ICBC Turkey Yatırım Menkul Değerler

Anonim Şirketi and its Subsidiary

Consolidated Financial Statements
for the year ended 31 December 2021
with Independent Auditor's Report

ICBC Turkey Yatırım Menkul Değerler

Anonim Şirketi

DRT Bağımsız Denetim ve
Serbest Muhasebeci
Mali Müşavirlik A.Ş.
Maslak No1 Plaza
Eski Büyükdere Caddesi
Maslak Mahallesi No:1
Maslak, Sarıyer 34485
İstanbul, Türkiye

Tel: +90 (212) 366 60 00
Fax: +90 (212) 366 60 10
www.deloitte.com.tr

Mersis No :0291001097600016
Ticari Sicil No: 304099

(Convenience Translation of the Auditor's Report Originally Issued in Turkish)

INDEPENDENT AUDITOR'S REPORT

To the General Assembly of ICBC Yatırım Menkul Değerler A.Ş.

A) Report on the Audit of the Consolidated Financial Statements

1) Opinion

We have audited the financial statements ICBC Yatırım Menkul Değerler A.Ş. ("the Company") and its subsidiary ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2021, and the consolidated statement of profit and loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with the Turkish Financial Reporting Standards ("TFRS").

2) Basis for Opinion

We conducted our audit in accordance with Independent Auditing Standards ("IAS") which are part of the Turkish Auditing Standards as issued by the Public Oversight Accounting and Auditing Standards Authority of Turkey ("POA"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics for Independent Auditors ("Code of Ethics") as issued by the POA, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3) Other Matter

Another independent audit firm has audited the Group's consolidated financial statements for the year ended 31 December 2020. The predecessor-auditing firm expressed an unqualified opinion in the auditor's report dated 23 February 2021 on the consolidated financial statements as of 31 December 2020.

Deloitte.

4) Key Audit Matters

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

Key audit matter	How the matter was addressed in the audit
Revenue The Group's revenue amounting to TL 133.137.748 is recognized in the statement of profit or loss and other comprehensive income as "revenue" for the period between 1 January 2021 – 31 December 2021. The Group's revenue mainly consists of the sale of financial assets and brokerage commissions. Revenue recognition was considered to be a key audit matter, due to the nature of the Group's operations, the high volume of transactions in determining the amount of revenue and different methods and parameters used in calculation of revenue. Accounting policies and explanations regarding revenue are included in Notes 2 and 15.	During our audit, the following audit procedures were performed regarding the test of revenue.: • Evaluation of the appropriateness of the accounting policies applied by the Group management in accordance with TFRS, • Testing the design, implementation and operating effectiveness of internal controls on revenue recognition by understanding the Group's revenue process with the assistance of our IT specialists, • In order to verify that the revenue amount recognized appropriately, comparing the transaction details with the supporting documents obtained on sample basis from the transactions during the reporting period. In addition, we have evaluated the adequacy of the disclosures in Note 15 Revenue within the scope of TFRS.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with TFRS, 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 consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

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

6) Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

Our objectives are to obtain reasonable assurance about whether the consolidated 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 SIA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated 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 consolidated 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 Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

6) Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

- 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 Group'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 Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

B) Report on Other Legal and Regulatory Requirements

In accordance with paragraph 4 of Article 402 of the TCC, no significant matter has come to our attention that causes us to believe that the Group's bookkeeping activities for the period 1 January - 31 December 2021 and consolidated financial statements are not in compliance with law and provisions of the Group's articles of association in relation to financial reporting.

In accordance with paragraph 4 of Article 402 of the TCC, the Board of Directors submitted to us the necessary explanations and provided required documents within the context of audit.

The name of the engagement partner who supervised and concluded this audit is Erdem Taş.

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

[redacted]

Erdem Taş
Partner

İstanbul, 22 February 2022

TABLE OF CONTENTS

ICBC TURKEY YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

(*Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated*)

	Notes	Audited Current Period 31 December 2021	Audited Prior Period 31 December 2020
Assets			
Current Assets			
Cash and cash equivalents	3	624.880.275	635.555.995
Financial investments	5	41.339.028	21.720.775
Trade receivables	4	172.822.525	123.712.371
- Due from related parties	14	*476.698*	*357.547*
- Other trade receivables		*172.345.827*	*123.354.824*
Other Receivables	6	18.905	2.865
- Other receivables		*18.905*	*2.865*
Prepaid expenses	6	32.764	24.058
Current period tax related assets	6	23.676	19.372
Total current assets		**839.117.173**	**781.035.436**
Non-current assets			
Financial investments	5	159.711	159.711
Other receivables	6	6.076.833	4.940.425
- Other receivables		*6.076.833*	*4.940.425*
Tangible assets	7	2.380.237	3.183.027
Intangible assets	8	1.170.371	713.030
Deferred tax assets	13	4.828.366	1.537.233
Total non-current assets		**14.615.518**	**10.533.426**
Total assets		**853.732.691**	**791.568.862**

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

(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated)

	Notes	Audited Current Period 31 December 2021	Audited Prior Period 31 December 2020
Liabilities			
Short term liabilities			
Short term financial borrowings	10	10.500.000	-
Trade payables	4	563.127.431	599.281.999
- Due to related parties	*14*	*85.915*	-
- Other trade payables		*563.041.516*	*599.281.999*
Other payables		134	-
Short term provisions		12.043.383	2.434.118
- Employee benefits	11	*10.466.163*	*1.750.745*
- Other short term provisions	9	*1.577.220*	*683.373*
Tax and duties payable	6	4.061.649	5.080.323
Current period tax liability	13	11.041.825	3.811.420
Total current liabilities		**600.774.422**	**610.607.860**
Long term liabilities			
Long term provisions		5.231.419	2.572.297
- Employee benefits	11	*5.231.419*	*2.572.297*
Total non-current liabilities		**5.231.419**	**2.572.297**
Equity			
Paid in capital	12	76.000.000	76.000.000
Adjustments to share capital	12	31.279	31.279
Other comprehensive income that will never be reclassified to profit or loss		(1.560.188)	(877.494)
- Actuarial loss / gain related to pension plans		*(1.560.188)*	*(877.494)*
Restricted reserves		6.340.294	4.797.765
Prior period's profit/loss		96.894.626	65.554.614
Net profit for the period		70.020.839	32.882.541
Total equity		**247.726.850**	**178.388.705**
Total liabilities		**853.732.691**	**791.568.862**

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

(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated)

	Notes	Audited 1 January – 31 December 2021	Audited 1 January – 31 December 2020
Statement of profit or loss			
Sales	15	58.002.650	168.587.379
Service income	15	75.135.098	65.682.585
Cost of sales (-)	15	(57.816.980)	(167.820.073)
Gross profit from operations		**75.320.768**	**66.449.891**
Interest income from operations	15	35.471.813	17.345.274
Gross profit from finance sector activities		**35.471.813**	**17.345.274**
Gross profit		**110.792.581**	**83.795.165**
General administrative expenses (-)	16	(70.685.995)	(53.101.846)
Other operating income	17	60.294	33.299
Other operating expenses (-)	17	(1.937.722)	(907.518)
Operating profit		**38.229.158**	**29.819.100**
Financial income	18	56.585.682	12.908.134
Financial expenses (-)	19	(4.193.522)	(494.517)
Profit before tax from continuing operations		**90.621.318**	**42.232.717**
Tax income / (expense) from continuing operations		**(20.600.479)**	**(9.350.176)**
Current tax expense	13	(23.720.939)	(8.729.662)
Deferred tax income / (expense)	13	3.120.460	(620.514)
Profit from continuing operations		**70.020.839**	**32.882.541**
Profit for the period		**70.020.839**	**32.882.541**
Other comprehensive income			
Defined benefit plans remeasurement earnings	11	(853.367)	(38.131)
Tax expense on other comprehensive income		170.673	7.626
Total comprehensive income		**69.338.145**	**32.852.036**

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

ICBC TURKEY YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED JANUARY 1 – DECEMBER 31, 2021
(*Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated)*

