

ICBC TURKEY YATIRIM MENKUL DEĞERLER A.Ş.

ACTIVITY REPORT

01 JANUARY 2024 – 31 MARCH 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 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.

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 at most 8 and was approved at the Ordinary General Assembly meeting held on 30.05.2024. Since the terms of office of the current board members expired as of March 25, 2024, 8 members were elected at the general assembly dated May 30, 2024, to serve for a period of 1 year.

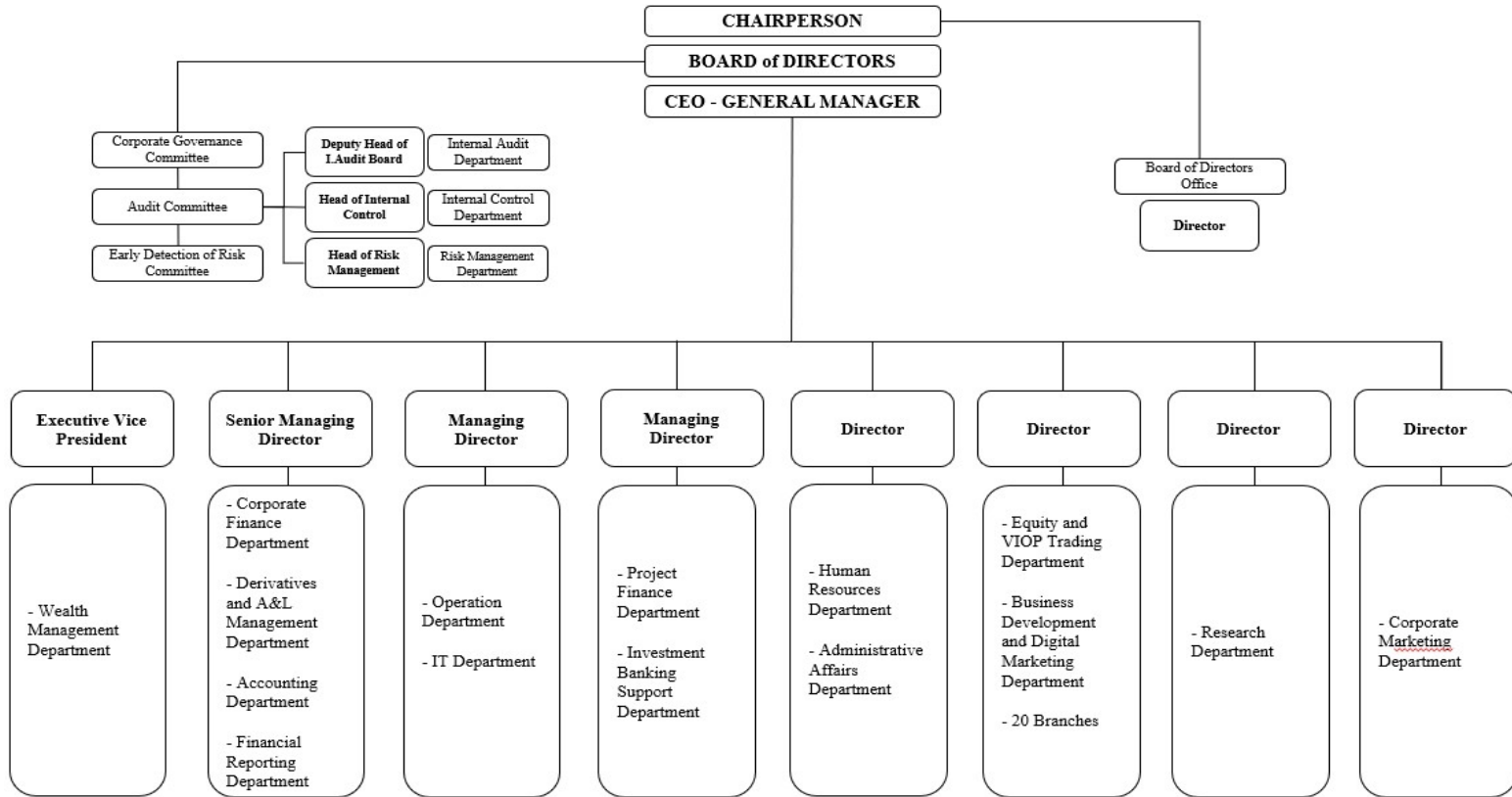
In accordance with the article 399 of the Turkish Commercial Code and Capital Markets Law No. 6362, DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. selected as the independent audit firm to audit the Company for the fiscal year 2024 with the decision of the Company's Genral Assembly dated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

