

**ICBC Turkey Yatırım Menkul Değerler**  
**Anonim Şirketi and Its Subsidiary**  
Condensed Consolidated Financial Statements  
As at and for the Three Month Period  
Ended 30 June 2020

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

*This report includes 30 pages of condensed  
consolidated financial statements and their  
explanatory notes.*

**ICBC Turkey Yatırım Menkul Değerler  
Anonim Şirketi**



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## Independent Auditor's Report on Review of Interim Financial Information

To the Board of Directors of ICBC Turkey Yatırım Menkul Değerler Anonim Şirketi

### *Introduction*

We have reviewed the accompanying condensed consolidated statement of financial position of ICBC Turkey Yatırım Menkul Değerler Anonim Şirketi (the "Company") and its subsidiary (the "Group") as at 30 June 2020, and the condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six month period then ended, and notes to the interim financial information ("the condensed consolidated interim financial information"). Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with Turkish Accounting Standard 34 *Interim Financial Reporting* ("TAS 34") issued by the Public Oversight Accounting and Auditing Standards Authority ("POA"). Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

### *Scope of Review*

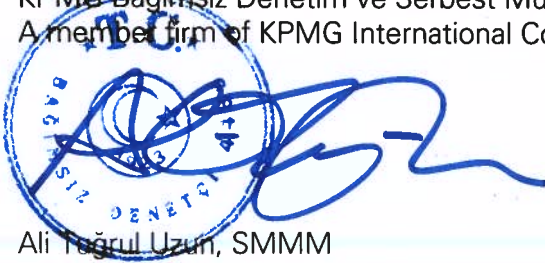
We conducted our review in accordance with Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of condensed consolidated interim financial information consists of making inquiries, primarily of persons responsible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



*Conclusion*

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

KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.  
A member firm of KPMG International Cooperative



Ali Teğrul Uzun, SMMM  
Partner

5 August 2020  
İstanbul, Türkiye

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**ICBC TURKEY YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ AND ITS SUBSIDIARY**  
**Condensed Consolidated Statement of Financial Position as at 30 June 2020**

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

	Notes	Reviewed	Audited
		Current Period 30 June 2020	Prior Period 31 December 2019
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	3	1.048.415.187	842.363.646
Financial investments	5	21.013.974	18.527.017
Trade receivables	4	82.492.212	56.907.128
- Due from related parties	4	320.505	309.244
- Other trade receivables		82.171.707	56.597.884
Other Receivables	6	20.554	3.290
- Due from related parties		-	-
- Other receivables		20.554	3.290
Prepaid expenses	6	522.967	6.895
Current period tax related assets	6	209.974	214.993
<b>Total current assets</b>		<b>1.152.674.868</b>	<b>918.022.969</b>
<b>Non-current assets</b>			
Financial investments	5	159.711	159.711
Other receivables	6	4.271.465	1.732.467
- Due from related parties		-	-
- Other trade receivables		4.271.465	1.732.467
Tangible assets	7	3.564.114	1.321.058
Intangible assets	7	514.409	236.975
Deferred tax assets	13	2.843.145	2.150.121
<b>Total non-current assets</b>		<b>11.352.844</b>	<b>5.600.332</b>
<b>Total assets</b>		<b>1.164.027.712</b>	<b>923.623.301</b>

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 Financial Position as at 30 June 2020**

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

		<b>Reviewed</b>	<b>Audited</b>
		<b>Current Period</b>	<b>Prior Period</b>
	<b>Notes</b>	<b>30 June 2020</b>	<b>31 December 2019</b>
<b>Liabilities</b>			
<b>Short term liabilities</b>			
Trade payables	4	998.852.127	769.180.941
- Due to related parties		-	-
- Other trade payables		998.852.127	769.180.941
Payables relating to employee benefits	6	491.143	444.074
Short term provisions		1.988.324	2.082.891
- Employee benefits	11	1.872.887	1.953.725
- Other short term provisions	8	115.437	129.166
Tax and duties payable	6	2.483.067	2.415.369
Current period tax liability		2.704.224	1.647.341
<b>Total current liabilities</b>		<b>1.006.518.885</b>	<b>1.006.518.885</b>
<b>Long term liabilities</b>			
Long term provisions		2.644.424	2.316.016
- Employee benefits	11	2.644.424	2.316.016
<b>Total non-current liabilities</b>		<b>2.644.424</b>	<b>2.316.016</b>
<b>Equity</b>			
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			
Other comprehensive income that will never be reclassified to profit or loss		(846.989)	(846.989)
- Actuarial loss related to pension plans		(846.989)	(846.989)
Restricted reserves		4.797.765	3.145.118
Prior period's profit		65.554.614	36.566.530
Net profit for the period		9.327.734	30.640.731
<b>Total equity</b>		<b>154.864.403</b>	<b>145.536.669</b>
<b>Total liabilities and equity</b>		<b>1.164.027.712</b>	<b>923.623.301</b>

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 Financial Position as at 30 June 2020**

