

**HALK YATIRIM MENKUL DEĞERLER
ANONİM ŞİRKETİ**

FINANCIAL STATEMENTS AS AT
31 DECEMBER 2024 AND
INDEPENDENT AUDITOR'S REPORT



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Independent Auditor's Report

To the Shareholders of Halk Yatırım Menkul Değerler Anonim Şirketi

A) Audit of the Financial Statements

Opinion

We have audited the financial statements of Halk Yatırım Menkul Değerler Anonim Şirketi ("the Company") which comprise the statement of financial position as at 31 December 2024, the statements of profit or loss and other comprehensive income, the statements of changes in equity and the statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with Turkish Financial Reporting Standards ("TFRS").

Basis for Opinion

We conducted our audit in accordance with Standards on Auditing which is a component of the Turkish Auditing Standards as adopted within the framework of the Capital Markets Board ("CMB") regulations, published by the Public Oversight Accounting and Auditing Standards Authority ("POA") ("Standards on Auditing issued by POA"). Our responsibilities under Standards on Auditing issued by POA are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We declare that we are independent of the Company in accordance with the Code of Ethics for Auditors issued by POA (including Independence Standards) ("POA's Code of Ethics") and the ethical principles regarding independent audit of financial statements in the CMB legislation and other relevant legislation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Emphasis of Matter

As detailed in footnote number 23, we draw attention to the following issues that may affect the Bank:

On 15 October 2019, the US Department of Justice, United States Attorney Southern District of New York filed a criminal case against the Bank in the Southern District of New York Court ("District Court") for the alleged violations of U.S. sanctions on Iran. The criminal procedure at the district court has been stayed due to Bank's appellate process under the sovereign immunity. Upon further review, the US Court of Appeals for the Second Circuit (Second Circuit) with its decision dated October 22, 2024, rejected the Bank's common law immunity request and affirmed the District Court's order. The Bank declared that it will use all its legal rights to appeal with regard to the October 22, 2024 decision of the Second Circuit, particularly with the U.S. Supreme Court. On December 12, 2024, the Bank filed a motion to stay the Second Circuit's mandate. On December 18, 2024 the Second Circuit ordered that the motion is granted and the mandate is stayed pending the filing and disposition of the Bank's petition for a writ of certiorari to the U.S. Supreme Court. Currently the Bank is in the process of filing a petition for a writ of certiorari to the U.S. Supreme Court.

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

Finally, on 26 July 2023, a new civil case (the Hughes or second civil case) was filed against the Bank by a group of plaintiffs in a complaint filed with the District Court, seeking to satisfy judgements similar to the Owens civil case. In accordance with the District Court's decision dated 1 May 2024, Hughes case is stayed pending a final ruling on the criminal case against the Bank.

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



Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue Recognition

For details on the accounting policies related to revenue recognition and the significant accounting estimates and assumptions used, please refer to Notes 2 and 18.

Key Audit Matter	How the matter was addressed in the audit
Revenue recognition In the statement of profit or loss for the accounting period from January 1 to December 31, 2024, the Company recognized revenue and revenue from financial sector activities amounting to TL 6.875.979.642 and TL 1.317.512, respectively. Due to the material significance of revenue to the financial statements, the fact that the total revenue is derived from various channels such as loan interest income, equity and securities sales, brokerage commissions, and corporate finance income, and because revenue arises from numerous transactions calculated using different methods and parameters due to the nature of the Company's operations, this area has been identified as a key audit matter.	- We assessed the compliance of the Company's financial policies with TFRS (Turkish Financial Reporting Standards). - By gaining an understanding of the Company's revenue process, we evaluated the design, implementation, and operating effectiveness of management's internal controls over revenue recognition. - To assess whether the revenue was appropriately recognized, we tested the existence and accuracy of revenue through supporting documentation for a sample of transactions that occurred during the financial period.

Other Matter

The financial statements of Halk Yatırım Menkul Değerler A.Ş. for the year ended 31 December 2023 were audited by another auditor who expressed an unmodified opinion on those financial statements on 28 March 2024.

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

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

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.



Auditor's Responsibilities for the Audit of the Financial Statements

In an independent audit, our responsibilities as independent auditors are as follows:

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Independent Auditing Standards published by the Capital Markets Board will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the standards on auditing issued by Capital Markets Board and SIA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. (The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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



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

B) Report on Other Legal and Regulatory Requirements

1) Pursuant to the fourth paragraph of Article 402 of the Turkish Commercial Code ("TCC") No. 6102, no significant matter has come to our attention that would indicate the Company's bookkeeping practices and financial statements for the accounting period 1 January – 31 December 2024 are not in compliance with the TCC and the financial reporting provisions of the Company's articles of association.

2) In accordance with the fourth paragraph of Article 402 of the TCC, the Board of Directors has provided the explanations requested by us and submitted the documents required within the scope of the audit.

KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.

Ali Tuğrul Uzun
Partner

25 February 2025
İstanbul, Turkey

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HALK YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ**Statement of Financial Position as at 31 December 2024**

(Amounts are expressed in Turkish Lira (TL) based on purchasing power as at December 31, 2024, unless otherwise stated.)

	Note s	Audited 31 December 2024	Audited 31 December 2023
ASSETS			
Current assets			
Cash and cash equivalents	3	1.835.990.677	6.383.559.991
Financial investments	4	979.157.834	1.122.096.588
Trade receivables	5-6	2.013.746.680	2.869.036.786
- Trade receivables from related parties	5	473.113	383.977
- Trade receivables from third parties	6	2.013.273.567	2.868.652.809
Other receivables	6	197.692.084	662.636.767
Prepaid expenses		44.818.631	46.504.343
TOTAL CURRENT ASSETS		5.071.405.906	11.083.834.475
Non-current assets			
Financial investments	4	16.378.841	15.013.229
Property, plant and equipment	8	106.825.077	75.087.250
Intangible assets	9	26.612.858	10.913.935
Right-of-use assets	10	40.593.358	159.302.717
TOTAL NON-CURRENT ASSETS		190.410.134	260.317.131
TOTAL ASSETS		5.261.816.040	11.344.151.606
LIABILITIES			
Current liabilities			
Short-Term Borrowings	7	239.916.198	5.952.056.997
- Short-term borrowings from third parties	7	239.916.198	5.952.056.997
Trade payables	5-6	1.818.912.085	2.264.166.340
- Trade payables to related parties	5	18.436.164	20.116.052
- Trade payables to third parties	6	1.800.475.921	2.244.050.288
Other tax and debt liabilities		140.149.199	87.558.344
Current tax liability	13	167.461.373	142.002.233
Short-term provisions		48.014.343	53.610.689
- Short-term provisions for employee benefits	12	42.610.199	48.967.071
- Other short-term provisions	11	5.404.144	4.643.618
IFRS 9			
Lease liabilities	10	20.343.837	30.851.641
TOTAL CURRENT LIABILITIES		2.434.797.035	8.530.246.244

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

HALK YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ**Statement of Financial Position as at 31 December 2024**

(Amounts are expressed in Turkish Lira (TL) based on purchasing power as at December 31, 2024, unless otherwise stated.)

	Notes	Audited 31 December 2024	Audited 31 December 2023
Non-current liabilities			
Long-term provisions		11.632.973	24.030.585
- Long-term provisions for employee benefits	12	11.632.973	24.030.585
Lease liabilities	10	9.429.286	31.657.772
Deferred tax liability	13	12.035.734	9.884.825
TOTAL NON-CURRENT LIABILITIES		33.097.993	65.573.182
EQUITY			
Equity attributable to owners of the Company			
Share capital	14	250.000.000	250.000.000
Capital adjustment differences	14	1.552.499.817	1.552.499.817
Restricted reserves appropriated from profit	14	647.499.246	517.316.507
Accumulated other comprehensive income (expenses) that will not be reclassified to profit or loss	12	917.479	3.959.013
Actuarial gains (losses)	12	2.720.907	5.122.494
-Gains (losses) on revaluation and remeasurement	12	(997.575)	--
-Other gains (losses)	12	(805.853)	(1.163.481)
Prior years' profit or losses	14	(772.183.269)	(1.097.254.072)
Net profit or loss for the period		1.115.187.739	1.521.810.915
TOTAL EQUITY		2.793.921.012	2.748.332.180
TOTAL LIABILITIES AND EQUITY		5.261.816.040	11.344.151.606

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

HALK YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ
Statement of Profit or Loss and Other Comprehensive Income
for the Year Ended 31 December 2024

(Amounts are expressed in Turkish Lira (TL) based on purchasing power as at December 31, 2024, unless otherwise stated.)

	Notes	Audited January - 31 December 2024	Audited January - 31 December 2023
PROFIT OR LOSS			
Revenue	15	6.875.979.642	24.073.076.526
Cost of sales	15	(3.756.672.793)	(20.867.883.561)
GROSS PROFIT (LOSS) FROM BUSINESS OPERATIONS		3.119.306.849	3.205.192.965
Receivables from Financial Activities	15	1.317.512	701.694
GROSS PROFIT (LOSS)		3.120.624.361	3.205.894.659
General administrative expenses	16	(665.698.814)	(529.602.771)
Marketing expenses	16	(325.902.496)	(376.253.253)
Other income from operating activities	17	78.914.953	12.289.421
Other expenses from operating activities	17	(2.958.756)	(93.181.506)
OPERATING PROFIT (LOSS)		2.204.979.248	2.219.146.550
Finance income	18	2.491.618.658	3.476.293.631
Finance expenses	18	(1.740.534.551)	(2.262.016.129)
		(995.967.076)	(1.125.961.056)
Net monetary position gains/(losses)	19		
PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS		1.960.096.279	2.307.462.996
Tax (Expense) Income from Continuing Operations			
- Current tax (expense) income	13	(842.757.631)	(772.284.217)
- Deferred tax (expense) income	13	(2.150.909)	(13.367.864)
PROFIT (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS		1.115.187.739	1.521.810.915
PROFIT (LOSS) FOR THE PERIOD		1.115.187.739	1.521.810.915
OTHER COMPREHENSIVE INCOME		(3.041.534)	(2.304.557)
Items that will not be reclassified to profit or loss			
Other comprehensive income items that will not be reclassified as other profit or loss		(3.041.534)	(2.304.557)
TOTAL COMPREHENSIVE INCOME (EXPENSE)		1.112.146.205	1.519.506.358

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

HALK YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ

Statement of Changes in Equity for the Year Ended 31 December 2024

(Amounts are expressed in Turkish Lira (TL) based on purchasing power as at December 31, 2024, unless otherwise stated.)

	Notes	Paid-in capital	Capital adjustment differences	Accumulated other comprehensive income that will not be reclassified subsequently to profit or loss	Restricted reserves appropriated from profit	Retained earnings		Equity
				Gains/losses on revaluation and reclassification		Prior years' profits / (losses)	Net profit/(loss) for the period	
Balances as at 1 January 2023	14	150.000.000	1.508.121.045	6.263.570	602.414.233	(973.447.744)	484.255.002	1.777.606.106
Transfers		--	--	--	(85.097.726)	569.352.728	(484.255.002)	--
Profit (loss) for the period		--	--	--	--	--	1.521.810.915	1.521.810.915
Other comprehensive income (expense)	12	--	--	(2.304.557)	--	--	--	(2.304.557)
Revaluation and reclassification gains (losses)	14	--	--	(2.304.557)	--	--	--	(2.304.557)
Increase / (decrease) due to other changes		--	--	--	--	--	--	--
Total comprehensive income (expense)	14	--	--	(2.304.557)	--	--	1.521.810.915	1.519.506.358
Dividend payment		--	--	--	--	(548.780.284)	--	(548.780.284)
Capital increase		100.000.000	44.378.772	--	--	(144.378.772)	--	-
Balances as at 31 December 2023	14	250.000.000	1.552.499.817	3.959.013	517.316.507	(1.097.254.072)	1.521.810.915	2.748.332.180
Balances as at 1 January 2024	14	250.000.000	1.552.499.817	3.959.013	517.316.507	(1.097.254.072)	1.521.810.915	2.748.332.180
Transfers		--	--	--	130.182.739	1.391.628.176	(1.521.810.915)	--
Profit (loss) for the period		--	--	--	--	--	1.115.187.739	1.115.187.739
Other comprehensive income (expense)		--	--	(3.041.534)	--	--	--	(3.041.534)
Revaluation and reclassification gains (losses)	12	--	--	(997.575)	--	--	--	(997.575)
Increase / (decrease) due to other changes		--	--	(2.043.959)	--	--	--	(2.043.959)
Total comprehensive income (expense)	14	--	--	(3.041.534)	--	--	1.115.187.739	1.112.146.205
Dividend payment	14	--	--	-	--	(1.066.557.373)	--	(1.066.557.373)
Capital increase		--	--	-	--	--	--	-
Balances as at 31 December 2024	14	250.000.000	1.552.499.817	917.479	647.499.246	(772.183.269)	1.115.187.739	2.793.921.012

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

HALK YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ

Statement of Cash Flows

for the Year Ended 31 December 2024

(Amounts are expressed in Turkish Lira (TL) based on purchasing power as at December 31, 2024, unless otherwise stated.)

