

ICBC TURKEY YATIRIM MENKUL DEĞERLER A.Ş.

ACTIVITY REPORT

01 JANUARY 2024 – 30 JUNE 2024

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1. HISTORICAL DEVELOPMENT, SHAREHOLDING STRUCTURE AND ASSIGNED BOARD OF DIRECTORS FOR THE PERIOD**1.1 HISTORICAL DEVELOPMENT**

Founded in 1996, located in Istanbul, ICBC Turkey Securities is a subsidiary of ICBC Turkey Bank. The paid-up capital is 76.000.000-TL and it has been increased to 76.000.000-TL from 25.000.000-TL at the Extraordinary General Assembly held on 08.09.2017 regarding the capital increase and it was registered by the Istanbul Trade Registry Directorate on 09.10.2017.

ICBC Turkey Securities provides investment banking and brokerage services to its corporate and retail clients through its 20 branches and the Head Office departments. ICBC Turkey Securities is the bridge between corporates from China and Turkey for their M&A needs meanwhile targeting to become a leading financial advisor in Turkey for project finance and structured finance solutions for top corporates. The company provides its clients investment alternatives via different mutual funds and asset management alternatives with different risk and return values. Through public offering activities, ICBC Turkey Securities provides a meeting point for both investors and corporates; meanwhile, creating financial solutions via bonds and commercial paper issue for corporate customers. Providing daily, weekly reports and equity analysis services to its clients with its experienced research team, ICBC Turkey Securities assist to its domestic and international clients to invest in Turkish market.

ICBC Turkey Securities applies its dynamic service principle on its experienced and well-informed human resource and the company has become broadly authorized intermediary institution with the authorization certificate of Capital Markets Board dated 09.02.2016 with number G-050 (388) as of 01.01.2016. As per legal framework, ICBC Turkey Asset Management Company has been established on 21.04.2015.

Capital Market activities are subject to Capital Markets Board of Turkey's (CMB) permission and inspection.

1.2 SHAREHOLDING STRUCTURE

Shareholders	Share Amount (TL)	%
ICBC Turkey Bank A.Ş.	75.998.480,00	99,998
Other	1.520,00	0,002
Total	76.000.000,00	100,00

1.3 ASSIGNED BOARD MEMBERS AND INDEPENDENT AUDITOR FOR THE PERIOD

Board Members that elected for a period of 1 year at the Ordinary General Assembly of ICBC Turkey Yatırım Menkul Değerler A.Ş. dated May 30, 2024 are listed below;

Name-Surname	Position	Start Date	Ending Date
Hou Qian	Board Member / Chairman	30.05.2024	30.05.2025
Oraj Özel	Board Member / CEO	30.05.2024	30.05.2025
Xiao Li	Board Member	30.05.2024	30.05.2025
Füruzan Evrim Ökçün	Board Member	30.05.2024	30.05.2025
Hui Jin	Board Member	30.05.2024	30.05.2025
Zhiyi Luo	Board Member	30.05.2024	30.05.2025
Zhengyang	Board Member	30.05.2024	30.05.2025
Guangxin Wang	Board Member	30.05.2024	30.05.2025

The Article 9 of the Company's Articles of Association has been amended in accordance with the permissions of Capital Markets Board dated 27.03.2024 and numbered E-32992422-205.01.01-51952 and the permissions of Ministry of Trade Directorate General of Internal Trade dated 04.04.2024 and numbered E-50035491-431.02.-00095723543. The current number of board members was revised to be at least 5 and the most 8 and was approved at the Ordinary General Assembly meeting held on 30.05.2024. Eight members were elected at the general assembly dated May 30, 2024, to serve for a period of 1 year.

