ICBC Turkey Yatırım Menkul Değerler

Anonim Şirketi and Its Subsidiary

Condensed Consolidated Financial Statements
for the Three-Months Period Ended
31 March 2025 with Review Report

(Convenience Translation of the Auditor's
Report and the Condensed Consolidated Financial
Statements Originally Issued in Turkish)

KPMG

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Independent Auditor's Report on Review of Condensed Consolidated Interim Financial Information

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

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of of ICBC Turkey Menkul Değerler Anonim Şirketi (the "Company") and its subsidiary (the "Group") as at 31 March 2025, and the condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the three 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 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.

Other Matter

The consolidated financial statements of the Group as at and for the year ended 31 December 2024 were audited and the condensed consolidated interim financial information as at and for the three-month period ended 31 March 2024 were reviewed by another auditor who expressed an unmodified opinion on 27 March 2025 and unmodified conclusion on 14 June 2024, respectively.

KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.

Ebru Koçak, SMMM
Partner

12 May 2025
İstanbul, Türkiye

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 31 MARCH 2025

(Amounts expressed in TL based on the purchasing power of Turkish Liras (TL) as of 31 March 2025, unless otherwise stated.)

		Reviewed	Audited
		Current period	Prior period
	Notes	31 March 2025	31 December 2024
Assets			
Current assets			
Cash and cash equivalents	3	1.875.453.470	914.832.421
Financial investments	5	258.232.452	298.927.386
Trade receivables	4	642.087.582	640.104.698
- Trade receivables from related parties	19	*72.104.900*	*3.202.860*
- Trade receivables from third parties	*4*	*569.982.682*	*636.901.838*
Other receivables	6	72.762	41.409
- Other receivables from third parties		*72.762*	*41.409*
Prepaid expenses	6	14.511.895	13.448.850
Current period tax related assets	6	1.619	355.720
Total current assets		**2.790.359.780**	**1.867.710.484**
Non-current assets			
Financial investments	5	16.554.654	3.260.515
Other receivables		49.667.871	49.410.569
- Other receivables from third parties	*6*	*49.667.871*	*49.410.569*
Tangible assets	7	19.455.631	21.560.351
Intangible assets	8	18.521.394	18.906.052
Right-of-use assets	8	21.595.476	27.260.480
Deferred tax asset	18	29.088.440	10.995.942
Total non-current assets		**154.883.466**	**131.393.909**
Total assets		**2.945.243.246**	**1.999.104.393**

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 OF 31 MARCH 2025

(Amounts expressed in TL based on the purchasing power of Turkish Liras (TL) as of 31 March 2025, unless otherwise stated.)

	Notes	Reviewed Current period 31 March 2025	Audited Prior period 31 December 2024
Liabilities		2.071.723.739	1.103.479.281
Current liabilities			
Short-term borrowings	10	156.312	-
Lease liabilities		29.214.441	22.065.820
Trade payables	4	1.874.194.505	963.158.768
- Trade payables from related parties	*19*	*586.681*	*645.558*
- Trade payables from third parties	*4*	*1.873.607.824*	*962.513.210*
Short-term provisions		85.935.192	44.806.122
- Provisions for employee benefits	*11*	*56.429.903*	*43.950.459*
- Other short-term provisions (provisions for payables)	*6*	*29.505.289*	*855.663*
Other Current Liabilities	6	34.884.984	20.028.919
Current period tax liability	18	22.833.302	25.605.919
Total current liabilities		**2.047.218.736**	**1.075.665.548**
Non-current liabilities			
Long-term provisions		24.505.003	27.813.733
- Provisions for employee benefits	*11*	*24.505.003*	*27.813.733*
Total non-current liabilities		**24.505.003**	**27.813.733**
Equity Attributable to Equity Holders of the Parent			
Paid in capital	12	76.000.000	76.000.000
Share capital adjustment differences	12	772.576.134	772.576.134
Other comprehensive income or expenses that will not be reclassified to profit or loss		(14.375.497)	(14.375.497)
- Actuarial loss related to pension plans	*11*	*(14.375.497)*	*(14.375.497)*
Restricted reserves appropriated from profit	12	73.867.842	73.867.842
Prior period's profit/loss	12	(12.443.367)	(119.608.852)
Net profit for the period		(22.105.605)	107.165.485
Total equity		**873.519.507**	**895.625.112**
Total liabilities and equity		**2.945.243.246**	**1.999.104.393**

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 PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 1 JANUARY – 31 MARCH 2025

(Amounts expressed in TL based on the purchasing power of Turkish Liras (TL) as of 31 March 2025, unless otherwise stated.)

	Notes	Reviewed 1 January - 31 March 2025	Reviewed 1 January - 31 March 2024
Statement of profit or loss			
Sales	13	1.952.805.861	936.916.277
Service income	13	96.674.126	161.551.609
Cost of sales (-)	13	(1.923.598.446)	(933.576.181)
Gross profit from operations		**125.881.541**	**164.891.705**
Interest income from operations	13	99.982.746	127.306.054
Gross profit from finance sector activities		**99.982.746**	**127.306.054**
Gross profit		**225.864.287**	**292.197.759**
General administrative expenses (-)	14	(155.832.008)	(117.473.012)
Other operating income	15	440.430	24.689.928
Other operating expenses (-)	15	(6.010.498)	(18.194.159)
Operating profit		**64.462.211**	**181.220.516**
Financial income	16	1.831.864	8.827.684
Financial expenses (-)	17	(1.960.805)	(29.620.687)
Net monetary (loss)/gain		(81.305.365)	(89.775.958)
Profit before tax from continuing operations		**(16.972.095)**	**70.651.555**
Tax (expense) / income from continuing operations		**(5.133.510)**	**(60.828.884)**
Current tax expense	18	(23.226.008)	(56.195.633)
Deferred tax (expense) / income	18	18.092.498	(4.633.251)
Profit for the period from continuing operations		**(22.105.605)**	**9.822.671**
Other comprehensive income		-	-
Defined benefit plans remeasurement earnings		-	-
Tax (expense) / income on other comprehensive income		-	-
Total comprehensive income		**(22.105.605)**	**9.822.671**

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 1 JANUARY – 31 MARCH 2025

(Amounts expressed in TL based on the purchasing power of Turkish Liras (TL) as of 31 March 2025, unless otherwise stated.)

				Accumulated Other Comprehensive Income and Expenses not to be Reclassified to Profit or Loss		Retained Earnings		
	Notes	Paid-in Capital	Capital Adjustment Differences	Actuarial Gain/(Loss) on Retirement Plans	Restricted Reserves Appropriated From Profit	Prior Years' Profit/Loss	Net Profit/Loss for the Period	Total Equity
Opening balance as of 1 January 2024	12	76.000.000	772.576.134	(14.964.602)	73.867.842	(38.946.431)	(80.662.421)	787.870.522
Other Comprehensive Income		-	-	-	-	-	9.822.671	9.822.671
Amounts transferred to Retained Earnings		-	-	-	-	(80.662.421)	80.662.421	-
Amounts transferred to reserves		-	-	-	-	-	-	-
Balance as of 31 March 2024		76.000.000	772.576.134	(14.964.602)	73.867.842	(119.608.852)	9.822.671	797.693.193

	Notes	Paid-in Capital	Capital Adjustment Differences	Actuarial Gain/(Loss) on Retirement Plans	Restricted Reserves Appropriated From Profit	Prior Years' Profit/Loss	Net Profit/Loss for the Period	Total Equity
Opening balance as of 1 January 2025	12	76.000.000	772.576.134	(14.375.497)	73.867.842	(119.608.852)	107.165.485	895.625.112
Other Comprehensive Income		-	-	-	-	-	(22.105.605)	(22.105.605)
Amounts transferred to Retained Earnings		-	-	-	-	107.165.485	(107.165.485)	-
Amounts transferred to reserves		-	-	-	-	-	-	-
Balance as of 31 March 2025		76.000.000	772.576.134	(14.375.497)	73.867.842	(12.443.367)	(22.105.605)	873.519.507

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 1 JANUARY – 31 MARCH 2025

(Amounts expressed in TL based on the purchasing power of Turkish Liras (TL) as of 31 March 2025, unless otherwise stated.)