	Notes	Audited January- 31 December 2024	Audited January- 31 December 2023
A. Cash flows from operating activities		5.080.161.467	5.155.281.298
Profit (Loss) for the Period		1.115.187.739	1.521.810.915
Adjustments to reconcile net profit (loss) for the period		1.364.323.176	1.718.004.487
Adjustments related to depreciation and amortization expenses	8-9-10	79.726.625	57.105.216
Adjustments related to provisions		35.532.216	27.637.391
-Adjustments related to litigation and/or penalty provisions (cancellation)	6	(5.028.601)	(10.528.858)
-Adjustments related to provisions for employee benefits (cancellations)	12	39.800.291	41.223.510
-Adjustments related to other provisions (cancellations)		760.526	(3.057.261)
Adjustments related to interest income and expenses	18	(786.321.659)	(723.562.477)
-Adjustments related to interest income	18	(2.272.721.522)	(2.918.724.165)
-Adjustments related to interest expenses	18	1.486.399.863	2.195.161.688
Adjustments related to fair value losses (fains)	17	1.071.914	816.461
-Adjustments related to fair value losses (gains) of financial assets	17	1.071.914	816.461
-Adjustments related to current tax expense	13	840.606.722	758.916.353
-Adjustments related to deferred tax (income) expenses	13	842.757.631	772.284.217
-Adjustments related to interest income	13	(2.150.909)	(13.367.864)
Net monetary position gains/(losses)		1.194.599.272	1.597.873.234
Dividend income from associates		(891.914)	(781.691)
Changes in working capital		1.093.716.767	(217.699.884)
Increase/decrease in financial investments		142.938.754	(484.375.840)
Adjustments related to increase/decrease in trade receivables		874.542.656	(343.530.141)
Adjustments related to increase/decrease in trade payables		(445.254.255)	692.211.425
Adjustments related to other increase/decrease in working capital		435.516.543	(23.164.957)
Adjustments related do decrease (increase) in assets arising from customer contracts		85.973.069	(58.840.371)
-Decrease (increase) in other contract assets		85.973.069	(58.840.371)
Cash flows from operating activities		3.573.227.682	3.022.115.518
Interests received		2.367.833.616	2.934.474.702
Dividends received		(180.000)	(3.179)
Payments related to provision for employee benefits	12	(43.421.340)	(22.414.325)
Tax (payments) returns	13	(817.298.491)	(778.891.418)
Cash flows from investing activities		(93.290.173)	(84.563.221)
Cash flows from Purchases of tangible and intangible fixed assets	8-9	(93.290.173)	(84.563.221)
-Cash flows from purchases of tangible fixed assets	8	(65.424.488)	(84.563.221)
-Cash flows from purchases of intangible fixed assets	9	(27.865.685)	-
Cash flows from financing activities		(8.269.407.532)	(2.354.410.663)
Cash inflows from borrowing	7	(5.715.808.432)	467.857.237
-Cash Inflows from Issued Debt Instrument	7	(1.195.378.672)	(477.979.190)
-Cash Inflows from Other Financial Borrowings	7	(4.520.429.760)	945.836.427
Dividends paid		(1.066.557.373)	(548.780.284)
		(1.487.041.727)	(2.273.487.616)
Net increase (decrease) in cash and cash equivalents before the effect of foreign currency translation differences		(3.282.536.238)	2.716.307.414
Effects of foreing currency translation differences on cash and cash equivalents		1.305.025	44.049.197
Net increase (decrease) in cash and cash equivalents		(3.281.231.213)	2.760.356.611
Cash and cash equivalents at the beginning of the period	3	6.097.960.592	4.866.856.370
Inflation effect on cash and cash equivalents		(1.209.211.895)	(1.529.252.389)
Cash and cash equivalents at the end of the period	3	1.607.517.484	6.097.960.592

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

HALK YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ

Notes to the Financial Statements for the Year Ended 31 December 2024

(Amounts are expressed in Turkish Lira (TL) based on purchasing power as at December 31, 2024, unless otherwise stated.)

1 Organization and operations of the Company

Halk Yatırım Menkul Değerler AŞ (“the Company”) was established on 2 September 1997. The purpose of the Company is to perform capital market activities in accordance with its Article of Association and Capital Markets Law and the related legislation provisions.

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

The Company was classified as “Broad Authorized Intermediary Firm” in the bulletin published in Capital Market Law’s 15 October 2015 dated 2015/27 numbered, and it is authorized to operate in investment service and activities.

The Company operates with 12 branches (31 December 2023: 10). Each branch of T. Halk Bankası A.Ş., act as an intermediary for the transmission of orders on behalf of the Company in capital market transactions.

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

As at 31 December 2024, the Company has 166 employees (31 December 2023: 165).

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

	31 December 2024	31 December 2023
Türkiye Halk Bankası A.Ş.	100,00%	100,00%
Total	100,00%	100,00%

Approval of the Financial Statements:

The financial statements prepared as at December 31, 2024, and for the period ending on this date, were approved by the Company's management on February 25, 2025. The General Assembly and other authorized bodies have the authority to amend these approved financial statements.

HALK YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ

Notes to the Financial Statements for the Year Ended 31 December 2024

(Amounts are expressed in Turkish Lira (TL) based on purchasing power as at December 31, 2024, unless otherwise stated.)

2 Basis of presentation of the financial statements

The preparation of financial statements

Statement of Compliance to TFRS

The accompanying financial statements are prepared in accordance with the requirements of Capital Markets Board (“CMB”) Communiqué Serial II, No: 14.1 “Basis of Financial Reporting in Capital Markets” (“the Communiqué”), which was published in the Official Gazette No:28676 on 13 June 2013. The accompanying financial statements are prepared based on the Turkish Financial Reporting Standards (“TFRS”) and interpretations that have been put into effect by the Public Oversight Accounting and Auditing Standards Authority (“POA”) under Article 5 of the Communiqué.

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

Currency Used

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

Restatement of financial statements during periods of high inflation

The financial statements and related figures for previous periods have been restated for changes in the general purchasing power of the functional currency and, consequently, the financial statements and related figures for previous periods are expressed in terms of the measuring unit current at the end of the reporting period in accordance with TAS 29 Financial Reporting in Hyperinflationary Economies.

TAS 29 applies to the financial statements, including the financial statements, of each entity whose functional currency is the currency of a hyperinflationary economy. If an economy is subject to hyperinflation, TAS 29 requires an entity whose functional currency is the currency of a hyperinflationary economy to present its financial statements in terms of the measuring unit current at the end of the reporting period.

As at the reporting date, entities operating in Türkiye are required to apply TAS 29 "Financial Reporting in Hyperinflationary Economies" for the reporting periods ending on or after 31 December 2023, as the cumulative change in the general purchasing power of the last three years based on the Consumer Price Index (“CPI”) is more than 100%.

POA made an announcement on 23 November 2023 regarding the scope and application of TAS 29. It stated that the financial statements of the entities applying Turkish Financial Reporting Standards for the annual reporting period ending on or after 31 December 2023 should be presented in accordance with the related accounting principles in TAS 29, adjusted for the effects of inflation.

HALK YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ

Notes to the Financial Statements for the Year Ended 31 December 2024

(Amounts are expressed in Turkish Lira (TL) based on purchasing power as at December 31, 2024, unless otherwise stated.)

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

Restatement of financial statements during periods of high inflation (cont'd)

In accordance with the CMB's decision dated 28 December 2023 and numbered 81/1820, issuers and capital market institutions subject to financial reporting regulations applying Turkish Accounting/Financial Reporting Standards are required to apply inflation accounting by applying the provisions of TAS 29 to their annual financial statements for the accounting periods ending on 31 December 2023.

Accordingly, the financial statements as at 31 December 2024 have been adjusted for the effects of inflation in accordance with the accounting principles set out in TAS 29.

The table below shows the inflation rates for the relevant years calculated by taking into account the Consumer Price Indices published by the Turkish Statistical Institute (TURKSTAT):

Date	Index	Adjustment coefficient	Three-year cumulative inflation rates
31 December 2024	2.684,55	1,00000	291%
31 December 2023	1.859,38	1,44379	268%
31 December 2022	1.128,45	2,37897	156%

The main lines of TAS 29 indexation transactions are as follows:

- As of the balance sheet date, all items other than those stated in terms of current purchasing power are restated by using the relevant price index coefficients. Prior year amounts are also restated in the same way.
- Monetary assets and liabilities are expressed in terms of the purchasing power at the balance sheet date and are therefore not subject to restatement. Monetary items are cash and items to be received or paid in cash.
- Fixed assets, subsidiaries and similar assets are indexed to their acquisition values, which do not exceed their market values. Depreciation has been adjusted in a similar manner. Amounts included in shareholders' equity have been restated by applying general price indices for the periods in which they were contributed to or arose within the Company.
- All items in the income statement, except for the effects of non-monetary items in the balance sheet on the income statement, have been restated by applying the multiples calculated over the periods when the income and expense accounts were initially recognised in the financial statements.
- The gain or loss arising on the net monetary position as a result of general inflation is the difference between the adjustments to non-monetary assets, equity items and income statement accounts. This gain or loss on the net monetary position is included in net profit.

The impact of the application of TAS 29 Inflation Accounting is summarised below:

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Notes to the Financial Statements for the Year Ended 31 December 2024

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

Restatement of financial statements during periods of high inflation (*cont'd*)

Restatement of the Statement of Financial Position

Amounts in the statement of financial position that are not expressed in terms of the measuring unit current at the end of the reporting period are restated. Accordingly, monetary items are not restated because they are expressed in the currency of the reporting period. Non-monetary items are required to be restated unless they are expressed in terms of the currency in effect at the end of the reporting period.

The gain or loss on the net monetary position arising on restatement of non-monetary items is recognised in profit or loss and presented separately in the statement of comprehensive income.

Restatement of the Statement of Profit or Loss

All items in the statement of profit or loss are expressed in terms of the measuring unit current at the end of the reporting period. Therefore, all amounts have been restated by applying changes in the monthly general price index.

Cost of inventories sold has been restated using the restated inventory balance.

Depreciation and amortisation expenses have been restated using the restated balances of property, plant and equipment, intangible assets, investment property and right-of-use assets

Restatement of Statement of Cash Flows

All items in the statement of cash flows are expressed in terms of the measuring unit current at the end of the reporting period.

Comparative figures

Relevant figures for the previous reporting period are restated by applying the general price index so that the comparative financial statements are presented in the measuring unit applicable at the end of the reporting period. Information disclosed for prior periods is also expressed in terms of the measuring unit current at the end of the reporting period.

HALK YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ

Notes to the Financial Statements for the Year Ended 31 December 2024

(Amounts are expressed in Turkish Lira (TL) based on purchasing power as at December 31, 2024, unless otherwise stated.)

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

Comparative Information and Restatement of Prior Period Financial Statements

The financial statements of the Company include comparative financial information to enable the determination of the financial position and performance trends. In order to comply with the presentation of the current period financial statements, comparative information is reclassified, and significant changes are disclosed if necessary.

Derivative transaction income and expenses previously recognised in financial income and financial expenses have been reclassified to revenue from finance sector operations and cost of finance sector operations in the current period.

Changes in Accounting Policies

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

Changes in Accounting Estimates and Errors

If changes in accounting policies are for only one period, changes are applied on the current year but if the changes affect the future periods, changes are applied both on the current period and future periods prospectively. There has been no significant change in the Company's accounting estimates in the current year.

Significant changes in the accounting policies and significant accounting errors are applied retrospectively and the financial statements of the previous period are restated. The Company has not identified any accounting errors in the current year that would cause the financial statements to be restated.