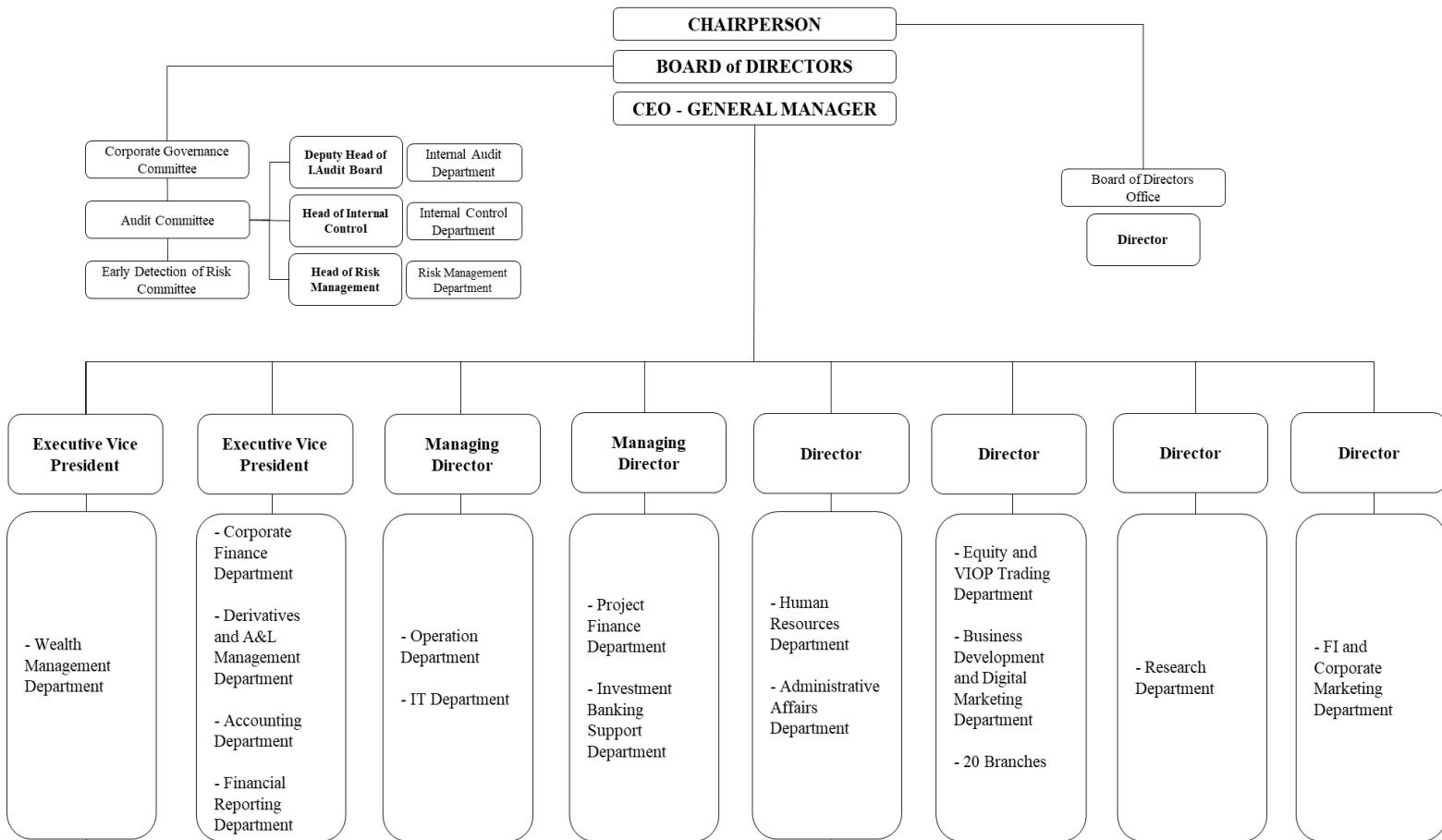
In accordance with the article 399 of the Turkish Commercial Code and Capital Markets Law No. 6362, DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. selected as the independent audit firm to audit the Company for the fiscal year 2024 with the decision of the Company's Genral Assembly dated 30.05.2024.