	Notes	Paid in capital	Adjustment to share capital	Revaluation surplus or deficit of financial assets	Actuarial gains and losses related to pension plans	Restricted reserves	Prior year's profit or loss	Profit for the period	Total Equity
1 January 2020 Opening balance	**12**	**76.000.000**	**31.279**	**-**	**(846.989)**	**3.145.118**	**36.566.530**	**30.640.731**	**145.536.669**
Total comprehensive income		-	-	-	(30.505)	-	-	32.882.541	32.852.036
Transfers to retained earnings		-	-	-	-	-	28.988.084	(28.988.084)	-
Transfers to reserves		-	-	-	-	1.652.647	-	(1.652.647)	-
Balance at 31 December 2020		**76.000.000**	**31.279**	**-**	**(877.494)**	**4.797.765**	**65.554.614**	**32.882.541**	**178.388.705**
1 January 2021 Opening balance	**12**	**76.000.000**	**31.279**	**-**	**(877.494)**	**4.797.765**	**65.554.614**	**32.882.541**	**178.388.705**
Total comprehensive income		-	-	-	(682.694)	-	-	70.020.839	69.338.145
Transfers to retained earnings		-	-	-	-	-	31.340.012	(31.340.012)	-
Transfers to reserves		-	-	-	-	1.542.529	-	(1.542.529)	-
Balance at 31 December 2021		**76.000.000**	**31.279**	**-**	**(1.560.188)**	**6.340.294**	**96.894.626**	**70.020.839**	**247.726.850**

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

ICBC TURKEY YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ
CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED JANUARY 1- DECEMBER 31,2021
(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated)

	Notes	Audited 1 January- 31 December 2021	Audited 1 January- 31 December 2020
A. Cash flow from operating activities		**(195.688.167)**	**180.596.636**
Net profit for the period		**70.020.839**	**32.882.541**
Adjustments for:		**2.846.112**	**(6.297.839)**
Adjustment for depreciation	7,8	1.144.604	(886.177)
Adjustment for expected credit loss		1.409.467	3.789.841
Adjustment for vacation pay liability	11	817.485	503.495
Adjustment for employee termination benefit	11	2.152.368	455.562
Adjustment for employee bonus benefit	11	8.000.000	(515.964)
Adjustment for financial income (excluding exchange difference income)		(35.471.813)	(17.345.274)
Adjustment for financial expense		4.193.522	907.518
Adjustment for derivative instruments		-	(2.557.016)
Deferred tax expense / (income)	13	(3.120.460)	620.514
Current tax expense	13	23.720.939	8.729.662
Change in working capital		**(283.336.514)**	**143.007.521**
Financial investments (the financial assets at fair value through profit or loss)		(19.618.253)	(3.193.758)
Changes in trade receivables from related parties		(119.151)	(48.303)
Changes in other trade receivables		(48.984.642)	(65.735.571)
Changes in client assets		(171.802.021)	388.501.830
Changes in blocked deposits		(3.509.581)	-
Changes in other receivables		(1.165.458)	(3.029.074)
Changes in trade payables		(36.154.568)	(169.898.942)
Changes in other liabilities and provisions		(1.534.160)	(3.198.869)
Employee termination benefits payments	11	(346.613)	(199.281)
Employee permission benefits payments	11	(102.067)	(190.511)
Cash flows from operating activities		**14.781.396**	**11.004.413**
Interests and commissions paid		(4.193.522)	(401.250)
İnterests received		35.465.452	16.323.905
Taxes paid	13	(16.490.534)	(4.918.242)
B. Cash flows from investing activities		**(799.154)**	**(3.224.200)**
Acquisition of tangible and intangible assets	7,8	(820.791)	(3.224.200)
Disposals of tangible and intangible assets	7,8	21.637	-
C. Cash flows from financing activities		**10.500.000**	**2.557.016**
Changes in financial liabilities		10.500.000	2.557.016
Net cash flows before effect of change in Exchange rates on cash and cash equivalents (A+B+C)		**(185.987.321)**	**179.929.452**
D. Effects of changes in exchange rates on cash and cash equivalents		**2.424.474**	**(1.253.609)**
Net increase/decrease in cash and cash equivalents (A+B+C+D)		**(183.562.487)**	**178.675.843**
E. Cash and cash equivalents at the beginning of the period	3	**271.031.407**	**92.355.564**
Cash and cash equivalents at the end of the period (A+B+C+D+E)	3	**87.468.560**	**271.031.407**

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

1. Organization and operations of the Company

ICBC Turkey Yatırım Menkul Değerler Anonim Şirketi (the "Company''), formerly Tekstil Menkul Değerler Anonim Şirketi, was established on December 5, 1996 and started its operations on January 10, 1997 by obtaining the operation certificate from Capital Market Boards of Turkey ("CMB").

In the context of the decision number 561 taken at the Board of Director's Meeting on 31 May 2016, the Company's trade name has been changed and registered as "ICBC Turkey Yatırım Menkul Değerler Anonim Şirketi" on 9 June 2016 at the Trade Registry Gazette.

The Company applied to renew certificate of authorities in accordance with Capital Market Law's Communiqué numbered III-37.1 "Communique on Principles Regarding Investment Services, Activities and Ancillary Services" and Communiqué numbered III-39.1 "Principles of Establishment and Activities of Investment Firms". As a result, the Company was authorized as "Broadly Authorized Brokerage Company" as at 1 January 2016 according to Capital Market Law serial 6362.

The Company has the following certificates of authorization from Capital Market Boards of Turkey ("CMB"):

- Activity of execution of orders
- Activity of dealing on own account
- Activity of individual portfolio management
- Investment advisory activity
- Activity of intermediation for the public offering
- Limited Custody services.

Investment services and activities

Investment services and activities regulated by the Communiqué and which may be executed with a prior authorization of the Board are as follows:

a) Reception and transmission of orders in relation to capital market instruments,

b) Execution of orders in relation to capital market instruments in the name and account of the customer or in their own name and in the account of the customer,

c) Dealing on own account,

d) Individual portfolio management,

e) Investment advice,

f) Underwriting of capital market instruments on a firm commitment basis,

g) Placing of financial instruments without a firm commitment basis,

h) Operation of multilateral trading systems and regulated markets other than exchanges

i) Safekeeping and administration of capital market instruments in the name of customers and portfolio custody services.

j) Conducting other services and activities to be determined by the Board.

Ancillary Services:

The ancillary services that may be carried out by investment firms in connection with their authorizations for investment services and activities are as follows:

a) Providing consultancy services regarding capital markets,

b) Granting credits or lending and providing foreign exchange services limited to investment services and activities,

c) Providing investment research and financial analysis or general advice concerning transactions in capital market instruments,

ç) Providing services in relation to the conduct of underwriting,

d) Providing intermediary services for obtaining financing by borrowing or through other means,

e) Wealth management and financial planning,

f) Conduct of other services and activities to be determined by the Board.

ICBC Turkey Bank A.Ş. owns 99.99% shares of the Company. The Parent Bank of ICBC Turkey Bank A.Ş. is Industrial and Commercial Bank of China Limited ("ICBC"). Headquarters address of the Company is Maslak Mahallesi Dereboyu/2 Caddesi No:13 34398 Sarıyer İstanbul. The Company has 102 employees as at 31 December 2021 (31 December 2020: 104).

1. Organization and operations of the Company *(continued)*

Information on subsidiary

Subsidiary of the Company, ICBC Turkey Portföy Yönetimi Anonim Şirketi (Formerly named as "Tekstil Portföy Yönetimi Anonim Şirketi"), was established on 21 April 2015. The Company and its subsidiary have been consolidated. The Company and its subsidiary are named as "the Group" as a whole.

2. Basis of presentation of financial statements

2.1. Basis of presentation

2.1.1. Accounting standards applied

The accompanying financial statements are prepared in accordance with the Communiqué numbered II-14.1, "Basis for Financial Reporting in Capital Markets"("the Communiqué") published in the Official Gazette numbered 28676 on 13 June 2013. According to the Communiqué, financial statements are prepared in accordance with Turkish Financial Repoting Standarts ("TFRS") which are published by the Public Oversight Accounting and Auditing Standards Authority ("POA"). TAS consists of Turkish Accounting Standards, Turkish Financial Reporting Standards and related appendices and interpretations.

The financial statements are presented in accordance with the TAS Taxonomy published by the POA and the formats specified in the Financial Statements Examples and User Guidelines published by the CMB.

The financial statements as of and for the year ended 31 December 2021 were approved by the Board of Directors of the Company on 22 February 2022. Within the framework of the legislation, the authorized committees of the Company have the authority to change the financial statements

2.1.2. The preparation of financial statements

The accompanying consolidated financial statements of the Group have been prepared in accordance with the provisions of the CMB's Communiqué II-14.1 published in the Official Gazette dated 13 June 2013 and numbered 28676.