	Notes	Reviewed 1 January - 31 March 2025	Reviewed 1 January- 31 March 2024
A. Cash flows from operating activities		**933.810.822**	**(116.230.686)**
Profit/(loss) for the period		**(22.105.605)**	**9.822.671**
Adjustments to reconcile net profit for the period		**(61.906.520)**	**(310.462.939)**
Adjustment related to depreciation and amortization	7,8	3.996.537	3.526.016
Adjustment related to provision for expected credit loss		(1.258.156)	(13.612.040)
Adjustment related to provision for unused vacation	11	17.894.145	11.900.229
Adjustment related to employment termination benefits	11	216.553	1.077.630
Adjustment related to provision for personnel bonus liability	11	(2.801.863)	(39.591.505)
Adjustment related to financial income from operations		(99.982.746)	(158.063.900)
Adjustment related to non-operating financial expenses		1.960.805	29.620.687
Adjustments related to deferred tax income / expense	18	(18.092.498)	4.633.251
Adjustments related to tax expense for the period		23.226.008	56.195.633
Monetary gain / (loss)		12.934.695	(206.148.940)
Changes in working capital		**945.877.242**	**98.339.608**
Financial investments (Financial assets at fair value through profit or loss)	5	13.027.374	(84.677.968)
Adjustments related to increase/decrease in trade receivables from related parties		(69.194.870)	(169.853.585)
Adjustments related to increase/decrease in other trade receivables		8.688.801	(414.625.393)
Adjustments related to increase/decrease in customer assets		(70.123.529)	(530.729.354)
Adjustments related to increase/decrease in other receivables		(7.054.473)	36.301.040
Adjustments related to increase/decrease in trade payables		999.083.760	1.182.220.467
Adjustments related to increase/decrease in other liabilities and provisions		72.928.940	82.247.620
Employment termination benefits paid	11	(982.342)	(1.907.341)
Leave compensations paid	11	(496.419)	(635.878)
Adjustments related to increase/decrease in blocked deposits		-	-
Cash flows from operating activities		**71.945.705**	**86.069.975**
Interests and commissions paid		(1.960.805)	(29.620.687)
Interests received		99.905.135	127.170.867
Taxes paid	18	(25.998.625)	(11.480.205)
B. Cash flows from investing activities		**(119.072)**	**(811.082)**
Cash outflows from the purchase of tangible assets and intangible assets	7,8	(119.072)	(811.082)
Cash inflows from the sale of tangible assets and intangible assets		-	-
C. Cash flows from financing activities		**156.312**	**185.749.651**
Changes in financial liabilities		156.312	185.749.651
Net increase/decrease in cash and cash equivalents before the effect of foreign currency conversion differences (A+B+C)		**933.848.062**	**68.707.883**
D. Effects of change in foreign exchange rate on cash and cash equivalents		**39.055.943**	**30.757.845**
E. Inflation effect on cash and cash equivalents		**(83.739.273)**	**(83.574.020)**
Net increase/decrease in cash and cash equivalents (A+B+C+D+E)		**889.164.732**	**15.891.708**
F. Cash and cash equivalents at the beginning of the period	3	**571.014.023**	**507.007.870**
Cash and cash equivalents at the end of the period (A+B+C+D+E+F)	3	**1.460.178.755**	**522.899.578**

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

1. Organization and operations of the Group

ICBC Turkey Yatırım Menkul Değerler Anonim Şirketi ("the Company"), formerly Tekstil Menkul Değerler Anonim Şirketi, was established on 5 December 1996 and started its operations on 10 January 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,
d) Individual portfolio management,
e) Investment advice,
f) Underwriting of capital market instruments on a firm commitment basis,
g) Placing of financial instruments without a firm commitment basis,
h) Operation of multilateral trading systems and regulated markets other than exchanges
i) Safekeeping and administration of capital market instruments in the name of customers and portfolio custody services.
j) Conducting other services and activities to be determined by the Board.
Ancillary Services: The ancillary services that may be carried out by investment firms in connection with their authorizations for investment services and activities are as follows:

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,
d) Providing services in relation to the conduct of underwriting,
e) Providing intermediary services for obtaining financing by borrowing or through other means,
f) Wealth management and financial planning,
g) Conduct of other services and activities to be determined by the Board

1. Organization and operations of the Group (continued)

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 Group has 113 employees as of 31 March 2025 (31 December 2024: 99).

Information on subsidiary

As of 31 March 2025, 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.

2. Basis of presentation of the financial statements

2.1. Basis of presentation

2.1.1 Basis of Measurement

The financial statements have been prepared on the historical cost basis except for assets and liabilities that are measured at fair values. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

Restatement of financial statements during periods of high inflation

The financial statements and related figures for previous periods have been restated for changes in the general purchasing power of the functional currency and, consequently, the financial statements and related figures for previous periods are expressed in terms of the measuring unit current at the end of the reporting period in accordance with TAS 29 "Financial Reporting in Hyperinflationary Economies".

TAS 29 applies to the financial statements, including the consolidated financial statements, of each entity whose functional currency is the currency of a hyperinflationary economy. If an economy is subject to hyperinflation, TAS 29 requires an entity whose functional currency is the currency of a hyperinflationary economy to present its financial statements in terms of the measuring unit current at the end of the reporting period.

As at the reporting date, entities operating in Turkey are required to apply TAS 29 "Financial Reporting in Hyperinflationary Economies" for the reporting periods ending on or after 31 December 2023, as the cumulative change in the general purchasing power of the last three years based on the Consumer Price Index ("CPI") is more than 100%.

POA made an announcement on 23 November 2023 regarding the scope and application of TAS 29. It stated that the financial statements of the entities applying Turkish Financial Reporting Standards for the annual reporting period ending on or after 31 December 2023 should be presented in accordance with the related accounting principles in TAS 29, adjusted for the effects of inflation.

2 Basis of Presentation of the Financial Statements *(continued)*

2.1. Basis of Presentation *(continued)*

2.1.1. Basis of Measurement (continued)

Restatement of financial statements during periods of high inflation (continued)

In accordance with the CMB's decision dated 28 December 2023 and numbered 81/1820, issuers and capital market institutions subject to financial reporting regulations applying Turkish Accounting/Financial Reporting Standards are required to apply inflation accounting by applying the provisions of TAS 29 to their annual financial statements for the accounting periods ending on 31 December 2023.

In this framework, while preparing the consolidated financial statements dated 31 March 2025 inflation adjustment has been made in accordance with TAS 29.

The table below shows the inflation rates for the relevant years calculated by taking into account the Consumer Price Indices published by the Turkish Statistical Institute ("TURKSTAT"):

Date	Index	Adjustment Coefficient
31 March 2025	2.954,69	1,00000
31 December 2024	2.684,55	1,10063
31 March 2024	2.139,47	1,38103

The main lines of TAS 29 indexation transactions are as follows:

- As of the reporting date , all items other than those stated in terms of current purchasing power are restated by using the relevant price index coefficients. Prior year amounts are also restated in the same way.

- Monetary assets and liabilities are expressed in terms of the purchasing power at the balance sheet date and are therefore not subject to restatement. Monetary items are cash and items to be received or paid in cash.

- Fixed assets excluding buildings , subsidiaries and similar assets are indexed to their acquisition values, which do not exceed their market values. Depreciation has been adjusted in a similar manner. Amounts included in shareholders' equity have been restated by applying general price indices for the periods in which they were contributed to or arose within the Company.

- All items in the income statement, except for the effects of non-monetary items in the balance sheet on the income statement, have been restated by applying the multiples calculated over the periods when the income and expense accounts were initially recognized in the financial statements.

- The gain or loss arising on the net monetary position as a result of general inflation is the difference between the adjustments to non-monetary assets, equity items and income statement accounts. This gain or loss on the net monetary position is included in net profit.

The impact of the application of TAS 29 "Inflation Accounting" is summarized below:

2 Basis of Presentation of the Financial Statements *(continued)*

2.1. Basis of Presentation *(continued)*

2.1.1. Basis of Measurement (continued)

Restatement of financial statements during periods of high inflation (continued)

Restatement of the Statement of Financial Position

Amounts in the statement of financial position that are not expressed in terms of the measuring unit current at the end of the reporting period are restated. Accordingly, monetary items are not restated because they are expressed in the currency of the reporting period. Non-monetary items are required to be restated unless they are expressed in terms of the currency in effect at the end of the reporting period.

The gain or loss on the net monetary position arising on restatement of non-monetary items is recognized in profit or loss and presented separately in the statement of comprehensive income.

Restatement of the Statement of Profit or Loss

All items in the statement of profit or loss are expressed in terms of the measuring unit current at the end of the reporting period. Therefore, all amounts have been restated by applying changes in the monthly general price index. Depreciation and amortization expenses have been restated using the restated balances of property, plant and equipment, intangible assets, investment property and right-of-use assets.

Restatement of Statement of Cash Flows

All items in the statement of cash flows are expressed in terms of the measuring unit current at the end of the reporting period.

Comparative figures

Relevant figures for the previous reporting period are restated by applying the general price index so that the comparative financial statements are presented in the measuring unit applicable at the end of the reporting period. Information disclosed for prior periods is also expressed in terms of the measuring unit current at the end of the reporting period.

2.1.2. Statement of Compliance to Turkish Financial Reporting Standards ("TFRS")

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").

In addition, the financial statements are presented in accordance with the "Announcement on TFRS Taxonomy" published by the POA on 15 April 2019, and the formats specified in the Financial Statements Examples and User Guidelines published by the CMB.

Approval of financial statements

The consolidated financial statements were approved by the Board of Directors of the Group on 12 May 2025. The Group's General Assembly and relevant regulatory bodies have the right to change these financial statements.

2. Basis of Presentation of the Financial Statements *(continued)*

2.1. Basis of Presentation *(continued)*

2.1.3. Basis of preparation of the 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.

2.1.4. 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.

2.1.5. Going concern

The consolidated financial statements have been prepared on a going concern basis, with the assumption that the Group will benefit from its assets and fulfill its obligations in the next year and in the natural course of its activities.

2.1.6. Currency Used

The financial statements of each entity 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 consolidated financial statements, the result and financial position are expressed in Turkish Lira ("TL"), which is the functional currency of the Company and the presentation currency of the consolidated financial statements.

2.1.7 Comparative Information and Restatement of Prior Periods' Financial Statements

The consolidated financial statements of the Group are prepared in comparison with the prior period in order to allow the determination of financial position and performance trends. In order to comply with the presentation of the current period consolidated financial statements, comparative information is reclassified when necessary and important differences are explained.

2.2. Changes in accounting policies

Any change in the accounting policies resulted from the first-time adoption of a new TAS/TFRS is made either retrospectively or prospectively in accordance with the transition requirements of TAS/TFRS. Changes without any transition requirement, material changes in accounting policies or material errors are corrected, retrospectively by restating the prior period financial statements. The Group has not made any policy changes in the current period.