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

Notlar	Reviewed	Not Reviewd	Reviewed	Not Reviewd	
	1 January - 30 June 2020	1 April - 30 June 2020	1 January - 30 June 2019	1 April - 30 June 2019	
<b>Statement of profit or loss</b>					
Sales	15	159.534.486	49.255.656	95.223.610	49.471.534
Service income	15	24.200.692	17.502.866	30.612.239	14.624.529
Cost of sales (-)	15	(158.976.766)	(48.882.228)	(93.631.442)	(48.968.299)
<b>Gross profit from operations</b>		<b>24.758.412</b>	<b>17.876.294</b>	<b>32.204.407</b>	<b>15.127.764</b>
Interest income from operations		7.291.763	3.729.091	9.279.116	4.925.431
Gross profit from financial sector operations		<b>7.291.763</b>	<b>3.729.091</b>	<b>9.279.116</b>	<b>4.925.431</b>
<b>Gross profit</b>		<b>32.050.175</b>	<b>21.605.385</b>	<b>41.483.523</b>	<b>20.053.195</b>
General administrative expenses (-)	16	(23.666.889)	(12.482.914)	(16.043.472)	(8.900.354)
Other operating income		26.537	17.172	73.982	109
Other operating expenses (-)		(360.255)	(99.217)	(387.992)	(252.483)
<b>Operating profit</b>		<b>8.049.568</b>	<b>9.040.426</b>	<b>25.126.041</b>	<b>10.900.467</b>
Financial income		5.540.014	1.005.887	6.755.527	3.067.934
Financial expenses (-)		(1.820.368)	(1.776.513)	(5.316.661)	(3.757.097)
<b>Profit before tax from continuing operations</b>		<b>11.769.214</b>	<b>8.269.800</b>	<b>26.564.907</b>	<b>10.211.304</b>
<b>Tax income / (expense) from continuing operations</b>		<b>(2.441.480)</b>	<b>(1.883.082)</b>	<b>(6.181.405)</b>	<b>(1.974.425)</b>
Current tax income / (expense)	13	(3.134.504)	(2.342.511)	(7.010.939)	(3.087.172)
Deferred tax income / (expense)	13	693.024	459.429	829.534	1.112.747
<b>Profit from continuing operations</b>		<b>9.327.734</b>	<b>6.386.718</b>	<b>20.383.502</b>	<b>8.236.879</b>
<b>Profit for the period</b>		<b>9.327.734</b>	<b>6.386.718</b>	<b>20.383.502</b>	<b>8.236.879</b>
Other comprehensive income		-	-	-	-
Changes in fair value reserves		-	-	437	24.555
Income tax relating to other comprehensive income		-	-	(96)	(37.978)
<b>Other comprehensive income after tax</b>		<b>-</b>	<b>-</b>	<b>341</b>	<b>(13.423)</b>
<b>Total comprehensive income</b>		<b>9.327.734</b>	<b>6.386.718</b>	<b>20.383.843</b>	<b>8.223.456</b>

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 30 June 2020**

(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
<b>1 January 2019</b>	<b>12</b>	<b>76.000.000</b>	<b>31.279</b>	<b>(143.503)</b>	<b>(1.168.150)</b>	<b>2.143.656</b>	<b>16.087.671</b>	<b>21.623.824</b>	<b>114.574.777</b>
<b>Total Comprehensive Income</b>									
Corrections due to changes in accounting policies		-	-	-	-	-	-	20.383.502	20.383.502
Profit for the period		-	-	-	-	-	-	-	-
Actuarial profit/(loss)		-	-	-	-	-	-	-	-
Change in fair value of financial assets available for sale		-	-	341	-	-	-	-	341
<b>Total Comprehensive Income</b>		<b>76.000.000</b>	<b>31.279</b>	<b>(143.162)</b>	<b>(1.168.150)</b>	<b>2.143.656</b>	<b>16.087.671</b>	<b>42.007.326</b>	<b>134.958.620</b>
Transfers to retained earnings		-	-	-	-	-	20.622.362	(20.622.362)	-
Transfers to reserves		-	-	-	-	1.001.462	-	(1.001.462)	-
<b>Balance at 30 June 2019</b>		<b>76.000.000</b>	<b>31.279</b>	<b>(143.162)</b>	<b>(1.168.150)</b>	<b>3.145.118</b>	<b>36.710.033</b>	<b>20.383.502</b>	<b>134.958.620</b>
<b>1 January 2020</b>	<b>12</b>	<b>76.000.000</b>	<b>31.279</b>	<b>-</b>	<b>(846.989)</b>	<b>3.145.118</b>	<b>36.566.530</b>	<b>30.640.731</b>	<b>145.536.669</b>
<b>Total Comprehensive Income</b>									
Corrections due to changes in accounting policies		-	-	-	-	-	-	9.327.734	9.327.734
Profit for the period		-	-	-	-	-	-	-	-
Actuarial profit/(loss)		-	-	-	-	-	-	-	-
Change in fair value of financial assets available for sale		-	-	-	-	-	-	-	-
<b>Total Comprehensive Income</b>		<b>76.000.000</b>	<b>31.279</b>	<b>-</b>	<b>(846.989)</b>	<b>3.145.118</b>	<b>36.566.530</b>	<b>39.968.465</b>	<b>154.864.403</b>
Transfers to retained earnings		-	-	-	-	-	28.988.084	(28.988.084)	-
Transfers to reserves		-	-	-	-	1.652.647	-	(1.652.647)	-
<b>Balance at 30 June 2020</b>		<b>76.000.000</b>	<b>31.279</b>	<b>-</b>	<b>(846.989)</b>	<b>4.797.765</b>	<b>65.554.614</b>	<b>9.327.734</b>	<b>154.864.403</b>