Standards and Amendments Issued but Not Yet Effective as at 31 December 2024

Lack of Exchangeability – Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates

In August 2023, IASB amended IAS 21 to clarify:

- when a currency is exchangeable into another currency; and
- how a company estimates a spot rate when a currency lacks exchangeability.

Related amendments were published by Public Oversight Accounting and Auditing Standards Authority (“POA”) on 5 June 2024.

A currency is exchangeable into another currency when a company is able to exchange that currency for the other currency at the measurement date and for a specified purpose. When a currency is not exchangeable, a company needs to estimate a spot rate.

A company's objective when estimating a spot rate is only that it reflects the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. The amendments contain no specific requirements for estimating a spot rate.

Therefore, when estimating a spot rate a company can use:

- an observable exchange rate without adjustment; or
- another estimation technique.

HALK YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ

Notes to the Financial Statements for the Year Ended 31 December 2024

(Amounts are expressed in Turkish Lira (TL) based on purchasing power as at December 31, 2024, unless otherwise stated.)

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

Lack of Exchangeability – Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates (*cont'd*)

Under the amendments, companies will need to provide new disclosures to help users assess the impact of using an estimated exchange rate on the financial statements. These disclosures might include:

- the nature and financial impacts of the currency not being exchangeable;
- the spot exchange rate used;
- the estimation process; and
- risks to the company because the currency is not exchangeable.

The amendments apply for annual reporting periods beginning on or after 1 January 2025. Earlier application is permitted.

The Company does not expect that application of these Amendments to TAS 21 will have significant impact on its financial statements.

The new standards, amendments and interpretations that are issued by the International Accounting Standards Board (IASB) but not issued by Public Oversight Accounting and Auditing Standards Authority ("POA")

IFRS 18 Presentation and Disclosure in Financial Statements

On 9 April 2024, IASB has issued IFRS 18 *Presentation and Disclosure in Financial Statements* that will replace IAS 1 *Presentation of Financial Statements*. It carries forward many requirements from IAS 1 unchanged.

The objective of IFRS 18 is to set out requirements for the presentation and disclosure of information in general purpose financial statements (financial statements) to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses.

IFRS 18 introduces three defined categories for income and expenses—operating, investing and financing—to improve the structure of the income statement, and requires all companies to provide new defined subtotals, including operating profit.

IFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027 and applies retrospectively. Early adoption is permitted.

The Company does not expect that application of IFRS 18 will have significant impact on its financial statements.

Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures

Classification of financial assets with contingent feature

The amendments introduce an additional SPPI (solely payment of principal and interest) test for financial assets with contingent features that are not related directly to a change in basic lending risks or costs – e.g. where the cash flows change depending on whether the borrower meets an ESG (environmental, social, and governance) target specified in the loan contract. This contingent financial asset's classification will be determined by the SPPI test. The SPPI test determines whether the asset should be accounted for at amortized cost or fair value.

Under the amendments, certain financial assets including those with ESG-linked features could now meet the SPPI criterion, provided that their cash flows are not significantly different from an identical financial asset without such a feature. Judgement will be required in determining whether the new test is met.

The amendments also include additional disclosures for all financial assets and financial liabilities that have certain contingent features that are:

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(Amounts are expressed in Turkish Lira (TL) based on purchasing power as at December 31, 2024, unless otherwise stated.)

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

Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures (*cont'd*)

Classification of financial assets with contingent feature (*cont'd*)

- Not related directly to a change in basic lending risks or costs; and
- Are not measured at fair value through profit or loss.

Settlement by electronic payments

A company that settles its trade payable by using an electronic payment system generally derecognises its trade payable on settlement date. The amendments provide an exception for the derecognition of such financial liabilities. The exception allows the company to derecognise its trade payable before the settlement date when it uses an electronic payment system that meets all of the following criteria:

- No practical ability to withdraw, stop or cancel the payment instruction;
- no practical ability to access the cash to be used for settlement as a result of the payment instruction; and
- the settlement risk associated with the electronic payment system is insignificant.

Other amendments

Contractually linked instruments (CLIs) and non-recourse features

The amendments clarify the key characteristics of CLIs and how they differ from financial assets with non-recourse features. The amendments also include factors that a company needs to consider when assessing the cash flows underlying a financial asset with non-recourse features (the ‘look through’ test).

Disclosures on investments in equity instruments

The amendments require additional disclosures for investments in equity instruments that are measured at fair value with gains or losses presented in other comprehensive income (FVOCI).

The amendments apply for annual reporting periods beginning on or after 1 January 2026. Companies can choose to early-adopt these amendments (including the associated disclosure requirements), separately from the amendments for the recognition and derecognition of financial assets and financial liabilities.

The Company does not expect that application of these Amendments to IFRS 9 and IFRS 7 will have significant impact on its financial statements.

IFRS 19 Subsidiaries without Public Accountability: Disclosures

Subsidiaries of companies using IFRS Accounting Standards can substantially reduce their disclosures and focus more on users’ needs following the release of IFRS 19.

A subsidiary may choose to apply the new standard in its consolidated, separate or individual financial statements provided that, at the reporting date:

- It does not have public accountability;
- Its parent produces consolidated financial statements under IFRS Accounting Standards.

A subsidiary applying IFRS 19 is required to clearly state in its explicit and unreserved statement of compliance with IFRS Accounting Standards that IFRS 19 has been adopted.

The amendments apply for annual reporting periods beginning on or after 1 January 2027. Earlier application is permitted.

The Company does not expect that application of IFRS 19 will have significant impact on its financial statements.

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Notes to the Financial Statements for the Year Ended 31 December 2024

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

Annual Improvements to IFRS Accounting Standards- Volume 11 – Amendments to:

The annual improvements process aims to improve the clarity and internal consistency of IFRS Accounting Standards. In July 2024, the IASB issued “*Annual Improvements to IFRS Accounting Standards—Volume 11*” to make minor amendments to 5 standards.

Transaction Price (Amendments to IFRS 9: Financial Instruments) The term "transaction price" used in IFRS 9, with a meaning that is not necessarily consistent with the definition in IFRS 15, has been updated to "the amount determined by applying IFRS 15" for consistency.

Lessee derecognition of lease liabilities (Amendments to IFRS 9: Financial Instruments): If a lease liability is derecognised, then the derecognition is accounted for under IFRS 9. However, when a lease liability is modified, the modification is accounted for under IFRS 16 Leases. The IASB’s amendment states that when lease liabilities are derecognised under IFRS 9, the difference between the carrying amount and the consideration paid is recognised in profit or loss.

The amendment on derecognition of lease liabilities applies only to lease liabilities extinguished on or after the beginning of the annual reporting period in which the amendment is first applied.

The amendments apply for annual reporting periods beginning on or after 1 January 2026. Earlier application is permitted.

Hedge Accounting by a First-time Adopter (Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards)

IFRS 1 is amended:

- to improve their consistency with the requirements in IFRS 9 for hedge accounting; and
- to improve the understandability.

A cross-reference to IFRS 9 in IFRS 1 “Exception to the retrospective application of other IFRSs” is added.

Gain or Loss on Derecognition (Amendments to IFRS 7 Financial Instruments: Disclosures): With this amendment, a statement is added clarifying that the guidance in IFRS 7 does not illustrate all the requirements regarding the accounting for gains and losses arising from derecognition. Additionally, the phrase “inputs that were not based on observable market data” is adjusted to “unobservable inputs” to align with IFRS 13 terminology

Disclosure of Deferred Difference between Fair Value and Transaction Price (Amendments to IFRS 7 Financial Instruments: Disclosures): The statement that was not amended after the publication of IFRS 13 in May 2011 is clarified and simplified with this change, explaining that the transaction price at initial recognition may differ from the fair value. Fair value is not supported by a quoted price in an active market for an identical asset or liability (Level 1 input) nor by a valuation technique relying solely on observable market data. (In these circumstances, the difference will be recognised in profit or loss in subsequent periods in accordance with IFRS 9.)

Credit Risk Disclosures (Amendments to IFRS 7 Financial Instruments: Disclosures): The IG1 paragraph has been revised to provide clarity, explaining that not all requirements in the referenced paragraphs of IFRS 7 are necessarily illustrated.

Determination of a ‘De Facto Agent’ (Amendments to IFRS 10 Consolidated Financial Statements)

When determining an investor whether another party is acting on its behalf, IFRS 10 is amended to use conclusive language when the parties that direct the activities of the investor have the ability to direct that party to act on the investor’s behalf, judgement is required to determine whether a party is acting as a de facto agent.

Cost Method (Amendments to IAS 7): Following the removal of the term "cost method" in previous amendments, the statement in IAS 7 is adjusted from "cost method" to “accounted at cost”.

HALK YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ

Notes to the Financial Statements for the Year Ended 31 December 2024

(Amounts are expressed in Turkish Lira (TL) based on purchasing power as at December 31, 2024, unless otherwise stated.)

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

Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7

In December 2024, The International Accounting Standards Board (IASB) has now amended IFRS 9 to address challenges in applying IFRS 9 to contracts referencing nature-dependent electricity – sometimes referred to as renewable power purchase agreements (“PPAs”). The amendments include guidance on:

- the ‘own-use’ exemption for purchasers of electricity under such PPAs; and
- hedge accounting requirements for companies that hedge their purchases or sales of electricity using PPAs.
- new disclosure requirements for certain PPAs to IFRS 7 Financial Instruments: Disclosures and IFRS 19 Subsidiaries without Public Accountability: Disclosures.

The amendments apply for reporting periods beginning on or after 1 January 2026. Early application is permitted.

Own-use Exemption for PPAs

If the own-use exemption does not apply under IFRS 9 when purchasing electricity through PPAs, PPAs are treated as derivatives, measured at FVTPL, potentially causing significant volatility in the income statement over time, especially as PPAs are often long-term agreements.

To apply the own-use exemption to a PPA, IFRS 9 currently requires companies to assess whether the contract is for receipt of electricity in line with the company’s expected purchase or usage requirements – e.g. the company expects to consume the purchased electricity. Due to electricity’s unique characteristics, its inability to be stored and the requirement to sell unused electricity back to the market within a short period and these sales occur due to market conditions rather than short-term price speculation, a clarification of application of own-use exemption under existing requirements was needed. The amendments allow companies to apply the own-use exemption to PPAs if they have been, and expect to continue being, net purchasers of electricity during the contract period.

These amendments apply retrospectively based on the facts and circumstances at the start of the reporting period of initial application, without requiring restatement of prior periods.

Hedge accounting requirements for PPAs

Since virtual PPAs (contracts for differences) and PPAs that do not meet the own-use exemption are accounted for as derivatives and measured at FVTPL, the hedge accounting requirements in IFRS 9 have been amended to allow applying hedge accounting for PPAs, to reduce profit or loss volatility:

- It permits companies to designate a variable nominal volume of forecasted sales or purchases of renewable electricity as the hedged transaction, rather than a fixed volume.
- It allows the measurement the hedged item using the same volume assumptions as those used for the hedging instrument.

The amendments apply prospectively to new hedging relationships designated on or after the date of initial application. They also allow companies to discontinue an existing hedging relationship, if the same hedging instrument (i.e. the nature-dependent electricity contract) is designated in a new hedging relationship applying the amendments.

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Notes to the Financial Statements for the Year Ended 31 December 2024

(Amounts are expressed in Turkish Lira (TL) based on purchasing power as at December 31, 2024, unless otherwise stated.)

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

Amendments are effective on 1 January 2024

Changes that have become effective and have been adopted for annual periods beginning on or after 1 January 2024:

1. Classification of Liabilities as Current or Non-current (Amendments to TAS 1) for SMEs Accounting Standard – International Tax Reform – Pillar Two Model Rules
2. Lease Liability in a Sale and Leaseback – Amendments to TFRS 16 Leases
3. Amendments to TAS 7 Statement of Cash Flows and TFRS 7 Financial Instruments: Disclosures – Supplier Finance Arrangements
4. TSRS 1 General Requirements for Disclosure of Sustainability-related Financial Information and TSRS 2 Climate-related Disclosures
5. International Tax Reform – Pillar Two Model Rules- Amendments to IAS 12: The IASB has amended IAS 12 to introduce a temporary mandatory relief from accounting for deferred tax that arises from legislation implementing the Global Anti-Base Erosion Model Rules (“the GloBE model rules”). Under the relief, companies are effectively exempt from providing for and disclosing deferred tax related to top-up tax. However, they need to disclose that they have applied the relief. The relief is effective immediately and applies retrospectively in accordance with IAS 8. It will apply until the IASB decides either to remove it or to make it permanent. This amendment is published by POA by amending TAS 12.

