principles Regarding the Internal Audit System of Brokerage Houses" (Serial V, No: 68)	Beyza Öziçsel	07/08.2023 - 2023/66	Resolution of Board of Directors
<b>Board Member in Charge of Misuse of Information</b> Board Member in charge of ensuring that employees fulfill their responsibility to notify as per CMB Communiqué on "Obligation of Notification Regarding Insider Trading or Manipulation Crimes" (Serial V, No: 102.I)	Beyza Öziçsel	07/08.2023 - 2023/66	Resolution of Board of Directors
<b>Board Member in Charge of Financial Reporting</b> Board Member in charge of Financial Reporting as per article 92 of CMB Communiqué on "Principles of Financial Reporting in Capital Markets"	Yusuf Duran Ocak	07/08.2023 - 2023/66	Resolution of Board of Directors
<b>Board Member in Charge of MASAK Compliance Unit</b> Board Member in charge of compliance with MASAK Regulation on "Measures Regarding Prevention of Laundering of Proceeds of Crime and Financing of Terrorism"	Gökhan Fidan	07/08.2023 - 2023/66	Resolution of Board of Directors
<b>Board Member in Charge of Public Disclosure Forms</b> Board Member in charge of signing Public Disclosure Forms as per the CMB Communiqué on "Principles Regarding Public Disclosure by Intermediary Institutions" (Serial V, No: 77)	Beyza Öziçsel	07/08.2023 - 2023/66	Resolution of Board of Directors
<b>Credit Committee</b> Chairman and Members of the Credit Committee as per CMB Communiqué on "Margin Trading, Short Sales and Lending and Borrowing of Securities" (Serial V, No: 65)	Ali Şoner	30.07.2021 - 2021/64 26.07.2017 - 2017/61	Resolution of Board of Directors Resolution of Board of Directors
<b>Investment Committee</b> As per article 9 of CMB Communiqué on Equity-Based Crowdfunding (Serial: III, No: 35/A.1)	Bülent Sezgin	07.07.2021 - 2021/60	Resolution of Board of Directors
<b>Corporate Governance Committee</b> Chairman and Members of the Committee as per article 4.5 of CMB Communiqué on Corporate Governance Principles "Committees Formed within the Board of Directors" (Serial: II, No: 17.I)	Yusuf Duran Ocak Gökhan Fidan	18.05.2021 - 2021/24 30.07.2021 - 2021/64	Resolution of Board of Directors Resolution of Board of Directors
<b>Audit Committee</b> Chairman and Members of the Committee as per article 4.5 of CMB Communiqué on Corporate Governance Principles "Committees Formed within the Board of Directors" (Serial: II, No: 17.I)	Yusuf Duran Ocak Gökhan Fidan	18.05.2021 - 2021/24 30.07.2021 - 2021/64	Resolution of Board of Directors Resolution of Board of Directors
<b>Early Detection of Risk Committee</b> Chairman and Members of the Committee as per article 4.5 of CMB Communiqué on Corporate Governance Principles "Committees Formed within the Board of Directors" (Serial: II, No: 17.I)	Ahmet Hoşcan Gökhan Fidan	01.04.2022 - 2022/48 30.07.2021 - 2021/64	Resolution of Board of Directors Resolution of Board of Directors

## COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES

### Prohibition on doing business or competing with the Company

In the operating year between 01.01.2023 and 31.12.2023, the prohibition on doing business or competing with the Company became effective for the Board members.

### Number, structure, and independence of committees within the Board of Directors

To ensure that the Board of Directors fulfills its duties and responsibilities properly, it was decided in the Articles of Association that regulations of the Capital Markets Board on corporate governance will be followed for the transactions deemed significant for the implementation of Corporate Governance Principles, the transactions of the Company with the related parties and the transactions about giving guarantees, pledges and mortgages on behalf of the third parties, and that number and qualifications of the independent members who will serve on the Board of Directors will be determined based on the regulations of the Capital Markets Board on corporate governance.

The Audit Committee, Corporate Governance Committee, and Early Detection of Risk Committee serve at the Company as part of the Corporate Governance Principles.

### Audit Committee

Name-Surname	Position	Term of Office
1- Yusuf Duran Ocak	Chairman - Vice Chairman of the Board of Directors	18.03.2021 - on Duty
2- Güvenç Usta	Member - Board Member	18.03.2021 - 30.03.2022
3- Gökay Yılmaz	Member	18.03.2021 - 03.12.2021
4- Erkin Çakmak	Member	03.12.2021 - 01.04.2022
5- Gökhan Fidan	Member	30.07.2021 - on Duty

The Audit Committee meets at least four times a year, at least every three months. Results of the Committee are written in the minutes and presented to the Board of Directors. The Committee met 17 times as of the end of 2023.