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 30 June 2020**

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

		<b>Reviewed</b>	<b>Reviewed</b>
	<b>Notes</b>	<b>1 January- 30 June 2020</b>	<b>1 January- 30 June 2019</b>
<b>A. Cash flows provided from operating activities</b>		<b>(6.502.535)</b>	<b>169.111.623</b>
<b>Profit for the period</b>		<b>9.327.734</b>	<b>20.383.502</b>
<b>Adjustments for profit / loss for the period</b>		<b>(3.521.397)</b>	<b>3.578.449</b>
Adjustment for depreciation	7	341.002	209.197
Adjustment for amortization	3	1.727.777	5.341.444
Adjustment for vacation pay liability	11	424.394	326.805
Adjustment for employee termination benefit	11	328.408	410.723
Other financial income (excluding foreign currency gain)		(7.291.763)	(9.279.116)
Other financial expense		360.255	387.992
Adjustment for derivative instruments		(1.852.950)	-
Deferred tax expense / (income)		(693.025)	(829.535)
Current tax expense	13	3.134.505	7.010.939
<b>Change in net working capital</b>		<b>(18.957.906)</b>	<b>140.259.062</b>
Financial investments		(634.007)	(12.737.118)
Changes in receivables from related parties		(11.261)	82.579
Changes in other trade receivables		(25.568.643)	6.633.120
Changes in customer assets		(217.143.345)	(305.288.059)
Changes in other current assets		-	(1.527.510)
Changes in other receivables		(3.067.313)	461.680.432
Changes in trade payables		229.671.186	(6.340.114)
Changes in other liabilities and provisions	11	(2.199.153)	(231.616)
Employee termination benefits payment	11	(5.370)	(2.012.653)
<b>Cash flows from operating activities</b>		<b>6.649.034</b>	<b>4.890.610</b>
Interests and commissions paid		(78.418)	(361.027)
Interests received		7.286.582	9.208.537
Taxes paid	13	(559.130)	(3.956.900)
<b>B. Cash flows from investing activities</b>		<b>(2.861.492)</b>	<b>(84.416)</b>
Cash flows from acquisition of tangible and intangible assets	7	(2.861.492)	(84.416)
<b>C. Cash flows from financing activities</b>		<b>-</b>	<b>801.890</b>
Changes in borrowings	10	-	801.890
<b>Net increase/decrease in cash and cash equivalents before the effect of foreign currency translation differences (A+B+C)</b>		<b>(9.364.027)</b>	<b>169.829.097</b>
<b>D. Effects of change in foreign exchange rate on cash and cash equivalents</b>		<b>-</b>	<b>-</b>
<b>Net increase/decrease in cash and cash equivalents (A+B+C+D)</b>		<b>(9.364.027)</b>	<b>169.829.097</b>
<b>E. Cash and cash equivalents at the beginning of the period</b>		<b>92.355.564</b>	<b>86.450.163</b>
<b>Cash and cash equivalents at the end of the period (A+B+C+D+E)</b>		<b>82.991.537</b>	<b>256.279.260</b>

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

**ICBC TURKEY YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ AND ITS SUBSIDIARY**  
**Notes to the Condensed Consolidated Financial Statements as at and**  
**For the Period Ended 30 June 2020**

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

**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 “Communiqué 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 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 (“CMB”):

- Activity of execution of orders
- Activity of dealing on own account
- Activity of individual portfolio management
- Investment advisory activity
- Activity of intermediation for 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,
- ç) Individual portfolio management,
- d) Investment advice,
- e) Underwriting of capital market instruments on a firm commitment basis,
- f) Placing of financial instruments without a firm commitment basis,
- g) Operation of multilateral trading systems and regulated markets other than exchanges

**ICBC TURKEY YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ AND ITS SUBSIDIARY**  
**Notes to the Condensed Consolidated Financial Statements as at and**  
**For the Period Ended 30 June 2020**

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

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

**Ancillary Services:**

- 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 104 employees as at 30 June 2020 (31 December 2019: 103).

The Company's interim condensed financial position statement dated 30 June 2020, the summary profit or loss statement for the interim period ended on this date and the other comprehensive income statement and the complementary footnotes of the financial statements were approved by the Board of Directors on 5 August 2020 and for publication. authorized. The general assembly and certain regulatory bodies have the power to change the financial statements after publication.

**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.

**ICBC TURKEY YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ AND ITS SUBSIDIARY**  
**Notes to the Condensed Consolidated Financial Statements as at and**  
**For the Period Ended 30 June 2020**

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

**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 Reporting Standards (“TFRS”) which are published by the Public Oversight Accounting and Auditing Standards Authority (“POA”). TFRS consist 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 condensed consolidated interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with annual consolidated financial statements.

These condensed consolidated interim financial statements as of 30 June 2020 have been prepared in accordance with IAS 34 Interim Financial Reporting. They do not include all the information required for a complete set of IFRS financial statements. However selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance since the last annual consolidated financial statements as at and for the year ended 31 December 2019. The condensed consolidated interim financial statements should be read in conjunction with annual consolidated financial statements of the Group for the year ended 31 December 2019.

In preparation of the condensed consolidated interim financial statements of the Group, the same accounting policies and methods of computation have been followed as compared to the most recent annual financial statements as of 31 December 2019

**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 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 Company prepared its financial statements according to going concern assumption.

**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 (“TL”), which is the functional of the Group and the presentation currency of the Group

**ICBC TURKEY YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ AND ITS SUBSIDIARY**  
**Notes to the Condensed Consolidated Financial Statements as at and**  
**For the Period Ended 30 June 2020**

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

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

**2.2. Summary of significant accounting policies**

**Standards issued but not yet effective and not early adopted**

A number of new standards, interpretations of 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.

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

On 23 January 2020, IASB issued “Classification of Liabilities as Current or Non-Current” which amends IAS 1 Presentation of Financial Statements to clarify its requirements for the presentation of liabilities in the statement of financial position. This amendments are issued by POA on 12 March 2020 as amendments to TAS 1.

The amendments clarify one of the criteria in TAS 1 for classifying a liability as non-current—that is, the requirement for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period.

The amendments include:

- (a) Specifying that an entity’s right to defer settlement must exist at the end of the reporting period;
- (b) Clarifying that classification is unaffected by management’s intentions or expectations about whether the entity will exercise its right to defer settlement;
- (c) Clarifying how lending conditions affect classification; and
- (d) Clarifying requirements for classifying liabilities an entity will or may settle by issuing its own equity instruments.

