

**ICBC TURKEY YATIRIM MENKUL DEĞERLER A.Ş.**

**ACTIVITY REPORT**

**01 JANUARY 2022 – 31 DECEMBER 2022**

**CONTENTS**

<b>1.</b>	<b>HISTORICAL DEVELOPMENT, SHAREHOLDING STRUCTURE AND ASSIGNED BOARD OF DIRECTORS FOR THE PERIOD .....</b>	<b>3</b>
<b>1.1</b>	<b>HISTORICAL DEVELOPMENT .....</b>	<b>3</b>
<b>1.2</b>	<b>SHAREHOLDING STRUCTURE .....</b>	<b>3</b>
<b>1.3</b>	<b>ASSIGNED BOARD OF DIRECTORS FOR THE PERIOD .....</b>	<b>3</b>
<b>2.</b>	<b>ORGANIZATION CHART .....</b>	<b>4</b>
<b>2.1</b>	<b>HEAD OFFICE .....</b>	<b>4</b>
<b>2.2</b>	<b>BRANCHES.....</b>	<b>5</b>
<b>3.</b>	<b>FINANCIAL RIGHTS PROVIDED TO THE MEMBER OF THE BOARD OF DIRECTORS AND SENIOR EXECUTIVES .....</b>	<b>6</b>
<b>4.</b>	<b>GLOBAL EVALUATION.....</b>	<b>6</b>
<b>5.</b>	<b>ACTIVITIES OF 2022 4Q.....</b>	<b>7</b>
<b>6.</b>	<b>COMPANY’S RESEARCH AND DEVELOPMENT ACTIVITIES .....</b>	<b>7</b>
<b>7.</b>	<b>RISKS AND THE EVALUATION OF THE MANAGEMENT.....</b>	<b>7</b>
<b>8.</b>	<b>HUMAN RESOURCE AND REMUNERATION POLICIES.....</b>	<b>8</b>
<b>9.</b>	<b>MATTERS REGARDING DIVIDEND DISTRIBUTION POLICY .....</b>	<b>8</b>
<b>10.</b>	<b>AID AND DONATIONS.....</b>	<b>8</b>
<b>11.</b>	<b>OTHER MATTERS.....</b>	<b>8</b>
<b>12.</b>	<b>CONTACT INFORMATION .....</b>	<b>9</b>

## **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**

<b>SHAREHOLDERS</b>	<b>SHARE AMOUNT</b>	<b>%</b>
ICBC Turkey Bank A.Ş.	75.998.480,00	99,998
Others	1.520,00	0,002
<b>Total</b>	<b>76.000.000,00</b>	<b>100,00</b>