### Corporate Governance Committee

Name-Surname	Position	Term of Office
1- Yusuf Duran Ocak	Chairman - Vice Chairman of the Board of Directors	18.03.2021 - on Duty
2- Filiz Avukat	Member - Board Member	18.03.2021 - 30.03.2021
3- Ahmet Erdoğan	Member - Board Member	30.03.2021 - 30.07.2021
4- Gökhan Fidan	Member - Board Member	30.07.2021 - on Duty
5- Ahmet Kutluhan Kalyoncu	Member	18.03.2021 - on Duty

The Corporate Governance Committee assumed the responsibilities of the Nomination Committee and Remuneration Committee as well. The Committee met twice as of the end of 2023.

### Early Detection of Risk Committee

Name-Surname	Position	Term of Office
1- Güvenç Usta	Chairman - Board Member	18.03.2021 - 30.03.2022
2- Ahmet Erdoğan	Member - Board Member	18.03.2021 - 30.07.2021
3- Gökhan Fidan	Member - Board Member	30.07.2021 - on Duty
4- Gökay Yılmaz	Member	18.03.2021 - 03.12.2021
5- Erkin Çakmak	Member	03.12.2021 - 01.04.2022
6- Ahmet Hoşcan	Member - Board Member	March 30, 2022 - on Duty

Early Detection of Risk Committee meets at the Company's Head Office at least six times a year, every two months. Results of the Committee are written in the minutes and presented to the Board of Directors. The Committee met 6 times as of the end of 2023.

The Reporter of the Board of Directors also conducts the work of the committees. The other committees that are structured under the chairmanship of a responsible Board Member determined by the decision of the Board of Directors meet whenever necessary.



#### **Financial benefits and cash benefits or benefits in kind provided to the Board Members and executive managers**

A monthly attendance fee is paid to the Board Members with the approval of the General Assembly. The total amount of the financial rights, cash, and in-kind benefits, insurance, and similar guarantees provided to Board Members and executive managers correspond to TL 16,585,707.23.

#### **Financial benefits and cash benefits or benefits in kind provided to employees**

Within the scope of the Human Resources Regulation;

Financial rights, cash, and in-kind benefits, insurance, and similar guarantees are provided to the employees of the Company.

As of the end of 2023, 166 employees are working at the Company.

#### **Information on the donations made during the year**

As of the end of 2023, donations of TL 42,017,850 were made in total, including TL 42,000,000 to AFAD and TL 17,850 to the Turkish Red Crescent.

#### **Information on the Company's affiliates and ownership structure**

None.

#### **Information on lawsuits filed against the Company and lawsuits that may affect the Company's financial status**

The Company sets aside a provision of 100% for lawsuits filed against the Company by the customers or former employees. There are no lawsuits that may affect the Company's financial status.

There have not been any administrative or legal sanctions imposed on the Company and its Board Members for practices in breach of applicable legal or regulatory provisions.

#### **Information on any private or public audit during the accounting period**

The Company is within the scope of independent audit in accordance with CMB legislation and is subject to governmental audits of the Turkish Court of Accounts in accordance with Law no. 6085.

## COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES

### Information on related party transactions

As of the end of 2023, the Company did not carry out any legal transactions with our only shareholder Türkiye Halk Bankası A.Ş., and/or the affiliate companies of the only shareholder. Also, the Company did not carry out any legal transactions to the benefit of our only shareholder Türkiye Halk Bankası A.Ş., and/or the affiliate companies of the only shareholder, following a request by the only shareholder. There have not been any actions taken or refrained from being taken, to the benefit of Türkiye Halk Bankası A.Ş. or its affiliate companies.

As of the end of 2023, all of the commercial activities that took place between our Company and our only shareholder or with its affiliates were realized under the prevailing market conditions.

### Related Party Transactions

TL	31.12.2023
<b>Cash &amp; cash equivalents</b>	
Türkiye Halk Bankası A.Ş.	1,336,827,532
-Term deposits	1,184,182,438
-Demand deposits	152,645,094
<b>Stock investments</b>	
Halk Gayrimenkul Yatırım Ortaklığı A.Ş.	2,284,376
-Stocks	2,284,376
<b>Total</b>	<b>1,339,111,908</b>
<b>Trade receivables from related parties</b>	
Türkiye Halk Bankası A.Ş.	265,951
<b>Total</b>	<b>265,951</b>
<b>Trade payables to related parties</b>	
Halkbank Sports Club	13,500,000
Türkiye Halk Bankası A.Ş.	432,832
<b>Total</b>	<b>13,932,832</b>







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