1.4 SENIOR MANAGEMENT

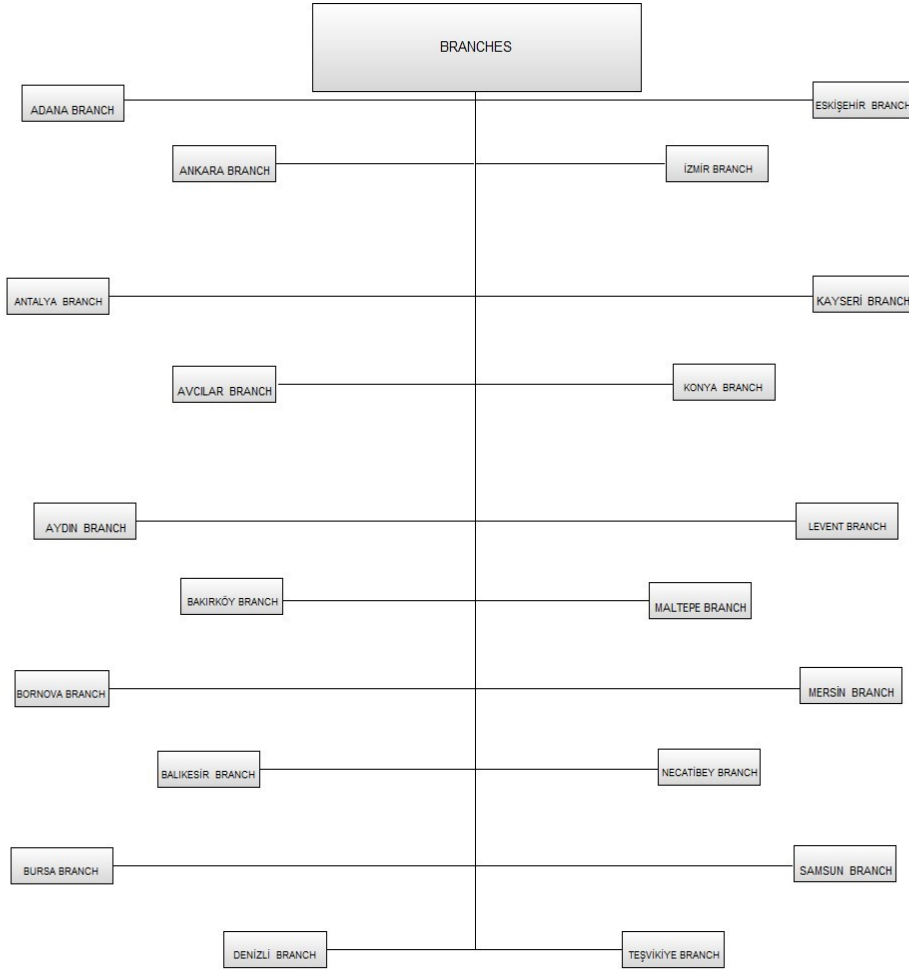
Name-Surname	Position	Responsibility Field
Oraj Özel	CEO	--
Nesrin Ekşi	Executive Vice President	Wealth Management Department
Hakan Bozyiğit	Managing Director	Investment Banking- Corporate Finance / Derivatives and A&L Management / Accounting / Financial Reporting
Ahmet Can Yakar	Managing Director	Investment 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 7.798.089-TL as of 31.03.2024.

