ICBC Turkey Yatırım Menkul Değerler Anonim Şirketi and Its Subsidiary

Condensed Consolidated Financial Statements
As at and for the Three Month Period
Ended 31 March 2019

(Convenience translation of the condensed consolidated financial information and related disclosures and footnotes originally issued in Turkish)

This report includes 29 pages of condensed consolidated financial statements and their explanatory notes.

ICBC Turkey Yatırım Menkul Değerler Anonim Şirketi

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ICBC TURKEY YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ AND ITS SUBSIDIARY
Condensed Consolidated Statement of Financial Position as at 31 March 2019
(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated)

	Notes	Reviewed Current Period 31 March 2019	Audited Prior Period 31 December 2018
Assets			
Current Assets			
Cash and cash equivalents	3	1.380.790.230	512.735.578
Financial investments	5	22.483.205	16.343.065
Trade receivables	4	58.483.887	56.260.083
- Due from related parties	14	149.471	82.579
- Other trade receivables		58.334.416	56.177.504
Other Receivables	6	4.099	1.488
- Due from related parties		--	--
- Other receivables		4.099	1.488
Prepaid expenses	6	342.826	6.700
Current period tax related assets	6	122.196	125.164
Total current assets		**1.462.226.443**	**585.472.078**
Non-current assets			
Financial investments	5	159.711	159.711
Other receivables	6	1.958.741	1.464.665
- Due from related parties		--	--
- Other trade receivables		1.958.741	1.464.665
Tangible assets	7	813.814	881.962
Intangible assets	7	243.438	257.204
Deferred tax assets	13	1.055.422	1.333.328
Total non-current assets		**4.231.126**	**4.096.870**
Total assets		**1.466.457.569**	**589.568.948**

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

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

	Notes	Reviewed Current Period 31 March 2019	Audited Prior Period 31 December 2018
Liabilities			
Short term liabilities			
Short term financial borrowings	10	--	--
Trade payables	4	1.326.713.297	466.675.110
- Due to related parties		--	--
- Other trade payables		1.326.713.297	466.675.110
Payables relating to employee benefits	6	197	310.732
Short term provisions		5.693.543	3.224.049
- Employee benefits	11	1.201.476	3.162.451
- Other short term provisions	8	4.492.067	61.598
Current tax payables	6	4.927.546	2.605.195
Total current liabilities		**1.337.334.583**	**472.815.086**
Long term liabilities			
Long term provisions		2.420.398	2.179.085
-Employee benefits	11	2.420.398	2.179.085
Total non-current liabilities		**2.420.398**	**2.179.085**
Equity			
Paid in capital	12	76.000.000	76.000.000
Adjustments to share capital	12	31.279	31.279
Change in fair value of financial assets	12	(162.315)	(143.503)
Other comprehensive income that will never be reclassified to profit or loss		(1.168.150)	(1.168.150)
-Actuarial loss related to pension plans		*(1.168.150)*	*(1.168.150)*
Restricted reserves		3.145.118	2.143.656
Prior year's income		36.710.033	16.087.671
Profit for the period		12.146.623	21.623.824
Total equity		**126.702.588**	**114.574.777**
Total liabilities and equity		**1.466.457.569**	**589.568.948**

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income for the Period Ended 31 March 2019

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

	Notes	Reviewed 1 January - 31 March 2019	Reviewed 1 January - 31 March 2018
Statement of profit or loss			
Sales	15	45.752.076	67.957.962
Service income	15	15.987.710	7.732.568
Cost of sales (-)	15	(44.663.143)	(67.555.617)
Gross profit from operations		**17.076.643**	**8.134.913**
Interest income from operations		4.353.685	3.573.022
Gross profit		**21.430.328**	**11.707.935**
General administrative expenses (-)	15	(7.143.118)	(6.980.528)
Other operating income		73.873	2.610
Other operating expenses (-)		(135.509)	(62.058)
Operating profit		**14.225.574**	**4.667.959**
Financial income		3.687.593	572.136
Financial expenses (-)		(1.559.564)	(174.221)
Profit before tax from continuing operations		**16.353.603**	**5.065.874**
Tax income / (expense) from continuing operations		**(4.206.980)**	**(1.195.247)**
Current tax income / (expense)	13	(3.923.767)	(1.176.697)
Deferred tax income / (expense)	13	(283.213)	(18.550)
Profit from continuing operations		**12.146.623**	**3.870.627**
Profit for the period		**12.146.623**	**3.870.627**
Statement of other comprehensive income			
Other comprehensive income		(148.072)	(83.152)
Changes in fair value reserves		(24.118)	-
Income tax relating to other compharasive income		37.882	16.629
Other comprehensive income after tax		**(134.308)**	**(66.523)**
Total comprehensive income		**12.012.315**	**3.804.104**

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

ICBC TURKEY YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ AND ITS SUBSIDIARY

Condensed Consolidated Statement of Changes in Equity for the Period Ended 31 March 2019