The Group shall apply retrospectively these amendments for annual periods beginning on or after 1 January 2022 with earlier application permitted. However, the amendment published on 15 July 2020, IASB decided to defer the effective date of IAS 1 until 1 January 2023.

**Covid-19 related rent concession (Amendments to TFRS 16)**

In May 2020, IASB issued Covid-19 related rent concession which amends TFRS 16 Leases which is issued by POA on 5 June 2020.

The amendments allow lessees not to account for rent concessions as lease modifications if they arise as a direct consequence of COVID-19.

The practical expedient will only apply if:

- the revised consideration is substantially the same or less than the original consideration;
- the reduction in lease payments relates to payments due on or before 30 June 2021
- no other substantive changes have been made to the terms of the lease.

No practical expedient is provided for lessors. Lessors are required to continue to assess if the rent concessions are lease modifications and account for them accordingly.

The Group shall apply these amendments for annual periods beginning on or after 1 June 2020 with earlier application permitted.

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

**2.2. Summary of significant accounting policies** *(continued)*

**Amendments are effective on 1 January 2020**

Changes that have become effective and have been adopted for annual periods beginning on or after 1 January 2022

The changes that become effective as of January 1, 2020 are as follows:

1-) The revised Conceptual Framework (Version 2018)

2-) Amendments to TFRS 3 - Definition of a Business

The application of the amendment in TFRS 3 did not have a significant impact on the consolidated financial statements of the Group.

3-) Amendments to TAS 1 and TAS 8 - Definition of Material

The application of the amendment to TAS 1 and TAS 8 does not have a significant impact on the consolidated financial statements of the Group Company.

4-) Interest Rate Benchmark Reform (Amendments to TFRS 9, TAS 39 and TFRS 7)

The application of this amendment is not expected to have a significant impact on the consolidated financial statements of the Group .

**The new standards, amendments and interpretations that are issued by the International Accounting Standards Board (IASB) but not issued by POA**

**Reference to the Conceptual Framework (Amendments to IFRS 3)**

In May 2020, IASB issued Reference to the Conceptual Framework, which made amendments to IFRS 3 Business Combinations.

The amendments updated IFRS 3 by replacing a reference to an old version of the Board’s Conceptual Framework for Financial Reporting with a reference to the latest version, which was issued in March 2018.

The Group/Company shall apply these amendments for annual periods beginning on or after 1 January 2022 with earlier application permitted.

**Property, Plant and Equipment—Proceeds before Intended Use (Amendments to IAS 16)**

In May 2020, IASB issued Property, Plant and Equipment—Proceeds before Intended Use, which made amendments to IAS 16 Property, Plant and Equipment. The amendments prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss.

The amendments improve transparency and consistency by clarifying the accounting requirements—specifically, the amendments prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss.

The Group shall apply these amendments for annual periods beginning on or after 1 January 2022 with earlier application permitted.

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

**2.2. Summary of significant accounting policies** *(continued)*

**The new standards, amendments and interpretations that are issued by the International Accounting Standards Board (IASB) but not issued by POA** *(continued)*

**Onerous Contracts—Cost of Fulfilling a Contract (Amendments to IAS 37)**

In May 2020, IASB issued Onerous Contracts—Cost of Fulfilling a Contract, which made amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

The amendments specify which costs an entity includes in determining the cost of fulfilling a contract for the purpose of assessing whether the contract is onerous.

IASB developed amendments to IAS 37 to clarify that for the purpose of assessing whether a contract is onerous, the cost of fulfilling the contract includes both the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts.

The Group shall apply these amendments for annual periods beginning on or after 1 January 2022 with earlier application permitted.

**Annual Improvements to IFRS Standards 2018–2020**

**Improvements to IFRSs**

IASB issued Annual Improvements to IFRSs - 2018–2020 Cycle for applicable standards in May 2020. The amendments are effective as of 1 January 2022. 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 1 First-time Adoption of International Financial Reporting Standards**

This amendment simplifies the application of IFRS 1 for a subsidiary that becomes a first-time adopter of IFRS Standards later than its parent – i.e. if a subsidiary adopts IFRS Standards later than its parent and applies IFRS 1.D16(a), then a subsidiary may elect to measure cumulative translation differences for all foreign operations at amounts included in the consolidated financial statements of the parent, based on the parent’s date of transition to IFRS Standards. This amendment will ease transition to IFRS Standards for subsidiaries applying this optional exemption by i) reducing undue costs; and ii) avoiding the need to maintain parallel sets of accounting records.

**IFRS 9 Financial Instruments**

This amendment clarifies that – for the purpose of performing the “10 per cent test” for derecognition of financial liabilities – in determining those fees paid net of fees received, a borrower includes only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other’s behalf.

**IFRS 16 Leases, Illustrative Example 13**

The amendment removes the illustration of payments from the lessor relating to leasehold improvements. As currently drafted, this example is not clear as to why such payments are not a lease incentive. It will help to remove the potential for confusion in identifying lease incentives in a common real estate fact pattern.

**IAS 41 Agriculture**

This amendment removes the requirement to exclude cash flows for taxation when measuring fair value, thereby aligning the fair value measurement requirements in IAS 41 with those in IFRS 13 Fair Value Measurement. The amendments provide the flexibility to use either, as appropriate, in line with IFRS 13.



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**2.7 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.

There has been no change in the estimates and assumptions of the Group management, which are used in the application of the accounting policies used in the preparation of the interim condensed financial statements, compared to the period ended 31 December 2019.