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

2.3. New and Amended Turkish Financial Reporting Standards

Standards, amendments, and interpretations that are issued but not effective as of 31 March 2025:
TFRS 17 – Insurance Contracts

On 16 February 2019, Public Oversight Accounting and Auditing Standards Authority (POA) issued TFRS 17 Insurance Contracts. This first truly globally accepted standard for insurance contracts will help investors and others better understand insurers' risk exposure, profitability and financial position. TFRS 17 replaces TFRS 4, which was brought in as an interim Standard in 2004. TFRS 4 has given companies dispensation to carry on accounting for insurance contracts using national accounting standards, resulting in a multitude of different approaches. As a consequence, it is difficult for investors to compare and contrast the financial performance of otherwise similar companies. TFRS 17 solves the comparison problems created by TFRS 4 by requiring all insurance contracts to be accounted for in a consistent manner, benefiting both investors and insurance companies. Insurance obligations will be accounted for using current values – instead of historical cost. The information will be updated regularly, providing more useful information to users of financial statements. In accordance with the 'Communiqué Amending the Communiqué on Insurance Uniform Chart of Accounts and Prospectus' published in the Official Gazette dated 29 December 2023 and numbered 32414 by the Insurance and Private Pension Regulatory and Supervisory Authority ('SEDDK'), the effective date of TFRS 17, which had previously been postponed until the reporting periods beginning on or after 1 January 2025 for the statutory financial statements of insurance companies, has been further deferred through the communiqué dated 27 December 2024 by replacing the reference to '2025' with '2026'. Accordingly, the effective date of TFRS 17 has been revised to the reporting periods beginning on or after 1 January 2026.
The Group does not expect that application of TFRS 17 will have significant impact on its consolidated financial statements.

Initial Application of TFRS 17 and TFRS 9—Comparative Information (Amendment to TFRS 17)

In December 2021, International Accounting Standards Board (IASB) issued Initial Application of IFRS 17 and IFRS 9—Comparative Information (Amendment to IFRS 17). Related changes were published by POA as Amendments to TFRS 17 on 31 December 2021.

The amendment is a transition option relating to comparative information about financial assets presented on initial application of TFRS 17. The amendment is aimed at helping entities to avoid temporary accounting mismatches between financial assets and insurance contract liabilities, and therefore improve the usefulness of comparative information for users of financial statements. TFRS 17 incorporating the amendment is effective for annual reporting periods beginning on or after 1 January 2026.

The Group does not expect that application of these amendments to TFRS 17 will have significant impact on its consolidated financial statements.

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

2.3. New and Amended Turkish Financial Reporting Standards (continued)

Amendments to TFRS 4: Applying TFRS 9 Financial Instruments with TFRS 4 Insurance Contracts

TFRS 4 has also been amended by POA within the amendments issued by IASB in order to reduce the impact of the differing effective dates of the new insurance contracts standard and TFRS 9. These amendments to TFRS 4 provide two optional solutions for insurers to reduce concerns about implementations: i) when applying TFRS 9 by insurers to its financial assets, an insurer will be permitted to reclassify the difference between profit or loss and other comprehensive income and the amounts recognised in profit or loss under TFRS 9 and those that would have been reported under TAS 39; or ii) an optional temporary exemption from applying TFRS 9 for companies whose activities are predominantly connected with insurance before January 1, 2025 These companies will be permitted to continue to apply existing requirements for financial instruments in TAS 39.

The Group does not expect that application of these amendments to TFRS 4 will have significant impact on its consolidated financial statements.

<u>The new standards, amendments and interpretations that are issued by the International Accounting Standards Board ("IASB") but not issued by Public Oversight Accounting and Auditing Standards Authority ("POA")</u>

Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures

Classification of financial assets with contingent feature

The amendments introduce an additional SPPI (solely payment of principal and interest) test for financial assets with contingent features that are not related directly to a change in basic lending risks or costs – e.g. where the cash flows change depending on whether the borrower meets an ESG (environmental, social, and governance) target specified in the loan contract. This contingent financial asset's classification will be determined by the SPPI test. The SPPI test determines whether the asset should be accounted for at amortized cost or fair value.

Under the amendments, certain financial assets including those with ESG-linked features could now meet the SPPI criterion, provided that their cash flows are not significantly different from an identical financial asset without such a feature. Judgement will be required in determining whether the new test is met.

The amendments also include additional disclosures for all financial assets and financial liabilities that have certain contingent features that are:

- not related directly to a change in basic lending risks or costs; and
- are not measured at fair value through profit or loss.

Settlement by electronic payments

A company that settles its trade payable by using an electronic payment system generally derecognises its trade payable on settlement date. The amendments provide an exception for the derecognition of such financial liabilities. The exception allows the company to derecognise its trade payable before the settlement date when it uses an electronic payment system that meets all of the following criteria:

- no practical ability to withdraw, stop or cancel the payment instruction;
- no practical ability to access the cash to be used for settlement as a result of the payment instruction; and
- the settlement risk associated with the electronic payment system is insignificant.

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

2.3. New and Amended Turkish Financial Reporting Standards (continued)

Other amendments

Contractually linked instruments (CLIs) and non-recourse features

The amendments clarify the key characteristics of CLIs and how they differ from financial assets with non-recourse features. The amendments also include factors that a company needs to consider when assessing the cash flows underlying a financial asset with non-recourse features (the 'look through' test).

Disclosures on investments in equity instruments

The amendments require additional disclosures for investments in equity instruments that are measured at fair value with gains or losses presented in other comprehensive income (FVOCI).

The amendments apply for annual reporting periods beginning on or after 1 January 2026. Companies can choose to early-adopt these amendments (including the associated disclosure requirements), separately from the amendments for the recognition and derecognition of financial assets and financial liabilities

The Group does not expect that application of these Amendments to IFRS 9 and IFRS 7 will have significant impact on its consolidated financial statements.

IFRS 19 Subsidiaries without Public Accountability: Disclosures

Subsidiaries of companies using IFRS Accounting Standards can substantially reduce their disclosures and focus more on users' needs following the release of IFRS 19.

A subsidiary may choose to apply the new standard in its consolidated, separate or individual financial statements provided that, at the reporting date:

•it does not have public accountability;

•its parent produces consolidated financial statements under IFRS Accounting Standards.

A subsidiary applying IFRS 19 is required to clearly state in its explicit and unreserved statement of compliance with IFRS Accounting Standards that IFRS 19 has been adopted.

The amendments apply for annual reporting periods beginning on or after 1 January 2027. Earlier application is permitted.

The Group does not expect that application of IFRS 19 will have significant impact on its consolidated financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements

On 9 April 2024, IASB has issued IFRS 18 *Presentation and Disclosure in Financial Statements* that will replace IAS 1 *Presentation of Financial Statements*. It carries forward many requirements from IAS 1 unchanged.

The objective of IFRS 18 is to set out requirements for the presentation and disclosure of information in general purpose financial statements (financial statements) to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses.

IFRS 18 introduces three defined categories for income and expenses—operating, investing and financing—to improve the structure of the income statement, and requires all companies to provide new defined subtotals, including operating profit.

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

2.3. New and Amended Turkish Financial Reporting Standards (continued)

IFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027 and applies retrospectively. Early adoption is permitted.
The Group does not expect that application of IFRS 18 will have significant impact on its consolidated financial statements.

Annual Improvements to IFRS Accounting Standards- Volume 11 – Amendments to:

The annual improvements process aims to improve the clarity and internal consistency of IFRS Accounting Standards. In July 2024, the IASB issued "*Annual Improvements to IFRS Accounting Standards—Volume 11*" to make minor amendments to 5 standards.

Transaction Price (Amendments to IFRS 9: Financial Instruments) The term "transaction price" used in IFRS 9, with a meaning that is not necessarily consistent with the definition in IFRS 15, has been updated to "the amount determined by applying IFRS 15" for consistency.
Lessee derecognition of lease liabilities (Amendments to IFRS 9: Financial Instruments): If a lease liability is derecognised, then the derecognition is accounted for under IFRS 9. However, when a lease liability is modified, the modification is accounted for under IFRS 16 Leases. The IASB's amendment states that when lease liabilities are derecognised under IFRS 9, the difference between the carrying amount and the consideration paid is recognised in profit or loss.
The amendment on derecognition of lease liabilities applies only to lease liabilities extinguished on or after the beginning of the annual reporting period in which the amendment is first applied.
The amendments apply for annual reporting periods beginning on or after 1 January 2026. Earlier application is permitted.
Hedge Accounting by a First-time Adopter (Amedments to IFRS 1 First-time Adoption of International Financial Reporting Standards)

IFRS 1 is amended:

- to improve their consistency with the requirements in IFRS 9 for hedge accounting; and
- to improve the understandability.

A cross-reference to IFRS 9 in IFRS 1 "Exception to the retrospective application of other IFRSs" is added.

Gain or Loss on Derecognition (Amedments to IFRS 7 Financial Instruments: Disclosures): With this amendment, a statement is added clarifying that the guidance in IFRS 7 does not illustrate all the requirements regarding the accounting for gains and losses arising from derecognition. Additionally, the phrase "inputs that were not based on observable market data" is adjusted to "unobservable inputs" to align with IFRS 13 terminology

Disclosure of Deferred Difference between Fair Value and Transaction Price (Amedments to IFRS 7 Financial Instruments: Disclosures): The statement that was not amended after the publication of IFRS 13 in May 2011 is clarified and simplified with this change, explaining that the transaction price at initial recognition may differ from the fair value. Fair value is not supported by a quoted price in an active market for an identical asset or liability (Level 1 input) nor by a valuation technique relying solely on observable market data. (In these circumstances, the difference will be recognised in profit or loss in subsequent periods in accordance with IFRS 9.)

Credit Risk Disclosures(Amedments to IFRS 7 Financial Instruments: Disclosures): The IG1 paragraph has been revised to provide clarity, explaining that not all requirements in the referenced paragraphs of IFRS 7 are necessarily illustrated.