2.1.3. Offsetting

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

2.1.4. Going concern

The consolidated financial statements have been prepared on a going concern basis, with the assumption that the Group will benefit from its assets and fulfill its obligations in the next year and in the natural course of its activities..

2.1.5. Presentation currency

Financial statements of the Group are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the financial statements, the result and financial position are expressed in Turkish Lira ("TRY"), which is the functional of the Company and the presentation currency of the Company.

2.1.6 Comperative Information and Adjustment of Prior Period Financial Statements

The consolidated financial statements of the Group are prepared comparatively with the previous period in order to enable the determination of financial position and performance trends. In order to comply with the presentation of the current period consolidated financial statements, comparative information is reclassified when deemed necessary and significant differences are disclosed.

(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated)

2 Basis of presentation of financial statements *(continued)*

2.2. Changes in accounting policies and errors

Any change in the accounting policies resulted from the first time adoption of a new TAS/TFRS is made either retrospectively or prospectively in accordance with the transition requirements of TAS/TFRS. Changes without any transition requirement, material changes in accounting policies or material errors are corrected, retrospectively by restating the prior period financial statements.

2.3. New and Amended Turkish Financial Reporting Standards

a) Amendments that are mandatorily effective from 2021

Amendments to TFRS 9, TAS 39, TFRS 7, TFRS 4 and TFRS 16 *Interest Rate Benchmark Reform — Phase 2*

The amendments in Interest Rate Benchmark Reform — Phase 2 (Amendments to TFRS 9, TAS 39, TFRS 7, TFRS 4 and TFRS 16) introduce a practical expedient for modifications required by the reform, clarify that hedge accounting is not discontinued solely because of the IBOR reform, and introduce disclosures that allow users to understand the nature and extent of risks arising from the IBOR reform to which the entity is exposed to and how the entity manages those risks as well as the entity's progress in transitioning from IBORs to alternative benchmark rates, and how the entity is managing this transition.

The amendments to TFRS 9, TAS 39, TFRS 7, TFRS 4 and TFRS 16 are all effective for annual periods beginning on or after 1 January 2021. Early application is permitted.

The Group assessed that the adoption of this amendment does not have any effect on the Group's consolidated financial statements.

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

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

TFRS 17	*Insurance Contracts*
Amendments to TAS 1	*Classification of Liabilities as Current or Non-Current*
Amendments to TFRS 3	*Reference to the Conceptual Framework*
Amendments to TAS 16	*Property, Plant and Equipment – Proceeds before Intended Use*
Amendments to TAS 37	*Onerous Contracts – Cost of Fulfilling a Contract*
Annual Improvements to TFRS Standards 2018 – 2020	*Amendments to TFRS 1, TFRS 9 and TAS 41*
Amendments to TFRS 4	*Extension of the Temporary Exemption from Applying IFRS 9*
Amendments to TFRS 16	*COVID-19 Related Rent Concessions beyond 30 September 2021*
Amendments to TAS 1	*Disclosure of Accounting Policies*
Amendments to TAS 8	*Accounting Estimates Definition*
Amendments to TAS 12	*Deferred Tax on Assets and Liabilities Arising from a Single Transaction*

TFRS 17 *Insurance Contracts*

TFRS 17 requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are

2.3 New and Amended Turkish Financial Reporting Standards (continued)

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

TFRS 17 *Insurance Contracts (continued)*

designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. TFRS 17 supersedes TFRS 4 Insurance Contracts as of 1 January 2023.

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

The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.
Amendments to TAS 1 are effective for annual reporting periods beginning on or after 1 January 2023 and earlier application is permitted.

Amendments to TFRS 3 *Reference to the Conceptual Framework*

The amendments update an outdated reference to the Conceptual Framework in IFRS 3 without significantly changing the requirements in the standard.

The amendments are effective for annual periods beginning on or after 1 January 2022. Early application is permitted if an entity also applies all other updated references (published together with the updated *Conceptual Framework*) at the same time or earlier.

Amendments to TAS 16 *Proceeds before Intended Use*

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the cost of producing those items, in profit or loss.

The amendments are effective for annual periods beginning on or after 1 January 2022. Early application is permitted.

Amendments to TAS 37 *Onerous Contracts – Cost of Fulfilling a Contract*

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract or an allocation of other costs that relate directly to fulfilling contracts.

The amendments published today are effective for annual periods beginning on or after 1 January 2022. Early application is permitted.

Annual Improvements to TFRS Standards 2018-2020 Cycle

Amendments to TFRS 1 *First time adoption of International Financial Reporting Standards*

The amendment permits a subsidiary that applies paragraph D16(a) of TFRS 1 to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to TFRSs.

2. Basis of presentation of financial statements *(continued)*

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

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

Annual Improvements to TFRS Standards 2018-2020 Cycle (cont'd)

Amendments to TFRS 9 *Financial Instruments*
The amendment clarifies which fees an entity includes in assessing whether to derecognize a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

Amendments to TAS 41 *Agriculture*

The amendment removes the requirement in paragraph 22 of TAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique. This will ensure consistency with the requirements in TFRS 13.

The amendments to TFRS 1, TFRS 9, and TAS 41 are all effective for annual periods beginning on or after 1 January 2022. Early application is permitted.

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

The amendment changes the fixed expiry date for the temporary exemption in TFRS 4 Insurance Contracts from applying TFRS 9 Financial Instruments, so that entities would be required to apply TFRS 9 for annual periods beginning on or after 1 January 2023.

Amendments to TFRS 16 *COVID-19 Related Rent Concessions beyond 30 September 2021*

Public Oversight Accounting and Auditing Standards Authority ("POA") has published *COVID-19 Related Rent Concessions beyond 30 September 2021 (Amendment to TFRS 16)* that extends, by one year, the June 2020 amendment that provides lessees with an exemption from assessing whether a COVID-19 related rent concession is a lease modification.

On issuance, the practical expedient was limited to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 September 2021. Since lessors continue to grant COVID-19 related rent concessions to lessees and since the effects of the COVID-19 pandemic are ongoing and significant, the POA decided to extend the time period over which the practical expedient is available for use.

The new amendment is effective for lessees for annual reporting periods beginning on or after 1 April 2021. Earlier application is permitted.

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

2. Basis of presentation of financial statements *(continued)*

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

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

TAS 1 (Amendments) Disclosure of Accounting Policies

This amendment requires businesses to take materiality as a basis in explaining their accounting policies.

Although this amendment made in TAS 1 will be applied in annual accounting periods beginning on or after January 1, 2023, early application is allowed.

TAS 8 (Amendments) Accounting Estimates Definition

With this amendment, the definition of "accounting estimation" was included instead of the definition of "change in accounting estimates", and sample and explanatory paragraphs regarding the estimates were added, and the issues of applying the estimates prospectively and correcting the errors retrospectively and the differences between these concepts were clarified.

These amendments made in TAS 8 will be applied in annual accounting periods beginning on or after January 1, 2023, but early application is also allowed..

TAS 12 (Amendments) Deferred Tax on Assets and Liabilities Arising from a Single Transaction

With these amendments, it has been clarified that the exemption regarding the first recognition of an asset or liability in the financial statements does not apply to transactions in which equal amounts of taxable and deductible temporary differences occur when the asset and liability are first recorded.

These amendments made in TAS 12 will be applied in annual accounting periods beginning on or after January 1, 2023, but early application is also allowed.

The possible effects of these standards, amendments and improvements on the consolidated financial position and performance of the Group are being evaluated.

2.4 Summary of significant accounting policies

Except for the accounting policies used in the preparation of the consolidated financial statements of the Group for the accounting period ending on 31 December 2021, and the application of new standards and amendments effective from 1 January 2021, in the annual financial statements prepared for the accounting period ending on 31 December 2020. consistent with the accounting policies applied. The important accounting policies followed in the preparation of the financial statements are summarized below.

Financial Instruments

i. Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

2. Basis of presentation of financial statements *(continued)*

2.4 Summary of significant accounting policies *(continued)*

ii. Classification and subsequent measurement

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

After initial recognition, financial instruments are not reclassified unless the Group changes the business model used for the management of financial assets.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. An initial recognition, the Group may irrevocably designate a financial asset as measured at fair value through profit or loss if doing so eliminates or significantly reduces recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial assets – Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and

2. Basis of presentation of financial statements *(continued)*

2.4 Summary of significant accounting policies *(continued)*

Financial Instruments *(continued)*

- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that are not eligible for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of its assets in its financial statements.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, ‘principal’ is defined as the fair value of the financial asset on initial recognition. ‘Interest’ is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows (in other words the triggering event);
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Group’s claim to cash flows from specified assets (e.g. non-recourse features)

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable compensation for early termination of the contract.

