

ICBC TURKEY YATIRIM MENKUL DEĞERLER A.Ş.

ACTIVITY REPORT

01 JANUARY 2023 – 31 DECEMBER 2023

CONTENTS

1.	HISTORICAL DEVELOPMENT, SHAREHOLDING STRUCTURE AND ASSIGNED BOARD OF DIRECTORS FOR THE PERIOD	3
1.1	HISTORICAL DEVELOPMENT	3
1.2	SHAREHOLDING STRUCTURE	3
1.3	ASSIGNED BOARD MEMBERS AND INDEPENDENT AUDITOR FOR THE PERIOD	4
1.4	SENIOR MANAGEMENT	4
2.	ORGANIZATION CHART	5
2.1	HEAD OFFICE	5
2.2	BRANCHES.....	6
3.	FINANCIAL RIGHTS PROVIDED TO THE MEMBER OF THE BOARD OF DIRECTORS AND SENIOR EXECUTIVES	7
4.	GLOBAL EVALUATION.....	7
5.	ACTIVITIES OF THE YEAR 2023	8
6.	PARTICIPATIONS	9
7.	INFORMATION ON PUBLIC AUDIT	9
8.	COMPANY’S RESEARCH AND DEVELOPMENT ACTIVITIES	9
9.	RISKS AND THE EVALUATION OF THE MANAGEMENT.....	9
10.	EVALUATION OF INTERNAL CONTROL SYSTEM AND AUDIT ACTIVITIES	10
11.	HUMAN RESOURCE AND REMUNERATION POLICIES.....	10
12.	MATTERS REGARDING DIVIDEND DISTRIBUTION POLICY	11
13.	AID AND DONATIONS.....	11
14.	OTHER MATTERS.....	11
15.	CONTACT INFORMATION	12

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 3 years at the Ordinary General Assembly of ICBC Turkey Yatırım Menkul Değerler A.Ş. dated March 25, 2021 are listed below;

Name-Surname	Position	Start Date	Ending Date
Hou Qian (*)	Board Member / Chairman	15.11.2023	25.03.2024
Oraj Özel	Board Member / CEO	25.03.2021	25.03.2024
Xiao Li (**)	Board Member	15.11.2023	25.03.2024
Chuanling Zhang	Board Member	25.03.2021	25.03.2024
Liu Long (***)	Board Member	30.03.2023	25.03.2024

(*) Hou Qian was appointed with the Board Decision no.1022 dated 15.11.2023 to replace Gao Xiangyang who resigned as of 15.11.2023 from the position of Member of the Board of Directors.

(**) Xiao Li was appointed with the Board Decision no.1022 dated 15.11.2023 to replace Liu Peiguo who resigned as of 15.11.2023 from the position of Member of the Board of Directors.

(***) Liu Long was appointed with the General Assembly Decision dated 30.03.2023 to replace Zhang Ke who resigned as of 30.03.2023 from the position of Member of the Board of Directors.

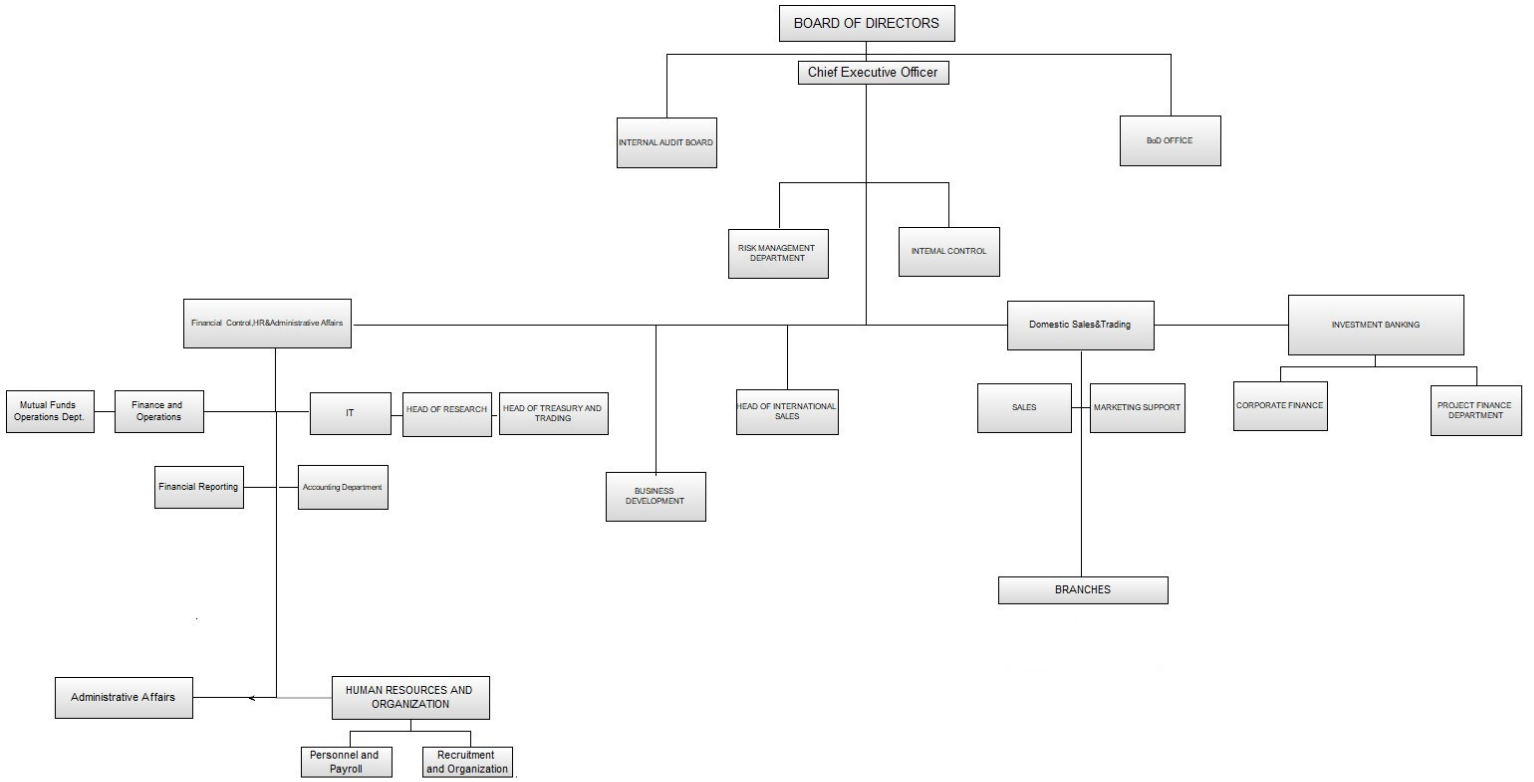
In accordance with the article 399 of the Turkish Commercial Code and Capital Markets Law No. 6362, DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. selected as the independent audit firm to audit the Company for the fiscal year 2023 with the decision of the Company's Genral Assembly dated 30.03.2023.