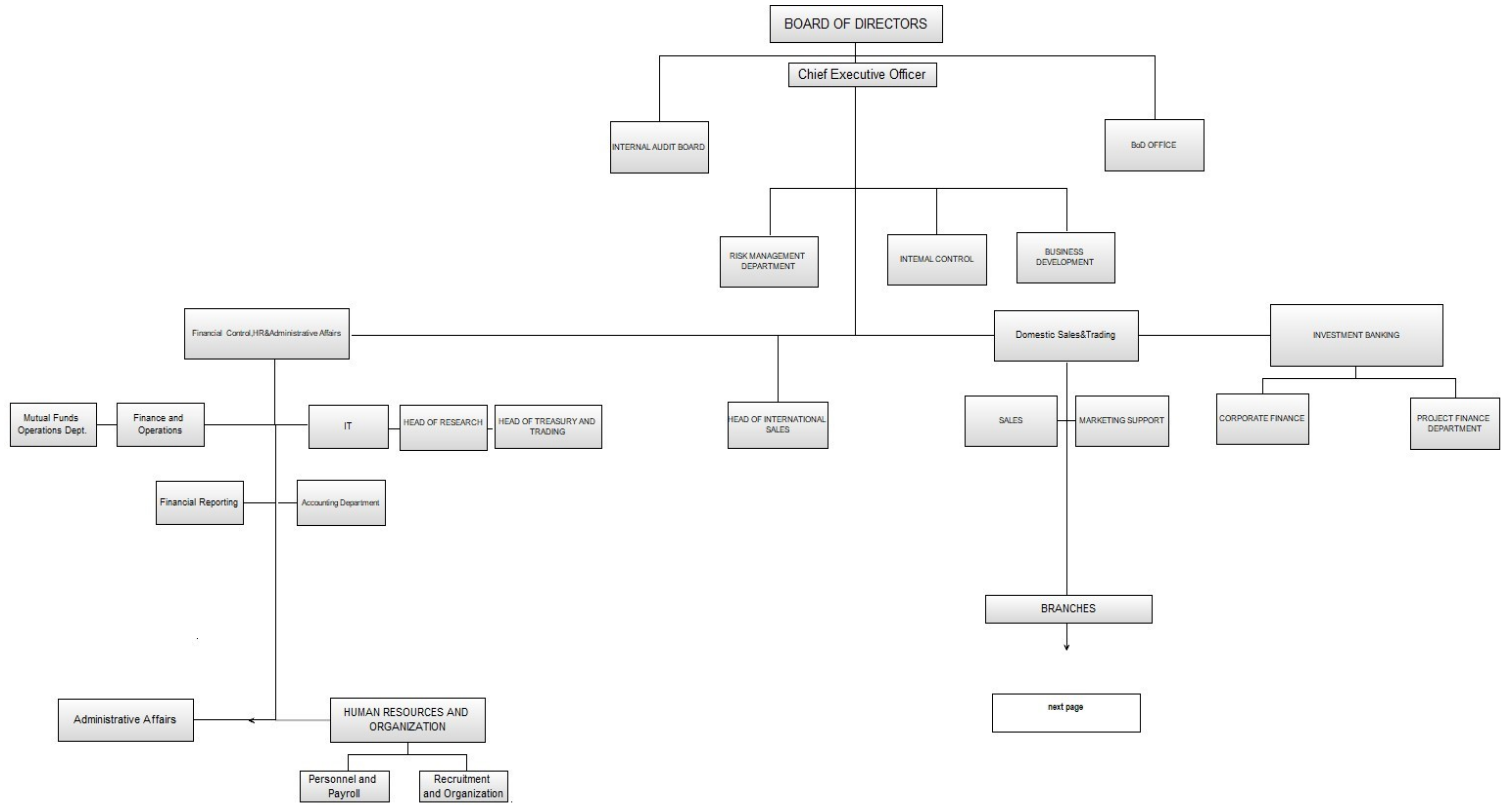
### **1.3 ASSIGNED BOARD OF DIRECTORS FOR THE PERIOD**

Gao Xiangyang (*)	Chairman
Liu Peiguo	Member
Oraj Özel	Member / CEO
Chuanling Zhang	Member
Zhang Ke	Member