Additionally, (i) a financial asset acquired at a discount or premium to its contractual par amount, (ii) the prepayment amount substantially represents the contractual par amount and accrued (but unpaid) contractual interest, which may include reasonable additional compensation for the early termination of the contract; and (iii) initially recognises the financial asset, the fair value of the prepayment feature is insignificant.

2. Basis of presentation of financial statements *(continued)*

2.4 Summary of significant accounting policies *(continued)*

Financial Instruments *(continued)*

Financial assets – gain or loss resulting from subsequent measurement

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
Financial assets measured at fair value through other comprehensive income	Gains or losses on a financial asset measured at fair value through other comprehensive income is recognised in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses until the financial asset is derecognised or reclassified. When the financial asset is derecognised the cumulative gain or loss previously recognised in other comprehensive income is reclassified to retained earnings.
Equity instruments at fair value through other comprehensive income	These assets are subsequently measured at fair value. Dividends are recognized in profit or loss unless it is explicitly intended to recover part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are not reclassified to profit or loss.

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated)

2. Basis of presentation of financial statements *(continued)*

2.4 Summary of significant accounting policies *(continued)*

Financial Instruments *(continued)*

iii. Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

iv. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Foreign exchange transactions

Transactions denominated in foreign currencies are accounted for at the exchange rates prevailing at the date of the transactions and monetary assets and liabilities denominated in foreign currencies translated by using year-end exchange rates of the Central Bank of the Republic of Turkey's bid rates. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

The foreign exchange rates used by the Company as of 31 December 2021 and 31 December 2020 are as follows.

	USD	EUR	GBP	CNY
31 December 2021	13,3290	15,0867	17,9667	2,0840
31 December 2020	7,3405	9,0079	9,9438	1,1182

Brokerage services in capital markets

Income obtained from the brokerage services is recorded to the profit or loss at the transaction date. The brokerage services income is recorded daily to the profit or loss on an accrual basis until there is an estimate of the Company's management occurs related to the uncertainty of the collection.

2. Basis of presentation of financial statements *(continued)*

2.4 Summary of significant accounting policies *(continued)*

Interest Income and Expense

Interest income and expenses are recognized in the income statement in the relevant period on an accrual basis. Interest income includes the revenues from coupons of fixed yield investments and the valuation of discounted government bonds on the basis of internal discount.

Property and equipment

All property and equipment are carried with their net value after deducting accumulated depreciation over their registered values.

Depreciation is calculated on property and equipment using the straight-line method over their estimated useful lives as follows:

	Useful Lives
Office equipment, fixtures	5 years
Vehicles	5 years
Special costs	5 years

Regular maintenance and repair expenses incurred for a tangible fixed asset are accounted as expense. Investment expenditures, which increase the future benefit of the tangible fixed asset by expanding its capacity, are added to the cost of the tangible fixed asset. Investment expenditures consist of cost elements such as expenses that extend the useful life of the asset, increase the service capacity of the asset, increase the quality or decrease the cost of the goods or services produced.

If the carrying value of the tangible assets in the balance sheet exceeds the estimated recoverable value, the value of the asset is reduced to its recoverable value and the provision for the impairment allocated is associated with the expense accounts. It is assessed at the end of each reporting period whether there is any indication that the impairment loss allocated in previous periods will no longer exist or may have decreased, and in case of such an indication, the asset's recoverable amount is estimated and the book value of the asset is increased to the recoverable amount determined by new estimates and impairment loss it is canceled by associating with income accounts. The book value, which increased due to the cancellation of the impairment loss, cannot exceed the book value it would have reached if the impairment loss was not accounted for the asset in the previous periods.

Profit or loss arising from the disposal of tangible assets are determined by comparing adjusted and collected amounts, and reflected in the relevant income and expense accounts in the current period.

Intangible assets

Intangible assets consist of information systems and softwares. They are recorded at acquisition cost and amortised on a straight-line basis over their estimated economic lives for a period not exceeding between three and five years from the date of acquisition.

Where an indication of impairment exists, the carrying amount of any intangible asset is assessed and written down immediately to its recoverable amount.

2. Basis of presentation of financial statements *(continued)*

2.4 Summary of significant accounting policies *(continued)*

Leases

The Group includes right-of-use assets and lease liabilities in its consolidated financial statements at the commencement date of the lease. The right-of-use asset is measured initially at cost and subsequently at cost less accumulated depreciation and accumulated impairment losses and adjusted for remeasurement of the lease liability.

At the commencement date of the lease, the lease liability is measured at the present value of the lease payments not paid at that date. Lease payments are discounted using the Group's alternative borrowing rate, if the implied interest rate in the lease can be easily determined, if not easily determined.

After the commencement date of the lease, the lessee increases the carrying amount of the lease liability to reflect the interest on the lease liability and decreases the carrying amount to reflect the lease payments made. It is remeasured in the event of a change in the lease term and in the assessment of the option to purchase the asset, and in the event of a change in the amounts expected to be paid under the residual value commitment and in the event of a change in these payments as a result of a change in the index or rate.

The Group has used its own judgment to determine the lease term for some leases that include renewal options. The assessment of whether the Group is reasonably confident to exercise such options affects the lease term; therefore, this issue affects the amounts of lease liabilities and right-of-use assets recognized.

A. Definition of leases

Previously, the Group determined at contract inception whether an arrangement was or contained a lease under TFRS 4 Determining Whether an Arrangement Contains a Lease. The Group now assesses whether a contract is or contains a lease based on the new definition of a lease. Under TFRS 16, a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. On transition to TFRS 16, the Group elected to apply the practical expedient to grandfather the assessment of which transactions are leases. It applied TFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under TAS 17 and TFRS 4 were not reassessed. Therefore, the definition of a lease under TFRS 16 has been applied only to contracts entered into or changed on or after January 1, 2019.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative standalone prices. However, for leases of properties in which it is a lessee, the Group has elected not to separate non-lease components and will instead account for the lease and non- lease components as a single lease component.

B. As a lessee

The Group leases real estate.

As a lessee, the Group has previously classified leases as operating or finance leases based on the assessment of whether all the risks and rewards of ownership of the asset have been transferred. According to TFRS 16, the Group has not recognized the right of use assets and lease payables for the leases due to its significant effect on the financial statements.

.

2. Basis of presentation of financial statements *(continued)*

2.4 Summary of significant accounting policies *(continued)*

Events after the reporting period

Events after the reporting period cover any events which arise between the reporting date and the balance sheet date, even if they occurred after any declaration of the net profit for the period or specific financial information publicly disclosed. The Company adjusts its financial statements if such events after the reporting period arise which require an adjustment to the financial statements. Non-adjusting events are disclosed when material.

Provisions, contingent assets and liabilities

Provisions are recognized when the company's management has legal or constructive obligation arising from past events, probable that an outflow of resources embodying economic benefits to fulfil this obligation and when liability can be estimated reliably, provision made such amount of liability enclosed in financial statements. Contingent liabilities are continuously evaluated for identify the possibility of an outflow is probable for resources contain economic benefits. Except where possibility is remote to outflow of resources contain economic benefits, are disclosure in financial statements. If it becomes probable that an inflow of economic benefits, disclosure is made in the financial statements about contingent assets. If it has become virtually certain that an inflow of economic benefits will arise, disclosure is made the date on which the changes comes about it.

Related parties

For the purpose of these financial statements, the shareholders, key management personnel and board members, in each case together with companies controlled by or affiliated with them are considered and referred to as related parties.

Taxation on Corporate Income

Corporate tax is calculated according to the Tax Procedural Law, and tax expenses except corporate tax are recognised in operating expenses. Current tax assets and current tax liabilities are offset if there is a legal right to set off or if such assets and liabilities are associated with income tax collected by the same tax authority.

Deferred tax

Deferred tax is calculated over the temporary differences between the recorded values of assets and liabilities in the financial statements and their tax values, using the liability method. In the calculation of deferred tax, the tax rates valid as of the balance sheet date are used in accordance with the current tax legislation.

Significant temporary differences mainly arise from differences between the book value of fixed assets and securities and their tax base, and provisions for employee benefits.

While deferred tax liability is calculated for all taxable temporary differences, deferred tax assets consisting of deductible temporary differences are calculated provided that it is highly probable to benefit from these differences by generating taxable profit in the future..