These newly adopted amendments to standards have not been a significant impact on the financial statements of the Company.

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Notes to the Financial Statements for the Year Ended 31 December 2024

(Amounts are expressed in Turkish Lira (TL) based on purchasing power as at December 31, 2024, unless otherwise stated.)

3 Cash and cash equivalents

Cash and cash equivalents as at 31 December 2024 and 31 December 2023 are as follows:

	31 December 2024	31 December 2023
Banks	1.614.232.599	5.342.788.527
- Time deposit	1.323.488.858	5.104.261.495
- Demand deposit	290.743.741	238.527.032
Receivables from reverse repo transactions	221.976.000	1.041.631.250
Provision for expected credit loss (-)	(217.922)	(859.786)
Total cash and cash equivalents on statement of financial position	1.835.990.677	6.383.559.991
Interest income discount on cash and cash equivalents	(9.963.293)	(119.299.336)
Provision for expected credit loss on cash and cash equivalents	217.922	859.786
Customer deposits ⁽¹⁾	(218.727.822)	(167.159.849)
Total cash and cash equivalents on statement of cash flows	1.607.517.484	6.097.960.592

⁽¹⁾ The portion of the bank deposits amounting to TL 218.727.822 (31 December 2023: TL 167.159.849) consists of the customers' assets held as demand deposits in the Company's deposit accounts as at 31 December 2024, which have not yet been invested.

As at 31 December 2024, TL 765.337.171 of time deposit (31 December 2023: TL : 1.709.708.055) and TL 261.166.298 of demand deposit (31 December 2023: TL 220.387.111) is at T. Halk Bankası A.Ş., the main shareholder of the Company.

As at 31 December 2024, the maturity of the receivables from reverse repo transactions is 1 day and the interest rate is 48.84% (31 December 2023: 7 days maturity, 43.75%).

As at 31 December 2024 and 31 December 2023, the details of time deposits of the Company are as follows:

31 December 2024				
	Interest rate (%)	Maturity	Currency	Amount
Time deposits	%48.50-%50.25	2 January 2025-27 March 2025	TL	1.323.488.858
Total				1.323.488.858
31 December 2023				
	Interest rate (%)	Maturity	Currency	Amount
Time deposits	42%-47%	2 January 2024-28 February 2024	TL	5.104.261.495
Total				5.104.261.495

As at 31 December 2024 and 31 December 2023, there is no blockage on cash and cash equivalents of the Company.

HALK YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ

Notes to the Financial Statements for the Year Ended 31 December 2024

(Amounts are expressed in Turkish Lira (TL) based on purchasing power as at December 31, 2024, unless otherwise stated.)

4 Financial investments

Short-term financial investments

As at 31 December 2024 and 31 December 2023, short-term financial investments are as follows:

Financial assets at fair value through profit/loss

	31 December 2024			31 December 2023		
	Nominal value	Cost value	Carrying value	Nominal value	Cost value	Carrying value
Shares	63.600	1.602.720	1.602.720	394.154	1.182.462	1.150.930
Government bonds	3.290.553	3.615.742	3.712.691	78.686.430	69.284.314	75.812.457
Investment Funds	383.221.204	921.245.149	973.842.423	661.104.550	852.919.273	1.045.133.201
Total			979.157.834			1.122.096.588

Long-term financial investments

As at 31 December 2024 and 31 December 2023, long-term financial investments are as follows:

Financial assets at fair value through other comprehensive income

	31 December 2024		31 December 2023	
Share investments	Carrying value	Ownership (%)	Carrying value	Ownership (%)
Borsa İstanbul A.Ş. ⁽¹⁾	11.747.695	0,038	11.437.231	0,038
Halk Gayrimenkul Yatırım Ortaklığı A.Ş. ⁽²⁾	4.029.287	0,038	3.298.154	0,038
Ziraat Portföy Yönetimi A.Ş. ⁽³⁾	601.859	0,001	277.844	0,001
Total	16.378.841		15.013.229	

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

⁽²⁾ Halk GYO is recognised at fair value in the financial statements.

⁽³⁾ Stated at cost value in financial statements.

HALK YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ

Notes to the Financial Statements for the Year Ended 31 December 2024

(Amounts are expressed in Turkish Lira (TL) based on purchasing power as at December 31, 2024, unless otherwise stated.)

5 Related party disclosures

Receivables from related parties and payables to related parties

As at 31 December 2024 and 31 December 2023, the receivables and payables from related parties are as follows:

	31 December 2024	31 December 2023
Cash and cash equivalents		
Türkiye Halk Bankası A.Ş.	1.026.503.469	1.930.095.166
-Time deposits	765.337.171	1.709.708.055
-Demand deposits	261.166.298	220.387.111
Total	1.026.503.469	1.930.095.166

	31 December 2024	31 December 2023
Stock shares investments		
Halk Gayrimenkul Yatırım Ortaklığı A.Ş.	4.029.287	3.298.154
-Stock shares	4.029.287	3.298.154
Total	4.029.287	3.298.154

	31 December 2024	31 December 2023
Trade receivables from related parties		
Türkiye Halk Bankası A.Ş.	473.113	383.977
Total	473.113	383.977

	31 December 2024	31 December 2023
Payables to related parties		
Halkbank Spor Kulübü	18.000.000	19.491.134
Türkiye Halk Bankası A.Ş.	436.164	624.918
Total	18.436.164	20.116.052

HALK YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ

Notes to the Financial Statements for the Year Ended 31 December 2024

(Amounts are expressed in Turkish Lira (TL) based on purchasing power as at December 31, 2024, unless otherwise stated.)

5 Related party disclosures (*cont'd*)

Transactions with related parties

Transactions with related parties for the periods ended 31 December 2024 and 31 December 2023 are as follows:

Income from related parties

	1 January – 31 December 2024	1 January – 31 December 2023
<u>Türkiye Halk Bankası A.Ş.</u>		
Interest income on deposits	598.632.475	1.209.112.787
Commission income on public offerings brokerage	38.462.294	57.972.841
Commission income from brokerage	7.041.128	3.102.653
Investment consultancy service income	4.604.888	5.544.145
Other income	40.236	3.106.644
<u>Halk Gayrimenkul Yatırım Ortaklığı A.Ş.</u>		
Consultancy service income	959.293	--
Commission income from brokerage	766	2.718
<u>Halk Finansal Kiralama A.Ş.</u>		
Commission income on public offerings brokerage	2.487.159	3.116.957
Amortization income on bonds	--	29.468
<u>Halk Varlık Kiralama A.Ş.</u>		
Sukuk issuance brokerage commission income	21.506.734	13.052.260
Amortization income from lease certificate	--	57.091
Total	673.734.973	1.295.097.564

Payables to related parties

	1 January – 31 December 2024	1 January – 31 December 2023
<u>Türkiye Halk Bankası A.Ş.</u>		
Common expense contribution expense	21.021.255	12.050.074
Rent expenses	17.660.222	11.340.056
Campaign bonus expense	981.238	1.333.650
Commissions of guarantee letter	347.166	380.252
Bank charges	226.594	131.797
<u>Halkbank Spor Kulübü</u>		
Sponsorship expenses	35.591.240	26.782.262
Total	75.827.715	52.018.091

Benefits provided to key management

The key personnel received remuneration and fees amounting in total TL 35.993.375 for the period ended 31 December 2024 (31 December 2023: TL 20.152.792).

HALK YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ

Notes to the Financial Statements for the Year Ended 31 December 2024

(Amounts are expressed in Turkish Lira (TL) based on purchasing power as at December 31, 2024, unless otherwise stated.)

6 Trade receivables and payables

Trade receivables

As at 31 December 2024 and 31 December 2023, trade receivables of the Company are as follows:

	31 December 2024	31 December 2023
Futures and options market collaterals	1.264.298.614	1.520.674.592
Receivables from loan customers	736.573.848	1.336.146.190
Leveraged trade collaterals	10.229.260	9.503.676
Receivables from customers	2.171.845	2.328.351
Due from related parties (Note 5)	473.113	383.977
Doubtful trade receivables	15.076.962	20.105.563
Provision for doubtful trade receivables	(15.076.962)	(20.105.563)
Total	2.013.746.680	2.869.036.786

The movement of the provision of doubtful receivables of the Company as at 31 December 2024 and 31 December 2023 is as follows:

	1 January - 31 December 2024	1 January - 31 December 2023
Beginning of the period	20.105.563	31.693.608
Provisions during the period	(5.028.601)	(10.528.858)
Provisions no longer required	--	(1.059.187)
End of the period	15.076.962	20.105.563

Trade payables

As at 31 December 2024 and 31 December 2023, trade payables of the Company is as follows:

	31 December 2024	31 December 2023
Futures and options market collaterals	1.264.162.617	1.520.456.541
Payables to customers	429.589.531	677.766.925
Public offering demands	69.327.000	--
Sellers	29.370.271	37.941.344
Payables to related parties (Note 5)	18.436.164	20.116.052
Leveraged trade collaterals	8.026.502	7.885.478
Total	1.818.912.085	2.264.166.340

HALK YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ

Notes to the Financial Statements for the Year Ended 31 December 2024

(Amounts are expressed in Turkish Lira (TL) based on purchasing power as at December 31, 2024, unless otherwise stated.)

6 Trade Receivables and payables (*cont'd*)

Other receivables and payables

Other receivables

As at 31 December 2024 and 31 December 2023, other receivables are as follows:

	31 December 2024	31 December 2023
BISTECH Share MKT transaction collateral ⁽²⁾	66.579.824	59.589.511
VIOP, Share, Lending and Debt Instruments guarantees ⁽¹⁾	42.848.804	74.899.681
BAP MTK transaction collaterals ⁽³⁾	30.483.014	106.293.136
TEFAS transaction collateral ⁽⁴⁾	26.136.286	10.280.961
Leveraged transaction foreign collaterals	16.868.918	33.054.167
TMM Debt Instruments collateral	7.315.244	371.036.355
Rental and other security deposits	464.156	73.431
Other	7.117.324	7.627.810
Expected loss provision(-)	(121.486)	(218.285)
Total	197.692.084	662.636.767

- (1) Consists of cash guarantees given by the Company to Istanbul Takas ve Saklama Bankası A.Ş. to transact in VIOP and other markets.
- (2) Consists of cash guarantees given by the Company to Istanbul Takas ve Saklama Bankası A.Ş. for trading in the Equity market.
- (3) Consists of cash guarantees given by the Company to Istanbul Takas ve Saklama Bankası A.Ş. for trading in the debt securities market.
- (4) Consists of cash guarantees given by the Company to Istanbul Takas ve Saklama Bankası A.Ş. for TEFAS transactions.
- (5) Consists of cash collaterals given by the Company to İstanbul Takas ve Saklama Bankası A.Ş. for TMM transactions.

Other payables

As at 31 December 2024 and 31 December 2023, other payables are as follows:

	31 December 2024	31 December 2023
Taxes, duties and fees payable	140.116.648	87.494.930
Other	32.551	63.414
Total	140.149.199	87.558.344

HALK YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ

Notes to the Financial Statements for the Year Ended 31 December 2024

(Amounts are expressed in Turkish Lira (TL) based on purchasing power as at December 31, 2024, unless otherwise stated.)

7 Short-term borrowings

As at 31 December 2024 and 31 December 2023, the details of the Company's borrowings are as follows:

	31 December 2024	31 December 2023
Issued financial bonds	186.814.043	1.379.085.237
Payables to Takasbank money market	53,102,155	4.572.971.760
Total	239.916.198	5.952.056.997

As at 31 December 2024 and 31 December 2023, the details of bonds, notes and bills issued by the Company are as follows:

31 December 2024					
ISIN	Issue date	Maturity	Interest rate (%)	Nominal	Amount
TRFHALK32513	17 December 2024	18 March 2024	%50,50	155.750.000	141.782.340
TRFHALK32521	26 December 2024	27 March 2024	%50,00	50.000.000	45.031.703
Total					186.814.043

31 December 2023					
ISIN	Issue date	Maturity	Interest rate (%)	Nominal	Amount
TRFHALK12416	31 October 2023	31 January 2024	39,50%	361.000.000	505.817.584
TRFHALK22415	07 November 2023	06 February 2024	39,50%	330.000.000	459.552.204
TRFHALK22423	13 November 2023	12 February 2024	40,50%	200.000.000	276.656.381
TRFHALK22431	16 November 2023	20 February 2024	47,60%	100.000.000	137.059.068
Total					1.379.085.237

As at 31 December 2024 and 31 December 2023, the Company's financial borrowings are as follows.