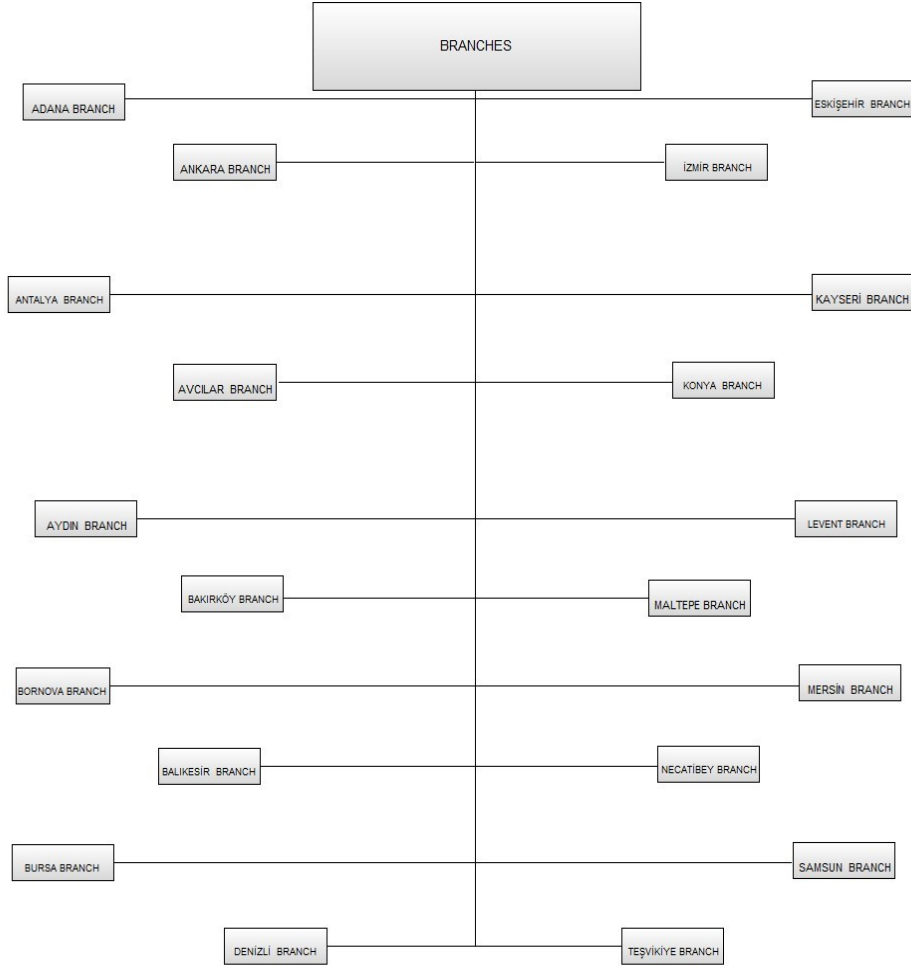
(\*) Gao Xiangyang was appointed with the Board Decision no.886 dated 10.01.2022 to replace Xie Shaoxiong who resigned as of 10.01.2022 from the position of Member of the Board of Directors.

## 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 13.055.308-TL as of 31.12.2022.

### **4. GLOBAL EVALUATION**

Local factors continued to dominate sentiment in the stock market. The benchmark BIST100, setting new record-highs in the quarter, gained over 73% qoq, tripling in 2022. The average daily trading volume rose 72% qoq, confirming strong appetite. The index traded between a high of 5,563 and a low of 3,196 points in the quarter.

Despite prevailing uncertainties on the global macro front, local factors on several fronts continued lending support, providing a comfort zone, and also motivating investor sentiment, keeping the BIST at the top of investment alternatives among local assets. Along with macro and geopolitics-related drivers, the operational outlook and financial performances of corporates have been supportive. Stocks with a firm operational and financial outlook, and interest in laggards kept appetite high.

Bonds were all bought in 4Q22, where the 10-year issue was bought to the lowest of the quarter at 9.83%, the 2-year benchmark bond was bought to the lowest of 4Q22 at 8.23%, and the 5-year issue was bought to the lowest of 4Q22 at 6.78%. The TRL was sold against hard currencies. Following a total of TRL82.9bn redemption to the market in 4Q22, the Treasury plans a total of TRL99bn redemption to the market in 1Q23.

Turkey's economy expanded 3.9% annually in 3Q22, following 7.5% yoy growth in 1Q22, and 7.6% yoy in 2Q22. Strong performance continued in the quarter, driven by robust domestic demand and solid exports. In the 2023-2025 MTP, Turkey's economy was forecast growing 5.0% in 2022 and 2023, and by 5.5% in 2024 and 2025.

The CBRT maintained the policy rate at 9.0% in the December MPC meeting, confirming its wordings delivered in its previous meeting minutes that, "the Committee has evaluated that the current policy rate is adequate and decided to end the rate cut cycle that started in August."

December CPI rose 1.1% mom, and 64.3% yoy. Core inflation was up 51.9% yoy. PPI declined 0.2% mom, while up 97.7% yoy.

The November C/A balance printed a deficit at US\$3.7bn. The C/A deficit expanded from US\$0.35bn deficit of the previous month, and from a deficit of the US\$2.10bn in the same month of previous year.

The November seasonally-adjusted unemployment rate came in at 10.2%, declining by 100bp yoy, while remaining unchanged mom. The employment rate rose by 40bp mom to 48.6%. Youth unemployment rate declined by 260bp mom to 17.8%.

2022 budget realisations beat expectations in the MTP. The budget printed a deficit at TRL139.0bn in 2022, narrowing from a deficit at TRL201.5bn the previous year. The primary balance printed at a surplus at TRL171.8bn in 2022, recovering from TRL20.6bn deficit in 2021.