2. Basis of presentation of financial statements *(continued)*

2.4 Summary of significant accounting policies *(continued)*

Employee benefits

The Group accounts for severance pay and vacation pay provisions in accordance with TAS 19 “Employee Benefits” and classifies under “Employee benefits” accounts on the balance sheet.

The Group is required to make lump sum payments to the employees laid off for reasons other than retirement and resignation or those specified in the Labor Code, in accordance with the existing labor law in Turkey. The total provision represents the present value of the future probable obligation of the Company arising from the retirement of its employees regarding the actuarial projections in accordance with TAS 19 (note 11).

The Group is required to pay a contribution amount, determined by law, to the Social Security Institution on behalf of its employees. These contributions are charged on the date they accrue.

Reporting of cash flows

For the purposes of cash flow statement, cash and cash equivalents include reserve repurchase receivables cash and due from banks with original maturity periods of less than three months.

Share capital and dividends

Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared. Cash and cash equivalent dividends which will be received from investment securities are accounted for income at the date of announcement.

Derivative (‘‘TDE’’) transactions

TDE Preparation of financial statements requires estimates and assumptions that affect the amounts of reported assets and liabilities or disclosed contingent assets and liabilities as of the balance sheet date and the amounts of reported revenues and expenses in the relevant period. Although these estimates and assumptions are based on the best judgments and knowledge of the management, actual results may differ from these estimates and assumptions. In addition, important accounting evaluations, estimates and assumptions that need to be specified are explained in the relevant notes.

Cash collaterals given for trading in TDE are classified as trade receivables. Profits and losses resulting from the transactions made in the period are classified under other operating income. The valuation differences reflected in the income statement as a result of the valuation of open trades at market prices, the paid commissions and the interest income arising from the remaining collaterals are offset and recognised in trade receivables.

2.5. Significant accounting evaluations, estimates and assumptions

Preparation of the financial statements requires making estimates and assumptions that affect the amounts of assets and liabilities reported or the amounts of contingent assets and liabilities declared as of the balance sheet date, and the amounts of income and expenses reported in the relevant period. While these estimates and assumptions are based on management's best judgment and knowledge, actual results may differ from those estimates and assumptions. In addition, important accounting evaluations, estimates and assumptions that need to be specified are explained in the related notes.

.

(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated)

3. Cash and cash equivalents

	31 December 2021	31 December 2020
Demand deposit	63.998.722	14.422.334
Expected credit loss provision (-)	(5.242.330)	(3.832.863)
Time deposit	545.168.883	420.725.524
Receivables from Money Markets	20.955.000	204.241.000
Cash and cash equivalents in statement of financial position	**624.880.275**	**635.555.995**
Minus: Customer assets (*)	(539.138.103)	(367.336.082)
Expected credit loss provision	5.242.330	3.832.863
Minus: Blocked deposits (**)	(3.509.581)	-
Minus: Interest accruals	(6.361)	(1.021.369)
Cash and cash equivalents in statement of cash flows	**87.468.560**	**271.031.407**

(*) Customer assets which consist of currently not directed customer investments as at 31 December 2021, are recognized under the Group's deposit accounts although the Group does not have control on these accounts. Therefore, customer assets are not included within cash and cash equivalents in the statement of cash flows.

(**) As of 31 December 2021, the Group has blocked deposits amounting to TL 3,509,581.

As of 31 December 2021, the interest rate on time deposits is 13.90%-17.40% for TL, 0.80% for British Pounds, 0.35% for Chinese Yuan, 0.15% – 1.75% for US Dollars. , in the range of 0.01% - 0.95% for Euro (31 Aralık 2020: for TL are %15). The Group holds the time deposits in overnight and monthly accounts.

As at 31 December 2021 and 31 December 2020 , the details of bank deposits are as follows:

	31 December 2021	31 December 2020
Demand deposit account (other banks)	37.796.371	7.414.064
Demand deposit account – (ICBC Turkey Bank) (Note 14)	26.202.351	7.008.270
Time deposit account (other banks)	31.288.916	30.715.706
Time deposit - (ICBC Turkey Bank) (Note 14)	513.879.967	390.009.818
Total	**609.167.605**	**435.147.858**

(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated)

4. Trade receivables and payables

Short term trade receivables:

	31 December 2021	31 December 2020
Receivables from loan customers	113.800.056	86.059.828
Receivables from TDE	51.407.215	21.478.977
Receivables from customers	7.123.455	6.358.270
Provision for doubtful trade receivables	(162.484)	(162.484)
Doubtful trade receivables	162.484	162.484
Other trade receivables	14.427	9.457.075
Receivables from clearing houses abroad	674	674
Trade receivables from related parties (Note 14)	476.698	357.547
Total	**172.822.525**	**123.712.371**

Short term trade payables:

	31 December 2021	31 December 2020
Payables to customers (*)	512.562.594	578.400.433
Other payables	50.478.922	20.881.566
Trade payables to related parties (Note 14)	85.915	-
Total	**563.127.431**	**599.281.999**

(*) Payables to customers, mostly consist of TDE collateral and costumers' receivables from money market..

5. Financial Investments

	31 December 2021	31 December 2020
Financial Assets at Fair Value Through Profit or Loss	41.339.028	21.720.775
Total	**41.339.028**	**21.720.775**

The details of financial assets at fair value through profit or loss as of 31 December 2021 and 31 December 2020 are as follows:

	31 December 2021	31 December 2020
	Book value	**Book value**
ICBC Turkey Portföy Yönetimi Investment fund	41.301.371	21.686.451
Stocks – Traded on the stock exchange	37.657	34.324
Total	**41.339.028**	**21.720.775**

Equity investments	31 December 2021	31 December 2020
Stock – Istanbul Stock Exchange (ISE) (*)	159.711	159.711
Total	**159.711**	**159.711**

(*) As at 31 December 2021, the Group's share on capital of Istanbul Stock Exchange is 0,0377%. The nominal value of the shares held by the Company is 15.971.094 amounting to TL 159.711 (31 December 2020: TL 159.711).

(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated)

6. Other receivables and payables

As of 31 December 2021 and 31 December 2020, the details of other receivables and payables are as follows:

Prepaid Expenses

	31 December 2021	31 December 2020
Prepaid Expenses	32.764	24.058
Total	**32.764**	**24.058**

As of 31 December 2021 and 31 December 2020, prepaid expenses mainly consist of Health-Life Insurance, Finnet annual fee, computer and infrastructure usage expenses.

Current tax assets

	31 December 2021	31 December 2020
Prepaid taxes	23.676	19.372
	23.676	**19.372**

Other short term receivables

	31 December 2021	31 December 2020
Receivables from personnel	3.764	2.173
Other short term receivables	15.141	692
	18.905	**2.865**

Other long term receivables

As at 31 December 2021 and 31 December 2020, the details of long term other receivables are as follows:

	31 December 2021	31 December 2020
Deposits given	6.076.833	4.940.425
Total	**6.076.833**	**4.940.425**

Deposits given consists of guarantees given by the Group to act as an intermediary in the Equity Market, OTC Market, Exchange Money Market and Futures and Options Exchange as of 31 December 2021 and 31 December 2020.

(Amounts are expressed in Turkish Lira (“TL”) unless otherwise indicated)

6. Other receivables and payables

Current tax payables

	31 December 2021	31 December 2020
Taxes and duties payable	4.061.649	5.080.323
Total	**4.061.649**	**5.080.323**

Taxes and deductions to be paid consist mainly of tax deductions made on behalf of customers (withholding tax).

7. Tangible and intangible assets

	Machinery and Equipment	Furniture and Fixtures	Other tangible assets	Total
Acquisition cost				
1 January 2020	3.736.236	222.632	371.437	4.330.305
Additions	2.656.150	14.692	6.171	2.677.013
31 December 2020	**6.392.386**	**237.324**	**377.608**	**7.007.318**
1 January 2021	6.392.386	237.324	377.608	7.007.318
Additions	143.523	20.471	18.359	182.352
Disposals	(22.097)			(22.097)
31 December 2021	**6.513.812**	**257.794**	**395.967**	**7.167.573**
Accumulated depreciation				
1 January 2020	2.541.461	155.145	312.641	3.009.247
Charge for the period	777.948	21.727	15.369	815.044
31 December 2020	**3.319.409**	**176.872**	**328.010**	**3.824.291**
1 January 2021	3.319.409	176.872	328.010	3.824.291
Charge the period	930.752	25.165	7.588	963.505
Disposals	(460)	-	-	(460)
31 December 2021	**4.244.707**	**202.037**	**335.598**	**4.787.336**
Net book value				
31 December 2020	3.072.977	60.452	49.598	3.183.027
31 December 2021	2.269.104	55.756	60.369	2.380.237

As of 31 December 2021 and 31 December 2020, the Group does not have any financial leasing assets. There are no mortgages, pledges and collaterals on tangible assets. All depreciation expenses are included in general administrative expenses.

