

ICBC TURKEY YATIRIM MENKUL DEĞERLER A.Ş.

ACTIVITY REPORT

01 JANUARY 2018 – 30 SEPTEMBER 2018

CONTENTS

1.	HISTORICAL DEVELOPMENT, SHAREHOLDING STRUCTURE AND ASSIGNED BOARD OF DIRECTORS FOR THE PERIOD	3
1.1	HISTORICAL DEVELOPMENT	3
1.2	SHAREHOLDING STRUCTURE	3
1.3	ASSIGNED BOARD OF DIRECTORS FOR THE PERIOD	3
2.	ORGANIZATION CHART	4
2.1	HEAD OFFICE	4
2.2	BRANCHES.....	5
3.	FINANCIAL RIGHTS PROVIDED TO THE MEMBER OF THE BOARD OF DIRECTORS AND SENIOR EXECUTIVES	6
4.	GLOBAL EVALUATION.....	6
5.	9 MONTH ACTIVITIES IN 2018	7
6.	COMPANY’S RESEARCH AND DEVELOPMENT ACTIVITIES	7
7.	RISKS AND THE EVALUATION OF THE MANAGEMENT.....	7
8.	HUMAN RESOURCE AND REMUNERATION POLICIES.....	8
9.	MATTERS REGARDING DIVIDEND DISTRIBUTION POLICY	8
10.	AID AND DONATIONS.....	8
11.	OTHER MATTERS.....	8
12.	CONTACT INFORMATION	9

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

1.1 HISTORICAL DEVELOPMENT

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

ICBC Turkey Securities provides investment banking and brokerage services to its corporate and retail clients through its 21 branches and the Head Office departments. ICBC Turkey Securities is the bridge between corporates from China and Turkey for their M&A needs meanwhile targeting to become a leading financial advisor in Turkey for project finance and structured finance solutions for top corporates. The company provides its clients investment alternatives via different mutual funds and asset management alternatives with different risk and return values. Through public offering activities, ICBC Turkey Securities provides a meeting point for both investors and corporates; meanwhile, creating financial solutions via bonds and commercial paper issue for corporate customers. Providing daily, weekly reports and equity analysis services to its clients with its experienced research team, ICBC Turkey Securities assist to its domestic and international clients to invest in Turkish market.

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

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

1.2 SHAREHOLDING STRUCTURE

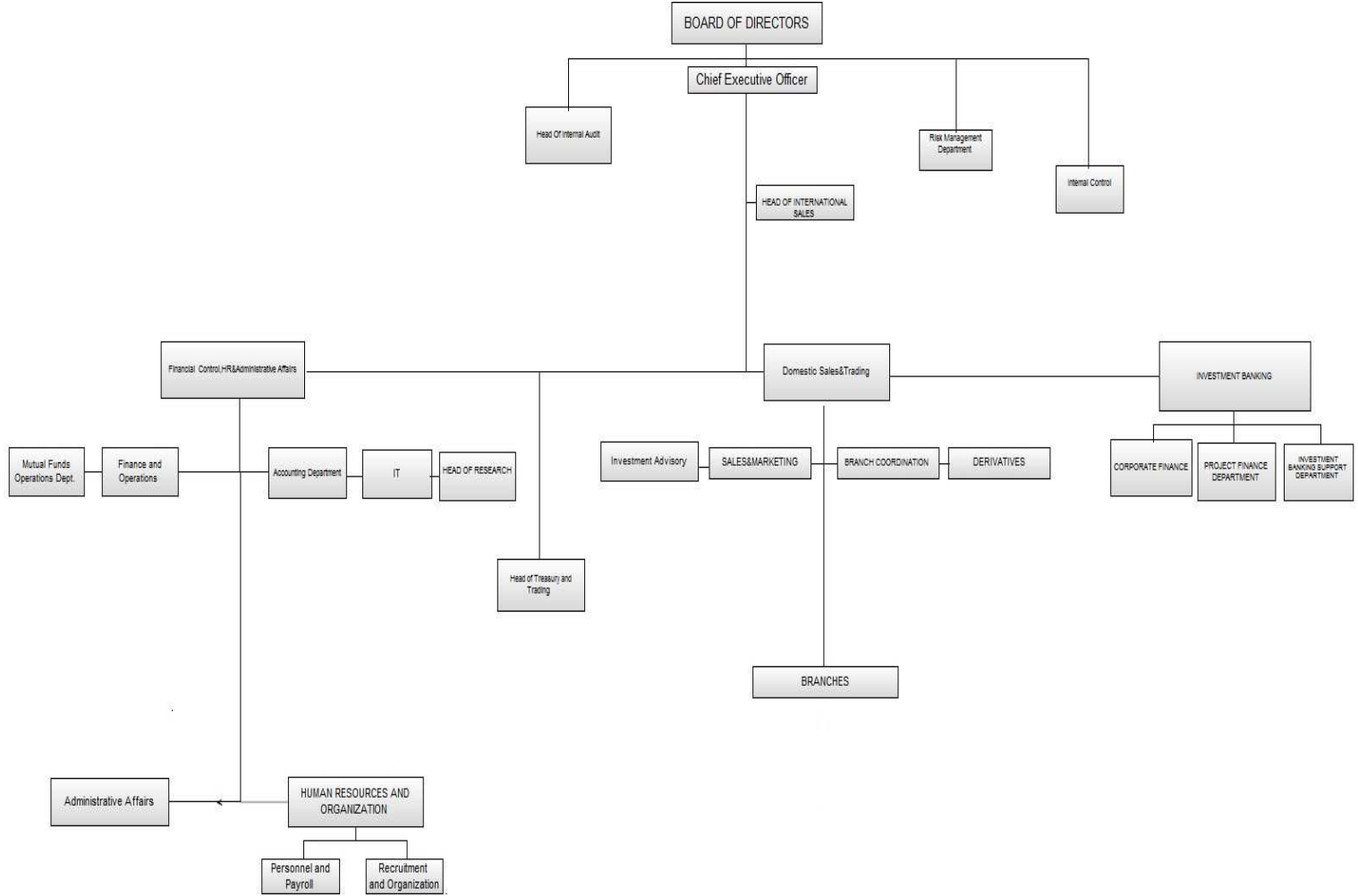
SHAREHOLDERS	SHARE AMOUNT	%
ICBC Turkey Bank A.Ş.	75.998.480,00	99,998
Ragıp Akin	760,00	0,001
Nuri Akin	760,00	0,001
Total	76.000.000,00	100,00