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

	Notes	Paid in capital	Adjustment to share capital	Fair value reserves	Actuarial gains and losses related to pension plans	Restricted reserves	Prior year's profit or loss	Profit for the period	Total Equity
1 January 2018	**12**	**76.000.000**	**31.279**	**(27.320)**	**(160.379)**	**1.302.183**	**625.948**	**16.798.504**	**94.570.215**
Total Comprehensive Income									
Corrections due to changes in accounting policies		--	--	--	--	--	--	3.870.627	**3.870.627**
Profit for the period		--	--	--	357.714	--	--	--	**357.714**
Acturial profit/(loss)		--	--	--	--	--	--	--	--
Change in fair value of financial assets avaliable for sale		--	--	--	--	--	--	--	--
Total Comprehensive Income		**76.000.000**	**31.279**	**(27.320)**	**197.335**	**1.302.183**	**625.948**	**20.669.131**	**98.798.556**
Transfers to retained earnings		--	--	--	--	--	15.957.031	(15.957.031)	--
Transfers to reserves		--	--	--	--	841.473	--	(841.473)	--
Balance at 31 March 2018		**76.000.000**	**31.279**	**(27.320)**	**197.335**	**2.143.656**	**16.582.979**	**3.870.627**	**98.798.556**
1 January 2019	**12**	**76.000.000**	**31.279**	**(143.503)**	**(1.168.150)**	**2.143.656**	**16.087.671**	**21.623.824**	**114.574.777**
Total Comprehensive Income									
Profit for the period		--	--	--	--	--	--	12.146.623	**12.146.623**
Acturial profit/(loss)		--	--	--	--	--	--	--	**--**
Change in fair value of financial assets avaliable for sale		--	--	(18.812)	--	--	--	--	**(18.812)**
Total Comprehensive Income		**76.000.000**	**31.279**	**(162.315)**	**(1.168.150)**	**2.143.656**	**16.087.671**	**33.770.613**	**126.702.588**
Transfers to retained earnings		--	--	--	--	--	20.622.362	(20.622.362)	--
Transfers to reserves		--	--	--	--	1.001.462	--	(1.001.462)	--
Balance at 31 March 2019		**76.000.000**	**31.279**	**(162.315)**	**(1.168.150)**	**3.145.118**	**36.710.033**	**12.146.623**	**126.702.588**

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

ICBC TURKEY YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ AND ITS SUBSIDIARY
Condensed Consolidated Statement of Cash Flows
for the Period Ended 31 March 2019

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

	Notes	Reviewed 1 January- 31 March 2019	Reviewed 1 January- 31 March 2018
A. Cash flows provided from operating activities		**184.994.682**	**21.685.291**
Profit for the period		**12.146.789**	**3.870.627**
Adjustments for profit / loss for the period		**774.307**	**1.379.406**
Adjustment for depreciation	7	88.985	118.920
Adjustment for amortization	7	23.468	63.469
Adjustment for vacation pay liability		147.189	(782.288)
Adjustment for employee termination benefit		247.955	108.149
Other financial income (excluding foreign currency gain)		(4.353.685)	(2.610)
Other financial expense		135.509	697.069
Deferred tax expense / (income)		561.119	--
Current tax expense	13	3.923.767	1.176.697
Change in net working capital		**174.326.852**	**17.089.476**
Financial investments		(6.140.140)	29.826.834
Changes in receivables from related parties		(66.892)	80.584
Changes in other trade receivables		(2.156.912))	(12.222.968)
Changes in customer assets		(684.418.466)	--
Changes in other current assets		--	(44.756.863)
Changes in other receivables		(829.845)	(418.054)
Changes in trade payables		860.038.187	45.089.687
Changes in other liabilities and provisions		7.907.560	(509.744)
Employee termination benefits payment	11	(6.642)	--
Vacation liability paid	11	--	--
Changes in blocked amounts	3	--	--
Cash flows from operating activities		**(2.253.264)**	**654.218**
Interests and commissions paid		(125.934)	--
Interests received		4.263.946	(654.218)
Taxes paid	13	(6.391.276)	--
B. Cash flows from investing activities		**(30.538)**	**(149.579)**
Cash flows from acquisition of tangible and intangible assets		(30.538)	(149.578)
C. Cash flows from financing activities		**--**	**4.850.000**
Changes in borrowings		--	--
Repayments of borrowings		--	--
Net increase/decrease in cash and cash equivalents before the effect of foreign currency translation differences (A+B+C)		**184.964.144**	**26.385.713**
D. Effects of change in foreign exchange rate on cash and cash equivalents		**--**	**--**
Net increase/decrease in cash and cash equivalents (A+B+C+D)		**184.964.144**	**26.385.713**
E. Cash and cash equivalents at the beginning of the period	3	**86.450.164**	**24.580.409**
Cash and cash equivalents at the end of the period (A+B+C+D+E)	3	**271.414.308**	**50.996.122**

The accompanying notes form an integral part of these condensed 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 ("TCMB").

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 "Disclosure of Investment Services and Operations with Ancillary Services Principles" and Communiqué numbered III-39.1 "Principles of Establishment and Activities of Investment Firms". As a result, the Company was authorized as "Broad Authorized Intermediary Firm" 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 ("TCMB"):

- Brokerage transaction activity
- Portfolio brokerage activity
- Individual portfolio management
- Investment advisory activity
- Mediation by the IPO brokerage underwriting
- Limited Custodian service

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 98 employees as at 31 March 2018 (31 December 2018: 101).

Approval of financial statements

The condensed consolidated financial statements as at 31 March 2019 have been approved by the Board of Directors of the Company and authorized for issue on 24 April 2019. The General Assembly has the discretion of making changes in the accompanying condensed consolidated financial statements after their issuance.

Information on subsidiary

The Company's subsidiary ICBC Turkey Portföy Yönetimi Anonim Şirketi (formerly "Tekstil Portföy Yönetimi Anonim Şirketi"), was established on 21 April 2015 as at 31 March 2019. 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 have been prepared in accordance with the provisions of the Communiqué No: II-14.1 "Communiqué on Principles of Financial Reporting in Capital Market" ("Communiqué") promulgated by the Capital Markets Board ("CMB") dated 13 June 2013 and numbered 28676, and Auditing Standards Board ("UPS") that have been put into force by Turkey Accounting Standards (TAS) has been prepared in accordance. TMS; Turkey Turkey Accounting Standards Financial Reporting Standards, comprise of additions and comments on them. The accompanying financial statements are presented in TL, which is the Company's functional and presentation currency and all financial information is presented in TL unless otherwise stated.

The Group's interim financial statements as at 31 March 2018 have been prepared in accordance with TAS 34. Limited interim consolidated financial statements do not consist full scope financial statements as the year end consequently, limited interim financial statements have to be read with the Group's financial statements as at 31 December 2018.