(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated)

8. Intangible Assets

	Computer software
Acquisition cost	
Opening balance, 1 January 2020	706.912
Additions	547.188
Closing balance, 31 December 2020	**1.254.100**
Opening balance, 1 January 2021	1.254.100
Additions	638.439
Closing balance, 31 Aralık 2021	**1.892.539**
Accumulated amortization	
Opening balance, 1 January 2020	469.937
Charge for the period	71.133
Closing balance, 31 December 2020	**541.070**
Opening balance, 1 January 2021	541.070
Charge for the period	181.098
Closing balance, 31 December 2021	**722.168**
Net book value	
31 December 2020	713.030
31 December 2021	1.170.371

As of 31 December 2021 and 31 December 2020, the Group does not have any financial leasing assets. There is no mortgage, pledge or collateral on intangible assets. All redemption expenses are included in general administrative expenses.

(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated)

9. Provisions, contingent assets and liabilities

Short term provisions

Short term provisions for the periods ended 31 December 2021 and 31 December 2020 are as follow:

	31 December 2021	31 December 2020
Other provisions	1.577.220	683.373
Total	**1.577.220**	**683.373**

The Group does not have any contingent assets and liabilities as of 31 December 2021 (31 December 2020: None).

Commitments

As at 31 December 2021 and 31 December 2020, the details of the letters of guarantee and promissory notes are as follows:

	31 December 2021	31 December 2020
Takasbank	42.000.000	-
CMB	1.776	1.776
Total	**42.001.776**	**1.776**

Guarantees/Pledges/Mortgages given by the Company	31 December 2021	31 December 2020
A.GPM given on behalf of its own legal entity	42.001.776	1.776
B.GPM given on behalf of consolidated subsidiaries	-	-
C.Total amount of GPM given on behalf of other third parties' debt	-	-
D.Other GPM	-	-
i. Ana ortak lehine vermiş olduğu TRİ'lerin toplam tutarı	-	-
ii. Total amount of GPM given on behalf of other	-	-
iii. Total amount of GPM given of behalf on third parties not covered in C	-	-
Total	**42.001.776**	**1.776**

10. Short Term Borrowings

As at 31 December 2021, the Group has short-term debt amounting to TL 10.500.000 (31 December 2020: None). The maturity of the bank loan is 3 days and the interest rate is 14.10%.

(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated)

11. Employee benefits

As at 31 December 2021 and 31 December 2020, the details of the short-term employee benefits are as follows:

	31 December 2021	31 December 2020
Employee benefits		
Provision for unused vacation	2.466.163	1.750.745
Provision for personnel bonus	8.000.000	-
Total short term provisions	**10.466.163**	**1.750.745**

Movement of provision for unused vacation is as follows:

	1 January-31 December 2021	1 January-31 December 2020
Opening balance (1 January)	**1.750.745**	**1.437.761**
Charge for the period	(102.067)	(190.127)
Allocated provisions during the period	817.485	503.111
Total	**2.466.163**	**1.750.745**

Long-term employee benefits

Provision for employee severance pay

According to the Turkish Labor Law, the Group is obliged to pay severance pay to each employee who completes at least one year of service and retires after 25 years of working life (aged 58 for women, 60 for men), terminated, called for military service or passed away.

Severance pay to be paid as of 31 December 2021 is subject to a monthly ceiling of 8,284.51 TL (31 December 2020: 7,117,17 TL).

Severance pay liability is not legally subject to any funding. The provision for severance pay is calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of the employees. TAS 19 Employee Benefits requires the company's liabilities to be developed using actuarial valuation methods within the scope of defined benefit plans. Accordingly, the actuarial assumptions used in the calculation of total liabilities are as follows:

The main assumption is that the maximum liability amount for each year of service will increase in line with inflation. Therefore, the discount rate applied represents the expected real rate after adjusting for the effects of future inflation. Therefore, provisions in the accompanying financial statements as of 31 December 2021 are calculated by estimating the present value of the future probable obligation arising from the retirement of the employees. Provisions at the relevant balance sheet dates have been calculated using the real discount rate, which is approximately 3.09%, based on the assumptions of annual inflation of 21.85% and a discount rate of 25.61% (31 December 2020, 4.15%). Optional dismissal rates are also taken into account as 80% for those who work for 0-15 years, and 0% for those who work for 16 years or more. The maximum amount of 10,596.74 TL effective from 1 January 2022 has been taken into account in the calculation of the provision for employment termination benefits (1 January 2021: 7,638,96 TL).

(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated)

11. Provisions related to employee benefits (continued)

As at 31 December 2021 and 31 December 2020, the details of the long-term employee benefits are as follows:

	31 December 2021	31 December 2020
Provisions related to employee benefits		
Employee severance pay liability	5.231.419	2.572.297
Long term provisions total	**5.231.419**	**2.572.297**

Movements of provision for employee severance pay are as follows:

	1 January-31 December 2021	1 January-31 December 2020
Opening balance	**2.572.297**	**2.316.016**
Service cost	2.075.126	282.815
Interest cost	77.242	301.907
Charge for the period	(346.613)	(199.281)
Actuarial difference	853.367	38.131
Layoff cost	-	(167.291)
Balance at the end of the period	**5.231.419**	**2.572.297**

12. Shareholder's equity

Share capital

As at 31 December 2021 and 31 December 2020, the capital structure is as follows:

	31 December 2021		31 December 2020	
	Amount	**Share (%)**	**Amount**	**Share (%)**
ICBC Turkey Bank A.Ş.	75.998.480	99,998	75.998.480	99,998
Other	1.520	0,002	1.520	0,002
Total paid in capital	**76.000.000**	**100**	**76.000.000**	**100**
Capital inflation adjustment differences	31.279		31.279	
Total	**76.031.279**		**76.031.279**	

As at 31 December 2021, the share capital consists of 7.600.000.000 shares of having a nominal value of TRY 0.01 each (31 December 2020: 7.600.000.000 shares of having a nominal value of TRY 0.01).

The Company has no preferred shares as at 31 December 2021 (31 December 2020: None).

Adjustment to share capital

The capital increases made by shareholders are adjusted with the inflation effect up to 31 December 2004 in accordance with the Communiqué XI-29 and as a result inflation adjustment amounting to TL 31.279 (31 December 2020: TL 31.279) is recognised.

(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated)

12. Shareholder's equity (continued)

Fair value reserves

Change in fair value of financial assets

None (31 Aralık 2020: None).

Restricted Reserves

At the Ordinary General Assembly Meeting of the Company held on 25 March 2021, the Company decided to transfer TL 1.542.529 of profit to legal reserves account from the profit calculated accoring to TPL (31 December 2020: TL 1.652.647).

13. Income taxes (including deferred tax assets and liabilities)

The details of tax liability as at 31 December 2021 and 2020 as follows:

	31 December 2021	31 December 2020
Current tax provsion	23.720.939	8.729.662
Prepaid taxes and funds	(12.679.114)	(4.918.242)
Net	**11.041.825**	**3.811.420**

<u>Tax expense in the profit or loss statement</u>

The tax expense consists of:	December 2021	31 December 2020
Period tax expense	(23.720.939)	(8.729.662)
Deferred tax income/(expense)	3.120.460	(620.514)
Total tax expense	**(20.600.479)**	**(9.350.176)**

The Group is subject to corporate tax valid in Turkey. Necessary provisions have been made in the accompanying financial statements for the estimated tax liabilities of the Group regarding the current period operating results. Turkish tax legislation does not allow the parent company to file a tax return on the consolidated financial statements of its subsidiaries. For this reason, tax liabilities reflected in these consolidated financial statements have been calculated separately for all companies included in the consolidation.

The corporate tax rate to be accrued on taxable corporate income is over the remaining tax base after adding the non-deductible expenses from the tax base in the determination of the commercial income and deducting the tax-exempt gains, non-taxable incomes and other deductions (if any, previous year losses and investment allowances used if preferred). is calculated.

The corporate tax rate applied in Turkey in 2021 is 25% (it will be 23% for the year 2022, 20% in the following periods) (2020: 22%).