1.4 SENIOR MANAGEMENT

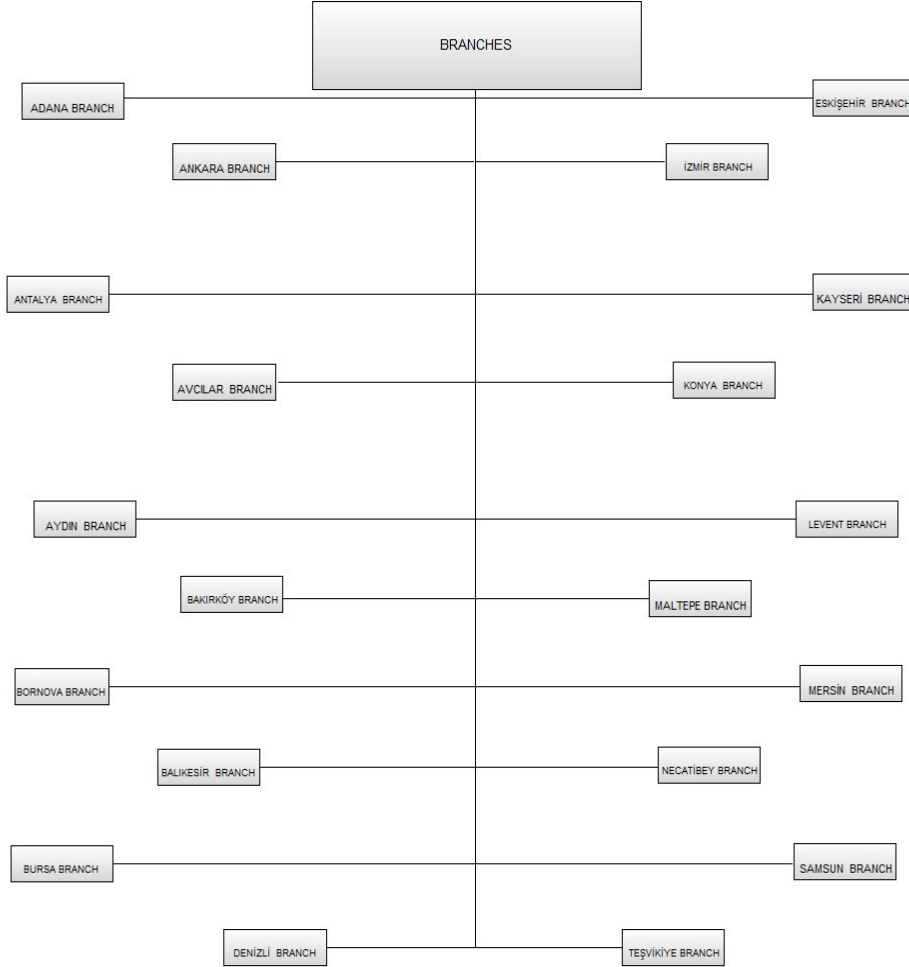
Name-Surname	Position	Responsibility Field
Oraj Özel	CEO	--
Nesrin Ekşi	Executive Vice President	Financial Affairs, Administrative Affairs, Human Resources, Treasury, Research
Hakan Bozyiğit	Managing Director	Investment Banking / Corporate Finance
Ahmet Can Yakar	Managing Director	Investment Banking / Project Finance

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 21.993.649-TL as of 31.12.2023.