2.1.2. The preparation of financial statements

The principles stated in the "Announcement Regarding Financial Statements and Footnote Formats" announced by the CMB Decision Body dated 13 June 2013 and numbered 28676 were used for Preparation of financial statements and footnotes for the period ended on 31 March 2018.

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 recognized 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 Group prepared financial statements according to going concern principle.

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 currency and the presentation currency of the Group.

2.2. Changes in accounting policies estimates 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. Changes in accounting estimates

The accompanying financial statements are prepared comparatively with the prior period in order to determine the Company's financial position, performance and trends in cash flow. In order to provide comparability when the presentation or classification of the items in the financial statements changes, prior period financial statements are reclassified accordingly and explanations are made regarding these issues.

There has been no significant change in the estimates and assumptions of the company management used in the implementation of the reporting policies adopted in the preparation of the financial statements.

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

2.3. Changes in accounting estimates *(continued)*

2.3.1. Applied accounting principles

TFRS 9 Financial Instruments - Classification and measurement

TFRS 9 regulates the accounting and measurement of financial assets and financial liabilities. This standard has been in place since 1 January 2018 replacing TAS 39 Financial Instruments: Recognition and Measurement.

Classification and Measurement of Financial Assets and Financial Liabilities

TFRS 9, substantially preserves the existing provisions of TAS 39 for the classification and measurement of financial liabilities. However, financial assets held to maturity, loans and receivables and available-for-sale financial assets, the previous TAS 39 classification categories have been removed.

The adoption of TFRS 9 did not have any significant effect on the Company's accounting policies related to its financial liabilities and derivative financial instruments. The classification of TFRS 9 financial assets and the effect on the measurement are stated below.

According to TFRS 9, when a financial asset is first acquired in the financial statements; measured at amortized cost; the fair value difference is measured by reflecting the other comprehensive income - borrowing instruments; FV difference is measured by reflecting the other comprehensive income - equity instruments or FV is classified as being measured by reflecting the difference in profit or loss. The classification of financial assets within the scope of TFRS 9 is generally based on the contractual cash flows of the business model and financial asset used by the entity for the management of the financial assets.

A financial asset is measured at amortized cost if both conditions are satisfied and FV is not classified as being measured at fair value through profit or loss:

- Retention in the context of a business model for the collection of contractual cash flows of the financial assets and
- The contractual terms of the financial asset lead to cash flows that include interest payments arising only from principal and principal balance at specific dates.

In the event that a borrowing instrument is not classified as measured under both the following conditions and the FV difference is reflected in the profit or loss, the FV difference is measured by reflecting the other comprehensive income:

- The acquisition and retention of contractual cash flows of a financial asset within the scope of a business model aimed at the sale of financial assets and
- The contractual terms of the financial asset lead to cash flows that include interest payments arising only from principal and principal balance at specific dates.
- For the first time purchase of equity instrument investments that are not held for trading purposes in the financial statements, there may be a preference that can not be reversed on subsequent amendments to fair value for other comprehensive income. This choice can be made on an individual investment basis.
- All financial assets which are not measured at the amortized cost stated above or with FV difference reflected in other comprehensive income all unmeasured financial assets are measured by reflecting FV difference in profit or loss. These also include all derivative financial assets. In the event of financial assets being showed in financial tables for the first time, can be defined as the measurement of financial assets irrevocably by reflecting the change in fair value through profit or loss, provided that the financial assets are measured differently, and that an accounting obliteration arising from the measurement of the different types of gains or losses on the financial statements is eliminated or significantly reduced.

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

2.3. Changes in accounting estimates *(continued)*

2.3.1. Applied accounting principles *(continued)*

The following accounting policies apply in the subsequent measurement of financial assets.

Financial assets measured at FV difference profit / loss	These assets are then measured at their fair values in subsequent measurements. Any net gains and losses, including any interest or dividend income, are recognized in profit or loss.
Financial assets measured at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. If there are amortized costs, the amount of impairment losses is reduced by the loss amount. Interest income, foreign currency gains and losses and impairment losses are recognized as profit or loss. Gains or losses arising from derecognition of these statements of financial positions are accounted as profit or loss.
Borrowing instruments measured by reflecting FV difference to other comprehensive income	These assets are measured at fair value in subsequent periods. Interest income, foreign currency gains and losses and impairment losses calculated using the effective interest method are accounted as profit or loss. Other gains and losses are recognized in other comprehensive income. When financial assets are excluded from the statement of financial position, total gains or losses previously recognized in other comprehensive income are reclassified to profit or loss.
Equity instruments reflected in FV difference other comprehensive income	These assets are measured at fair value in subsequent periods. Dividends are clearly recognized in profit or loss unless they represent a 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.

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

2.3. Changes in accounting estimates *(continued)*

2.3.1. Applied accounting principles *(continued)*

Impairment of Financial Assets

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortised cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments.a Under IFRS 9, credit losses are recognised earlier than under IAS 39.
The financial assets at amortised cost consist of trade receivables, cash and cash equivalents, and corporate debt securities.

Under IFRS 9, loss allowances are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date; and
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured as 12-month ECLs:

- Debt securities that are determined to have low credit risk at the reporting date; and
- Other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

The Group has elected to measure loss allowances for trade receivables and contract assets at an amount equal to lifetime ECLs.
When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when:

- The borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- The financial asset is more than 90 days past due.

To determine whether a financial instrument has low credit risk, an entity may use internal credit risk ratings or other methodologies that are consistent with a globally accepted definition of a lower credit risk and that take into account the risks and risks of the evaluated financial instruments. An external rating of "investment grade" may indicate that the financial instrument has low credit risk.
The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

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

2.3. Changes in accounting estimates *(continued)*

2.3.1. Applied accounting principles *(continued)*

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).
ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Presentation of impairment

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.
For debt securities at FVOCI, the loss allowance is recognised in OCI, instead of reducing the carrying amount of the asset.
Impairment losses related to trade and other receivables, including contract assets, are presented separately in the statement of profit or loss and OCI. As a result, the Group reclassified impairment losses amounting to €20 thousand, recognised under IAS 39, from 'other expenses' to 'impairment loss on trade and other receivables, including contract assets' in the statement of profit or loss and OCI for the six months ended 30 June 2017.