**3. Cash and cash equivalents**

	<b>30 June 2020</b>	<b>31 December 2019</b>
Time deposit	1.042.457.002	836.256.531
Demand deposit	11.315.959	11.361.111
Receivables from money markets	4.000.000	2.376.000
Expected credit loss provision (-)	(9.357.773)	(7.629.996)
<b>Cash and cash equivalents in statement of financial position</b>	<b>1.048.415.187</b>	<b>842.363.646</b>

	<b>30 June 2020</b>	<b>31 December 2019</b>
Minus: Customer assets (*)	(974.776.242)	(755.837.911)
Minus: Interest accruals	(5.181)	(1.800.167)
Expected credit loss provision	9.357.773	7.629.996
<b>Cash and cash equivalents in statement of cash flows</b>	<b>82.991.537</b>	<b>92.355.564</b>

(\*) Customer assets which consist of currently not directed customer investments as at 30 June 2020 and 31 December 2019, 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 at 30 June 2020, time deposit interest rates for TL are %7,25 (31 December 2019: for TL are %10). The Group holds the time deposits in overnight and monthly accounts.

As at 30 June 2020 and 31 December 2019, the details of bank deposits are as follows:

	<b>30 June 2020</b>	<b>31 December 2019</b>
Time deposit - (ICBC Turkey Bank) (Note 14)	1.012.494.728	640.242.902
Time deposit account (other banks)	29.962.274	196.013.629
Demand deposit account – (ICBC Turkey Bank) (Note 14)	4.654.642	7.025.627
Demand deposit account (other banks)	6.661.317	4.335.484
<b>Total</b>	<b>1.053.772.961</b>	<b>847.617.642</b>

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**4. Trade receivables and payables**

**Short term trade receivables:**

	<b>30 June 2020</b>	<b>31 December 2019</b>
Receivables from loan customers	58.959.977	44.182.673
Receivables from TDE	13.468.408	10.111.761
Receivables from costumers	8.456.159	2.295.898
Trade receivables from related parties	320.505	309.244
Doubtful trade receivables	162.484	162.484
Provision for doubtful trade receivables	(162.484)	(162.484)
Other trade receivables	1.286.489	6.878
Receivables from clearing houses abroad	674	674
<b>Total</b>	<b>82.492.212</b>	<b>56.907.128</b>

**Short term trade payables:**

	<b>30 June 2020</b>	<b>31 December 2019</b>
Payables to customers (*)	986.199.281	759.631.916
Other payables	12.652.846	9.549.025
<b>Total</b>	<b>998.852.127</b>	<b>769.180.941</b>

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

**5. Financial Investments**

**a) Current assets**

	<b>30 June 2020</b>	<b>31 December 2019</b>
Financial assets at fair value through profit or loss	21.013.974	16.430.697
Financial investments	-	2.096.320
<b>Total</b>	<b>21.013.974</b>	<b>18.527.017</b>

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

	<b>30 June 2020</b>	<b>31 December 2019</b>
Government bonds	-	2.096.320
<b>Total</b>	<b>-</b>	<b>2.096.320</b>

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**5. Financial Investments (continued)**

As at 30 June 2020 and 31 December 2019 the details of financial assets at fair value through profit or loss are as follows:

	<b>30 June 2020</b>	<b>31 December 2019</b>
	<b>Carrying Value</b>	<b>Carrying Value</b>
ICBC Turkey Portföy Yönetimi Investment Fund	20.997.245	16.414.725
Equity shares – Traded in stock exchange	16.729	15.972
<b>Total</b>	<b>21.013.974</b>	<b>16.430.697</b>

As at 30 June 2020 and 31 December 2019, the details of the debt instruments measured by reflecting FV difference to other comprehensive income are as follows:

	<b>30 June 2020</b>		<b>31 December 2019</b>	
	<b>Amount</b>	<b>Effective Interest Rate</b>	<b>Amount</b>	<b>Effective Interest Rate</b>
Government bonds	-	-	2.096.320	11,72%
<b>Total</b>	<b>-</b>		<b>2.096.320</b>	

	<b>30 June 2020</b>	<b>31 December 2019</b>
<b>Equity investments</b>		
Stock – Istanbul Stock Exchange (ISE) (*)	159.711	159.711
<b>Total</b>	<b>159.711</b>	<b>159.711</b>

(\*)As at 30 June 2020 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 2019: TL 159.711).

**6. Other receivables and payables**

As at 30 June 2020 and 31 December 2019, the details of other receivables and payables are as follows:

**Prepaid Expenses**

	<b>30 June 2020</b>	<b>31 December 2019</b>
Prepaid Expenses	522.967	6.895
<b>Total</b>	<b>522.967</b>	<b>6.895</b>

As at 30 June 2020 and 31 December 2019, 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 and rents.

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**6. Other receivables and payables (continued)**

**Current tax assets**

	<b>30 June 2020</b>	<b>31 December 2019</b>
Prepaid taxes	209.974	214.993
	<b>209.974</b>	<b>214.993</b>

**Other short term receivables**

As at 30 June 2020 and 31 December 2019, the details of short term other receivables are as follows:

	<b>30 June 2020</b>	<b>31 December 2019</b>
Receivables from personnel	20.554	3.290
	<b>20.554</b>	<b>3.290</b>

**Other long term receivables**

As at 30 June 2020 and 31 December 2019, the details of long term other receivables are as follows:

	<b>30 June 2020</b>	<b>31 December 2019</b>
Deposits given	4.271.465	1.732.467
<b>Total</b>	<b>4.271.465</b>	<b>1.732.467</b>

The amount consists of guarantees given by the Company to operate in TDE and as at 30 June 2020 and 31 December 2019.