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

2.3. New and Amended Turkish Financial Reporting Standards (continued)

Determination of a 'De Facto Agent' (Amendments to IFRS 10 Consolidated Financial Statements)
When determining an investor whether another party is acting on its behalf, IFRS 10 is amended to use conclusive language when the parties that direct the activities of the investor have the ability to direct that party to act on the investor's behalf, judgement is required to determine whether a party is acting as a de facto agent.
Cost Method (Amendments to IAS 7): Following the removal of the term "cost method" in previous amendments, the statement in IAS 7 is adjusted from "cost method" to "accounted at cost".

Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7
In December 2024, The International Accounting Standards Board (IASB) has now amended IFRS 9 to address challenges in applying IFRS 9 to contracts referencing nature-dependent electricity – sometimes referred to as renewable power purchase agreements ("PPAs"). The amendments include guidance on:

- the 'own-use' exemption for purchasers of electricity under such PPAs; and
- hedge accounting requirements for companies that hedge their purchases or sales of electricity using PPAs.
- new disclosure requirements for certain PPAs to IFRS 7 Financial Instruments: Disclosures and IFRS 19 Subsidiaries without Public Accountability: Disclosures.

The amendments apply for reporting periods beginning on or after 1 January 2026. Early application is permitted.
Own-use Exemption for PPAs
If the own-use exemption does not apply under IFRS 9 when purchasing electricity through PPAs, PPAs are treated as derivatives, measured at FVTPL, potentially causing significant volatility in the income statement over time, especially as PPAs are often long-term agreements.
To apply the own-use exemption to a PPA, IFRS 9 currently requires companies to assess whether the contract is for receipt of electricity in line with the company's expected purchase or usage requirements – e.g. the company expects to consume the purchased electricity. Due to electricity's unique characteristics, its inability to be stored and the requirement to sell unused electricity back to the market within a short period and these sales occur due to market conditions rather than short-term price speculation, a clarification of application of own-use exemption under existing requirements was needed. The amendments allow companies to apply the own-use exemption to PPAs if they have been, and expect to continue being, net purchasers of electricity during the contract period.
These amendments apply retrospectively based on the facts and circumstances at the start of the reporting period of initial application, without requiring restatement of prior periods.

Hedge accounting requirements for PPAs
Since virtual PPAs (contracts for differences) and PPAs that do not meet the own-use exemption are accounted for as derivatives and measured at FVTPL, the hedge accounting requirements in IFRS 9 have been amended to allow applying hedge accounting for PPAs, to reduce profit or loss volatility:

- It permits companies to designate a variable nominal volume of forecasted sales or purchases of renewable electricity as the hedged transaction, rather than a fixed volume.
- It allows the measurement the hedged item using the same volume assumptions as those used for the hedging instrument.

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

2.3. New and Amended Turkish Financial Reporting Standards (continued)

The amendments apply prospectively to new hedging relationships designated on or after the date of initial application. They also allow companies to discontinue an existing hedging relationship, if the same hedging instrument (i.e. the nature-dependent electricity contract) is designated in a new hedging relationship applying the amendments.

Amendments are effective on 1 January 2025

Changes that have become effective and have been adopted for annual periods beginning on or after 1 January 2025:

1. Lack of Exchangeability – Amendments to TAS 21 The Effects of Changes in Foreign Exchange Rates

These newly adopted amendments to standards have not been a significant impact on the consolidatedfinancial statements of the Group.

2.4 Summary of Significant Accounting Policies

Financial Instruments

i. Recognition and initial measurement

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

ii. Classification and subsequent measurement

On initial recognition, a financial asset is classified as measured at: amortized cost; FVOCI (debt investment); FVOCI (equity investment); or FVTPL.

Financial instruments are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets. In which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

2 Basis of presentation of the financial statements (continued)

2.4. Summary of Significant Accounting Policies (continued)

Financial Instruments (continued)

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. An initial recognition, the Group may irrevocably designate a financial asset as measured at fair value through profit or loss if doing so eliminates or significantly reduces recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases.

Financial assets – Business model assessment:

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

Financial assets – Business model assessment (continued)

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;
- how the performance of the financial assets in the business model is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated (e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected) and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that are not eligible for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of its assets in its financial statements.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows (in other words the triggering event);

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

2.4 Summary of Significant Accounting Policies (continued)

Financial Instruments (continued)

- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable compensation for early termination of the contract.

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest (continued)

Additionally, (i) a financial asset acquired at a discount or premium to its contractual par amount, (ii) the prepayment amount substantially represents the contractual par amount and accrued (but unpaid) contractual interest, which may include reasonable additional compensation for the early termination of the contract; and (iii) initially recognizes the financial asset, the fair value of the prepayment feature is insignificant.

Financial assets – Gain or loss resulting from subsequent measurement

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
Borrowing instruments measured at fair value through other comprehensive income	These assets are subsequently measured at their fair value. Interest income, foreign currency gains and losses and impairments calculated using the effective interest method are recognized in profit or loss. Other gains and losses are recognized in other comprehensive income. When financial assets are derecognized, total gains or losses previously recognized in other comprehensive income are reclassified to profit or loss.
Equity instruments at fair value through other comprehensive income	These assets are subsequently measured at fair value. Dividends are recognized in profit or loss unless it is explicitly intended to recover part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are not reclassified to profit or loss.

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

2.4 Summary of Significant Accounting Policies *(continued)*

Financial Instruments *(continued)*

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortized cost or FVTPL.

A financial liability is classified as at FVTPL if it is classified as held-for-trading. A financial liability is classified as a financial liability held for trading if it is a derivative or designated as such at initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

iii. Derecognition

Financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognized in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

Financial liabilities

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

iv. Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

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

2.4 Summary of Significant Accounting Policies (continued)

Financial Instruments (continued)

Effects of Foreign Exchange

Transactions denominated in foreign currencies are accounted for at the exchange rates prevailing at the date of the transactions and monetary assets and liabilities denominated in foreign currencies translated by using year-end exchange rates of the Central Bank of the Republic of Turkey's bid rates. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in the profit or loss.

The foreign exchange rates used by the Company for conversion of foreign currency transactions to TL as of 31 March 2025 and 31 December 2024 are as follows:

	US Dollar	EUR	GBP	CNY	JPY
31 March 2025	**37,7656**	**40,7019**	**48,7963**	**5,1705**	**0,2501**
31 December 2024	**35,2803**	**36,7362**	**44,2073**	**4,8063**	**0,2249**

Fee and Commission Income and Expenses

Fees and commissions are generally reflected in the income statement on the date they are collected or paid. However, fund management fee commissions, portfolio management commissions and agency commissions are accounted for on an accrual basis. Stock transaction commissions are accounted for by netting off with commission returns.

Interest Income and Expense

Interest income and expenses are recognized in the income statement in the relevant period on an accrual basis. Interest income includes the revenue from coupons of fixed yield investments and the valuation of discounted government bonds on the basis of internal discount.

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

2.4 Summary of Significant Accounting Policies (continued)

Tangible Assets

All property, plant and equipment are carried with their net value after deducting accumulated depreciation over their carrying values.

Depreciation is calculated on property, plant and equipment using the straight-line method over their estimated useful lives. Estimated useful lives of these assets are as follows:

	Useful life
Furniture and fixtures	5 years
Vehicles	5 years
Leasehold improvements	5 years

Regular maintenance and repair expenses incurred for a tangible fixed asset are accounted as expense. Investment expenditures, which increase the future benefit of the tangible fixed asset by expanding its capacity, are added to the cost of the tangible fixed asset. Investment expenditures consist of cost elements such as expenses that extend the useful life of the asset, increase the service capacity of the asset, increase the quality or decrease the cost of the goods or services produced.

If the carrying value of the tangible assets in the balance sheet exceeds the estimated recoverable value, the value of the asset is reduced to its recoverable value and the provision for the impairment allocated is associated with the expense accounts. It is assessed at the end of each reporting period whether there is any indication that the impairment loss allocated in previous periods will no longer exist or may have decreased, and in case of such an indication, the asset's recoverable amount is estimated and the book value of the asset is increased to the recoverable amount determined by new estimates and impairment loss it is canceled by associating with income accounts. The book value, which increased due to the cancellation of the impairment loss, cannot exceed the book value it would have reached if the impairment loss was not accounted for the asset in the previous periods.

Profit or loss arising from the disposal of tangible assets are determined by comparing adjusted and collected amounts, and reflected in the relevant income and expense accounts in the current period.

Intangible Assets

Intangible assets include information systems and computer software. They are recorded at acquisition cost and amortized on a straight-line basis over their estimated economic lives for a period not exceeding 5 years from the date of acquisition.

Where an indication of impairment exists, the carrying amount of any intangible asset is assessed and written down immediately to its recoverable amount.

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

2.4 Summary of Significant Accounting Policies (continued)

Leases

The Group includes right-of-use assets and lease liabilities in its consolidated financial statements at the commencement date of the lease. The right-of-use asset is measured initially at cost and subsequently at cost less accumulated depreciation and accumulated impairment losses and adjusted for remeasurement of the lease liability.

At the commencement date of the lease, the lease liability is measured at the present value of the lease payments not paid at that date. Lease payments are discounted using the Group's alternative borrowing rate, if the implied interest rate in the lease can be easily determined, if not easily determined.

After the commencement date of the lease, the lessee increases the carrying amount of the lease liability to reflect the interest on the lease liability and decreases the carrying amount to reflect the lease payments made. It is remeasured in the event of a change in the lease term and in the assessment of the option to purchase the asset, and in the event of a change in the amounts expected to be paid under the residual value commitment and in the event of a change in these payments as a result of a change in the index or rate.

The Group has used its own judgment to determine the lease term for some leases that include renewal options. The assessment of whether the Group is reasonably confident to exercise such options affects the lease term; therefore, this issue affects the amounts of lease liabilities and right-of-use assets recognized.