Impairment losses on other financial assets are presented under 'finance costs', similar to the presentation under IAS 39, and not presented separately in the statement of profit or loss and OCI due to materiality considerations.

Impact of the new impairment model

For assets in the scope of the IFRS 9 impairment model, impairment losses are generally expected to increase and become more volatile.

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

2.3. Changes in accounting estimates *(continued)*

2.3.1. Applied accounting principles *(continued)*

Trade Receivables and Contractual Assets

The following analysis provides further detail about the calculation of ECLs related to trade receivables and contract assets on the adoption of IFRS 9. The Group considers the model and some of the assumptions used in calculating these ECLs as key sources of estimation uncertainty.

The ECLs were calculated based on actual credit loss experience over the past seven years.

The Group performed the calculation of ECL rates separately for wholesale customers and other customers.

Exposures within each group were segmented based on common credit risk characteristics such as credit risk grade, geographic region and industry – for wholesale customers; and delinquency status, geographic region, age of relationship and type of product purchased – for other customers.

2.4. New and Revised Accounting Standards at Turkey

As at 31 March 2019 Standards issued but not yet effective and not early adopted

Standards issued but not yet effective and not early adopted

New standards, interpretations and amendments to existing standards are not effective at reporting date and earlier application is permitted; however the Group has not early adopted are as follows. The Group will make the necessary changes if not indicated otherwise, which will be affecting the consolidated financial statements and disclosures, after the new standards and interpretations become in effect.

TFRS 16 Leases

On 16 April 2018, POA issued the new leasing standard which will replace TAS 17 Leases, TFRS Interpretation 4 Determining Whether an Arrangement Contains a Lease, TAS Interpretation 15 Operating Leases – Incentives, and TAS Interpretation 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease and consequently changes to TAS 40 Investment Properties. TFRS 16 Leases eliminates the current dual accounting model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. Instead, there is a single, on-balance sheet accounting model that is similar to current finance lease accounting. Lessor accounting remains similar to current practice. The standard is effective for annual periods beginning on or after 1 January 2019, with early adoption permitted provided that an entity also adopts TFRS 15 Revenue from Contracts with Customers. The Group is assessing the potential impact on its consolidated financial statements resulting from the application of TFRS 16.

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

2.4. New and Revised Accounting Standards at Turkey *(continued)*

As at 31 March 2019 Standards issued but not yet effective and not early adopted (continued)
The new standards, amendments and interpretations that are issued by the IASB but not issued by POA

Standards issued but not yet effective and not early adopted *(continued)*

TFRS Interpretation 23 –Uncertainty Over Income Tax Treatments

On 24 May 2018, POA issued TFRS Interpretation 23 Uncertainty over Income Tax Treatments to specify how to reflect uncertainty in accounting for income taxes. It may be unclear how tax law applies to a particular transaction or circumstance, or whether a taxation authority will accept a company's tax treatment. TAS 12 Income Taxes specifies how to account for current and deferred tax, but not how to reflect the effects of uncertainty. TFRS Interpretation 23 provides requirements that add to the requirements in TAS 12 by specifying how to reflect the effects of uncertainty in accounting for income taxes. The Interpretation is effective from 1 January 2019 with earlier application is permitted. The Group is assessing the potential impact on its consolidated financial statements resulting from the application of TFRS Interpretation 23.

Amendments to TFRS 9 - Prepayment features with negative compensation

On December 2017, POA has issued amendments to TFRS 9 to clarify that financial assets containing prepayment features with negative compensation can now be measured at amortised cost or at fair value through other comprehensive income (FVOCI) if they meet the other relevant requirements of TFRS 9. Under TFRS 9, a prepayment option in a financial asset meets this criterion if the prepayment amount substantially represents unpaid amounts of principal and interest, which may include 'reasonable additional compensation' for early termination of the contract. The amendments are effective for periods beginning on or after 1 January 2019, with earlier application permitted.

The Group is assessing the potential impact on its consolidated financial statements resulting from the application of the amendments to TFRS 9.

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

2.4. New and Revised Accounting Standards at Turkey *(continued)*

As at 31 March 2019 Standards issued but not yet effective and not early adopted *(continued)*

The new standards, amendments and interpretations that are issued by the IASB but not issued by POA

The following standards, interpretations and amendments to existing IFRS standards are issued by the IASB but these standards, interpretations and amendments to existing IFRS standards are not yet adapted/issued to TFRS by the POA, thus they do not constitute part of TFRS. Such standards, interpretations and amendments that are issued by the IASB but not yet issued by the POA are referred to as IFRS or IAS. The [Group/Company] will make the necessary changes to its [consolidated] financial statements after the new standards and interpretations are issued and become effective under TFRS.

Annual Improvements to IFRSs 2015-2017 Cycle

Improvements to IFRSs

IASB issued Annual Improvements to IFRSs - 2015–2017 Cycle. The amendments are effective as of 1 January 2019. Earlier application is permitted. The Group does not expect that application of these improvements to IFRSs will have significant impact on its consolidated financial statements.

IFRS 3 Business Combinations and IFRS 11 Joint Arrangements

IFRS 3 and IFRS 11 are amended to clarify how a company accounts for increasing its interest in a joint operation that meets the definition of a business. If a party obtains control, then the transaction is a business combination achieved in stages and the acquiring party remeasures the previously held interest at fair value. If a party maintains (or obtains) joint control, then the previously held interest is not remeasured.