1.4 SENIOR MANAGEMENT

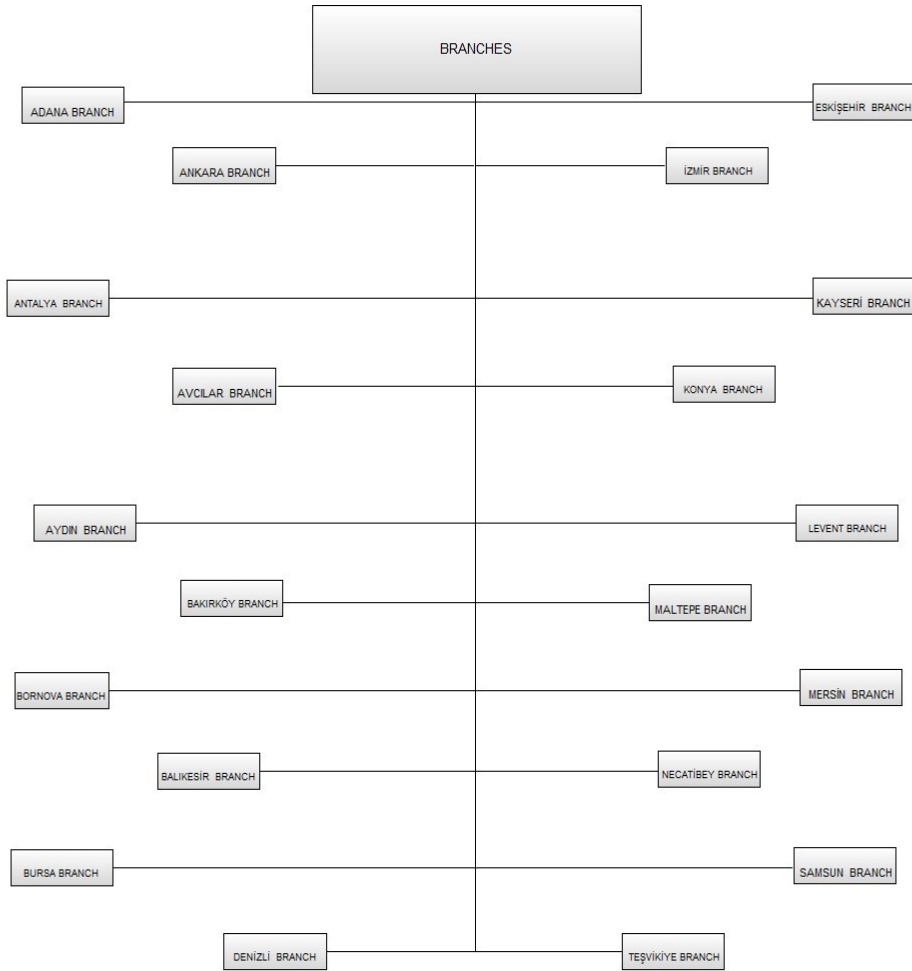
Name-Surname	Position	Responsibility Field
Oraj Özel	CEO	--
Nesrin Ekşi	Executive Vice President	Wealth Management Department
Hakan Bozyiğit	Executive Vice President	Investment Banking- Corporate Finance / Derivatives and A&L Management / Accounting / Financial Reporting
Sinan Hacıoğlu	Managing Director	Operation Department/ Information Technologies Department
Ahmet Can Yakar	Managing Director	Investment Banking- Project Finance/ Investment Banking Support

2. ORGANIZATION CHART

2.1 HEAD OFFICE



2.2 BRANCHES



3. FINANCIAL RIGHTS PROVIDED TO THE MEMBER OF THE BOARD OF DIRECTORS AND SENIOR EXECUTIVES

The total amount of salaries and benefits provided to the Board Chairman, Board Members, and Senior Executives in the current period is 13.953.057-TL as of 30.06.2024.

4. GLOBAL EVALUATION

A wide range of macro, geopolitical, and political drivers at home and abroad shaped direction in the financial and stock markets. Local macro factors remained vital, in motivating investor sentiment, maintaining interest for the stock market as did promising macro expectations, encouraging investor appetite. Local macro expectations have remained prominent. We still note sustained rational macro policies and confidence restored by the CBRT. Turkey's promising macro outlook, confirmed by a decline in Turkey's CDS, have led the field.

Turkey's transition to conventional macro policies, being confirmed by the credit rating, and outlook upgrade of prominent rating agencies on Turkey, along with the continued expectations that more will likely follow, have been the key determinants of market action.

Amid the encouraging impact of the inflation, where the June CPI yielded results supportive of the economy team's expectations, with also confirming what have been done so far on the economy front, appetite for the stock market has sustained. However, gains obtained triggered limited profit-taking. This, in turn, have presented buying opportunities, and supported buying appetite for laggards, for value stocks with promising expectations, and those of growth potential.