A. Definition of leases

Previously, the Group determined at contract inception whether an arrangement was or contained a lease under TFRS 4 *"Determining Whether an Arrangement Contains a Lease"*. The Group now assesses whether a contract is or contains a lease based on the new definition of a lease. Under TFRS 16, a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. On transition to TFRS 16, the Group elected to apply the practical expedient to grandfather the assessment of which transactions are leases. Therefore, it applied TFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under TAS 17 and TFRS 4 were not reassessed. Therefore, the definition of a lease under TFRS 16 has been applied only to contracts entered into or changed on or after 1 January 2019.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative standalone prices. However, for leases of properties in which it is a lessee, the Group has elected not to separate non-lease components and will instead account for the lease and non- lease components as a single lease component.

B. As a lessee

The Group leases real estate.

As a lessee, the Group has previously classified leases as operating or finance leases based on the assessment of whether all the risks and rewards of ownership of the asset have been transferred. According to TFRS 16, the Group has not recognized the right of use assets and lease payables for the leases due to its significant effect on the financial statements.

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

2.4 Summary of significant accounting policies (continued)

Events after the reporting period

Events after the reporting period cover any events which arise between the reporting date and the balance sheet date, even if they occurred after any declaration of the net profit for the period or specific financial information publicly disclosed. The Group adjusts its financial statements if such events after the reporting period arise which require an adjustment to the financial statements. Non-adjusting events are disclosed when material.

Provisions, Contingent assets and Liabilities

Provisions are recognized when there is a legal or constructive obligation as a result of a past event as of the balance sheet date, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. In cases where the amount cannot be measured reliably enough and there is no possibility of funding for the Group to fulfil the obligation, the obligation is considered as "Contingent" and explained in the footnotes.

Related Parties

For the purpose of these financial statements, the shareholders, key management personnel and board members, in each case together with companies controlled by or affiliated with them are considered and referred to as "related parties".

Taxation on Corporate Income

Corporate tax

Corporate tax is calculated according to the Tax Procedural Law, and tax expenses except corporate tax are recognized in operating expenses. Current tax assets and current tax liabilities are offset if there is a legal right to set off or if such assets and liabilities are associated with income tax collected by the same tax authority.

Deferred tax

Deferred tax is calculated over the temporary differences between the recorded values of assets and liabilities in the financial statements and their tax values, using the liability method. In the calculation of deferred tax, the tax rates valid as of the balance sheet date are used in accordance with the current tax legislation.

Significant temporary differences mainly arise from differences between the book value of fixed assets and securities and their tax base, and provisions for employee benefits.

While deferred tax liability is calculated for all taxable temporary differences, deferred tax assets consisting of deductible temporary differences are calculated provided that it is highly probable to benefit from these differences by generating taxable profit in the future.

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

2.4 Summary of significant accounting policies (continued)

Employee Benefits

The Group accounts for severance pay and vacation pay provisions in accordance with TAS 19 "Employee Benefits" and classifies under "Employee benefits" accounts on the balance sheet.

The Group is required to make lump sum payments to the employees laid off for reasons other than retirement and resignation or those specified in the Labor Code, in accordance with the existing labor law in Turkey. Provision for employment termination benefits is recognized in the financial statements by estimating the present value of the future probable obligation under the Turkish Labour Law using actuarial assumptions (Note 11).

The Group is required to pay a contribution amount, determined by law, to the Social Security Institution on behalf of its employees. These contributions are charged on the date they accrue.

Statement of Cash Flow

For the purposes of cash flow statement, cash and cash equivalents include reserve repurchase receivables cash and due from banks with original maturity periods of less than three months.

Share capital and dividends

Ordinary shares are classified as equity. Dividends on ordinary shares are recognized in equity in the period in which they are declared.

Derivative ("TDE") transactions

TDE Preparation of financial statements requires estimates and assumptions that affect the amounts of reported assets and liabilities or disclosed contingent assets and liabilities as of the balance sheet date and the amounts of reported revenues and expenses in the relevant period. Although these estimates and assumptions are based on the best judgments and knowledge of the management, actual results may differ from these estimates and assumptions. In addition, important accounting evaluations, estimates and assumptions that need to be specified are explained in the relevant notes.

Cash collaterals given for trading in TDE are classified as trade receivables. Profits and losses resulting from the transactions made in the period are classified under other operating income. The valuation differences reflected in the income statement as a result of the valuation of open trades at market prices, the paid commissions and the interest income arising from the remaining collaterals are offset and recognized in trade receivables.

2.5. 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.

3. Cash and cash equivalents

	31 March 2025	31 December 2024
Time deposit	26.801.651	49.755.918
Demand deposit	433.391.255	340.362.405
Receivables from money markets (*)	1.416.555.000	527.266.690
Expected credit loss provision (-)	(1.294.436)	(2.552.592)
Cash and cash equivalents in statement of financial position	**1.875.453.470**	**914.832.421**

	31 March 2025	31 March 2024
Cash and cash equivalents in the statement of financial position	1.875.456.449	1.164.773.590
Less: Customer assets (**)	(416.438.044)	(658.832.515)
Less: Interest accruals (-)	(134.086)	(515.473)
Less: Expected credit loss provision (-)	1.294.436	17.473.976
Cash and cash equivalents in the statement of cash flows	**1.460.178.755**	**522.899.578**

(*) The average interest rate is %46,67 and the terms are between 5 days - 183 days.

(**) Customer assets which consist of currently not directed customer investments as at 31 March 2025, 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 of 31 March 2025, interest rates on time deposits are; 25,50% for TL (31 December 2024: 0,30% for EUR, between 0,50%-1,35% for USD, 40% for TL,). The Group holds time deposits with overnight and monthly maturities.

As of 31 March 2025 and 31 December 2024, the details of bank deposits are as follows:

	31 March 2025	31 December 2024
Time Deposit - (ICBC Turkey Bank) (Note 19)	2.515.420	22.159.077
Time Deposit Account (other banks)	24.286.231	27.596.841
Demand Deposit Account – (ICBC Turkey Bank) (Note 19)	28.194.301	19.152.393
Demand Deposit Account (other banks)	405.196.954	321.210.012
	460.192.906	**390.118.323**

4. Trade receivables and payables

Short-term trade receivables:

	31 March 2025	31 December 2024
Receivables from loan customers	511.039.436	575.475.118
Receivables from TDE	56.714.848	56.961.591
Receivables from customers	2.227.724	4.464.387
Trade receivables from related parties (Note 19)	72.104.900	3.202.860
Doubtful trade receivables	162.484	178.834
(Provision for) doubtful trade receivables	(162.484)	(178.834)
Receivables from clearing houses abroad	674	742
	642.087.582	**640.104.698**

Short-term trade payables:

	31 March 2025	31 December 2024
Payables to customers (*)	1.818.406.441	893.911.967
Other payables	55.201.383	68.601.243
Trade payables to related parties (Note 19)	586.681	645.558
	1.874.194.505	**963.158.768**

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

5. Financial investments

	31 March 2025	31 December 2024
Financial assets at fair value through profit or loss		
Financial assets at fait value through profit or loss	221.453.962	292.942.385
Stock – Istanbul Stock Exchange (ISE)	159.711	175.783
Financial assets measured at amortised cost		
Financial assets measured at amortised cost	53.173.433	9.069.733
	274.787.106	**302.187.901**

	31 March 2025	31 December 2024
Securities held for trading	**Book value**	**Book value**
Equity securities - *quoted on the stock exchange*	180.101	175.563
Investment Funds	221.273.861	292.766.822
	221.453.962	**292.942.385**

5. Financial investments (continued)

	31 March 2025	31 December 2024
Financial assets measured at amortised cost		
Government/Private sector bond	53.173.433	9.069.733
	53.173.433	**9.069.733**

Movement of financial assets measured at amortized cost	31 March 2025	31 December 2024
Opening balance (1 January)	**8.240.510**	-
Exchange rate differences in monetary assets		829.223
Purchases during the year	44.932.923	13.240.510
Disposed of through sale or redemption		(5.000.000)
Total	**53.173.433**	**9.069.733**

	31 March 2025	31 December 2024
Equity investments		
Stock – Istanbul Stock Exchange (ISE) (*)	159.711	175.783
	159.711	**175.783**

(*) As of 31 March 2025, the Group's participation rate in Borsa Istanbul is 0,0377%. The Group holds shares amounting to TL 159.711 with a nominal value of TL 15.971.094 (31 December 2024: TL 175.783 TL).

Financial assets measured at amortized cost	31 March 2025		31 December 2024	
	Amount	Effective interest rate	Amount	Effective interest rate
Government/Private sector bond	53.173.433	%40,85-%49,91	9.069.733	%55,22-%55,62
Total	**53.173.433**		**9.069.733**	

6. Other receivables and payables

As of 31 March 2025 and 31 December 2024, other receivables and payables are as follows:

Prepaid expenses

	31 March 2025	31 December 2024
Prepaid expenses	14.511.895	13.448.850
	14.511.895	**13.448.850**

As of 31 March 2025 and 31 December 2024, prepaid expenses mainly consist of authorization certificates, investors protection fund, health-life insurance, annual fees, computer and infrastructure usage expenses.

Current tax assets

	31 March 2025	31 December 2024
Prepaid taxes	1.619	355.720
	1.619	**355.720**

Other short-term receivables

	31 March 2025	31 December 2024
Receivables from personnel	72.762	41.409
	72.762	**41.409**

Other long-term receivables

As of 31 March 2025 and 31 December 2024, other long-term receivables are as follows:

	31 March 2025	31 December 2024
Deposits given	49.667.871	49.410.569
	49.667.871	**49.410.569**

Deposits given consists of guarantees given by the Group to act as an intermediary in the equity market, otc market, money market and futures and options exchange as of 31 March 2025 and 31 December 2024.