IAS 12 Income Taxes

IAS 12 is amended to clarify that all income tax consequences of dividends (including payments on financial instruments classified as equity) are recognised consistently with the transactions that generated the distributable profits – i.e. in profit or loss, other comprehensive income (OCI) or equity.

IAS 23 Borrowing Costs

IAS 23 is amended to clarify that the general borrowings pool used to calculate eligible borrowing costs excludes only borrowings that specifically finance qualifying assets that are still under development or construction. Borrowings that were intended to specifically finance qualifying assets that are now ready for their intended use or sale – or any non-qualifying assets – are included in that general pool.

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

2.4. New and Revised Accounting Standards at Turkey *(continued)*

As at 31 March 2019 Standards issued but not yet effective and not early adopted *(continued)*

Annual Improvements to IFRSs 2015-2017 Cycle *(continued)*

Amendments to IAS 19 - Plan Amendment, Curtailment or Settlement –

On 7 February 2018, IASB issued Plan Amendment, Curtailment or Settlement (Amendments to IAS 19). The amendments clarify the accounting when a plan amendment, curtailment or settlement occurs. A company now uses updated actuarial assumptions to determine its current service cost and net interest for the period; and the effect of the asset ceiling is disregarded when calculating the gain or loss on any settlement of the plan and is dealt with separately in other comprehensive income (OCI). The amendments are effective for periods beginning on or after 1 January 2019, with earlier application permitted.

The Group is assessing the potential impact on its consolidated financial statements resulting from the application of the amendments to IAS 19.

The revised Conceptual Framework

The revised Conceptual Framework issued on 28 March 2018 by the IASB. The Conceptual Framework sets out the fundamental concepts for financial reporting that guide the Board in developing IFRS Standards. It helps to ensure that the Standards are conceptually consistent and that similar transactions are treated the same way, so as to provide useful information for investors, lenders and other creditors. The Conceptual Framework also assists companies in developing accounting policies when no IFRS Standard applies to a particular transaction, and more broadly, helps stakeholders to understand and interpret the Standards. The revised Framework is more comprehensive than the old one – its aim is to provide the Board with the full set of tools for standard setting. It covers all aspects of standard setting from the objective of financial reporting, to presentation and disclosures. For companies that use the Conceptual Framework to develop accounting policies when no IFRS Standard applies to a particular transaction, the revised Conceptual Framework is effective for annual reporting periods beginning on or after 1 January 2020, with earlier application permitted.

(Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

3. Cash and cash equivalents

	31 March 2019	**31 December 2018**
Time deposit	20.033.883	19.910.016
Expected credit loss provision (-)	(2.390.116)	(983.675)
Demand deposit	1.121.637.462	484.085.237
Receivables from Money Markets	241.509.000	9.724.000
Blocked Deposit	--	--
Cash and cash equivalents in statement of financial position	**1.380.790.230**	**512.735.578**

	31 March 2019	**31 December 2018**
Minus: Customer assets (*)	(1.111.676.301)	(427.257.835)
Expected credit loss provision	2.390.116	983.675
Minus: Interest accruals	(89.738)	(11.254)
Cash and cash equivalents in statement of cash flows	**271.414.308**	**86.450.164**

(*) Customer assets which consist of currently not directed customer investments as at 31 March 2019 and 31 December 2018, are recognized under the Company's deposit accounts although the Company 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 at 31 March 2019, time deposit interest rates for TL are %27,90 (31 December 2018: for TL are %24,90). The Group holds the time deposits in overnight and monthly accounts.

As at 31 March 2019 and 31 December 2018 , the details of bank deposits are as follows:

	31 March 2019	**31 December 2018**
Demand deposit account (other banks)	4.125.126	13.988.528
Demand deposit account – (ICBC Turkey Bank) (Note 15)	15.908.757	5.921.488
Time deposit account (other banks)	926.574.325	309.024.093
Time deposit - (ICBC Turkey Bank) (Note 15)	195.063.136	175.061.143
Total	**1.141.671.344**	**503.995.253**

(Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

4. Trade receivables and payables

Short term trade receivables:

	31 March 2019	31 December 2018
Receivables from loan customers	44.301.994	45.009.202
Receivables from TDE	7.618.068	6.060.394
Receivables from costumers	6.412.543	5.100.932
Provision for doubtful trade receivables	(162.484)	(162.484)
Doubtful trade receivables	162.484	162.484
Other trade receivables	1.137	6.303
Receivables from clearing houses abroad	674	674
Trade receivables from related parties	149.471	82.579
Total	**58.483.887**	**56.260.083**

Short term trade payables:

	31 March 2019	31 December 2018
Payables to customers (*)	1.319.784.640	461.197.612
Other payables	6.928.657	5.477.498
Total	**1.326.713.297**	**466.675.110**

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

5. Financial Investments

a) Current assets

	31 March 2019	31 December 2018
Financial assets at fair value through profit or loss	20.503.765	12.847.781
Available for sale financial investments	1.979.440	3.495.284
Total	**22.483.205**	**16.343.065**

	31 March 2019	31 December 2018
Financial investments available for sale		
Government bonds	1.979.440	3.495.284
Total	**1.979.440**	**3.495.284**

(Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

5. Financial Investments *(continued)*

As at 31 March 2019 and 31 December 2018 the details of financial assets at fair value through profit or loss are as follows:

	31 March 2019 Carrying Value	31 December 2018 Carrying Value
ICBC Turkey Portföy Yönetimi Investment Fund	20.488.487	12.832.810
Equity shares – *Traded in stock exchange*	15.278	14.971
Total	**20.503.765**	**12.847.781**

As at 31 March 2019 and 31 December 2018, the details of the debt instruments measured by reflecting FV difference to other comprehensive income are as follows:

	31 March 2019		31 December 2018	
	Amount	Effective Interest Rate	Amount	Effective Interest Rate
Government bonds	1.979.440	22,57%	3.495.284	17,96%-22,57%
Total	**1.979.440**		**3.495.284**	

Equity investments	31 March 2019	31 December 2018
Stock – Istanbul Stock Exchange (ISE) (*)	159.711	159.711
Total	**159.711**	**159.711**

(*) As at 31 March 2019 the Company'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 2018: TL 159.711).