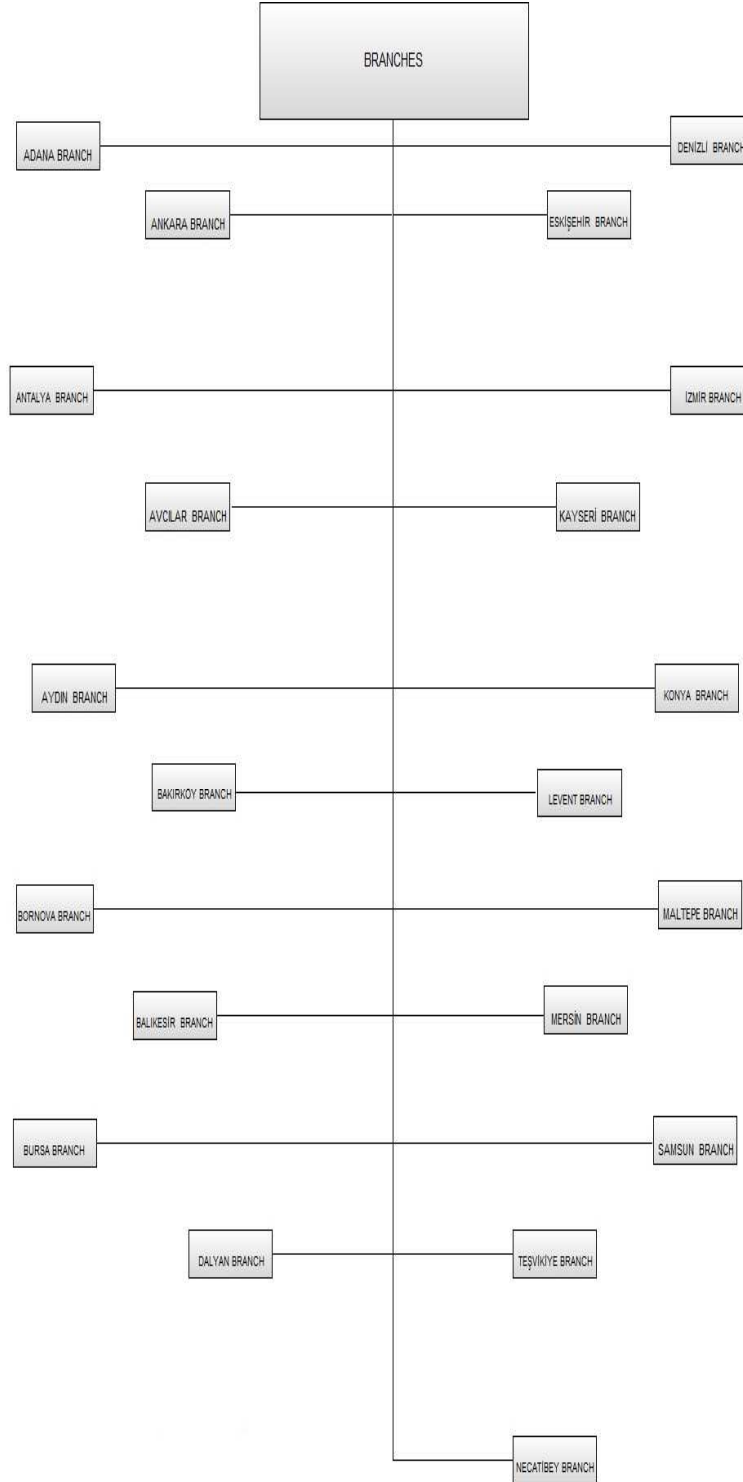
1.3 ASSIGNED BOARD OF DIRECTORS FOR THE PERIOD