6. Other receivables and payables (continued)

Other current liabilities

	31 March 2025	31 December 2024
Tax deductions, duties and fees payable (*)	34.884.850	18.792.502
Other current liabilities	134	1.236.417
	34.884.984	**20.028.919**

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

7. Tangible assets

	Machinery and equipment	Furniture and fixtures	Other tangible assets	Total
Cost value				
1 January 2024	83.590.861	4.645.081	2.804.502	91.040.444
Additions	700.488	107.037	-	807.525
31 March 2024	**84.291.349**	**4.752.118**	**2.804.502**	**91.847.969**
1 January 2025	85.174.239	5.483.037	2.990.247	93.647.524
Additions	195.540	16.793	-	212.331
31 March 2025	**85.369.779**	**5.499.830**	**2.990.247**	**93.859.855**
Accumulated depreciation				
1 January 2024	55.439.700	4.010.283	2.440.469	61.890.452
Depreciation expense for the period	3.107.265	56.012	(17.412)	3.145.865
31 March 2024	**58.546.965**	**4.066.295**	**2.423.057**	**65.036.317**
1 January 2025	65.348.767	4.259.161	2.479.243	72.087.173
Depreciation expense for the period	2.219.385	81.871	15.798	2.317.051
31 March 2025	**67.568.152**	**4.341.032**	**2.495.041**	**74.404.224**
<u>**Net book value**</u>				
31 March 2024	25.744.384	685.823	381.445	26.811.652
31 March 2025	17.801.627	1.158.798	495.206	19.455.631

As of 31 March 2025 and 31 March 2024, the Group does not have any financial leasing assets. There are no mortgages, pledges and collaterals on tangible assets. All depreciation expenses are included in general administrative expenses.

8. Intangible assets

	Computer software
Cost value	
Opening balance, 1 January 2024	27.769.965
Additions	3.558
Closing balance, 31 March 2024	**27.773.523**
Opening balance, 1 January 2025	27.862.511
Net outflows	(93.259)
Closing balance, 31 March 2025	**27.769.252**
Accumulated amortization	
Opening balance, 1 January 2024	7.332.372
Charge for the period	380.152
Closing balance, 31 March 2024	**7.712.524**
Opening balance, 1 January 2025	8.956.459
Charge for the period	291.399
Closing balance, 31 March 2025	**9.247.858**
<u>**Net book value**</u>	
31 March 2024	20.060.999
31 March 2025	18.521.394

As of 31 March 2025 and 31 March 2024, the Group does not have any financial leasing assets. There is no mortgage, pledge or collateral on intangible assets. All redemption expenses are included in general administrative expenses.

Right-of-Use Assets

Company's right of use asset (Head Office building) is 28.404.899 TL as of 31 March 2025. The current period depreciation expense is 6.809.423 TL and the net right of use asset is TL 21.595.476 TL.(31 December 2024: 27.260.480 TL)

9. Provisions, contingent assets and liabilities

Debt provisions

As of 31 March 2025 and 31 December 2024, other short-term payables and provisions are as follows:

	31 March 2025	31 December 2024
Other provisions (*)	29.505.289	855.663
	29.505.289	**855.663**

(*) Includes corporate tax provision.

The Group does not have any contingent assets and liabilities as of 31 March 2025 (31 December 2024: None).

Commitments

As at 31 March 2025 and 31 December 2024, the details of the letters of guarantee and promissory notes are as follows:

	31 March 2025	31 December 2024
Takasbank	492.000.000	541.508.812
CMB	1.776	1.955
	492.001.776	**541.510.767**

Guarantees/Pledges/Mortgages given by the Company	31 March 2025	31 December 2024
A. Total amount of GPM given on behalf of its own legal entity	492.001.776	541.510.767
B. Total amount of GPMs given in favor of partnerships included in the scope of consolidation	-	-
C. Total amount of GPMs given to other 3rd parties for the purpose of carrying out their ordinary trade operations	-	-
D. Total amount of other GPMs given	-	-
i. Total amount of GPMs given in favor of the parent company	-	-
ii. Total amount of GPMs given in favor of other group companies that are not in the scope of B and C.	-	-
iii. Total amount of GPMs given in favor of third parties that are not in the scope of article C	-	-
Total	**492.001.776**	**541.510.767**

10. Short-term borrowings

The Group does not has bank loans as of 31 March 2025. (31 December 2024: None).

11. Employee benefits

As of 31 March 2025 and 31 December 2024, the details of the short-term employee benefits are as follows:

	31 March 2025	31 December 2024
Provision for employee benefits		
Provision for unused vacation	38.429.903	23.148.596
Provision for personnel bonus	18.000.000	20.801.863
Total short-term provisions	**56.429.903**	**43.950.459**

Movement of provision for unused vacation is as follows:

	1 January- 31 March 2025	1 January - 31 March 2024
Opening balance (1 January)	**23.148.596**	**21.792.710**
Paid during the period	(496.419)	(635.878)
Allocated provisions during the period	17.894.145	11.900.229
Inflation effect	(2.116.419)	(2.853.006)
Total	**38.429.903**	**30.204.055**

Long-term employee benefits

Provision for severance pay:

According to the Turkish Labor Law, the Group is obliged to pay severance pay to each employee who completes at least one year of service and retires after 25 years of working life (aged 58 for women, 60 for men), terminated, called for military service or passed away.

As at 1 April 2025, severance pay payable is subject to a monthly ceiling of TL 46.655,43 (31 December 2024: TL 46.655,43).

Severance pay liability is not legally subject to any funding. The provision for severance pay is calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of the employees. TAS 19 *Employee Benefits* requires the company's liabilities to be developed using actuarial valuation methods within the scope of defined benefit plans. Accordingly, the actuarial assumptions used in the calculation of total liabilities are as follows:

11. Employee benefits (continued)

Long-term employee benefits (continued)

Provision for severance pay (continued):

The main assumption is that the maximum liability amount for each year of service will increase in line with inflation. Therefore, the discount rate applied represents the expected real rate after adjusting for the effects of future inflation. Therefore, provisions in the accompanying financial statements as of 31 March 2025 are calculated by estimating the present value of the future probable obligation arising from the retirement of the employees. The provisions at the respective balance sheet dates have been calculated assuming an annual inflation rate of 21,74% and an interest rate of 26%, resulting in a real discount rate of approximately 3,50% (31 December 2024: 3,50%). Optional dismissal rates are also taken into consideration as 21,43% for employees with 0-15 years of service and 0% for employees with 16 years and more than 16 years of service. The maximum amount of TL 46.655,43 effective from 1 January 2025 has been taken into consideration in the calculation of the Group's provision for employment termination benefits (1 January 2024: TL 35.058,538).

As of 31 March 2025 and 31 December 2024, the details of long-term provisions for employee benefits are as follows:

	31 March 2025	31 December 2024
Provisions related to employee benefits		
Provision for severance pay	24.505.003	27.813.733
Total long-term provisions	**24.505.003**	**27.813.733**

Movements in the provision for severance pay during the periods are as follows:

	1 January - 31 March 2025	1 January - 31 March 2024
Opening balance (1 January)	**27.813.733**	**34.528.211**
Paid during the period	(982.342)	(1.907.341)
Service cost	109.629	2.673.342
Interest cost	106.924	(1.595.712)
Inflation effect	(2.542.941)	(4.520.282)
Total	**24.505.003**	**29.178.218**

12. Shareholder's equity

Share capital

As of 31 March 2025 and 31 December 2024, the capital structure of the Group is as follows:

	31 March 2025		31 December 2024	
	Share amount	**Share ratio (%)**	**Share amount**	**Share ratio (%)**
ICBC Turkey Bank A.Ş.	75.998.480	99,998	75.998.480	99,998
Other	1.520	0,002	1.520	0,002
Total paid-in capital	**76.000.000**	**100**	**76.000.000**	**100**
Capital inflation adjustment differences	772.576.134		772.576.134	
Total	**848.576.134**		**848.576.134**	

As of 31 March 2025, the share capital consists of 7.600.000.000 shares of having a nominal value of TL 0,01 each (31 December 2024: 7.600.000.000 shares of having a nominal value of TL 0,01).

As of 31 March 2025, the Group does not have any preferred shares. (31 December 2024: None).

Capital inflation adjustment difference

In accordance with TAS 29 "Financial Reporting in Hyperinflationary Economies", as a result of the financial statement preparations adjusted for inflation, "Paid-in Capital" is reflected in the financial position statement with its recorded value and the adjustment difference is shown in the "Share Capital Adjustment Differences" item. "Legal Reserves" is reflected in the financial position statement with their adjusted value and the adjustment difference is shown in the "Restricted Reserves Appropriated from Profit" item. "Extraordinary Reserves" and related adjustment differences are shown in the "Prior Period's Profit/Loss" account. As at 31 March 2025, the Company's positive capital restatement differences amount to TL 772.576.134 (31 December 2024: TL 772.576.134).

Value increase/ (decrease) funds

Financial assets revaluation fund

None (31 December 2024: None).

Restricted reserves appropriated from profit

The Company's restricted reserves as of 31 March 2025 is TL 73.867.842 (31 December 2024: TL 73.867.842).