31 December 2024			
	Interest rate (%)	Maturity	Amount
Takasbank Money Market	47,25% - 48,50%	25 March 2025-26 March 2025	53.102.155
Total			53.102.155

31 December 2023			
	Interest rate (%)	Maturity	Amount
Takasbank Money Market	39,15%-45%	2 January 2024-28 February 2024	4.572.971.760
Total			4.572.971.760

HALK YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ

Notes to the Financial Statements for the Year Ended 31 December 2024

(Amounts are expressed in Turkish Lira (TL) based on purchasing power as at December 31, 2024, unless otherwise stated.)

8 Property, plant and equipment

For the years ended 31 December 2024 and 31 December 2023, movement of the property, plant and equipment is as follows:

	Machinery and equipment	Furniture and fixtures	Leasehold improvements	Total
Cost				
Opening balance, 1 January 2023	84.995.299	24.099.662	39.553.102	148.648.063
Additions	33.134.196	518.749	2.322.568	35.975.513
Closing balance, 31 December 2023	118.129.495	24.618.411	41.875.670	184.623.576
Opening balance, 1 January 2024	118.129.495	24.618.411	41.875.670	184.623.576
Additions	45.033.730	2.194.860	18.195.898	65.424.488
Çıkışlar	--	--	--	--
Closing balance, 31 December 2024	163.163.225	26.813.271	60.071.568	250.048.064
Accumulated depreciation				
Opening balance, 1 January 2023	55.448.456	21.363.373	14.236.482	91.048.311
Charge for the period	10.360.182	647.312	7.480.521	18.488.015
Closing balance, 31 December 2023	65.808.638	22.010.685	21.717.003	109.536.326
Opening balance, 1 January 2024	65.808.638	22.010.685	21.717.003	109.536.326
Charge for the period	23.445.569	1.280.459	8.960.633	33.686.661
Closing balance, 31 December 2024	89.254.207	23.291.144	30.677.636	143.222.987
Net carrying value				
31 December 2023	52.320.857	2.607.726	20.158.667	75.087.250
31 December 2024	73.909.018	3.522.127	29.393.932	106.825.077

All depreciation expenses for the periods ended 31 December 2024 and 31 December 2023 are accounted for under general administrative expenses.

As at 31 December 2024, the total insurance coverage on property, plant and equipment amounts to TL 100.510.848 (31 December 2023: TL 60.421.534).

HALK YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ

Notes to the Financial Statements for the Year Ended 31 December 2024

(Amounts are expressed in Turkish Lira (TL) based on purchasing power as at December 31, 2024, unless otherwise stated.)

9 Intangible assets

For the years ended 31 December 2024 and 31 December 2023, movement of the intangible assets is as follows:

	Software programs
Cost value	
Opening balance, 1 January 2023	73.568.499
Closing balance, 31 December 2023	73.568.499
Opening balance, 1 January 2024	73.568.499
Additions	27.865.685
Closing balance, 31 December 2024	101.434.184
Accumulated amortization	
Opening balance, 1 January 2023	57.568.162
Charge for the period	5.086.402
Closing balance, 31 December 2023	62.654.564
Opening balance, 1 January 2024	62.654.564
Charge for the period	12.166.762
Closing balance, 31 December 2024	74.821.326
Net carrying value	
31 December 2023	10.913.935
31 December 2024	26.612.858

All depreciation expenses for the years ended 31 December 2024 and 31 December 2023 are recognized under General Administrative Expenses.

HALK YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ

Notes to the Financial Statements for the Year Ended 31 December 2024

(Amounts are expressed in Turkish Lira (TL) based on purchasing power as at December 31, 2024, unless otherwise stated.)

10 Right-of-use assets and lease liabilities

As at 31 December 2024 and 31 December 2023, movement of right-of-use assets and lease liabilities are as follows:

	Building lease rights	Vehicle lease rights	Total
Cost			
Opening balance, 1 January 2023	59.197.131	29.610.804	88.807.935
Additions	96.315.769	42.357.074	138.672.843
Closing balance, 31 December 2023	155.512.900	71.967.878	227.480.778
Opening balance, 1 January 2024	155.512.900	71.967.878	227.480.778
Additions	21.326.120	12.314.835	33.640.955
Exits	(114.730.788)	(52.375.339)	(167.106.127)
Closing balance, 31 December 2024	62.108.232	31.907.374	94.015.606
Accumulated depreciation			
Opening balance, 1 January 2023	28.133.779	6.513.483	34.647.262
Charge for the period	13.745.282	19.785.517	33.530.799
Closing balance, 31 December 2023	41.879.061	26.299.000	68.178.061
Opening balance, 1 January 2024	41.879.061	26.299.000	68.178.061
Charge for the period	19.741.209	14.131.993	33.873.202
Exits	(30.519.222)	(18.109.793)	(48.629.015)
Closing balance, 31 December 2024	31.101.048	22.321.200	53.422.248
Net carrying value			
31 December 2023	113.633.839	45.668.878	159.302.717
31 December 2024	31.007.184	9.586.174	40.593.358

	31 December 2024	31 December 2023
Current	20.343.837	30.851.641
Non-current	9.429.286	31.657.772
Closing balance	29.773.123	62.509.413

11 Provisions, contingent assets and liabilities

Other short-term provisions

As at 31 December 2024 and 31 December 2023, short-term provisions for liabilities are as follows:

	31 December 2024	31 December 2023
Provision for litigation	2.565.000	4.425.209
Expenses payable	127.972	201.709
Other expense provisions	2.711.172	16.700
Total	5.404.144	4.643.618

HALK YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ

Notes to the Financial Statements for the Year Ended 31 December 2024

(Amounts are expressed in Turkish Lira (TL) based on purchasing power as at December 31, 2024, unless otherwise stated.)

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

Off-balance sheet liabilities

As at 31 December 2024 and 31 December 2023 off-balance sheet liabilities are as follows:

Guarantee letters

	31 December 2024	31 December 2023
TMM Transaction Collaterals (Takasbank)	924.000.000	5.752.050.253
Borsa İstanbul AŞ (BİST)	81.776	115.503
CBM	-	2.564
Other	1.906.050	2.357.778
Total	925.987.826	5.754.526.098

As at 31 December 2024, the Company has a guarantee given to liquidity providers amounting to USD 2.000.000 in order to be able to perform KAS transactions (31 December 2023: USD 2.000.000).

Other off-balance sheet liabilities

Items held in custoday (nominal)	31 December 2024	31 December 2023
Stock share	16.611.141.580	16.228.806.411
Warrants	15.111.050.035	13.611.383.316
Other securities	113.605.679	155.128.705
Futures and options market contracts (number)	434.034	763.492

As at 31 December 2024, there are futures and option markets guarantees amounting to TL 1.086.176.363 at Istanbul Takas ve Saklama Bankası A.Ş. (31 December 2023: TL 1.520.674.592).

As at 31 December 2024 and 31 December 2023, the open transaction amounts of customers in the Futures and Options Market are as follows:

	31 December 2024	31 December 2023
Open transaction amount	3.663.098.334	3.611.875.641

Lawsuits

As at 31 December 2024 total risk of lawsuits sued against the Company are amounting to approximately TL 2.565.000 (31 December 2023: TL 4.425.209) and TL 2.565.000 of provision is provided for these lawsuits on the financial statements (31 December 2023: TL 4.425.209).

	1 January – 31 December 2024	1 January – 31 December 2023
Beginning of the period	4.425.209	6.019.854
Provision released	(500.000)	(179.318)
Monetary gain/loss	(1.360.209)	(1.415.327)
End of the period	2.565.000	4.425.209

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Notes to the Financial Statements for the Year Ended 31 December 2024

(Amounts are expressed in Turkish Lira (TL) based on purchasing power as at December 31, 2024, unless otherwise stated.)

12 Provisions related to employee benefits

As at 31 December 2024 and 31 December 2023, the details of employee benefits are as follows:

	31 December 2024	31 December 2023
<i>Short-term</i>		
- Provision for unused vacation	10.475.550	13.381.873
- Personnel bonus provision	32.134.649	35.585.197
<i>Long-term</i>		
- Provision for employment termination benefit	11.632.973	24.030.585

Provision for unused vacation

Provision for unused vacations is the total undiscounted liability amount corresponding to the days of leave entitled but not yet used by all employees. The movements of provision for the unused vacation in the accounting periods ended 31 December 2024 and 31 December 2023 are as follows:

	1 January – 31 December 2024	1 January – 31 December 2023
Beginning of the period	13.381.873	12.050.733
Increase in the period	4.921.161	2.027.628
Paid within the period	(3.714.199)	(696.488)
Monetary gain/loss	(4.113.285)	(1.063.652)
End of the period	10.475.550	12.318.221

Provision for personnel premium

The provision for employee profit-sharing bonus consists of an amount of TL 32,134,649 that the Company intends to distribute to its personnel from the provisions set aside in the statement of financial position for the profit distribution of the year 2024 (31 December 2023: TL 35,585,197). The Company has expensed the related amount in the current period in accordance with TAS 19.

	1 January – 31 December 2024	1 January – 31 December 2023
Beginning of the period	35.585.197	31.283.174
Increase in the period	32.134.649	32.903.392
Paid during the period	(23.192.918)	(18.985.628)
Monetary gain/loss	(12.392.279)	(9.615.741)
End of the period	32.134.649	35.585.197

Termination and retirement benefits

Provision for termination and retirement benefits has been calculated according to the net present value of future liabilities due to retirement of all employees and reflected in the accompanying financial statements.

Under TFRS, actuarial calculation is required to calculate the Company's liabilities. The Company calculated the provision for termination and retirement benefits based on the Company's experience in completing employee service term and entitlement to severance pay using the "Projection Method" in prior periods and recognized it in the accompanying financial statements. Provision for termination and retirement benefits has been calculated according to the net present value of future liabilities due to retirement of all employees. Accordingly, the actuarial assumptions used to calculate the liability as at 31 December 2024 and 31 December 2023 are as follows:

HALK YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ

Notes to the Financial Statements for the Year Ended 31 December 2024

(Amounts are expressed in Turkish Lira (TL) based on purchasing power as at December 31, 2024, unless otherwise stated.)

12 Provisions related to employee benefits (*cont'd*)

Termination and retirement benefits (*cont'd*)

	31 December 2024	31 December 2023
Discount rate	24,58%	24,58%
Estimated salary increase rate	19,79%	19,99%
Net discount rate	3,38%	4,00%
Annual average inflation rate	23,33%	--
Annual average interest rate	27,50%	--

The movements of provision for termination and retirement benefits within the accounting periods ended 31 December 2024 and 31 December 2023 are as follows:

	1 January – 31 December 2024	1 January – 31 December 2023
Beginning of the period	24.030.585	23.152.109
Interest cost	961.223	876.350
Service cost	1.783.258	2.502.815
Payments during the period	(16.514.223)	(2.732.209)
Monetary gain/loss	(52.977)	231.520
Actuarial gain/loss	1.425.107	--
End of the period	11.632.973	24.030.585

13 Tax assets and liabilities

In Türkiye, the general corporate tax rate is 20%. However, within the scope of the Law No. 7316 on the "Law on the Collection of Public Claims and Amendments to Certain Laws" published in the Official Gazette dated 22 April 2021, this rate will be applied as 25% for the corporate earnings of the institutions for the 2022 taxation period, and 23% for the corporate earnings for the 2021 taxation period, starting from the declarations that must be submitted as at 1 July 2021. This change will be valid for the taxation of corporate earnings for the periods starting from 1 January 2021, starting with the declarations that must be submitted as at 1 July 2021. The corporate tax rate is applied to the tax base to be found as a result of adding the expenses that are not accepted as a deduction in accordance with the tax laws to the commercial income of the corporations, deducting the exceptions and discounts in the tax laws. If there is no dividend distribution, no further tax charges are made.