Gao Xiangyang	Chairman
Chen Yubao	Member
Oraj Özel	Member / CEO
Liu Peiguo	Member
Chuanling Zhang	Member

2. ORGANIZATION CHART

2.1 HEAD OFFICE



2.2 BRANCHES

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

The total amount of salaries and benefits provided to the Board Chairman, Board Members, and Senior Executives in the current period is 2.484.972-TL as of 30.09.2018.

4. GLOBAL EVALUATION

BIST100 leaned towards the level of 84.654. The index was 96.520 by the end of June. Meanwhile, the benchmark interest rate tested the level of 26.51%, the TRY rose to 7.1104 TRL.

Foreign investors made 323 mn\$ sell in July, 117 mn\$ sell in August, 111 mn\$ buy in September.

13 July 2018, Fitch Ratings has downgraded Turkey's Long-Term Foreign-Currency Issuer Default Rating (IDR) to 'BB' from 'BB+'. The Outlook is Negative.

A rise in general index was realized in CPI (2003=100) on the previous month by 6.30%, on December of the previous year by 19.37%, on same month of the previous year by 24.52% and on the twelve months moving averages basis by 13.75% in September 2018.

Unemployment rate realized as % 10.2 in June 2018.

The current account deficit recorded USD 1,751 million indicating a decrease of USD 2,960 million compared to July of the previous year, bringing the 12-month rolling deficit to USD 54,560 million.

24 July 2018 The Monetary Policy Committee (the Committee) has decided to keep the policy rate (one week repo auction rate) constant at 17.75 percent. External demand maintains its strength, while signs of deceleration in domestic demand become more visible.

13 September 2018 The Monetary Policy Committee (the Committee) has decided to increase the policy rate (one week repo auction rate) from 17.75 percent to 24 percent.

The upper limit for the FX maintenance facility within the reserve options mechanism has been lowered to 40 percent from 45 percent 06 August 2018.

Collateral FX deposit limits for Turkish lira transactions of banks have been raised to 20 billion euros from 7,2 billion euros. Turkish lira reserve requirement ratios have been reduced by 250 basis points for all maturity brackets. Reserve requirement ratios for non-core FX liabilities have been reduced by 400 basis points 13 August 2018.

S&P downgraded Turkey's long-term foreign currency sovereign credit rating to 'B ' from 'BB-' while maintaining the outlook at stable.

Moody's downgraded Turkey's long-term issuer ratings to Ba3 from Ba2 and changed her outlook to negative 17 August 2018.

The CBRT has decided that, to be effective from 29 August 2018, the banks' borrowing limits for overnight transactions at the Interbank Money Market established within the CBRT would be twice the limits applicable before 13 August 2018.

Gross domestic product increased by 5.2% compared with the same quarter of the previous year in the second quarter of 2018. Gross domestic product increased by 20.4 % and reached 884 billion 4 million 260 TRY at current prices.

Fed, raised main rate to range of %2-2.25 and sees three hikes in 2019.

5. ACTIVITIES OF 2018 9-MONTH

ICBC Turkey Securities aimed to increase its client number and portfolio size by making regular client visits following a cautious approach in 2018 3Q just like in the past. As a result of these activities, the number of clients with active account has been increased. Related to the activities of 2018 3Q;

Equity Trading Volume	16,45 Billion TL
Share of Transactions Over Internet in Commission Incomes	33%
Average Shareholders' Equity	106,34 Million TL
Net Interest Income From Margin Trading	9,41 Million TL
Commission Income From Equity Trading	6,99 Million TL
Commission Income From Derivatives Trading	1,22 Million TL

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

6. COMPANY'S RESEARCH AND DEVELOPMENT ACTIVITIES

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

7. RISKS AND THE EVALUATION OF THE MANAGEMENT

a) Information Regarding Risk Management Policies To Be Applied on Foreseeable Risks, if any

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

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

A separate committee for early identification and management of risk has not been formed yet.

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

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

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

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

8. HUMAN RESOURCE AND REMUNERATION POLICIES

The employee number of our Company is 96 as of 30.09.2018. The social rights of our employees are provided on regular and periodic basis. Transportation services are provided to our employees located in the Headquarters.