6. Other receivables and payables

As at 31 March 2019 and 31 December 2018, the details of other receivables and payables are as follows:

Prepaid Expenses

	30 March 2019	31 December 2018
Prepaid Expenses	342.826	6.700
Total	**342.826**	**6.700**

As at 31 March 2019 and 31 December 2018 , prepaid expenses mainly consist of licence taken from CMB, health insurance payments, payments for Investors Protection Fund and Turkish Capital Markets Association's and Derivative Market's annual contribution fees.

(Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

6. Other receivables and payables *(continued)*

Current tax assets

	31 March 2019	31 December 2018
Prepaid taxes	122.196	125.164
	122.196	**125.164**

Other short term receivables

As at 31 March 2019 and 31 December 2018, the details of short term other receivables are as follows:

	31 March 2019	31 December 2018
Receivables from personnel	4.099	1.488
	4.099	**1.488**

Other long term receivables

As at 31 March 2019 and 31 December 2018, the details of long term other receivables are as follows:

	31 March 2019	31 December 2018
Deposits given	1.958.738	1.464.665
Total	**1.958.738**	**1.464.665**

The amount consists of guarantees given by the Company to operate in TDE and as at 31 March 2019 and 31 December 2018.

Current tax payables

	31 March 2019	31 December 2018
Taxes and duties payable	4.927.380	2.605.195
Total	**4.927.380**	**2.605.195**

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

Payables for employee benefits

	31 March 2019	31 December 2018
Social security contribution payable	197	310.732
Total	**197**	**310.732**

(Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

7. Tangible and intangible assets

The Group purchased tangible assets amounting to TL 20.837 for the three month period ended 31 March 2019 (31 December 2018: TL 226.871). For the period from 1 January 2019 to 31 March 2019, depreciation expenses for tangible assets amounts to TL 88.983 (31 December 2018: TL 485.499) and TL 23.468 (31 December 2018: TL 34.908) for intangible assets. As at March 31, 2019 and December 31, 2018, the Group does not have any pledges on property, plant and equipment. The net carrying value of tangible assets as at 31 March 2019 is TL 813.816 (31 December 2018: TL 881.962) and net carrying value of intangible assets is TL 243.438 (31 December 2018: TL 257.204)

8. Provisions, contingent assets and liabilities

Short term provisions

As at 31 March 2019 and 31 December 2018, the details of other short term provisions are as follows:

	31 March 2019	**31 December 2018**
Other provisions	4.492.067	61.598
Total	**4.492.067**	**61.598**

The Group does not have any contingent assets or liabilities as of 31 March 2019 (31 December 2018: None)

9. Commitments

As at 31 March 2019 and 31 December 2018, the details of the letters of guarantee and promissory notes are as follows:

	31 March 2019	**31 December 2018**
CMB	1.776	1.776
Total	**1.776**	**1.776**

10. Short Term Borrowings

As at 31 March 2019 and 31 December 2018, the Group has no short-term debt.

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

11. Employee benefits

As at 31 March 2019 and 31 December 2018, the details of the short-term employee benefits are as follows:

	31 March 2019	31 December 2018
Employee benefits		
Provision for unused vacation	1.201.476	1.149.798
Bonus provisions	--	2.012.653
Total short term provisions	**1.201.476**	**3.162.451**

Movement of provision for unused vacation is as follows:

	31 March 2019	31 December 2018
Opening balance	1.149.798	1.002.609
Charge for the period	(74.465)	(74.465)
Allocated provisions during the period	126.143	221.654
Total	**1.201.476**	**1.149.798**

As at 31 March 2019 and 31 December 2018, the details of the long-term employee benefits are as follows:

	31 March 2019	31 December 2018
Provisions related to employee benefits		
Employee severance pay liability	*2.420.398*	*2.179.085*
Total long term provisions	**2.420.398**	**2.179.085**

Movements of provision for employee severance pay are as follows:

	31 March 2019	31 December 2018
Opening balance	**2.179.085**	**974.917**
Service cost	49.308	94.704
Interest cost	43.933	92.402
Payment during the period	(6.642)	(274.949)
Provision during the period	154.714	1.292.011
Dönem sonu	**2.420.398**	**2.179.085**

(*)In the period actuarial gains / losses are not calculated.

Under the Turkish Labour Law, the Group is required to pay employment termination benefits to each entitled employee to receive such benefits. The applicable retirement pay provision ceiling as at 31 March 2019, maximum TL 6.017,60 (31 December 2018: TL 5.434,42), calculated based on total gross wages and other rights 30 day trial. The principal assumption is that the maximum liability for each year of service will increase parallel with inflation and the retirement pay provision ceiling is revised semi-annually.

(Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

12. Equity

Share capital

As at 31 March 2019 and 31 December 2018, the capital structure is as follows:

	31 March 2019		31 December 2018	
	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 March 2019, the share capital consists of 7.600.000 shares having a nominal value of TRY 0.01 each (31 December 2018: 7.600.000 shares having a nominal value of TRY 0.01).

The Company has no preferred shares as at 31 March 2019 (31 December 2018: None).

Sermaye enflasyon düzeltmesi farkı

Şirket ortakları tarafından yapılan Total sermaye artırımları Tebliğ XI-29 uyarınca 31 December 2004 tarihine kadar süregelmiş olan enflasyonun etkisini yansıtacak şekilde düzeltildiğinde 31.279 TL (31 December 2018: 31.279 TL) sermaye enflasyon düzeltmesi farkı oluşmaktadır.

Fair value reserves

Change in fair value of financial assets

As at 31 March 2019, the difference between fair value and the value calculated according to internal rate of return method of financial assets available for sale net off tax amonut to TL 162.315 is recognised in other comprehensive income as change in fair value of financial assets (31 December 2018: TL 143.503).