Ultimately, driven mainly by promising macro outlook, confirmed by the credit rating outlook and credit rating upgrades, the BIST100 was bought 16.5% qoq. The Benchmark BIST100 traded between a high of 11,088 points and a low of 8,903 points in the quarter. The average daily trading volume in 2Q24, declined 5% qoq.

Long-maturity bonds were sold in 2Q24 qoq, while the 2-year benchmark bond was bought to the lowest of the 2Q24 at 41.43%. The 10-year issue was sold to the highest of the 2Q24 at 29.20%, and the 5-year issue was sold to the highest of the 2Q24 at 34.09%. The TRL was sold slightly against hard currencies. Following a total of TRL569.8bn redemption to the market in 2Q24, the Treasury plans a total of TRL358.6bn redemption to the market in 3Q24.

The CBRT kept the policy rate unchanged at 50.0% in June MPC meeting, for the third month in a row. This was in line with market expectations. The CBRT said that "In addition to the high level of and the stickiness in services inflation, inflation expectations, geopolitical risks, and food prices keep inflationary pressures alive. Considering the lagged effects of the monetary tightening, the Committee decided to keep the policy rate unchanged, but reiterated that it remains highly attentive to inflation risks. The tight monetary stance will be maintained until a significant and

sustained decline in the underlying trend of monthly inflation is observed, and inflation expectations converge to the projected forecast range. Monetary policy stance will be tightened in case a significant and persistent deterioration in inflation is foreseen. The decisiveness regarding tight monetary stance will bring down the underlying trend of monthly inflation through moderation in domestic demand, real appreciation in TL, and improvement in inflation expectations. Consequently, disinflation will be established in the second half of the year. --In case of unanticipated developments in credit and deposit markets, monetary transmission mechanism will be supported via additional macroprudential measures. Liquidity conditions are closely monitored. Sterilization will be implemented effectively by also enriching the toolset whenever needed. The Committee will decisively use all the tools at its disposal in line with its main objective of price stability

June CPI rose 1.64% mom, and 71.60% yoy. PPI rose 1.38% mom, and 50.09% yoy. Core inflation rose 1.73% mom, and 71.41% yoy.

Current account recorded a surplus of US\$407mn in June, first surplus in 8 months, a robust recovery from prior month's US\$1.02bn deficit. The C/A deficit in 6M24 was US\$16.5bn. As a result, the C/A deficit over the past 12 months came down to US\$24.8bn from US\$24.5bn in May.

Seasonally adjusted unemployment rate realized as 9.2% in June, up 70bp mom. The employment rate decreased by 70bp mom to 49.3%. Labour force participation rate was 54.4%, down 20bp mom. The youth unemployment rate in the 15-24 age group was 17.6%, which was up 170bp compared to the previous month.

Budget printed a deficit at TRL275.2bn in June, expanding from a deficit at TRL219.6bn in the same month of the previous year. The primary balance printed a deficit at TRL176.0bn in June, narrowing from TRL182.2bn deficit in the same month of previous year.

The seasonally adjusted June CUR declined by 40bp yoy, and also by 40bp mom, printing at 76.2%.

The June preliminary foreign trade balance printed a deficit at US\$6.4bn; expanding 21.4% yoy, while declined 1.0% mom. The 1H24 foreign trade balance printed a deficit at US\$43.2bn; narrowing 29.5% yoy. Exports printed at US\$ 18.6bn in June, declining 10.6% yoy. Exports printed at US\$125.4bn in 1H24, rising 2.0% yoy. Imports was realised at US\$25.0bn in June, narrowing 4.1% yoy. Imports was realised at US\$168.7bn in 1H24, narrowing 8.5% yoy. Accordingly; exports/imports ratio printed at 74.3% in June, down from 79.7% in the same period of previous year.

Industrial production decreased by 4.7% yoy in June.

5. ACTIVITIES OF 2024 1H

ICBC Turkey Securities has followed a cautious approach in 2024 1H just like in the past. Customer number increased %7 compared to same period of last year. Related to the activities of 2024 1H;

Equity Trading Volume	97,1 Billion TL
Share of Transactions Over Internet in Commission Incomes	81,98%
Shareholders' Equity	691,19 Million TL
Net Interest Income From Margin Trading	192,77 Million TL
Commission Income From Equity Trading	31,12 Million TL
Commission Income From Derivatives Trading	0,72 Million TL

Financial structure of our Company inspected and audited quarterly, capital adequacy tables are inspected and audited twice a year by the Independent Audit Company. There are no capital market instruments issued by our company.