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

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

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

9. MATTERS REGARDING DIVIDEND DISTRIBUTION POLICY

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

10. AID AND DONATIONS

There is 100-TL donation made by the Company as at the end of 2018 September.

11. OTHER MATTERS

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

12. CONTACT INFORMATION

Headquarters;

Headquarteters Address	Maslak Mah. Dereboyu/2 Caddesi No:13 34398 Sarıyer-İstanbul
Headquarteters Phone	0212 276 2727
Headquarteters Fax	0212 276 2900
Web Address	www.icbcyatirim.com.tr
E-mail	icbcyatirim@icbcyatirim.com.tr
Trade Registry No	357753 / İstanbul
Tax Office	Boğaziçi Kurumlar Vergi Dairesi
Tax No	8360070244
Central Registration System No	7388 7857 6173 4756

Branches;

No	Branch	Address	Tel.	Fax
1	Adana Br.	Cemalpaşa Mah. Atatürk Cad. Ceyhan Apt. No:72/A 01120 ADANA	0322 459 5870	0322 459 9740
2	Ankara Br.	Aziziye Mah. Cinnah Cad. No:100/A 06550 Çankaya / ANKARA	0312 440 6980	0312 442 4672
3	Antalya Br.	Şirinyalı Mah. İsmet Gökşen Cad. Hüseyin Akçor 2 Apt. No:40- A/B/C 07160 Muratpaşa ANTALYA	0242 316 4548	0242 316 4322
4	Avcılar Br.	Merkez Mah. E-5 Yanyol (Londra Asfaltı) No: 159/A 34310 Avcılar / İSTANBUL	0212 593 4270	0212 593 4269
5	Aydın Br.	Zafer Mah. Doğugazi Bulvarı No:55/C 09100 Efeler / AYDIN	0256 212 9234	0256 214 2984
6	Bakırköy Br.	İstanbul Cad. 36/A No:1 34142 Bakırköy / İSTANBUL	0212 543 2230	0212 543 8512
7	Balıkesir Br.	Eski Kuyumcular Mah. Bankalar Sok. No:5 Karasi BALIKESİR	0266 249 3761	0266 249 3768
8	Bornova Br.	Sakarya Cad. Manavkuyu Mah. No:72 Bayraklı / İZMİR	0232 388 1820	0232 342 8915
9	Bursa Br.	Ahmet Paşa Mah. Fevzi Çakmak Cad. No:69/B 16050 Osmangazi BURSA	0224 250 4100	0224 253 1898
10	Dalyan Br.	Fenerbahçe Mah. Doktor Faruk Ayanoğlu Cad. Çağdaş Apt. No:15/B 34726 Kadıköy / İSTANBUL	0216 411 1490	0216 411 1489
11	Denizli Br.	Saraylar Mah. Gazi Mustafa Kemal Bulvarı No:50/A Merkezefendi DENİZLİ	0258 242 1204	0258 242 1193
12	Eskişehir Br.	Hacı Ali Bey Mah. Sakarya 1.Cadde No: 22/A 26100 Tepebaşı ESKİŞEHİR	0222 220 4396	0222 220 4300
13	İzmir Br.	Akdeniz Mah. Cumhuriyet Bulv. No:116 35210 Konak / İZMİR	0232 489 4051	0232 489 4403
14	Kayseri Br.	Cumhuriyet Mah. Millet Cad. No:33/D 38040 Melikgazi KAYSERİ	0352 221 1242	0352 221 1258
15	Konya Br.	Büyük Sinan Mah. Ankara Cad. No:124 42050 Karatay KONYA	0332 238 5723	0332 238 5726
16	Levent Br.	Levent Mah. Levent Cad. No:4 34330 Beşiktaş / İSTANBUL	0212 284 0804	0212 283 9286
17	Maltepe Br.	Bağlarbaşı Mah. 2. İlkokul Cad. Balek İş Merkezi Kat:1 No:6 Maltepe / İSTANBUL	0216 399 3985	0216 459 4047
18	Mersin Br.	Çankaya Mah. İsmet İnönü Bulvarı No:112/B Canatan İş Merkezi 33070 Akdeniz MERSİN	0324 237 8284	0324 237 7655
19	Necatibey Br.	Korkutreis Mahallesi Necatibey Caddesi No:40/A Çankaya / ANKARA	312 232 1760	312 232 1767
20	Samsun Br.	Kale Mah. Kaptanağa Sok. No:8 55030 İlkadım SAMSUN	0362 432 6114	0362 435 5103
21	Teşvikiye Br.	Hüsrev Gerede Cad. No:92/A 34365 Şişli / İSTANBUL	0212 236 1836	0212 259 1389