13. Profit or loss

Revenue and cost of sales

The details of the Group's sales revenues and costs for the accounting periods ending on 31 March 2025 and 31 March 2024 are as follows:

	1 January – 31 March 2025	1 January – 31 March 2024
Sales		
Treasury bill/government bond/private bond sales	1.087.831.256	877.190.210
Stock sales	3.839.610	1.482.430
Investment fund	861.134.995	58.243.637
Total	**1.952.805.861**	**936.916.277**
Cost of Sales		
Treasury bills/government bond/private bond purchases	(1.085.706.668)	(875.808.617)
Stock purchases	(3.973.542)	(1.503.096)
Investment fund	(833.918.236)	(56.264.468)
Total	**(1.923.598.446)**	**(933.576.181)**

Service income

The Group's service income for the accounting periods ending on 31 March 2025 and 31 March 2024 is as follows:

	1 January- 31 March 2025	1 January- 31 March 2024
Project finance/corporate finance income	71.452.993	122.689.679
Stock buying/selling brokerage commissions	10.542.225	23.855.578
Commission income from investment funds	6.350.070	5.730.668
Tefas commission income	2.135.700	1.424.159
Over-the-Counter Transaction Revenues	1.951.610	1.238.385
Bist stock market share	1.174.325	2.052.735
Data broadcasting revenue	879.630	1.058.755
Futures brokerage commissions	621.898	392.075
Money market commission	396.308	773.767
Clearing / Settlement commission income	369.542	222.476
Overseas (ICM) income	209.074	713.998
Brokerage commission income from capital increase	59.766	94.749
Public offering brokerage commissions	35.602	13.455
Lending/borrowing commissions	31.089	-
Dividend commissions	630	1.279
Other	463.664	1.289.851
Total	**96.674.126**	**161.551.609**

13. Profit or loss (continued)

Interest income from operating activities

The details of interest income from operating activities for the periods ended 31 March 2025 and 31 March 2024 are as follows:

	1 January- 31 March 2025	1 January- 31 March 2024
Interest income from operating activities		
Interest income received from customers	91.330.213	119.651.776
Interest income from banks	8.652.533	7.654.278
Total	**99.982.746**	**127.306.054**

14. General Administrative Expenses

The Group's general administrative expenses for the interim periods ended 31 March 2025 and 31 March 2024 are as follows:

	1 January – 31 March 2025	1 January – 31 March 2024
Personnel Expenses	(112.350.491)	(80.192.747)
Communication Expenses	(8.926.567)	(8.564.541)
Subscription Expenses	(6.137.318)	(4.566.113)
Rental Expenses	(5.749.443)	(2.212.834)
Computer Usage Expenses	(5.533.167)	(3.412.609)
Building Expenses	(4.405.845)	(3.850.574)
Depreciation Expenses	(4.149.205)	(3.526.016)
Taxes, Fees and Registration Expenses	(2.742.815)	(2.086.366)
Audit and Consultancy Expenses	(1.545.077)	(2.202.918)
Transportation Expenses	(1.200.967)	(917.972)
Maintenance and Repair Expenses	(989.531)	(2.513.760)
Representation and Hospitality Expenses	(684.662)	(875.208)
Other	(1.416.920)	(2.551.354)
Total	**(155.832.008)**	**(117.473.012)**

15. Other income and expenses from operating activities

The Group's other operating income and expenses for the accounting interim periods ending on 31 March 2025 and 31 March 2024 are as follows:

Other Operating Income	1 January-31 March 2025	1 January-31 March 2024
Foreign exchange gains	438.476	24.671.230
Other	1.954	18.698
Total	**440.430**	**24.689.928**

Other Operating Expense	1 January-31 March 2025	1 January-31 March 2024
Foreign exchange loss	(1.075.459)	(17.193.619)
Other	(4.935.039)	(1.000.540)
Total	**(6.010.498)**	**(18.194.159)**

16. Finance income

	1 January-31 March 2025	1 January-31 March 2024
Valuation difference on marketable securities	651.071	6.350.643
Other	1.180.793	2.477.041
Total	**1.831.864**	**8.827.684**

17. Finance expenses

	1 January-31 March 2025	1 January-31 March 2024
Loan interest expense	(349.807)	(12.791.187)
Financial assets commission expenses	(795.770)	(16.467.698)
Commission expenses on money market	(245.542)	(361.802)
Other	(569.686)	-
Total	**(1.960.805)**	**(29.620.687)**

18. Income taxes (including deferred tax assets and liabilities)

The details of tax liability as at 31 March 2025 and 31 December 2024 are as follows:

	31 March 2025	31 December 2024
Current tax provision	23.226.008	157.251.745
Prepaid taxes and funds	(392.706)	(131.645.826)
Net	**22.833.302**	**25.605.919**

<u>Tax expense in the profit or loss statement</u>

	31 March 2025	31 March 2024
Provision for corporate tax	(23.226.008)	(56.195.633)
Deferred tax (expense)/income	18.092.498	(4.633.251)
Tax expense	**(5.133.510)**	**(60.828.884)**

The Group is subject to corporate tax valid in Turkey. Necessary provisions have been made in the accompanying financial statements for the estimated tax liabilities of the Group regarding the current period operating results. Turkish tax legislation does not allow the parent company to file a tax return on the consolidated financial statements of its subsidiaries. For this reason, tax liabilities reflected in these consolidated financial statements have been calculated separately for all companies included in the consolidation.

The corporate tax rate to be accrued on taxable corporate income is over the remaining tax base after adding the non-deductible expenses from the tax base in the determination of the commercial income and deducting the tax-exempt gains, non-taxable incomes and other deductions (if any, previous year losses and investment allowances used if preferred) is calculated.

The corporate tax rate applied in Turkey in 2024 is 30% (2023: 30%).

The Law No. 7061 on Amending Some Tax Laws and Some Other Laws was published in the Official Gazette dated 5 December 2017 and numbered 30261. With Article 89 of this Law, amendments are made to Article 5 of the Corporate Tax Law titled "Exceptions". The first paragraph of the article; With subparagraph (a), the 75% exemption applied to the profits arising from the sale of immovables that are in the assets of the institutions for two full years has been reduced to 50%. This regulation entered into force as of 5 December 2017.

Deferred tax assets and liabilities

The Group recognizes deferred tax assets and liabilities for temporary timing differences arising from the differences between the tax base legal financial statements and the financial statements prepared in accordance with TFRS. These differences are generally due to the fact that some income and expense items are included in different periods in tax base financial statements and financial statements prepared in accordance with TFRS, and these differences are stated below.

Subsidiaries with deferred tax assets are not netted off with subsidiaries with deferred tax liabilities and are shown separately, as businesses in Turkey cannot declare consolidated tax returns.

18. Income taxes (including deferred tax assets and liabilities) *(continued)*

As of 31 March 2025 and 31 December 2024, the items that give rise to the Group's deferred tax assets and liabilities are as follows:

	31 March 2025		31 December 2024	
	Accumulated temporary differences	**Deferred tax assets/ liabilities**	**Accumulated temporary differences**	**Deferred tax assets/ liabilities**
Provisions related to employee benefits	80.934.906	24.280.471	50.962.329	15.288.697
Seniority	24.505.003	7.351.500	27.813.733	8.344.119
Vacation	38.429.903	11.528.971	23.148.596	6.944.578
Bonus	*18.000.000*	5.400.000	-	-
Other debt and expense provisions	25.657.747	7.697.323	258.761	77.629
Expected credit loss provision (-)	1.297.415	389.225	2.552.593	765.777
Right-of-Use Assets	8.884.421	2.665.326	-	-
Deferred tax asset	**116.774.489**	**35.032.345**	**53.773.683**	**16.132.103**
Tangible and intangible assets	(19.551.789)	(5.865.537)	(11.925.883)	(3.577.764)
Right-of-Use Assets	-	-	(5.194.659)	(1.558.397)
Prepaid expenses	(261.227)	(78.368)	-	-
Deferred tax liability	**(19.813.016)**	**(5.943.905)**	**(17.120.542)**	**(5.136.161)**
Deferred tax net	**96.961.473**	**29.088.440**	**36.653.141**	**10.995.942**

Movement of deferred tax

	31 March 2025	**31 March 2024**
Opening - 1 January	10.995.942	29.421.829
Deferred tax expense	18.092.498	(4.633.251)
End of Period	**29.088.440**	**24.788.578**

19. Related party disclosures

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".

Receivables from related parties	31 March 2025	31 December 2024
Cash and cash equivalents		
-ICBC Turkey Bank A.Ş. - Shareholder	30.709.721	41.311.470
Trade receivables		
ICBC Dubai	72.104.900	-
Fund Management Commissions	-	3.202.860
Total	**102.814.621**	**44.514.330**

Trade payables to related parties	31 March 2025	31 December 2024
-ICBC Turkey Bank A.Ş. - Shareholder	586.681	645.558
Total	**586.681**	**645.558**

	31 March 2025	31 December 2024
Other payables and expense provisions		
-ICBC Turkey Bank A.Ş. - Shareholder	100.800	275.278
Total	**100.800**	**275.278**

Related party income/expense	1 January – 31 March 2025	1 January – 31 March 2024
Fund management fee		
-ICBC Turkey Portföy Yönetimi A.Ş.	6.332.007	5.713.479
Investment Banking Income		
-ICBC Dubai	63.142.242	115.090.069
Interest income		
-ICBC Turkey Bank A.Ş.	246.178	571.215
Rent expense		
-ICBC Turkey Bank A.Ş.	5.749.443	2.212.834
Building participation and other expenses		
- ICBC Turkey Bank A.Ş.	4.404.307	3.864.702
Commission expenses		
- ICBC Turkey Bank A.Ş.	1.838.926	2.021.413

As at 31 March 2025, letters of guarantee received from related parties amount to TL 1.776 (31 December 2024: TL 1.955).

19. Related party disclosures (continued)

Benefits provided to key management

The total amount of salaries and similar benefits provided to the Chairman and Members of the Board of Directors and Key Management in the current period is TL 12.608.276. (31 December 2024: TL 10.769.460).