Evaluation of Immovable Property Owned by the Treasury No. 7394, which was published in the Official Gazette dated 15 April 2022 and numbered 31810 and the Law on Amending the Value Added Tax Law and the Law on Amending Certain Laws and Decrees with the Force of Law and with the paragraph added to the provisional article 13 of the Corporate Tax Law No. 5520, it has been decided to apply the corporate tax rate for financial institutions as 25% of the corporate earnings for the 2022 taxation period.

Pursuant to the "Law on the Issuance of Additional Motor Vehicles Tax for the Compensation of Economic Losses Caused by the Earthquakes Occurring on 6/2/2023 and Amendments to Certain Laws and the Decree Law No. 375" published in the Official Gazette dated 15 July 2023; the corporate tax rate of 25% for banks, financial leasing, factoring, financing and savings finance companies, electronic payment and money institutions, authorised foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies has been increased to 30% and the corporate tax rate of 20% for other companies has been increased to 25%. The tax rate change will be effective for the earnings of the companies in 2023 and the following taxation periods. As at 31 December 2024, deferred tax rate of 30% was used for temporary differences in the deferred tax calculation.

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

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

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Notes to the Financial Statements for the Year Ended 31 December 2024

(Amounts are expressed in Turkish Lira (TL) based on purchasing power as at December 31, 2024, unless otherwise stated.)

13 Tax assets and liabilities (cont'd)

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

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

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

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

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

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

A reconciliation illustrates the differences between the total tax provision and the amount calculated by applying the legal tax rate to the profit before tax of the periods ended 31 December 2024 and 31 December 2023.

	1 January – 31 December 2024	Tax Rate(%)	1 January – 31 December 2023	Tax Rate(%)
Profit before tax	1.960.096.279		2.307.462.996	
Corporate tax calculated with statutory tax rate (30%)	(588.028.884)	30,00	(692.238.899)	30,00
Effect of non-deductible expenses	53.168.887	2,71	(31.838.960)	1,38
(Additional)/discounts, net	(29.756.477)	(1,52)	(245.984.086)	(10,66)
Effect of inflation accounting	(280.292.066)	(14,30)	121.213.701	(5,25)
Other	--	--	(481.757)	(0,02)
Tax expense	(844.908.540)	16,89	(785.652.081)	25,95

	1 January – 31 December 2024	1 January – 31 December 2023
Current tax expense	(842.757.631)	(772.284.217)
Deferred tax (expense)/income	(2.150.909)	(13.367.864)
Tax expense	(844.908.540)	(785.652.081)

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Notes to the Financial Statements for the Year Ended 31 December 2024

(Amounts are expressed in Turkish Lira (TL) based on purchasing power as at December 31, 2024, unless otherwise stated.)

13 Tax assets and liabilities (cont'd)

As at 31 December 2024 and 31 December 2023, the remaining amount after netting off the corporate tax provision and corporate tax paid is recognised under “corporate tax payable” or “assets related to current period tax” in the “current period tax liability” account.

	31 December 2024	31 December 2023
Prepaid provisional tax	675.296.258	630.281.984
Current corporate tax provision	(842.757.631)	(772.284.217)
Current tax liabilities / (assets)	(167.461.373)	(142.002.233)

Deferred tax

As at 31 December 2024 and 31 December 2023, details of net deferred tax assets and liabilities are as follows:

	Total Temporary Differences		Deferred Tax Asset / (Liability)	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Deferred tax assets				
Provision for employment termination benefits	16.700.352	24.030.585	5.010.106	7.209.176
Provision for unused vacation	10.475.550	13.381.873	3.142.665	4.014.561
Provision for personnel dividend premium	32.134.649	35.585.197	9.640.395	10.675.560
Provision for doubtful receivables	603.395	1.726.522	181.019	517.956
Provision for litigation	2.565.000	4.425.209	769.500	1.327.563
Financial investments valuation differences	--	4.793.453	--	948.034
Provision for expected loss	814.252	1.078.122	244.276	323.439
Diğer	42.575.620	--	12.772.686	--
Total deferred tax assets	105.868.818	85.020.961	31.760.647	25.016.289
Deferred tax liabilities				
Tax laws and method differences of property, plant and equipment and intangible asset depreciation	(53.987.581)	(81.734.193)	(16.196.274)	(20.433.548)
Adjustment related to discounts (*)	(40.325.405)	--	(12.097.622)	--
IFRS 16	(26.598.067)	--	(7.979.420)	--
Other	(25.076.880)	(50.753.225)	(7.523.065)	(14.467.566)
Total deferred tax liability	(145.987.933)	(132.487.418)	(43.796.381)	(34.901.114)
Net deferred tax asset / (liability)	(40.119.115)	(47.466.457)	(12.035.734)	(9.884.825)

(*) Deferred tax liability increased due to the rediscounting of investment funds.

HALK YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ

Notes to the Financial Statements for the Year Ended 31 December 2024

(Amounts are expressed in Turkish Lira (TL) based on purchasing power as at December 31, 2024, unless otherwise stated.)

14 Shareholders' equity

At the General Assembly held on 29 March 2024, it was resolved to allocate TL 20.000.000 as the first legal reserve in accordance with Article 519, Paragraph 1 of the Turkish Commercial Code (TCC). since the amount has not yet reached one-fifth of the paid-in/issued capital. It was also resolved to distribute a total cash dividend of TL 850.000.000 to the Company's shareholders. comprising TL 12.500.000 as the first dividend in accordance with Article 21/b of the Articles of Association. and TL 837.500.000 as the second dividend in accordance with Article 21/d of the Articles of Association. Furthermore. TL 83.750.000 was allocated as the second legal reserve.

The decision was registered and announced in the Turkish Trade Registry Gazette dated 8 April 2024 and numbered 11060.

	31 December 2024	31 December 2023
Paid-in Capital	250.000.000	250.000.000
Capital adjustment differences	1.552.499.817	1.552.499.817
Restricted reserves appropriated from profit	647.499.246	517.316.507
Total	2.449.999.063	2.319.816.324

Restricted reserves appropriated from profit

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

As at 31 December 2024, the Company has restricted reserves amounting to TL 647.499.246 appropriated from profit (31 December 202: TL 517.316.507).

Revaluation and reclassification gains (securities increment value fund)

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

Other earnings

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

Retained earnings

As at 31 December 2024, the Company has retained earnings profit amounting to TL 772.183.269 (31 December 2023: TL 1.097.254.074).

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Notes to the Financial Statements for the Year Ended 31 December 2024

(Amounts are expressed in Turkish Lira (TL) based on purchasing power as at December 31, 2024, unless otherwise stated.)

15 Revenue and cost of sales

Income from operating activities for the years ended 31 December 2024 and 31 December 2023 is as follows:

	1 January – 31 December 2024	1 January – 31 December 2023
Revenue		
Investment Fund Sales	1.523.996.471	6.987.701.740
Eurobond sales	1.463.354.991	1.668.691.864
Government bond sales	1.215.363.378	1.229.320.967
Share sales	117.153.442	240.909.152
Finance bond sales	41.233.979	119.757.418
Government bonds and treasury bills repo sales	32.953.679	10.585.057.672
Private sector bond sales	--	62.294.862
Treasury bond sales	--	118.563.374
Total revenue	4.394.055.940	21.012.297.049
Services		
Share transactions brokerage commissions	1.048.541.880	1.641.853.439
Interest income from customers	958.921.835	886.024.684
Public offering, issuance commissions and consultancy income	317.337.834	387.291.928
Futures and options market transaction brokerage commissions	60.644.096	57.279.445
Fund sales and distribution commissions	54.558.765	29.131.559
Portfolio management and consultancy service income	11.985.467	20.958.079
Securities Lending Market and other commission income	7.486.811	9.120.193
Repo-reverse repo brokerage commissions	6.976.730	13.937.924
Takasbank Money Market brokerage commissions	5.635.296	1.409.127
Leveraged income	4.120.205	7.879.343
Crowdfunding platform and venture capital advisory income	3.820.840	2.552.384
Bank transfer instrument income on condition of electronic product note	1.308.685	2.438.586
Commission on common stock trading	585.258	902.786
Total service income	2.481.923.702	3.060.779.477
Total sales income	6.875.979.642	24.073.076.526
Cost of sales		
Government bond purchases	(1.182.111.955)	(1.211.332.604)
Eurobond purchases	(1.448.851.106)	(1.646.201.781)
Investment fund purchases	(980.924.080)	(6.901.382.940)
Share purchases	(73.947.948)	(227.331.385)
Financing bills purchases	(37.884.025)	(117.155.806)
Government bond repo purchases	(32.953.679)	(10.585.057.672)
Private sector bond purchases	--	(62.213.973)
Treasury bond purchases	--	(117.207.400)
Total cost of sales	(3.756.672.793)	(20.867.883.561)
Gross profit from trade activity	3.119.306.849	3.205.192.965
Revenue from financial sector activities		
Gain from Financial Derivative Transactions	1.317.512	701.694
Total finance sector operations costs	1.317.512	701.694
Gross profit	3.120.624.361	3.205.894.659

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Notes to the Financial Statements for the Year Ended 31 December 2024

(Amounts are expressed in Turkish Lira (TL) based on purchasing power as at December 31, 2024, unless otherwise stated.)

16 General administrative and marketing expenses

General administrative expenses for the years ended 31 December 2024 and 31 December 2023 are as follows:

<i>General administrative expenses</i>	1 January – 31 December 2024	1 January – 31 December 2023
Personnel expenses	364.835.854	318.510.826
-Personnel salaries and bonuses	197.752.631	162.370.747
-Personnel insurance and premium expenses	60.068.256	46.554.375
Personnel additional bonus	36.704.577	42.063.929
-Personnel food expenses	16.871.977	12.735.833
-Personnel employment termination expenses	7.905.881	14.680.810
-Other personnel expenses	45.532.532	40.105.132
Depreciation expenses and amortization	79.726.625	57.105.216
Data display and distribution expenses	24.323.648	26.523.029
Outsourced benefits and services	52.819.436	31.766.450
Taxes and fees	48.924.345	16.806.207
Vehicle rent and fuel expenses	33.514.909	32.128.796
Communication expenses	13.015.624	11.749.999
Audit and consultancy expenses	9.862.441	5.397.085
Service and travel expenses	9.644.025	7.583.859
Common expense share	8.355.295	8.800.371
Vehicle rent and fuel expenses	1.733.993	2.337.904
Representation and entertainment expenses	1.657.972	2.708.149
Other	17.284.647	8.184.880
Total	665.698.814	529.602.771

As at 31 December 2024 and 31 December 2023. marketing expenses are as follows:

<i>Marketing expenses</i>	1 January – 31 December 2024	1 January – 31 December 2023
Stock exchange expenses	104.099.327	146.453.220
Data display and distribution expenses	62.026.046	66.886.837
Exchange and custody expenses	51.239.109	52.444.639
Sponsorship expenses	38.530.193	32.390.274
Commission, premium and service expenses	30.924.939	40.017.614
Advertisement, publication and rent expenses	21.113.089	19.393.941
Stock exchange remote access expense	8.315.850	5.874.224
Stock exchange and union fees	6.607.806	2.236.572
Financing bill issuance expenses	3.046.137	10.555.932
Total	325.902.496	376.253.253

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17 Other income and expenses from operating activities

Other income and expenses from operation activities for the years ended 31 December 2024 and 31 December 2023 are as follows:

<i>Other operating income</i>	1 January – 31 December 2024	1 January – 31 December 2023
Revenues collected from customers ⁽¹⁾	69.421.723	--
Other service income ⁽³⁾	6.635.028	10.491.986
Provisions released	1.040.014	209.211
SSI refund premiums and other income ⁽²⁾	926.273	763.462
Dividend income	891.915	824.762
Total	78.914.953	12.289.421

⁽¹⁾ It comprises remittance commissions received from customers, support services provided, collections from lawsuits and other income.

⁽²⁾ The amount of TL 926.273 is received as grant from treasury for SSI payments. (31 December 2023: TL 763.462).

⁽³⁾ It comprises reversal income for provisions for lawsuits in prior periods.