**Current tax payables**

	<b>30 June 2020</b>	<b>31 December 2019</b>
Taxes and duties payable	2.483.067	2.415.369
<b>Total</b>	<b>2.483.067</b>	<b>2.415.369</b>

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

**Payables for employee benefits**

	<b>30 June 2020</b>	<b>31 December 2019</b>
Social security contribution payable	491.143	310.732
<b>Total</b>	<b>491.143</b>	<b>310.732</b>

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**7. Tangible and intangible assets**

The Group purchased tangible assets amounting to TL 2.546.542 TL for the six month period 30 June 2020 (31 December 2019: TL 933.349) and TL 314.950 purchased intangible asset (31 December 2019 67.647) . For the period from 1 January 2020 to 30 June 2020, depreciation expenses for tangible assets amounts to TL 350.110 TL (30 June 2019: TL 192.750) and TL 10.860 (30 June 2019: TL 16.447) for intangible assets. As at 30 June 2020 and 31 December 2019, the Group does not have any pledges on tangible assets. The net carrying value of tangible assets as at 30 June 2020 is TL 3.564.114 TL (31 December 2019: TL 1.321.058) and net carrying value of intangible assets is TL 514.409 (31 December 2019: TL 236.975).

**8. Provisions, contingent assets and liabilities**

**Short term provisions**

As at 30 June 2020 and 31 December 2019, the details of other short term provisions are as follows:

	<b>30 June 2020</b>	<b>31 December 2019</b>
Other provisions	115.437	129.166
<b>Total</b>	<b>115.437</b>	<b>129.166</b>

The Group does not have any contingent assets or liabilities as of 30 June 2020 (31 December 2019: None).

**9. Commitments**

As at 30 June 2020 and 31 December 2019, the details of the letters of guarantee and promissory notes are as follows:

	<b>30 June 2020</b>	<b>31 December 2019</b>
CMB	1.776	1.776
<b>Total</b>	<b>1.776</b>	<b>1.776</b>

**10. Short Term Borrowings**

As at 30 June 2020 and 31 December 2019, the Group has no short-term debt.

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**11. Employee benefits**

As at 30 June 2020 and 31 December 2019, the details of the short-term employee benefits are as follows:

	<b>30 June 2020</b>	<b>31 December 2019</b>
<b>Employee benefits</b>		
Provision for unused vacation	1.856.785	1.437.761
Bonus provisions	16.102	515.964
<b>Total short term provisions</b>	<b>1.872.887</b>	<b>1.953.725</b>

Movement of provision for unused vacation is as follows:

	<b>30 June 2020</b>	<b>31 December 2019</b>
<b>Opening balance</b>	1.437.761	1.149.798
Charge for the period	(5.370)	(59.221)
Allocated provisions during the period	424.394	347.184
<b>Total</b>	<b>1.856.785</b>	<b>1.437.761</b>

As at 30 June 2020 and 31 December 2019, the details of the long-term employee benefits are as follows:

	<b>30 June 2020</b>	<b>31 December 2019</b>
<b>Provisions related to employee benefits</b>		
Employee severance pay liability	2.644.424	2.316.016
<b>Total long term provisions</b>	<b>2.644.424</b>	<b>2.316.016</b>

Movements of provision for employee severance pay are as follows:

	<b>30 June 2020</b>	<b>31 December 2019</b>
<b>Opening balance</b>	<b>2.316.016</b>	<b>2.179.085</b>
Payment during the period	-	(176.634)
Service cost	106.990	309.426
Interest cost	130.286	296.513
Actuarial difference (*)	91.132	(401.451)
Layoff cost	-	109.077
<b>Dönem sonu</b>	<b>2.644.424</b>	<b>2.316.016</b>

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

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**11. Employee benefits (continued)**

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 30 June 2020, is at maximum TL 6.730,15 (31 December 2019: TL 6.379,86), 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.

**12. Equity**

**Share capital**

As at 30 June 2020 and 31 December 2019, the capital structure is as follows:

	30 June 2020		31 December 2019	
	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
<b>Total paid in capital</b>	<b>76.000.000</b>	<b>100</b>	<b>76.000.000</b>	<b>100</b>
Capital inflation adjustment differences	31.279		31.279	
<b>Total</b>	<b>76.031.279</b>		<b>76.031.279</b>	

As at 30 June 2020, the share capital consists of 7.600.000.000 shares having a nominal value of TL 0,01 each (31 December 2019: 7.600.000.000 shares having a nominal value of TL 0,01).

The Company has no preferred shares as at 30 June 2020 (31 December 2019: 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 2019: TL 31.279) is recognised.

**Fair value reserves**

**Change in fair value of financial assets**

None (31 December 2019: None).

**Restricted reserves**

At the Ordinary General Assembly Meeting of the Company held on 27 March 2020, the Company decided to transfer TL 1.652.647 of profit to legal reserves account; the remaining balance amounting to TL 28.988.084 amount was decided to be transferred to extraordinary reserves.

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**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 2020 is 22% (2019: 22%). 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 corporate 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 to on-resident institutions.

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.



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**13. Tax assets and liabilities (continued)**

**Current tax liability**

The breakdown of income tax payable reflected in balance sheet as at 30 June 2020 and 31 December 2019 are as follows:

	<b>30 June 2020</b>	<b>31 December 2019</b>
Current tax provision	3.134.505	9.678.150
Advance taxes and funds paid in advance	(430.281)	(8.030.809)
<b>Net</b>	<b>2.704.224</b>	<b>1.647.341</b>

**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 recognised 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 30 June 2020 and 31 December 2019 are as follows:

	<b>30 June 2020</b>		<b>31 December 2019</b>	
	<b>Accumulated current differences</b>	<b>Deferred tax assets/ liabilitiesi</b>	<b>Accumulated current differences</b>	<b>Deferred tax assets/ liabilitiesi</b>
Provisions related to employee benefits	4.517.311	940.918	4.269.741	893.021
Provisions related to other liabilities and expenses	115.437	25.396	129.166	28.417
Expected credit loss provision (-)	9.357.773	2.058.710	7.629.996	1.678.599
<b>Deferred tax assets</b>	<b>13.990.521</b>	<b>3.025.024</b>	<b>12.028.903</b>	<b>2.600.037</b>
Tangible and intangible assets	(826.723)	(181.879)	(612.289)	(134.703)
Principal interest accrual to be collected	-	-	(1.432.789)	(315.213)
<b>Deferred tax liabilities</b>	<b>(826.723)</b>	<b>(181.879)</b>	<b>(2.045.078)</b>	<b>(449.916)</b>
<b>Deferred tax net</b>	<b>13.163.798</b>	<b>2.843.145</b>	<b>9.983.825</b>	<b>2.150.121</b>

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**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”.