6. PARTICIPATIONS

<u>Company</u>	<u>Partnership %</u>
ICBC Turkey Portföy Yönetimi A.Ş.	100,0000
Borsa İstanbul A.Ş.	0,0377

7. INFORMATION ON PUBLIC AUDIT

As of the second quarter of 2024, Tax audit is being carried out in accordance with Article 134 of Tax Procedure Law No. 213 by the Tax Inspection Board of the Ministry of Treasury and Finance of Republic of Türkiye in our Company and the process is ongoing.

8. COMPANY'S RESEARCH AND DEVELOPMENT ACTIVITIES

The Company performs research and marketing activities for the purpose of generating new clients as well as improving existing customer profile. By analysing local and global economic and sectoral news flow and trends, the research department provides investment ideas for the Company's local and foreign customers. Research reports are prepared in Turkish and English.

9. RISKS AND THE EVALUATION OF THE MANAGEMENT**a) Information Regarding Risk Management Policies To Be Applied on Foreseeable Risks, if any**

Our Managers aims for establishing a corporate risk aversion culture through the application of effective risk management and internal control structure throughout the Company.

b) Information about the Activities and Reports of Risk Management Committee and Early Identification of Risks, if any

A separate committee for early identification and management of risk has been formed and work organization is held.

c) Future Risks Regarding Sales, Efficiency, Income Generation Capacity, Profitability, Debt/Equity Ratio, and Other Similar Subjects

The company continues its activities based on the Business Plan targets approved by the Board of Directors.

d) Information About Any Lawsuits Filed Against the Company and Their Possible Outcomes that may Affect the Financials and the Activities of the Company

There are NOT any lawsuits filed against the company that may affect the financials and activities of the company.

10. EVALUATION OF INTERNAL CONTROL SYSTEM AND AUDIT ACTIVITIES

The Internal Audit System is the assurance of compliance with the legislation and corporate policies. Our Company's Internal Audit system adopts an approach in line with the three-lines of defense principle. In this scope, the front office is the first line of defense in risk management. The first line of defense develops risk management functions and capabilities to operate risk identification, measurement, control and other risk control functions in the early stages. Risk Management and Internal Control Departments constitute the second line of defense. It provides support for the risk management and control of the first line of defense, oversees the effectiveness of the risk management carried out at the front office, monitors, assesses and reports the risk profile. The Internal Audit Board is the third line of defense. It is responsible for overseeing the performance of the first and second lines of defense in risk management and supervising, evaluating and reporting the effectiveness of risk management. The enhanced third line of defense strengthens the independent assessment capability, and effectively evaluates the risk management systems and mission performance results of the first and second lines of defense.

Under the responsibility of our Board of Directors, an Internal Audit System has been established in compliance with the scope and corporate structure of our Company's activities, with the quality, adequacy and efficiency to respond to changing conditions and continues its activities in this context.

11. HUMAN RESOURCE AND REMUNERATION POLICIES

The employee number of the Group is 110 as of 30.06.2024. The social rights of our employees are provided on regular and periodic basis. There is no collective agreement practice.

Furthermore, all our employees are provided with private health insurance. Fixed salary increases are made once in a year based on the Company's and individuals' performances with the approval of the Board of Directors.

Moreover, the Company encourages its employees to enhance their trainings and to fulfill their necessary certificates.

As per 6331 numbered Occupational Health and Safety Law of Ministry of Labor and Social Security, employer's and employees' duties and responsibilities have been identified and within this context, necessary trainings and exercises continue.

12. MATTERS REGARDING DIVIDEND DISTRIBUTION POLICY

Dividend distribution is made based on the provisions in the Articles of Association.

13. AID AND DONATIONS

There is no donation amount made by the Company as at the end of 2024 June.

14. OTHER MATTERS

There are not any arrangements made regarding shareholders' voting rights in difference with the provisions of Turkish Commercial Code (TCC). Each share gives one voting right.