<i>Other operating expenses</i>	1 January – 31 December 2024	1 January – 31 December 2023
Other expenses and losses ⁽¹⁾	2.958.756	93.181.506
Total	2.958.756	93.181.506

⁽¹⁾ A cash donation of TL 90.585.691 was made to the Disaster and Emergency Management Presidency (AFAD) of the Ministry of Interior of the Republic of Türkiye, which organises the aid in the region, in order to contribute to the support to be provided to the disaster victims in order to support our citizens who were damaged in the earthquakes that hit Kahramanmaraş and devastatingly affected 11 provinces.

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18 Finance income and finance expenses

As at 31 December 2024 and 31 December 2023, the details of finance income and expenses are as follows:

<i>Finance income</i>	1 January – 31 December 2024	1 January – 31 December 2023
Interest Income		
Deposit interest income	1.000.130.982	2.177.452.575
Reverse repo interest income	1.032.314.658	618.700.151
Investment fund valuation differences	165.488.720	225.029.202
Futures and options market and other collateral interest income	151.118.550	78.876.668
Takasbank money market interest income	77.247.044	7.286.828
Exchange differences income	47.349.355	70.708.663
Fixed income securities depreciation, coupon rate and discount income	11.910.288	36.407.943
Other	6.059.061	261.831.601
Total	2.491.618.658	3.476.293.631
Finance expenses	1 January – 31 December 2024	1 January – 31 December 2023
Interest expenses		
Repo interest expenses	680.421.934	412.532.351
TPP borrowing and loan interest expenses	597.403.857	1.339.352.079
Financial bond interest expenses	208.574.072	443.277.258
Investment fund valuation differences	197.527.487	6.837.309
Exchange differences expenses	34.560.497	15.576.455
Letter of guarantee commissions	12.045.669	39.706.608
Other	9.768.020	4.702.479
Stock valuation differences	233.015	31.590
Total	1.740.534.551	2.262.016.129

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Notes to the Financial Statements for the Year Ended 31 December 2024

(Amounts are expressed in Turkish Lira (TL) based on purchasing power as at December 31, 2024, unless otherwise stated.)

19 Net Monetary Position Gains/(Losses)

As at 31 December 2024, the details of net monetary position gains/(losses) are as follows:

Financial Position Items	1 January – 31 December 2024
Property, Plant, and Equipment	1.050.826
Intangible Assets	2.801.556
Right-of-Use Assets	(83.996.504)
Prepaid Expenses	(12.460.705)
Investments Accounted for Using the Equity Method	1.629.295
Deferred Tax Assets/Liabilities	(11.865.131)
Paid-in Capital	(110.946.929)
Restricted Reserves Allocated from Profit	(76.122.228)
Retained Earnings/Losses from Previous Years	(400.546.795)
Other Comprehensive Income/Losses Not Reclassified to Profit or Loss	997.575
<i>Remeasurement Gains of Defined Benefit Plans</i>	997.575
Total	(689.459.040)
Income Statement Items	1 January – 31 December 2024
Revenue	(790.728.984)
Cost of Sales	403.924.287
Financial Sector Activities Revenue	(267.512)
General Administrative Expenses	102.107.230
Marketing Expenses	40.291.020
Other Income from Main Operations	(11.318.608)
Other Expenses from Main Operations	226.495
Financial Income	(429.448.092)
Financial Expenses	295.782.257
Income Tax (Expense)	81.695.140
Deferred Tax (Expense) or Income	1.228.731
Total	(306.508.036)
Net monetary position gains/(losses)	(995.967.076)

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20 Fees for services provided by the independent audit firm

The fees for the services received by the Company from the Independent Audit Firm (IAF) in the periods of 1 January - 31 December 2024 and 1 January - 31 December 2023 are as follows:

	31 December 2024	31 December 2023
Independent audit fee	2.325.000	840.000
Tax audit fees	211.496	91.788
Total	2.536.496	931.788

21 Nature and level of risks arising from financial instruments

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

21.1 Credit risk

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

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Notes to the Financial Statements for the Year Ended 31 December 2024

(Amounts are expressed in Turkish Lira (TL) based on purchasing power as at December 31, 2024, unless otherwise stated.)

21 Nature and level of risks arising from financial instruments (*cont'd*)

21.1 Credit risk (*cont'd*)

Credit risks exposed by types of financial instruments:

31 December 2024	Receivables			Deposits at bank ⁽¹⁾	Financial investments ⁽²⁾
	Trade receivables				
	Related party	Other	Other		
Maximum credit risk exposed as at balance sheet date (A+B+C+D+E)	473.113	2.013.273.567	197.692.084	1.835.990.677	977.555.114
- Secured portion of the maximum credit risk by guarantees.etc.	--	--	--	--	--
A. Net book value of financial assets that are neither past due nor impaired	473.113	2.013.273.567	197.692.084	1.835.990.677	977.555.114
B. Net book value of financial assets with renegotiated terms that will be considered as past due or not impaired otherwise	--	--	--	--	--
C. Net book value of financial assets that are past due but not impaired	--	--	--	--	--
- Secured portion by guarantees. etc.	--	--	--	--	--
D. Net book value of the impaired assets	--	--	--	--	--
- Past due (gross amount)	--	15.076.962	--	--	--
- Impairment (-)	--	(15.076.962)	--	--	--
- Secured portion of the net book value by guarantees. etc.	--	--	--	--	--
- Not past due (gross amount)	--	--	--	--	--
- Impairment (-)	--	--	--	--	--
- Secured portion of the net book value by guarantees. etc.	--	--	--	--	--
E. Off-balance sheet items that include credit risk	--	--	--	--	--

(1) Receivables from reverse repurchase agreements amounting to TL 1.835.990.677 included in cash and cash equivalents.

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

31 December 2023	Receivables			Deposits at bank ⁽¹⁾	Financial investments ⁽²⁾
	Trade receivables		Other		
	Related party	Other			
Maximum credit risk exposed as at balance sheet date (A+B+C+D+E)	383.977	2.868.652.809	662.636.767	6.383.559.991	1.120.945.658
- Secured portion of the maximum credit risk by guarantees.etc.	--	--	--	--	--
A. Net book value of financial assets that are neither past due nor impaired	383.977	2.868.652.809	662.636.767	6.383.559.991	1.120.945.658
B. Net book value of financial assets with renegotiated terms that will be considered as past due or not impaired otherwise	--	--	--	--	--
C. Net book value of financial assets that are past due but not impaired	--	--	--	--	--
- Secured portion by guarantees. etc.	--	--	--	--	--
D. Net book value of the impaired assets	--	--	--	--	--
- Past due (gross amount)	--	20.105.563	--	--	--
- Impairment (-)	--	(20.105.563)	--	--	--
- Secured portion of the net book value by guarantees. etc.	--	--	--	--	--
- Not past due (gross amount)	--	--	--	--	--
- Impairment (-)	--	--	--	--	--
- Secured portion of the net book value by guarantees. etc.	--	--	--	--	--
E. Off-balance sheet items that include credit risk	--	--	--	--	--

(1) Receivables from reverse repurchase agreements amounting to TL 6.383.559.991 included in cash and cash equivalents.

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

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Notes to the Financial Statements for the Year Ended 31 December 2024

(Amounts are expressed in Turkish Lira (TL) based on purchasing power as at December 31, 2024, unless otherwise stated.)

21 Nature and level of risks arising from financial instruments (*cont'd*)

21.2 Liquidity risk

As at 31 December 2024, the profile of financial liabilities according to their remaining maturities is as follows:

Contractual maturities	Carrying value	Total contractual cash outflows	Less than 3 months	3 to 12 months	1 to 5 years
Non-derivative financial liabilities	2.228.750.605	2.253.512.741	2.212.170.345	19.396.103	21.946.293
Trade payables	1.818.912.085	1.818.912.085	1.818.912.085	--	--
Financial borrowings	239.916.198	243.583.831	243.583.831	--	--
Other payables	140.149.199	143.256.677	143.256.677	--	--
Lease liabilities	29.773.123	47.760.148	6.417.752	19.396.103	21.946.293

As at 31 December 2023, the profile of financial liabilities according to their remaining maturities is as follows:

Contractual maturities	Carrying value	Total contractual cash outflows	Less than 3 months	3 to 12 months	1 to 5 years
Non-derivative financial liabilities	8.366.291.093	8.535.301.331	8.488.176.585	28.465.378	18.659.368
Trade payables	2.264.166.339	2.264.166.339	2.264.166.339	--	--
Financial borrowings	5.952.056.997	6.058.484.238	6.058.484.238	--	--
Other payables	87.558.334	141.910.996	141.910.996	--	--
Lease liabilities	62.509.413	70.739.758	23.615.012	28.465.378	18.659.368

As at 31 December 2024 and 31 December 2023, the liquidity requirement of the Company in accordance with Communiqué 34 is as follows:

	31 December 2024	31 December 2023
Current assets (A)	5.089.294.399	11.029.920.608
Short-term payables (B)	2.482.155.056	8.530.246.245
Current assets/Short-term payables (A/B)	2,05	1,29

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

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Notes to the Financial Statements for the Year Ended 31 December 2024

(Amounts are expressed in Turkish Lira (TL) based on purchasing power as at December 31, 2024, unless otherwise stated.)

21 Nature and level of risks arising from financial instruments (*cont'd*)

21.3 Market risk

Foreign currency risk

The assets denominated in foreign currency of the Company expose to foreign currency risk. due to changes between currency rate at transaction date and at end of the reporting date. while translating the assets denominated in foreign currency. As at 31 December 2024 and 31 December 2023. the Company's foreign currency position is as follows:

	31 December 2024			
	TL equivalent (Functional currency)	US Dollar	Euro	GBP
1. Trade receivables	15.119.698	499.079	-	--
2a. Monetary financial assets (including cash. bank deposit accounts)	35.020.281	986.754	155.856	420
3. Other	--	--	--	--
4. Current assets (1+2+3)	50.139.979	1.485.833	155.856	420
5. Trade receivables	--	--	--	--
6a. Monetary financial assets	--	--	--	--
6b. Non-monetary financial assets	--	--	--	--
7. Other	--	--	--	--
8. Non-current assets (5+6+7)	--	--	--	--
9. Total assets (4+8)	50.139.979	1.485.833	155.856	420
10. Trade payables	75.738	2.500	--	--
11. Financial liabilities	--	--	--	--
12a. Other monetary liabilities	--	--	--	--
12b. Other non-monetary liabilities	--	--	--	--
13. Current liabilities (10+11+12)	75.738	2.500	--	--
14. Trade payables	--	--	--	--
15. Financial liabilities	--	--	--	--
16a. Other monetary liabilities	--	--	--	--
16b. Other non-monetary liabilities	--	--	--	--
17. Non-current liabilities (14+15+16)	--	--	--	--
18. Total liabilities (13+17)	75.738	2.500	--	--
19. Net asset/(liability) position of off balance sheet derivative financial instruments (19a-19b)	--	--	--	--
19a. Amount of active foreign derivative currency off- balance sheet	--	--	--	--
19b. Amount of passive foreign derivative currency off- balance	--	--	--	--
20. Net foreign currency assets/(liabilities) position (9- 18+19)	50.064.241	1.483.333	155.856	420
21. Monetary items net foreign currency asset/(liability) position (tfrs 7.b23) (=1+2a+5+6a-10- 11-12a-14-15-16a))	50.064.241	1.483.333	155.856	420
22. Fair value of financial instruments used for currency hedge	--	--	--	--
23. Hedged foreign currency assets	--	--	--	--
24. Hedged foreign currency liabilities	--	--	--	--

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(Amounts are expressed in Turkish Lira (TL) based on purchasing power as at December 31, 2024, unless otherwise stated.)