	<b>30 June 2020</b>	<b>31 December 2019</b>
<b>Receivables from related parties</b>		
<b>Cash and cash equivalents</b>		
-ICBC Turkey Bank A.Ş. - Main shareholder	1.017.149.370	647.268.529
<b>Trade Receivables</b>		
-Fund Management Commissions	320.505	309.244
<b>Total</b>	<b>1.017.469.875</b>	<b>647.577.773</b>

<b>Related Parties</b>	<b>1 January - 30 June 2020</b>	<b>1 April - 30 June 2020</b>	<b>1 January- 30 June 2019</b>	<b>1 April - 30 June 2019</b>
ICBC Turkey Portföy Yönetimi AŞ (gold fund, first variable fund, second variable fund, money market fund and stock fund) fund management fees	(1.070.201)	(1.563.309)	48.878	(305.930)
<b>Interest income</b>				
-ICBC Turkey Bank A.Ş.	671.759	470.033	434.182	203.703
<b>Rent expenses</b>				
-ICBC Turkey Bank A.Ş.	1.137.518	531.669	1.146.721	592.417
<b>Building participation expenses</b>				
- ICBC Turkey Bank A.Ş.	498.798	248.169	435.381	242.133
<b>Commission expenses</b>				
- ICBC Turkey Bank A.Ş.	397.121	178.015	-	-

Letters of guarantee received from related parties as at 30 June 2020 amounting to TL 1.776 (31 December 2019: TL 1.776).

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**15. Profit or loss**

**Sales and cost of sales**

As at 30 June 2020 and 30 June 2019 the details of the sales revenue and costs of the Company for the interim periods are as follows:

	<b>1 January- 30 June 2020</b>	<b>1 January- 30 June 2019</b>
<b>Sales</b>		
Investment fund	128.498.275	88.069.137
Share sales	1.021.358	7.154.473
Treasury bond / government bond sales	30.014.853	-
<b>Total</b>	<b>159.534.486</b>	<b>95.223.610</b>
<b>Cost of sales</b>		
Investment fund	(127.950.021)	(87.226.345)
Stock purchase	(1.034.857)	(6.405.097)
Treasury / government bond purchases	(29.991.888)	-
<b>Total</b>	<b>(158.976.766)</b>	<b>(93.631.442)</b>

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**15. Profit or loss (continued)**

**Service revenue**

As at 30 June 2020 and 30 June 2019 service income for the interim periods are as follows:

	<b>1 January- 30 June 2020</b>	<b>1 January- 30 June 2019</b>
<b>Service revenue</b>		
Project financing revenues	9.542.020	17.745.672
Stock brokerage commissions	9.435.545	3.317.300
Over the counter transaction revenues	1.388.095	7.623.205
Mutual funds commission income	1.106.813	256.310
Futures brokerage commissions	1.089.729	491.741
Bist exchange share	947.613	-
Dividend commissions	245.688	71.564
Lending commission	64.145	148.190
Treasury bond and bond market commission income	49.640	8.158
Stock exchange money market commission	28.779	284.486
Capital increase brokerage commission income	14.355	235.437
Other	288.270	921.917
<b>Total</b>	<b>25.370.705</b>	<b>11.088.709</b>

**16. General and administrative expenses**

As at 30 June 2020 and 30 June 2019 general administrative expenses for the periods are as follows:

	<b>1 January- 30 June 2020</b>	<b>1 January 30 June 2019</b>
Personnel expenses	16.412.173	10.268.780
Membership expenses	1.597.286	800.627
Communication expenses	1.552.107	1.084.001
Rent expenses	1.160.597	1.122.620
Computer usage expenses	598.954	367.103
Building participation costs	509.628	435.381
Consultancy and consulting expenses	380.654	781.282
Travel expenses	370.843	14.134
Depreciation and amortization expenses	360.970	209.197
Tax, duties and fees expenses	309.687	666.334
Representation expenses	127.933	88.846
Other operating expenses	81.834	-
Maintenance and repair costs	81.768	35.514
Non-tax-deductible expenses	18.765	43.058
Small fixture expenses	11.383	4.294
Other	92.307	122.302
<b>Total</b>	<b>23.666.889</b>	<b>16.043.473</b>

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**17. 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 adequacy 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				Bank deposits	Financial investments
	Trade receivables	Other receivables				
	Related parties	Third parties	Related parties	Third parties		
<b>30 June 2020</b>						
<b>Maximum credit risk exposure as at reporting date</b>	<b>320.505</b>	<b>82.171.707</b>		<b>20.554</b>	<b>1.048.407.468</b>	<b>-</b>
The part of maximum risk under guarantee with collateral etc.	-	-	-	-	-	-
Net book value of financial assets that are neither past due nor impaired	320.505	82.171.707		20.554	1.048.407.468	-
Elements containing risk of off-balance-sheet credit	-	-	-	-	-	-
	Receivables				Bank deposits	Financial investments
	Trade receivables	Other receivables				
	Related parties	Third parties	Related parties	Third parties		
<b>31 December 2019</b>						
<b>Maximum credit risk exposure as at reporting date</b>	<b>309.244</b>	<b>56.597.884</b>		<b>3.290</b>	<b>842.363.646</b>	<b>2.096.320</b>
The part of maximum risk under guarantee with collateral etc.	-	-	-	-	-	-
Net book value of financial assets that are neither past due nor impaired	309.244	56.597.884		3.290	842.363.646	2.096.320
Elements containing risk of off-balance-sheet credit	-	-	-	-	-	-