The Law No. 7061 on Amending Some Tax Laws and Some Other Laws was published in the Official Gazette dated 5 December 2017 and numbered 30261. With Article 89 of this Law, amendments are made to Article 5 of the Corporate Tax Law titled "Exceptions". The first paragraph of the article; With subparagraph (a), the 75% exemption applied to the profits arising from the sale of immovables that are in the assets of the institutions for two full years has been reduced to 50%. This regulation entered into force as of 5 December 2017.

(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated)

13. Income taxes (including deferred tax assets and liabilities) *(continued)*

Deferred tax assets and liabilities

The Group recognizes deferred tax assets and liabilities for temporary timing differences arising from the differences between the tax base legal financial statements and the financial statements prepared in accordance with TFRS. These differences are generally due to the fact that some income and expense items are included in different periods in tax base financial statements and financial statements prepared in accordance with TFRS, and these differences are stated below.

The tax rate used in the calculation of deferred tax assets and liabilities is 23% over the temporary timing differences expected to reverse in 2022 (2020: 22%), and 20% over the temporary timing differences expected to reverse after 2022 (2020: 22%)

Subsidiaries with deferred tax assets are not netted off with subsidiaries with deferred tax liabilities and are shown separately, as businesses in Turkey cannot declare consolidated tax returns.

The Company's deferred tax assets and liabilities as at 31 December 2021 and 31 December 2020 are as follows:

	31 December 2021		31 December 2020	
	Accumulated current differences	**Deferred tax assets/ liabilities**	**Accumulated current differences**	**Deferred tax assets/ liabilities**
Provisions related to employee benefits	15.697.582	3.453.500	4.323.042	899.623
Provisions related to other liabilities and expenses	1.577.220	362.760	683.373	150.342
Expected credit loss provision	5.242.330	1.205.735	3.832.863	843.230
Deferred tax assets	**22.517.132**	**5.021.995**	**8.839.278**	**1.893.195**
Tangible and intangible assets	(968.143)	(193.629)	(913.949)	(201.068)
Derivative transactions	-	-	(704.065)	(154.894)
Deferred tax liabilities	**(968.143)**	**(193.629)**	**(1.618.014)**	**(355.962)**
Deferred tax net	**21.548.989**	**4.828.366**	**7.221.264**	**1.537.233**

(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated)

14. Related party transactions

In these financial statements, the shareholders of the Group and ICBC Group companies and all its subsidiaries having indirect shareholding relation with the Group are referred to as "related parties".

	31 December 2021	**31 December 2020**
Receivables from related parties		
Cash and cash equivalents		
-ICBC Turkey Bank A.Ş. - Main shareholder	540.082.318	397.018.088
Trade Receivebles		
- Fund Management Commissions	476.698	357.547
Total	**540.559.016**	**397.375.635**

	31 December 2021	**31 December 2020**
Other payables and expense provisions		
-ICBC Portföy Yönetimi A.Ş. – Provisions for other liabilities	87.302	735.538
-ICBC Turkey Portföy Yönetimi A.Ş.- Attorney fee	45.360	45.360
Total	**132.662**	**780.898**

	31 December 2021	**31 December 2020**
Trade payables		
-ICBC Turkey Bank A.Ş. - Main shareholder	85.915	-
Total	**85.915**	**-**

Related party transactions	**1 January – 31 December 2021**	**1 January – 31 December 2020**
-ICBC Turkey Portföy Yönetimi AŞ (gold fund, first variable fund, second variable fund, money market fund, stock fund, fx fund, first hedge fund and first fund of funds management fees	(2.694.946)	2.273.627
Interest income		
-ICBC Turkey Bank A.Ş.	2.063.563	1.585.499
Rent expenses		
-ICBC Turkey Bank A.Ş.	2.473.177	2.269.842
Building participation expenses		
- ICBC Turkey Bank A.Ş.	1.245.290	1.151.259
Commission expenses		
- ICBC Turkey Bank A.Ş.	700.793	773.989

Letters of guarantee received from related parties as at 31 December 2021 amounting to TL 42.001.776 (31 December 2020: TL 1.776).

(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated)

15. Statement of profit or loss

Sales and cost of sales

For the periods ended 31 December 2021 and 31 December 2020, sales and cost of sales are as follows:

	1 January- 31 December 2021	1 January- 31 December 2020
Sales		
Investment funds	-	130.999.684
Equity security	8.493.910	2.657.474
Treasury bonds/government bonds	49.508.740	34.930.221
Total	**58.002.650**	**168.587.379**
Cost of sales		
Investment funds	-	(130.277.233)
Equity security	(8.500.412)	(2.678.910)
Treasury bonds/government bonds	(49.316.568)	(34.863.930)
Total	**(57.816.980)**	**(167.820.073)**

Service income

For the periods ended 31 December 2021 and 31 December 2020,service income are as follows:

	1 January– 31 December 2021	1 January– 31 December 2020
Service income		
Corporate finance/project finance	39.790.255	26.994.477
Brokerage commission income on equity securities transactions	21.649.789	24.799.665
Intermediary commission income on futures market	4.036.796	2.555.222
Fund management commission income	2.649.787	2.577.491
BIST stock market share	2.580.627	2.521.068
Over-the-counter transactions	2.066.992	4.805.697
Lending commission	353.227	131.054
Money market commissions	201.784	135.342
Intermediary commission from capital increase transactions	148.553	57.395
IPO Brokerage commissions	99.077	-
Dividend commissions	10.011	246.172
Commission income on trading treasury bills and bonds	2.205	85.974
Other	1.545.995	773.028
Total	**75.135.098**	**65.682.585**

(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated)

15. Statement of profit or loss (continued)

Interest income from main operations

For the periods ended 31 December 2021 and 2020, interest income from main activities are as follow:

Interest income from main operations	1 January-31 December 2021	1 January-31 December 2020
Interest income from customers	32.100.298	15.209.282
Interest income from banks	3.371.515	2.135.992
Total	**35.471.813**	**17.345.274**

16. General administrative expenses

For the periods ended 31 December 2021 and 31 December 2020 , general and administrative expenses are as follows:

	1 January – 31 December 2021	1 January – 31 December 2020
Personnel expenses	49.277.785	35.774.580
Communication expenses	5.587.078	3.689.827
Membership fees	5.523.335	4.796.441
Rent expenses	2.473.177	2.269.842
Computer expenses	1.695.038	1.147.350
Buildings expenses	1.243.799	1.149.836
Amortisation and depreciation expenses	1.144.603	886.177
Advisory and consultancy expenses	1.132.472	1.070.857
Transportation expenses	745.461	682.669
Taxes and duties	648.185	677.123
Representation and hospitality expenses	411.241	315.702
Maintenance and repair costs	213.816	131.424
Disallowable expenses	107.793	62.648
Small warehouse expenses	17.524	29.759
Other	464.688	417.611
Total	**70.685.995**	**53.101.846**

17. Other operating income and expense from main operations

Other Operating Income	1 January-31 December 2021	1 January-31 December 2020
Fractional differences	3.326	-
Other	56.968	33.299
Total	**60.294**	**33.299**

(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated)

17. Other operating income and expense from main operations (continued)

Other Operating Expense	1 January- 31 December 2021	1 January- 31 December 2020
Foreign exchange expenses-litigation expense	1.526.778	698.729
Previous period expenses	410.932	208.764
Other expense from operating activities	12	25
Total	**1.937.722**	**907.518**

18. Financial income

	1 January- 31 December 2021	1 January- 31 December 2020
Foreign exchange gains	39.713.895	4.523.867
Rediscount income on marketable securities	16.614.921	4.098.304
Other (*)	256.867	4.285.963
Total	**56.585.683**	**12.908.134**

(*) As of 31 December 2020, TL 3.800.071 includes the reversed IFRS-9 provision expense for the period.

19. Financial Expenses

	1 January- 31 December 2021	1 January- 31 December 2020
Loan interest expense	2.331.696	307.824
Financial assets commission expenses	340.276	57.006
Commission expenses on money market	117.350	106.728
Other (*)	1.404.200	22.959
Total	**4.193.522**	**494.517**

(*) Includes IFRS-9 provision expense as of 31 December 2021.

20. Nature and level of risks related to financial instruments

Capital management

In managing the capital, the Group's objectives are to ensure the continuity of the Group's activities in order to maintain the most appropriate capital structure in order to provide returns to its shareholders and benefit to other shareholders.The Group monitors its capital adequacy within the framework of the Communiqué on Principles Regarding Capital and Capital Adequacy of Intermediary Institutions of the Capital Markets Board Serial: V. No: 34.