Restricted reserves

At the Ordinary General Assembly Meeting of the Company held on 29 March 2019, the Company decided to transfer TL 1.001.461 of profit to legal reserves account; the remaining balance amounting to TL 19.027.766 amount was decided to be transferred to extraordinary reserves.

13. Tax assets and liabilities

As per Article 32 of Law No. 5520 on Corporate Income Tax, which was published in the Official Gazette dated June 21, 2006 and numbered 26205, corporation earnings are subject to corporate tax rate of 20%.

The effective tax rate applied in 2019 is 22% (2018: 20%). According to the regulation numbered 7061, which is published in the Official Gazette on December 5, 2017, with the amendment made with "Some Tax Laws and Other Certain Other Laws" law; the corparet tax rate is set to be %22 for the years 2018, 2019 ve 2020. In addition, the Council of Ministers was authorized to reduce the rate of 22% to 20%.

Corporate tax in Turkey is calculated every three-month period and are accrued. The provisional tax rate to be calculated over the corporate earnings in the course of the taxation of corporate earnings in 2017 for the temporary tax periods is 20% (2016: 20%). With the amendment made in the law, this ratio was set at 22% for the years 2018, 2019 and 2020. The losses can be carried forward for a maximum of 5 years to be deducted from the taxable profit to be generated in the following years. However, losses can not be deducted retrospectively from profits from previous years.

A corporation or a permanent representative generating revenue in Turkey are subject to %15 withholding tax on dividends paid ton on-resident instutions.

Transfer pricing is discussed under the title of "disguised profit distribution" through transfer pricing of Article 13 of the Corporate Tax Law. The details of the implementation in the "General Notification on Disguised Profit Distribution Through Transfer Pricing" published on November 18, 2007, have been identified.

If the taxpayers are involved in the purchase, sale or purchase of goods, services or goods that are not carried out within the scope of the precedent of comparability with the parties concerned, then the relevant profits will be considered to be implicitly distributed through transfer pricing. Disguised profit distributions done with this type of transfer pricing will not be deductible from the tax base in terms of corporation tax.

Companies report 20% advance tax on their quarterly financial profits and pay till the 10th day of the second month following that period and pay the 25th day until the evening. The temporary tax paid during the year belongs to that accounting period is deducted from the corporation tax that will be calculated over the tax declaration of the institutions to be given in the following year. If there is prepaid tax amount remaining in spite of the indictment, this amount can be refunded to the company or any other financial debt to the state can be deducted.

There is no procedure for a final agreement with the competent authorities about the tax in Turkey. Corporate tax declarations are delivered to the tax offices until the evening of the fifteenth day of the fourth month following the year in which they are concerned. However, the tax authorities may retroactively review the five-year accounting records and / or change their opinion on taxation.

According to Turkish tax legislation, financial losses shown on the tax return may be deducted from the period corporate income for not exceeding 5 years.

(Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

13. Tax assets and liabilities *(continued)*

Current tax liability

The breakdown of income tax payable reflected in balance sheet as at 31 March 2019 and 31 December 2018 are as follows:

	31 March 2019	31 March 2018
Current tax provsion	(3.923.767)	(1.176.697)
Deferred tax expense / (income)	(283.213)	(18.550)
Net	**(4.206.980)**	**(1.195.247)**

Deferred tax assets and liabilities

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases which is used in the computation of taxable profit and its accounted for using the balance sheet liability method. Deferred tax liabilities or assets considered the tax rates prevailing at the reporting date is reflected in the accompanying financial statements.

If the changes in fair value of financial assets are recognised in profit or loss; current year corporate tax, deferred tax income/expense which are related to this change is also recognied in profit or loss. If the changes in fair value of financial assets are directly recognised in equity; tax effects which are related to this change is recognised in equity.

The Company's deferred tax assets and liabilities as at 31 March 2019 and 31 December 2018 are as follows:

	31 March 2019		31 December 2018	
	Accumulated current differences	Deferred tax assets/ liabilitiesi	Accumulated current differences	Deferred tax assets/ liabilitiesi
Provisions related to employee benefits	3.621.874	796.812	5.341.536	1.131.556
Provisions related to other liabilities and expenses	--	--	61.598	12.543
Expected credit loss provision (-)	2.385.858	524.889	983.675	216.408
Deferred tax assets	**2.857.638**	**621.632**	**6.386.809**	**1.360.507**
Tangible and intangible assets	(265.948)	(58.508)	(135.896)	(27.179)
Deferred tax liabilities	**(48.340)**	**(9.668)**	**(135.896)**	**(27.179)**
Deferred tax net	**2.809.298**	**611.964**	**6.250.913**	**1.333.328**

(Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

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 March 2019	31 December 2018
Receivables from related parties		
Cash and cash equivalents		
-ICBC Turkey Bank A.Ş. - Main shareholder	210.971.893	180.982.631
Trade Receivebles		
-Fund Management Commissions	149.471	82.579
Total	**211.217.870**	**181.065.210**

	31 March 2019	31 December 2018
Other payables and expense provisions		
-ICBC Turkey Bank A.Ş.-Other payables and expense accruals	--	16.448
Total	**--**	**16.448**

Commission income of mutual funds management	1 January – 31 March 2019	1 January – 31 March 2018
- ICBC Turkey Portföy Yönetimi AŞ (A and B type floating fund. A type stock fund and B type liquid fund) fund management fees	354.808	20.153
Interest income		
-ICBC Turkey Bank A.Ş.	230.479	153.702
Rent expenses		
-ICBC Turkey Bank A.Ş.	554.304	391.201
Building participation expenses		
- ICBC Turkey Bank A.Ş.	193.248	170.009
Commission expenses		
- ICBC Turkey Bank A.Ş.	-	-

Letters of guarantee received from related parties as at 31 March 2019 amounting to TL 1.776 (31 December 2018: TL 1.776).

(Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

15. Nature and level of risks related to financial instruments

Capital management

The Company's objectives during managing capital is to maintain an optimal capital structure in order to maintain Company's operations that yields gain to its partners and benefits for other shareholders.

The Company follows its capital adequancy in accordance with the Communiqué Serial: V, No: 34 of the minimum core capital requirement of capital adequacy bases.

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

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 March 2019	**Related parties**	**Third parties**	**Related parties**	**Third parties**	**Bank deposits**	**Financial ınvestments**
Maximum credit risk exposure as at reporting date	**--**	**(148.219.880)**	**--**	**4.099**	**1.380.790.230**	**1.979.440**
The part of maximum risk under guarantee with collateral etc.	--	--	--	--	--	--
Net book value of financial assets that are neither past due nor impaired	--	(148.219.880)	--	4.099	1.380.790.230	1.979.440
Elements containing risk of off-balance-sheet credit	--	(148.219.880)	--	4.099	1.380.790.230	1.979.440

	Receivables					
	Trade receivables		**Other receivables**			
31 December 2018	**Related parties**	**Third parties**	**Related parties**	**Third parties**	**Bank deposits**	**Financial investments**
Maximum credit risk exposure as at reporting date	**82.579**	**56.177.504**	**-**	**1.488**	**512.735.578**	**3.495.284**
The part of maximum risk under guarantee with collateral etc.	-	-	-	-	-	-
Net book value of financial assets that are neither past due nor impaired	82.579	56.177.504	-	1.488	512.735.578	3.495.284
Elements containing risk of off-balance-sheet credit	-	-	-	-	-	-

(Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

15. 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 at 31 March 2019 and 31 December 2018 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 March 2019	5.6284	6.3188	7.3354	0.83320
31 December 2018	5.2609	6.028	6.6528	0.76203
31 March 2018	3.9489	4.8673	5.5385	0.62585

The following table as at 31 March 2019 and 31 December 2018, showing the TL denominated foreign currency assets and carrying amounts of debt held by the Group are summarized the exposure to foreign currency position.

Sensitivity to foreign currency

The table below shows the sensitivity of the Company 10% change in Euro exchange rate. The amounts below represent the effect on profit or loss statement in the case of a 10% increase/decrease in Euro against TL.

	Profit / (Loss)		Equity(*)	
31 March 2019	**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	4.184.514	(4.184.514)	4.184.514	(4.184.514)
2- Hedged portion of USD amounts (-)	-	-	-	-
3- US Dollar net effect (1+2)	**4.184.514**	**(4.184.514)**	**4.184.514**	**(4.184.514)**
10% change of EURO against TL				
4- EURO net asset/liability	109.421.692	(109.421.692)	109.421.692	(109.421.692)
5- Hedged portion of EUR amounts (-)	-	-	-	-
6- EURO net effect (4+5)	**109.421.692**	**(109.421.692)**	**109.421.692**	**(109.421.692)**
10% change of GBP against TL				
7- GBP net asset/liability	1.671	(1.671)	1.671	(1.671)
8- Hedged portion of GBP amounts (-)	-	-	-	-
9- GBP net effect (7+8)	**1.671**	**(1.671)**	**1.671**	**(1.671)**
10% change of CNY against TL				
10- CNY net asset/liability	-	-	-	-
11- Hedged portion of CNY amounts (-)	-	-	-	-
12 - CNY net effect (10+11)	-	-	-	-
TOTAL (3+6+9+12)	**113.607.876**	**(113.607.876)**	**113.607.876**	**(113.607.876)**

(*) Includes profit/loss effect

(Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

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

Sensitivity to foreign currency *(continued)*

	Profit / (Loss)		Equity	
31 December 2018	**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	2.933.774	(2.933.774)	2.933.774	(2.933.774)
2- Hedged portion of USD amounts (-)	-	-	-	-
3- US Dollar net effect (1+2)	**2.933.774**	**(2.933.774)**	**2.933.774**	**(2.933.774)**
10% change of EURO against TL				
4- EURO net asset/liability	47.037.285	(47.037.285)	47.037.285	(47.037.285)
5- Hedged portion of EUR amounts (-)	-	-	-	-
6- EURO net effect (4+5)	**47.037.285**	**(47.037.285)**	**47.037.285**	**(47.037.285)**
10% change of GBP against TL				
7- GBP net asset/liability	2.958	(2.958)	2.958	(2.958)
8- Hedged portion of GBP amounts (-)	-	-	-	-
9- GBP net effect (7+8)	**2.958**	**(2.958)**	**2.958**	**(2.958)**
10% change of CNY against TL				
10- CNY net asset/liability	-	-	-	-
11- Hedged portion of CNY amounts (-)	-	-	-	-
12 - CNY net effect (10+11)	**-**	**-**	**-**	**-**
TOTAL (3+6+9+12)	**49.974.017**	**(49.974.017)**	**49.974.017**	**(49.974.017)**

(*) 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 expressed in Turkish Lira ("TL") unless otherwise stated)

15. Nature and level of risks related to 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 March 2019**	**Level 1**	**Level 2**	**Level 3**
Financial assets at fair value through profit or loss	20.503.765	20.503.765	-	-
Borrowing instruments measured by reflecting fair value difference to other comprehensive income	1.979.440	1.979.440	-	-
Derivative financial instruments	-	-	-	
Total	**22.483.205**	**22.483.205**	**-**	**-**

		Fair value level as at reporting date		
Financial assets	**31 December 2018**	**Level 1**	**Level 2**	**Level 3**
Financial assets at fair value through profit or loss	12.847.781	12.847.781	-	-
Borrowing instruments measured by reflecting fair value difference to other comprehensive income	3.495.284	3.495.284	-	-
Total	**16.343.065**	**16.343.065**	**-**	**-**

16. Events after reporting period

None.