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**17. 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 30 June 2020 and 30 June 2019 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
30 June 2020	6,8422	7,7082	8,4282	0,96148
31 December 2019	5,9402	6,6506	7,7765	0,84545
30 June 2019	5,7551	6,5507	7,2855	0,83330

The following table as at 30 June 2020 and 31 December 2019, 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 against a 10% change 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(*)	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
<b>30 June 2020</b>				
<b>10% change of US Dollar against TL</b>				
1- US Dollar net asset/liability	894.953.404	(894.953.404)	894.953.404	(894.953.404)
2- Hedged portion of USD amounts (-)	-	-	-	-
<b>3- US Dollar net effect (1+2)</b>	<b>894.953.404</b>	<b>(894.953.404)</b>	<b>894.953.404</b>	<b>(894.953.404)</b>
<b>10% change of EURO against TL</b>				
4- EURO net asset/liability	109.724.643	(109.724.643)	109.724.643	(109.724.643)
5- Hedged portion of EUR amounts (-)	-	-	-	-
<b>6- EURO net effect (4+5)</b>	<b>109.724.643</b>	<b>(109.724.643)</b>	<b>109.724.643</b>	<b>(109.724.643)</b>
<b>10% change of GBP against TL</b>				
7- GBP net asset/liability	40.677.088	(40.677.088)	40.677.088	(40.677.088)
8- Hedged portion of GBP amounts (-)	-	-	-	-
<b>9- GBP net effect (7+8)</b>	<b>40.677.088</b>	<b>(40.677.088)</b>	<b>40.677.088</b>	<b>(40.677.088)</b>
<b>10% change of CNY against TL</b>				
10- CNY net asset/liability	394.507	(394.507)	394.507	(394.507)
11- Hedged portion of CNY amounts (-)	-	-	-	-
<b>12 - CNY net effect (10+11)</b>	<b>394.507</b>	<b>(394.507)</b>	<b>394.507</b>	<b>(394.507)</b>
<b>TOTAL (3+6+9+12)</b>	<b>1.045.749.642</b>	<b>(1.045.749.642)</b>	<b>1.045.749.642</b>	<b>(1.045.749.642)</b>

(\*) Includes profit/loss effect

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**17. Nature and level of risks related to financial instruments (continued)**  
**Sensitivity to foreign currency (continued)**

	Profit / (Loss)		Equity(*)	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
<b>31 December 2019</b>				
<b>10% change of US Dollar against TL</b>				
1- US Dollar net asset/liability	940.972	(940.972)	940.972	(940.972)
2- Hedged portion of USD amounts (-)	-	-	-	-
<b>3- US Dollar net effect (1+2)</b>	<b>940.972</b>	<b>(940.972)</b>	<b>940.972</b>	<b>(940.972)</b>
<b>10% change of EURO against TL</b>				
4- EURO net asset/liability	75.656.557	(75.656.557)	75.656.557	(75.656.557)
5- Hedged portion of EUR amounts (-)	-	-	-	-
<b>6- EURO net effect (4+5)</b>	<b>75.656.557</b>	<b>(75.656.557)</b>	<b>75.656.557</b>	<b>(75.656.557)</b>
<b>10% change of GBP against TL</b>				
7- GBP net asset/liability	1.760.466	(1.760.466)	1.760.466	(1.760.466)
8- Hedged portion of GBP amounts (-)	-	-	-	-
<b>9- GBP net effect (7+8)</b>	<b>1.760.466</b>	<b>(1.760.466)</b>	<b>1.760.466</b>	<b>(1.760.466)</b>
<b>10% change of CNY against TL</b>				
10- CNY net asset/liability	-	-	-	-
11- Hedged portion of CNY amounts (-)	-	-	-	-
<b>12 - CNY net effect (10+11)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL (3+6+9+12)</b>	<b>78.357.995</b>	<b>(78.357.995)</b>	<b>78.357.995</b>	<b>(78.357.995)</b>

(\*) 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).

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**17. 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:

<b>Financial assets</b>	<b>30 June 2020</b>	<b>Fair value level as at reporting date</b>		
		<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Financial assets at fair value through profit or loss	21.013.974	21.013.974	-	-
<b>Total</b>	<b>21.013.974</b>	<b>21.013.974</b>	<b>-</b>	<b>-</b>

<b>Financial assets</b>	<b>31 December 2019</b>	<b>Fair value level as at reporting date</b>		
		<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Financial assets at fair value through profit or loss	16.430.697	16.430.697	-	-
Borrowing instruments measured by reflecting fair value difference to other comprehensive income	2.096.320	2.096.320	-	-
<b>Total</b>	<b>18.527.017</b>	<b>18.527.017</b>	<b>-</b>	<b>-</b>

**18. Events after reporting period**

The Covid-19 epidemic and the measures taken against the epidemic, spread around the world and in our country and declared as a pandemic by the World Health Organization on March 11, 2020, cause disruptions in operations in all countries exposed to the epidemic and affect the economic conditions negatively both globally and in our country. Since the economic effects of this outbreak are uncertain as of the reporting date, the effects of the Economic Enterprise on its financial statements cannot be reasonably predicted.