The Group's activities expose it to a variety of financial risks, including the effects of changes in debt and capital market prices, foreign exchange rates and interest rates. The Group's wholesale risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated)

20. Nature and level of risks related to financial instruments *(continued)*

Credit risk

Financial instruments contain an element of risk that the counterparties may be unable to meet the terms of the agreements. This risk is monitored in reference to credit ratings and managed by limiting the aggregate risk to any individual counterparty. Exposure to credit risk is also managed by obtaining collaterals in the form of listed equity securities.

	Receivables				
	Trade receivables		Other receivables		
31 December 2021	**Related Parties**	**Third Parties**	**Related Parties**	**Third Parties**	**Bank deposits**
Maximum credit risk exposure as at reporting date	**476.698**	**172.345.827**	**-**	**18.905**	**624.880.275**
The part of maximum risk under guarantee with collateral etc.	-	-	-	-	-
Net book value of financial assets that are neither past due nor impaired	476.698	172.345.827	-	18.905	624.880.275
Elements containing risk of off-balance-sheet credit	-	-	-	-	-

	Receivables				
	Ticari alacaklar		Other receivables		
31 December 2020	**Related Parties**	**Third Parties**	**Related Parties**	**Third Parties**	**Bank deposits**
Maximum credit risk exposure as at reporting date	**357.547**	**123.354.824**	**-**	**2.865**	**635.555.995**
The part of maximum risk under guarantee with collateral etc	-	-	-	-	-
Net book value of financial assets that are neither past due nor impaired	357.547	123.354.824	-	2.865	635.555.995
Elements containing risk of off-balance-sheet credit	-	-	-	-	-

(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated)

20. Nature and level of risks related to financial instruments *(continued)*

Foreign currency risk

The Group is exposed to foreign exchange risk through changes in foreign currency exchange rates and the exchange rates at the date of transaction and the exchange rates at the reporting date, while translating foreign currency denominated assets and liabilities into Turkish lira.

As of 31 December 2021 and 31 December 2020 the Group's the foreign currency rates used in converting foreign currency denominated transactions into TL are given in TL as follows:

	USD Dollar	Euro	GBP	Chinese Yuan
31 December 2021	13,3290	15,0867	17,9667	2,0840
31 December 2020	7,3405	9,0079	9,9438	1,1182

The following table as at 31 December 2021 and 31 December 2020, showing the TL denominated foreign currency assets and carrying amounts of debt held by the Group are summarized the exposure to foreign currency position.

31 December 2021	TL equivalent	US Dollar	Eur	GBP	Chinese Yuan
Cash and cash equivalents	589.237.500	10.834.513	19.144.722	8.667.406	129.036
Trade receivables	-	-	-	-	-
Toplam assets	**589.237.500**	**10.834.513**	**19.144.722**	**8.667.406**	**129.036**
Net foreign currency assets position	**589.237.500**	**10.834.513**	**19.144.722**	**8.667.406**	**129.036**

31 December 2020	TL equivalent	US Dollar	Eur	GBP	Chinese Yuan
Cash and cash equivalents	**783.579.947**	**1.584.074**	**113.758.995**	**2.263.828**	**-**
Trade receivables	-	-	-	-	-
Total assets	**783.579.947**	**1.584.074**	**113.758.995**	**2.263.828**	**-**
Net foreign currency assets position	**783.579.947**	**1.584.074**	**113.758.995**	**2.263.828**	**-**

(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated)

20. Nature and level of risks related to financial instruments *(continued)*

Sensitivity to foreign currency

The table below shows the sensitivity of the Company against a 10% change (as of 31 December 2021 and 31 December 2020, excluding tax effect on profit / loss) in exchange rates. The amounts below represent the effect on profit or loss statement in the case of a 10% increase/decrease in exchange rates.

	Profit / (Loss)		**Equity(*)**	
31 December 2021	**Appreciation of foreign currency**	**Depreciation of foreign currency**	**Appreciation of foreign currency**	**Depreciation of foreign currency**
10% change of US Dollar against TL				
1- US Dollar net asset/liability	14.441.322	(14.441.322)	14.441.322	(14.441.322)
2- Hedged portion of USD amounts (-)	-	-	-	-
3-US Dollar net effect (1+2)	**14.441.322**	**(14.441.322)**	**14.441.322**	**(14.441.322)**
10% change of EURO against TL				
4- EURO net asset/liability	28.883.068	(28.883.068)	28.883.068	(28.883.068)
5- Hedged portion of EURO amounts (-)	-	-	-	-
6-EURO net effect (4+5)	**28.883.068**	**(28.883.068)**	**28.883.068**	**(28.883.068)**
10% change of GBP against TL				
7- GBP net asset/liability	15.572.469	(15.572.469)	15.572.469	(15.572.469)
8- Hedged portion of GBP amounts (-)	-	-	-	-
9- GBP net effect (7+8)	**15.572.469**	**(15.572.469)**	**15.572.469**	**(15.572.469)**
10% change of CNY against TL				
10- CNY net asset/liability	26.891	(26.891)	26.891	(26.891)
11- Hedged portion of CNY amounts (-)	-	-	-	-
12 – CNY net effect (10+11)	**26.891**	**(26.891)**	**26.891**	**(26.891)**
TOTAL (3+6+9+12)	**58.923.750**	**(58.923.750)**	**58.923.750**	**(58.923.750)**

(*) Includes profit/loss effect

(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated)

20. Nature and level of risks related to financial instruments *(continued)*

Sensitivity to foreign currency (continued)

	Profit / (Loss)		Equity(*)	
31 December 2020	**Appreciation of foreign currency**	**Depreciation of foreign currency**	**Appreciation of foreign currency**	**Depreciation of foreign currency**
10% change of US Dollar against TL				
1- US Dollar net asset/liability	29.782.700	(29.782.700)	29.782.700	(29.782.700)
2- Hedged portion of USD amounts (-)	-	-	-	-
3-US Dollar net effect (1+2)	**29.782.700**	**(29.782.700)**	**29.782.700**	**(29.782.700)**
10% change of EURO against TL				
4- EURO net asset/liability	9.276.029	(9.276.029)	9.276.029	(9.276.029)
5- Hedged portion of EURO amounts (-)	-	-	-	-
6-EURO net effect (4+5)	**9.276.029**	**(9.276.029)**	**9.276.029**	**(9.276.029)**
10% change of GBP against TL				
7- GBP net asset/liability	9.713	(9.713)	9.713	(9.713)
8- Hedged portion of GBP amounts (-)	-	-	-	-
9- GBP net effect (7+8)	**9.713**	**(9.713)**	**9.713**	**(9.713)**
10% change of CNY against TL				
10- CNY net asset/liability	39.750	(39.750)	39.750	(39.750)
11- Hedged portion of CNY amounts (-)	-	-	-	-
12 - CNY net effect (10+11)	**39.750**	**(39.750)**	**39.750**	**(39.750)**
TOTAL (3+6+9+12)	**39.108.192**	**(39.108.192)**	**39.108.192**	**(39.108.192)**

(*) Includes profit/loss effect

Fair value of financial instruments

The fair value of financial assets and liabilities are determined as follows:

First level: Registered (unadjusted) prices of identical assets or liabilities in active markets.

Second Level: Data which can be observed by directly (through prices) or indirectly (derived from prices) and which excludes the registered prices described in first level.

Third level: Data that is not based on observable market data related to assets and liabilities (non-observable data).

(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated)

20. Nature and level of risks related to financial instruments *(continued)*

Fair value of financial instruments *(continued)*

Fair value classification of assets and liabilities which are measured over their fair values is as follows:

		Fair value level as at reporting date		
Financial assets	**31 December 2021**	**Level 1**	**Level 2**	**Level 3**
Financial assets at fair value through profit or loss	41.339.028	41.339.028	-	-
Borrowing instruments measured by reflecting fair value difference to other comprehensive income	-	-	-	-
Total	**41.339.028**	**41.339.028**	**-**	**-**

		Fair value level as at reporting date		
Financial assets	**31 December 2020**	**Level 1**	**Level 2**	**Level 3**
Financial assets at fair value through profit or loss	21.720.775	21.720.775	-	-
Borrowing instruments measured by reflecting fair value difference to other comprehensive income	-	-	-	-
Total	**21.720.775**	**21.720.775**	**-**	**-**

21. Events after reporting period

None.