20. Explanations on net monetary position gains / (losses)

As at 31 March 2025, the net monetary position gains / (losses) reported in the profit or loss statement arise from the financial statement items that are non monetary in nature, as presented below.

Non-Monetary Items	31 March 2025
Statement of Financial Position Items	**(70.448.360)**
Prepaid expenses	956.200
Fixed Assets	21.485.856
Right of use assets	1.265.456
Paid-in capital	-
Capital Adjustment Differences	-
Reserves appropriated from profit	-
Prior period's profit/loss	(94.155.872)
Statement of Profit or Loss Items	**(10.857.005)**
Revenue	(47.296.697)
Cost of sales	46.742.196
Marketing, selling and distribution expenses (-)	(469.795)
General administrative expenses	5.043.285
Other operating income	(304.906)
Other operating expenses (-)	185.743
Financial income	(2.911.492)
Financial expenses (-)	49.475
Current tax income/expense	(11.894.814)
Net Monetary Positions Gains / (Losses)	**(81.305.365)**

21. Nature and level of risks related to financial instruments

Capital management

In managing the capital, the Group's objectives are to ensure the continuity of the Group's activities in order to maintain the most appropriate capital structure in order to provide returns to its shareholders and benefit to other shareholders.

The Group monitors its capital adequacy within the framework of the Communiqué on Principles Regarding Capital and Capital Adequacy of Intermediary Institutions of the Capital Markets Board Serial: V. No: 34.

The Group's activities expose it to a variety of financial risks, including the effects of changes in debt and capital market prices, foreign exchange rates and interest rates. The Group's wholesale risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

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.

21. Nature and level of risks related to financial instruments (continued)

Credit risk (continued)

31 March 2025	Receivables				Deposits at	Financial	Money market
	Trade receivables		Other receivables		banks	investments (*)	Receivables
	Related party	Other	Related party	Other			
Maximum credit risk exposures as of report date	**72.104.900**	**569.982.682**	**-**	**72.762**	**458.898.470**	**274.447.294**	**1.416.555.000**
- Secured portion of the maximum credit risk by collaterals etc.							
A. Net book value of financial assets that are neither past due nor impaired	72.104.900	569.982.682	-	72.762	458.898.470	274.447.294	1.416.555.000
B. Net book value of financial assets of which the terms have been renegotiated or otherwise considered to be overdue or impaired	-	-	-	-	-	-	-
C. Net book value of financial assets that are past due but not impaired	-	-	-	-	-	-	-
- Secured portion of the maximum credit risk by collaterals etc.							
D. Net book value of impaired assets	-	-	-	-	-	-	-
- Past due (gross amount)	-	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-	-
- The net part under guarantee with collaterals, etc.	-	-	-	-	-	-	-
- Past due (gross amount)	-	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-	-
- The net part under guarantee with collaterals, etc.	-	-	-	-	-	-	-
E. Off-balance sheet items that include credit risks	-	-	-	-	-	-	-

(*)Includes financial investments excluding equities.

21. Nature and level of risks related to financial instruments (continued)

Credit risk (continued)

31 December 2024	Receivables				Deposits at	Financial	Money market
	Trade receivables		Other receivables		banks	investments (*)	Receivables
	Related party	Other	Related party	Other			
Maximum credit risk exposures as of report date	**3.202.860**	**636.901.838**	**-**	**41.409**	**387.565.731**	**301.836.555**	**527.266.690**
- Secured portion of the maximum credit risk by collaterals etc.							
A. Net book value of financial assets that are neither past due nor impaired	3.202.860	636.901.838	-	41.409	387.565.731	301.836.555	527.266.690
B. Net book value of financial assets of which the terms have been renegotiated or otherwise considered to be overdue or impaired	-	-	-	-	-	-	-
C. Net book value of financial assets that are past due but not impaired	-	-	-	-	-	-	-
- Secured portion of the maximum credit risk by collaterals etc.							
D. Net book value of impaired assets	-	-	-	-	-	-	-
- Past due (gross amount)	-	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-	-
- The net part under guarantee with collaterals, etc.	-	-	-	-	-	-	-
- Past due (gross amount)	-	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-	-
- The net part under guarantee with collaterals, etc.	-	-	-	-	-	-	-
E. Off-balance sheet items that include credit risks	-	-	-	-	-	-	-

(*)Includes financial investments excluding equities.

21. 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 converting foreign currency denominated assets and liabilities into Turkish Lira.

As of 31 March 2025 and 31 December 2024, the Group's the foreign currency rates used in converting foreign currency denominated transactions into TL are given in TL as follows:

	USD	EUR	GBP	Chinese Yuan	JPY
31 March 2025	37,7656	40,7019	48,7963	5,1705	0,2501
31 December 2024	35,2803	36,7362	44,2073	4,8063	0,2249

The following table as of 31 March 2025 and 31 December 2024, showing the TL denominated foreign currency assets and carrying amounts of debt held by the Group are summarized the exposure of foreign currency position.

31 March 2025	TL equivalent	USD	EUR	GBP	Chinese Yuan	JPY
Cash and cash equivalents	394.626.206	549.246	290.126	58.109	32.387	1.435.432.266
Trade receivables	-	-	-	-		-
Total assets	**394.626.206**	**549.246**	**290.126**	**58.109**	**32.387**	**1.435.432.266**
Trade payables	386.979.376	524.003	189.398	8.388	-	1.435.432.266
Total liabilities	**386.979.376**	**524.003**	**189.398**	**8.388**	-	**1.435.432.266**
Net foreign currency assets	**7.646.830**	**25.243**	**100.728**	**49.721**	**32.387**	-

31 December 2024	TL equivalent	USD	EUR	GBP	JPY
Cash and cash equivalents	336.907.726	902.527	67.105	68.272	1.195.179.536
Trade receivables	-	-	-	-	-
Total assets	**336.907.726**	**902.527**	**67.105**	**68.272**	**1.195.179.536**
Trade payables	331.419.722	845.132	34.891	28.055	1.195.179.536
Total liabilities	**331.419.722**	**845.132**	**34.891**	**28.055**	**1.195.179.536**
Net foreign currency assets	**5.488.004**	**57.395**	**32.214**	**40.217**	-

21. Nature and level of risks related to financial instruments (continued)

Sensitivity to foreign currency

As of 31 March 2025 and 31 December 2024, if the foreign exchange rates had appreciated or depreciated by 10% against the Turkish Lira, the effect of the foreign exchange gains or losses arising from the Group's assets and liabilities denominated in foreign currencies on equity and profit/loss (excluding tax effect) is shown in the table below:

	Profit / (Loss)		Equity (*)	
31 March 2025	**Appreciation of foreign currency**	**Depreciation of foreign currency**	**Appreciation of foreign currency**	**Depreciation of foreign currency**
10% change of USD against TL				
1- USD net asset/liability	95.331	(95.331)	95.331	(95.331)
2- Hedged portion of USD amounts (-)	-	-	-	-
3-USD net effect (1+2)	**95.331**	**(95.331)**	**95.331**	**(95.331)**
10% change of EURO against TL				
4- EURO net asset/liability	409.984	(409.984)	409.984	(409.984)
5- Hedged portion of EURO amounts (-)	-	-	-	-
6-EURO net effect (4+5)	**409.984**	**(409.984)**	**409.984**	**(409.984)**
10% change of GBP against TL				
7- GBP net asset/liability	242.622	(242.622)	242.622	(242.622)
8- Hedged portion of GBP amounts (-)	-	-	-	-
9- GBP net effect (7+8)	**242.622**	**(242.622)**	**242.622**	**(242.622)**
10% change of CNY against TL				
10- CNY net asset/liability	16.746	(16.746)	16.746	(16.746)
11- Hedged portion of CNY amounts (-)	-	-	-	-
12 – CNY net effect (10+11)	**16.746**	**(16.746)**	**16.746**	**(16.746)**
TOTAL (3+6+9+12)	**764.683**	**(764.683)**	**764.683**	**(764.683)**

(*) Includes profit/loss effect.

21. Nature and level of risks related to financial instruments (continued)

Sensitivity to foreign currency (continued)

	Profit / (Loss)		Equity (*)	
31 December 2024	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
10% change of USD against TL				
1- USD net asset/liability	222.869	(222.869)	222.869	(222.869)
2- Hedged portion of USD amounts (-)	-	-	-	-
3-USD net effect (1+2)	**222.869**	**(222.869)**	**222.869**	**(222.869)**
10% change of EURO against TL				
4- EURO net asset/liability	130.250	(130.250)	130.250	(130.250)
5- Hedged portion of EURO amounts (-)	-	-	-	-
6-EURO net effect (4+5)	**130.250**	**(130.250)**	**130.250**	**(130.250)**
10% change of GBP against TL				
7- GBP net asset/liability	195.681	(195.681)	195.681	(195.681)
8- Hedged portion of GBP amounts (-)	-	-	-	-
9- GBP net effect (7+8)	**195.681**	**(195.681)**	**195.681**	**(195.681)**
TOTAL (3+6+9+12)	**548.800**	**(548.800)**	**548.800**	**(548.800)**

(*) 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).

21. Nature and level of risks related to financial instruments (continued)

Fair value of financial instruments (continued)

Classification of assets and liabilities which are measured over their fair values is as follows:

		Fair value level as at reporting date		
Financial assets	**31 March 2025**	**Level 1**	**Level 2**	**Level 3**
Financial assets at fair value through profit or loss	221.613.673	221.613.673	-	-
Total	**221.613.673**	**221.613.673**	**-**	**-**

		Fair value level as at reporting date		
Financial assets	**31 December 2024**	**Level 1**	**Level 2**	**Level 3**
Financial assets at fair value through profit or loss	293.118.168	293.118.168	-	-
Total	**293.118.168**	**293.118.168**	**-**	**-**

22. Events after balance-sheet

None.