15. CONTACT INFORMATION
Headquarters;

Headquarters Address	Maslak Mah. Dereboyu/2 Caddesi No:13 34398 Sarıyer-İstanbul
Headquarters Phone	0212 276 2727
Headquarters Fax	0212 276 2900
Web Address	www.icbcyatirim.com.tr
E-mail	icbcyatirim@icbcyatirim.com.tr
Trade Registry No	357753 / İstanbul
Tax Office	Boğaziçi Kurumlar Vergi Dairesi
Tax No	8360070244
Central Registration System No	0836 0070 2440 0015

Branches;

No	Branch	Address	Tel.	Fax
1	Adana Br.	Cemalpaşa Mah. Atatürk Cad. Ceyhan Apt. No:72/A 01120 ADANA	0322 459 5876	0322 459 9740
2	Ankara Br.	Aziziye Mah. Cinnah Cad. No:100/A 06550 Çankaya / ANKARA	0312 439 8045	0312 440 6217
3	Antalya Br.	Şirinyalı Mah. İsmet Gökşen Cad. Elif Apt. No:14/A 07160 Muratpaşa ANTALYA	0242 316 4548	0242 316 4322
4	Avcılar Br.	Zuhuratbaba Mah. İncirli Cad. ABlok No:101B 34147 Bakırköy-İst	0212 543 2230	0212 543 8512
5	Aydın Br.	Zafer Mah. Doğugazi Bulvarı No:55/C 09100 Efeler / AYDIN	0256 215 2569	0256 214 2984
6	Bakırköy Br.	Zuhuratbaba Mah. İncirli Cad. No:101B 34147 Bakırköy-İst	0212 543 2230	0212 543 8512
7	Balıkesir Br.	Eski Kuyumcular Mah.Salih Tozan Cad.No:8/A Karesi BALIKESİR	0266 239 1572	0266 239 4239
8	Bornova Br.	Çınarlı Mahallesi Şehit Polis Fethi Sekin Caddesi Dış Kapı No:5 İç Kapı No: 5A Konak / İZMİR	0232 342 9291	0232 342 8915
9	Bursa Br.	Ahmet Paşa Mah. Fevzi Çakmak Cad. No:69/B 16050 Osmangazi BURSA	0224 256 0609	0224 253 1898
10	Denizli Br.	Saraylar Mah. Gazi Mustafa Kemal Bulvarı No:50/A Merkezefendi DENİZLİ	0258 241 4399	0258 242 1193
11	Eskişehir Br.	Hacı Ali Bey Mah. Sakarya I.Cadde No: 22/A 26100 Tepebaşı ESKİŞEHİR	0222 220 4396	0222 220 4300
12	İzmir Br.	Akdeniz Mah. Cumhuriyet Bulv. No:116 35210 Konak / İZMİR	0232 446 3350	0232 489 4403
13	Kayseri Br.	Cumhuriyet Mah. Millet Cad. No:33/D 38040 Melikgazi KAYSERİ	0352 221 1261	0352 221 1258
14	Konya Br.	Büyük Sinan Mah. Ankara Cad. No:124 42050 Karatay KONYA	0332 238 5723	0332 238 5726
15	Levent Br.	Levent Mah. Gonca Sok. No:11 Levent Beşiktaş-İSTANBUL	0212 325 3215	0212 287 6389
16	Maltepe Br.	Bağlarbaşı Mah. 2. İlkokul Cad. Balek İş Merkezi Kat:1 No:6 Maltepe / İSTANBUL	0216 399 3985	0216 459 4047
17	Mersin Br.	Çankaya Mah. İsmet İnönü Bulvarı No:112/B Canatan İş Merkezi 33070 Akdeniz MERSİN	0324 237 4471	0324 237 7655
18	Necatibey Br.	Korkutreis Mah. Necatibey Cad. No:40/A Çankaya / ANKARA	0312 230 0217	0312 232 1767
19	Samsun Br.	Kale Mah. İstiklal Cad. No:21/19 İlkadım SAMSUN	0362 432 6114	0362 435 5103
20	Teşvikiye Br.	Levent Mah. Gonca Sok. No:11 Levent Beşiktaş-İSTANBUL	0212 325 3215	0212 287 6389