21 Nature and level of risks arising from financial instruments (*cont'd*)

21.3 Market risk (*cont'd*)

Foreign currency risk (*cont'd*)

	31 December 2023			
	TL equivalent (Functional currency)	US Dollar	Euro	GBP
1. Trade receivables	34.745.984	788.422	12.517	11.976
2a. Monetary financial assets (including cash, bank deposit accounts)	85.747.391	1.908.601	75.498	19.912
3. Other	--	--	--	--
4. Current assets (1+2+3)	120.493.375	2.697.023	88.015	31.888
5. Trade receivables	--	--	--	--
6a. Monetary financial assets	--	--	--	--
6b. Non-monetary financial assets	--	--	--	--
7. Other	--	--	--	--
8. Non-current assets (5+6+7)	--	--	--	--
9. Total assets (4+8)	120.493.375	2.697.023	88.015	31.888
10. Trade payables	180.126	4.238	--	--
11. Financial liabilities	--	--	--	--
12a. Other monetary liabilities	--	--	--	--
12b. Other non-monetary liabilities	--	--	--	--
13. Current liabilities (10+11+12)	180.126	4.238	--	--
14. Trade payables	--	--	--	--
15. Financial liabilities	--	--	--	--
16a. Other monetary liabilities	--	--	--	--
16b. Other non-monetary liabilities	--	--	--	--
17. Non-current liabilities (14+15+16)	--	--	--	--
18. Total liabilities (13+17)	180.126	4.238	--	--
19. Net asset/(liability) position of off balance sheet derivative financial instruments (19a-19b)	--	--	--	--
19a. Amount of active foreign derivative currency off-balance sheet	--	--	--	--
19b. Amount of passive foreign derivative currency off-balance	--	--	--	--
20. Net foreign currency assets/(liabilities) position (9-18+19)	120.313.249	2.692.785	88.015	31.888
21. Monetary items net foreign currency asset/(liability) position (tfrs 7.b23) (=1+2a+5+6a-10-11-12a-14-15-16a))	120.313.249	2.692.785	88.015	31.888
22. Fair value of financial instruments used for currency hedge	--	--	--	--
23. Hedged foreign currency assets	--	--	--	--
24. Hedged foreign currency liabilities	--	--	--	--

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Notes to the Financial Statements for the Year Ended 31 December 2024

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21 Nature and level of risks arising from financial instruments (*cont'd*)

21.3 Market risk (*cont'd*)

Sensitivity to foreign currency

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

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

31 December 2024		
	Foreign currency appreciation	Foreign currency depreciation
<u>Change in US Dollar by 20% against TL:</u>		
1- US Dollar net asset/liability	8.987.574	(8.987.574)
2- Hedged risk (US Dollar) (-)	--	--
3- US Dollar net effect (1+2)	8.987.574	(8.987.574)
<u>Change in Euro by 20% against TL:</u>		
4- Euro net asset / liability	1.022.054	(1.022.054)
5- Hedged risk (Euro) (-)	--	--
6- Euro net effect (4+5)	1.022.054	(1.022.054)
<u>Change in GBP by 20% against TL:</u>		
7- GBP net asset / liability	3.220	(3.220)
8- Hedged risk (GBP) (-)	--	--
9- GBP net effect (7+8)	3.220	(3.220)
Total (3+6+9)	10.012.848	(10.012.848)

31 December 2023		
	Foreign currency appreciation	Foreign currency depreciation
<u>Change in US Dollar by 20% against TL:</u>		
1- US Dollar net asset/liability	22.890.025	(22.890.025)
2- Hedged risk (US Dollar) (-)	--	--
3- US Dollar net effect (1+2)	22.890.025	(22.890.025)
<u>Change in Euro by 20% against TL:</u>		
4- Euro net asset / liability	827.866	(827.866)
5- Hedged risk (Euro) (-)	--	--
6- Euro net effect (4+5)	827.866	(827.866)
<u>Change in GBP by 20% against TL:</u>		
7- GBP net asset / liability	344.759	(344.759)
8- Hedged risk (GBP) (-)	--	--
9- GBP net effect (7+8)	344.759	(344.759)
Total (3+6+9)	24.062.650	(24.062.650)

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21 Nature and level of risks arising from financial instruments (*cont'd*)

21.4 Market risk (*cont'd*)

Price risk

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

As at 31 December 2024 and 31 December 2023, in case of having a 20% decrease/increase in Borsa İstanbul stock market index while having all other variables constant, the effects on profit or loss and comprehensive income would be as follows:

31 December 2024	Profit / (loss)		Equity ^(*)	
	Increase by 20%	Decrease by 20%	Increase by 20%	Decrease by 20%
<i>Financial assets at fair value through profit or loss</i>				
- Stock shares	320.544	(320.544)	320.544	(320.544)
<i>Financial assets at fair value through other comprehensive income</i>				
- Stock shares	--	--	805.857	(805.857)
Total	320.544	(320.544)	1.126.401	(1.126.401)

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

31 December 2023	Profit / (loss)		Equity ^(*)	
	Increase by 20%	Decrease by 20%	Increase by 20%	Decrease by 20%
<i>Financial assets at fair value through profit or loss</i>				
- Stock shares	230.186	(230.186)	230.186	(230.186)
<i>Financial assets at fair value through other comprehensive income</i>				
- Stock shares	--	--	659.631	(659.631)
Total	230.186	(230.186)	889.817	(889.817)

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

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21 Nature and level of risks arising from financial instruments (*cont'd*)

21.5 Market risk (*cont'd*)

Interest rate risk

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

		31 December 2024	31 December 2023
Financial instruments with fixed interest			
Financial assets	Financial assets at fair value through profit or loss	789.986	--
	Time deposits at banks	1.323.488.858	5.104.261.495
	Receivables from reverse repo agreements	221.976.000	1.041.631.250
Trade receivables	Receivables from credit customers	736.573.848	1.336.146.190
Financial liabilities	Financial payables	239.916.198	5.952.056.997
Financial instruments with floating interest			
Financial assets	Financial assets at fair value through profit or loss	3.380.714	82.085.787
Financial liabilities		--	--

Interest risk position table

Stocks are not included in financial investments.

The Company's debt securities classified as financial assets at fair value through profit/loss. are exposed to price risk depending upon interest rate changes in the market. As at 31 December 2024. according to the Company's analysis. in case of 1% interest rate increase or decrease in TL interest rates. on the assumption that all other variables remain constant. the effect of debt securities on the fair value. net profit/loss before tax and shareholders' equity is presented in the table below. Sensitivity analysis was applied for 2023 on the same basis.

	Profit / (loss)		Equity	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
31 December 2024				
Financial investments	(284.466)	149.379	(284.466)	149.379
31 December 2023				
Financial investments	(571.355.342)	75.068.475	(571.355.342)	75.068.475

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21 Nature and level of risks arising from financial instruments (*cont'd*)

21.6 Capital management

As at 31 December 2024 and 31 December 2023, the minimum liability for shareholders' equity that the Company should possess shall be TL 80.000.000 since the Company is defined as "Entity with Broad Authority" in the scope of the Communiqué 34.

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

a) Non-current assets;

1) Property, plant and equipment (net).

2) Intangible assets (net).

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

4) Other non-current assets.

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

The Company's capital base is TL 2.641.412.620 as at 31 December 2024 (31 December 2023: TL 1.721.191.708). The base of adequacy cannot be less than the items stated below.

b) Risk provision.

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

As at 31 December 2024, the capital adequacy base of the Company is higher than the abovementioned items.

Risk provision

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

As at 31 December 2024 and 31 December 2023, the risk provision amounts calculated in accordance with the Communiqué: V. No: 34 are as follows:

	31 December 2024	31 December 2023
Position risk	246.378.641	396.485.702
Counter party risk	107.040.343	350.992.991
Currency risk	561.429	5.554.048
Total risk provision	353.980.413	753.032.741

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22 Financial instruments

Fair value disclosures

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

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

Classification of fair value measurement

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

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

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

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

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

In this context, fair value classification of assets and liabilities which are measured over their fair values is as follows:

31 December 2024	Level 1	Level 2	Level 3	Total
Financial assets				
Financial investments (short-term)	979.157.834	--	--	979.157.834
Financial investments (long-term) (*)	4.029.287	11.747.695	--	15.776.982

(*) Stock investments amounting to TL 100.000 that are recognized at cost value are not included.

31 December 2023	Level 1	Level 2	Level 3	Total
Financial assets				
Financial investments (short-term)	1.122.096.588	--	--	1.122.096.588
Financial investments (long-term) (*)	3.298.154	11.437.231	--	14.735.385

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

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22 Financial instruments (*cont'd*)

Fair value disclosures (cont'd)

Classification of fair value measurement (cont'd)

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

As at 31 December 2024 and 31 December 2023. the Company's Borsa İstanbul associate rate is 0.377%. The Company holds 159.711 shares with nominal value of TL 15.971.094. In the current period. the relevant shares are valued with price per share that is determined in the 15 January 2018 dated and 2018/6 numbered meeting of Borsa İstanbul. and the valuation effect is recognized under equity in financial statements.

23 Other matters

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

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

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

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

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

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

District Court denied Bank's motion to dismiss the indictment on October 1, 2020. The Bank appealed to the Second Circuit against the dismissal of its motion to dismiss the indictment on the grounds that the Bank entitled to sovereign immunity under both the FSIA (Foreign Sovereign Immunity Act) and common law. On December 23, 2020, the Second Circuit accepted to hear the appeal on the merits and granted Bank's motion to stay the case pending sovereign immunity appeal. Before the Second Circuit, the oral argument was presented on April 12, 2021. The Second Circuit denied the Bank's appeal on October 22, 2021. The Bank filed its petition with the Second Circuit for an en banc rehearing. Second Circuit denied Bank's petition on December 15, 2021.

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23 Other matters (cont'd)

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

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

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

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

The briefing with the Second Circuit started with the Bank's opening brief filed on July 31, 2023 and completed on January 12, 2024. The oral argument was held on February 28, 2024.

Upon further review, the Second Circuit with its decision dated October 22, 2024, rejected the Bank's common law immunity request and affirmed the District Court's order. The Bank declared that it will use all its legal rights to appeal with regard to the October 22, 2024 decision of the Second Circuit, particularly with the U.S. Supreme Court.

As a part of that process; the Bank submitted a "motion for rehearing" to the Second Circuit on November 4, 2024. On December 6, 2024, the Second Circuit denied the Bank's petition for rehearing. On December 12, 2024, the Bank filed a motion to stay the Second Circuit's mandate. On December 18, 2024 the Second Circuit ordered that the motion is granted and the mandate is stayed pending the filing and disposition of the Bank's petition for a writ of certiorari to the U.S. Supreme Court. Currently the Bank is in the process of filing a petition for a writ of certiorari to the U.S. Supreme Court.

If the appeal processes result in a decision that the Bank is entitled to common law sovereign immunity the case will be dismissed before the trial process. In the case of an adverse ruling, the case will be returned to the District Court for the Southern District of New York, with Bank's rights to appeal being fully reserved, and the District Court will need to create a new schedule for the trials.

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

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23 Other matters (cont'd)

The Plaintiffs appealed to the decision by taking the District Court's decision to the Second Circuit on June 30, 2021. After the case is fully briefed, the oral arguments were heard before the Second Circuit on October 13, 2022. The Second Circuit ruled in the Bank's favor and dismissed the lawsuit seeking to satisfy judgements on May 2, 2023. Plaintiffs applied to the US Supreme Court on August 30, 2023 for a writ of certiorari in order to appeal the Second Circuit decision. The Supreme Court reviewed the application on January 5, 2024 and announced its decision to reject the plaintiff's appeal on January 8, 2024. Accordingly, the *Owens* case brought against the Bank on March 27, 2020 was conclusively dismissed.

Finally, on July 26, 2023, 151 plaintiffs filed a complaint in the U.S. District Court for the Southern District of New York and a new civil case (*the Hughes* or *second civil* case) against the Bank seeking to satisfy judgments similar to the *Owens* case.

The service was processed on October 1, 2023. According to the complaint, the plaintiffs seek judgments decision from the Court to the fullest extent permitted by law, attempting to establish a connection between certain aggrievements they have suffered in various countries and the supposed allegations in the current criminal case against the Bank, which was filed on October 15, 2019.

The Bank filed its motion to dismiss with the District Court on December 22, 2023 and the fully briefing is ended on April 22, 2024. On May 1, 2024, the district court in an appeal against the Government's request, ruled to stay all judicial proceedings in the civil case until the conclusion of the criminal proceedings against the Bank. Therefore, the *Hughes* case is stayed until the final decision is made in the criminal case against the Bank.

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

24 Events after the reporting period

The Company has issued the following bonds:

A bond with a nominal value of TL 200.000.000. starting on January 21, 2025. maturing on April 25, 2025. with ISIN code TRFHALK42512.

A bond with a nominal value of TL 305.000.000 starting on January 23, 2025. maturing on April 25, 2025. with ISIN code TRFHALK42520.

A bond with a nominal value of TL 155.250.000 starting on January 31, 2025. maturing on May 5, 2025. with ISIN code TRFHALK52511.