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, have been the key determinants of market action.

The S&P's credit rating upgrade on Turkey to 'B+' from 'B' has encouraged investment sentiment.

Amid the familiar impact of high inflation, the negative real interest rate environment was supportive, sustaining appetite for stocks, with local alternative investment assets tending to become attractive.

Ultimately, driven mainly by promising macro outlook, confirmed by the credit rating outlook and credit rating upgrades, the BIST100 was bought 22.4% qoq. The Benchmark BIST100 traded between a high of 9,450 points and a low of 7,387 points in the quarter. The average daily trading volume, re-gaining its momentum in 1Q24, rose 12% qoq.

Bonds were all sold in 1Q24 qoq. The 2-year benchmark bond was sold to the highest of the 1Q24 at 48.16%. The 10-year issue was sold to the highest of the 1Q24 at 28.37%, and the 5-year issue was sold to the highest of the 1Q24 at 34.38%. Following a total of TRL393.5bn redemption to the market in 1Q24, the Treasury plans a total of TRL569.8bn redemption to the market in 2Q24.

The CBRT increased the policy rate by a total of 750bp in the quarter to 50.0%. In total, there had been nine tightening since the appointment of the new economy team. 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, the 250bp hike in December, the 250bp hike in January, and the 500bp hike in March were realised. And also, in March, the Committee has decided to adjust the monetary policy operational framework by setting the CBRT overnight borrowing and lending rates 300bp below and above the one-week repo auction rate, respectively. The CBRT said that "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. Consequently, disinflation will be established in the second half of 2024.”

March CPI rose 3.16% mom, and 68.5% yoy. PPI rose 3.29% mom, and 51.47% yoy. Core inflation rose 3.52% mom, and 75.21% yoy.

The February C/A balance printed a deficit at US\$3.26bn, lower than the consensus forecast at US\$3.65bn deficit. The last 12-month C/A balance produced a deficit at US\$31.84bn, narrowing considerably from the previous year. The February C/A balance narrowed from a deficit of the US\$9.03bn in the same month of previous year, while expanded from US\$2.52bn deficit the previous month.

The February unemployment rate declined to 8.7%, down by 130bp yoy, and by 30bp mom. The participation rate became 54.0%, remaining unchanged mom. The employment rate became 49.3%, up by 20bp mom. Youth unemployment rate down by 80bp mom to 15.6%. The composite measure of labour underutilization rate declined by 190 bp mom to 24.5%.

Budget printed a deficit at TRL208.9bn in March, expanding from a deficit at TRL47.2bn in the same month of the previous year. The primary balance printed a deficit at TRL134.4bn in March, expanding from TRL2.1bn deficit in the same month of previous year.

The seasonally adjusted March CUR rose by 300bp yoy, and by 20bp mom, printing at 77.2%.

The March preliminary foreign trade balance printed a deficit at US\$7.5bn; narrowing 10.3% yoy. The 1Q24 foreign trade balance printed a deficit at US\$20.4bn; narrowing 41.2% yoy. Exports printed at US\$ 22.6bn in March, narrowing 4.1% yoy. Imports was realised at US\$30.1bn in March, narrowing 5.7% yoy. Accordingly; exports/imports ratio printed at 75.0% in March 2024, up from 73.8% in the same period of previous year. Exports printed at US\$ 63.6bn in 1Q24, rising 3.6% yoy. Imports was realised at US\$84.1bn in 1Q24, narrowing 12.6% yoy.

The February IP rose 11.5% yoy, and 3.2% mom.

5. ACTIVITIES OF 2024 1Q

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

Equity Trading Volume	57,76 Billion TL
Share of Transactions Over Internet in Commission Incomes	65,02%
Shareholders' Equity	577,60 Million TL
Net Interest Income From Margin Trading	86,64 Million TL
Commission Income From Equity Trading	17,27 Million TL
Commission Income From Derivatives Trading	283,90 Thousand 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

There was no public audit in the 1st 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 the Group is 116 as of 31.03.2024. 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 March

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 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 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