The December CUR rose by 60bp mom, while down by 220bp yoy to 76.5%.

Turkey's exports rose by 13% yoy over US\$254bn in 2022, meeting the target of US\$255bn set in the MTP. Imports increased by 34% yoy to US\$364bn in 2022, broadly in line with US\$360bn target set in the MTP. The export/import ratio printed at 69% for December, 7pp below the same month of the previous year.

The November IP declined 1.3% yoy and 1.1% mom.

## **5. ACTIVITIES OF 2022 4Q**

ICBC Turkey Securities has followed a cautious approach in 2022 4Q just like in the past. Customer number increased %8 compared to 2021 4Q .

Related to the activities of 2022 4Q;

Equity Trading Volume	146,51 Billion TL
Share of Transactions Over Internet in Commission Incomes	53,45%
Average Shareholders' Equity	291,17 Million TL
Net Interest Income From Margin Trading	106,68 Million TL
Commission Income From Equity Trading	45,07 Million TL
Commission Income From Derivatives Trading	6,52 Million TL

Financial Structure and Capital Adequacy Tables of the Company are inspected and audited twice a year as a half yearly reports and the year end reports by the Independent Audit Company.

## **6. 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.

## **7. 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.

**8. HUMAN RESOURCE AND REMUNERATION POLICIES**

The employee number of our Company is 101 as of 31.12.2022. The social rights of our employees are provided on regular and periodic basis.

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.

**9. MATTERS REGARDING DIVIDEND DISTRIBUTION POLICY**

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

**10. AID AND DONATIONS**

As at the end of 2022 December, there is 1.050-TL donation amount.

**11. 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.

## 12. 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 5870	0322 459 9740
2	Ankara Br.	Aziziye Mah. Cinnah Cad. No:100/A 06550 Çankaya / ANKARA	0312 440 6980	0312 442 4672
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.	Merkez Mah. E-5 Yanyol (Londra Asfaltı) No: 159/A 34310 Avcılar / İSTANBUL	0212 593 4270	0212 593 4269
5	Aydın Br.	Zafer Mah. Doğugazi Bulvarı No:55/C 09100 Efeler / AYDIN	0256 212 9234	0256 214 2984
6	Bakırköy Br.	Zuhuratbaba, İncirli Cad. No:101B 34147 Bakırköy-İst	0212 543 2230	0212 543 8512
7	Balıkesir Br.	Eski Kuyumcular Mah. Bankalar Sok. No:5 Karasi BALIKESİR	0266 249 3761	0266 249 3768
8	Bornova Br.	Çınarlı Mahallesi Şehit Polis Fethi Sekin Caddesi Dış Kapı No:5 İç Kapı No: 5A Konak / İZMİR	0232 388 1820	0232 342 8915
9	Bursa Br.	Ahmet Paşa Mah. Fevzi Çakmak Cad. No:69/B 16050 Osmangazi BURSA	0224 250 4100	0224 253 1898
10	Denizli Br.	Saraylar Mah. Gazi Mustafa Kemal Bulvarı No:50/A Merkezefendi DENİZLİ	0258 242 1204	0258 242 1193
11	Eskişehir Br.	Hacı Ali Bey Mah. Sakarya 1.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 489 4051	0232 489 4403
13	Kayseri Br.	Cumhuriyet Mah. Millet Cad. No:33/D 38040 Melikgazi KAYSERİ	0352 221 1242	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.	Nispetiye Cad. Yeni Çarşı Durağı No:61 Beşiktaş / İSTANBUL	0212 284 0804	0212 283 9286
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 8284	0324 237 7655
18	Necatibey Br.	Korkutreis Mah. Necatibey Cad. No:40/A Çankaya / ANKARA	312 232 1760	312 232 1767
19	Samsun Br.	Kale Mah. İstiklal Cad. No:21/19 İlkadım SAMSUN	0362 432 6114	0362 435 5103
20	Teşvikiye Br.	Hüsrev Gerede Cad. No:92/A 34365 Şişli / İSTANBUL	0212 236 1836	0212 259 1389