4. GLOBAL EVALUATION

A wide range of macro and geopolitical drivers at home and abroad shaped direction in the financial and stock markets. Local macro factors remained vital, in helping balance investor sentiment, maintaining interest for the stock market; and also expectations, encouraging investor appetite. Turkey's transition to conventional macro policies, being confirmed by a significant fall in its CDS, and by the rise in CBRT reserves, have been the key determinants of market action.

S&P's outlook upgrade on Turkey to "positive" from "stable" have encouraged investment sentiment. The economy team's meeting agenda was busy. Along with Treasury and Finance Minister, the CBRT Governor held several meetings with global investment houses.

Amid high inflation, the negative real interest rate gap has narrowed, with local alternative investment assets tending to become attractive. These have limited appetite for the stock market, keeping transactions short-term, and suggesting interim profit-taking and weakness.

Ultimately, driven mainly by global geopolitical uncertainty, the BIST100 returned part of its previous gains, losing 10.3% qoq. The benchmark BIST100 traded between a high of 8,563 and a low of 7,203 points in the quarter. The average daily trading volume, losing its pace in 4Q23, declined 33% qoq. Many investors absent for the holiday season was also among reasons of this decline.

Bonds were bought in 4Q23 qoq, except for the 2Y issue bond that was sold. The 2-year benchmark bond was sold to the highest of the 4Q23 at 42.40%. The 10-year issue was bought to the lowest of the 4Q23 at 25.23%, and the 5-year issue was bought to the lowest of the 4Q23 at 22.33%. The TRL was sold against hard currencies. Following a total of TRL183.4bn redemption to the market in 4Q23, the Treasury plans a total of TRL393.5bn redemption to the market in 1Q24.

The CBRT increased the policy rate by a total of 1,250bp in the quarter to 42.5%. In total, there had been seven consecutive tightening since the appointment of the new CBRT Governor. Following the 650bp hike in June, the 250bp hike in July, the 750bp hike in August, the 500bp hike in September, the 500bp hike in October, the 500bp hike in November, and the 250bp hike in December. The CBRT said that "Assessing that monetary tightness is significantly close to the level required to establish the disinflation course, the Committee reduced the pace of monetary tightening. The Committee anticipates to complete the tightening cycle as soon as possible. The

monetary tightness will be maintained as long as needed to ensure sustained price stability.”

December CPI rose 2.93% mom, and 64.77% yoy. PPI rose 1.14% mom, and 44.22% yoy. Core inflation rose by 2.31% mom, and 70.64% yoy.

The December C/A balance printed a deficit at US\$2.1bn. The C/A balance produced a deficit at US\$45.2bn in 2023, vs. US\$49.1bn in 2022.

The December seasonally adjusted unemployment rate fell to 8.8%, down by 10bp mom. The participation rate became 53.5%, up by 50bp mom. Youth unemployment rate declined by 80bp mom to 15.5%.

Budget printed a deficit at TRL843bn in December, expanding from a deficit at TRL122bn in the same month of the previous year. The primary balance printed a deficit at TRL800bn in December. In 2023, the budget printed a deficit of TRL1,375bn.

The seasonally adjusted December CUR rose by 90bp yoy, while down by 20bp mom, printing at 77.3%.

The 2023 foreign trade deficit of US\$106.0bn printed below the target in the Midterm Programme, and narrowed 3.2% from 2022. The 2023 exports became US\$255.8bn, up 0.6% yoy. The 2023 imports became US\$361.8bn, declining 0.5% yoy. And, in 2023, exports/imports ratio printed at 70.7%, up from 69.9% in 2022.

The December industrial production (IP) rose 2.4% mom. In 2023, IP increased by 1.6% from 2022.

5. ACTIVITIES OF THE YEAR 2023

ICBC Turkey Securities has followed a cautious approach in 2023 just like in the past. Customer number increased %7 compared to same period of last year. Related to the activities of 2023;

Equity Trading Volume	215,13 Billion TL
Share of Transactions Over Internet in Commission Incomes	64,41%
Shareholders' Equity	495,82 Million TL
Net Interest Income From Margin Trading	360,92 Million TL
Commission Income From Equity Trading	68,06 Million TL
Commission Income From Derivatives Trading	2,00 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. 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

In 2Q 2023 period of the Company, routine inspection activities were carried out by;

In accordance with the sixth paragraph of article 77 of the Capital Markets Law, İstanbul Takas ve Saklama Bankası Anonim Şirketi

and Borsa İstanbul Anonim Şirketi.

There was no public audit in the 4th quarter.

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 our Company is 107 as of 31.12.2023. 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

As at the end of 2023 December, there is 1.249-TL donation amount.

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