

**ICBC TURKEY PORTFÖY YÖNETİMİ
ANONİM ŞİRKETİ**

CONDENSED FINANCIAL STATEMENTS
FOR THE INTERIM NINE-MONTHS PERIOD
ENDED 30 SEPTEMBER 2023 AND
REVIEW REPORT

*(Convenience translation of the
financial information and related disclosures
and notes originally issued in Turkish)*

**(Convenience Translation of the Report on Review of Condensed Interim
Financial Information Originally Issued in Turkish)**

**REPORT ON REVIEW OF
INTERIM CONDENSED FINANCIAL INFORMATION**

To the General Assembly of ICBC Turkey Portföy Yönetimi A.Ş.

Introduction

We have reviewed the accompanying condensed statement of financial position of ICBC Turkey Portföy Yönetimi A.Ş. ("the Company") as at 30 September 2023, and the condensed statement of profit or loss and other comprehensive income, condensed statement of changes in shareholders' equity and condensed statement of cash flows for the nine-months period then ended. The Company management is responsible for the preparation and fair presentation of the accompanying interim financial information in accordance with Turkish Accounting Standards 34 Interim Financial Reporting ("TAS 34"). Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the Independent Auditing Standard on Review Engagements ("ISRE") 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial reporting process, and applying analytical and other review procedures. A review of interim financial information is substantially less in scope than an independent audit conducted in accordance with Independent Auditing Standards and the objective of which is to express an opinion on the financial statements. Consequently, a review of the interim financial information does not provide assurance that the audit firm will be aware of all significant matters which would have been identified in an audit. Accordingly, we do not express an audit opinion.

Emphasis of Matter

According to the amounts subject to revaluation included in the Capital Markets Law No. 6362, serial number 2022/74 dated 30 December 2022, and the regulations, communiqués or other sub-regulations issued based on this Law and the regulations issued based on abrogated Capital Markets Law No. 2499 and currently in force, as of 30 September 2023, ICBC Turkey Portföy Yönetimi A.Ş.'s shareholders' equity is below the minimum required shareholders' equity. As explained in detail in Note 20 "Nature and Level of Risks Arising from Financial Instruments Capital Risk Management and Capital Adequacy Requirements", the Company Management has started to take necessary actions in this regard. However, the matter explained above does not affect our opinion.

Conclusion

Based on our review nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with TAS 34 “Interim Financial Reporting”.

Additional paragraph for convenience translation to English

In the accompanying interim condensed financial statements, the accounting principles described in Note 2 (defined as Turkish Accounting Standards/Turkish Financial Reporting Standards) differ from International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board with respect to the application of inflation accounting. Accordingly, the accompanying interim condensed financial statements are not intended to present the financial position and results of operations in accordance with IFRS.

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.
Member of **DELOITTE TOUCHE TOHMATSU LIMITED**

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ICBC TURKEY PORTFÖY YÖNETİMİ ANONİM ŞİRKETİ**CONDENSED STATEMENT OF FINANCIAL POSITION FOR THE NINE-MONTH INTERIM PERIOD ENDED 30 SEPTEMBER 2023***(All amounts expressed in Turkish Lira ("TL") unless otherwise indicated)*

		Reviewed	Audited
		30 September	31 December
	<i>Notes</i>	2023	2022
ASSETS			
CURRENT ASSETS			
		12,976,539	11,281,820
Cash and cash equivalents	3	11,203,439	10,309,594
Trade receivables	4	1,588,103	921,247
- Trade receivables from related parties	16	1,588,103	915,686
- Trade receivables from third parties		-	5,561
Prepaid expenses	7	184,997	50,979
NON-CURRENT ASSETS			
		294,494	208,158
Property, plant and equipment	5	38,632	63,037
Deferred tax asset	17	255,862	145,121
TOTAL ASSETS			
		13,271,033	11,489,978
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
		1,387,446	1,829,079
Trade payables	4	434,618	331,809
- Trade payables to related parties	16	434,618	331,809
Current tax liability	17	269,645	28,133
Short-term provisions	9	233,140	91,756
- Short-term provisions for employee benefits		233,140	91,756
Other payables		450,043	1,377,381
- Other current liabilities to related parties	16	-	1,057,585
- Other current liabilities to third parties	10	450,043	319,796
NON-CURRENT LIABILITIES			
		306,271	134,925
Non-current liabilities	9	306,271	134,925
- Long-term provisions for employee benefits		306,271	134,925
EQUITY			
		11,577,316	9,525,974
Paid-in capital	11	10,000,000	8,500,000
Accumulated other comprehensive income or expenses that will not be reclassified to profit or loss		53,802	53,802
- Long-term provisions for employee benefits		53,802	53,802
Restricted reserves appropriated from profit		53,138	23,285
Prior periods' profit		567,208	351,826
Net profit for the period		903,168	597,061
TOTAL LIABILITIES AND EQUITY			
		13,271,033	11,489,978

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

ICBC TURKEY PORTFÖY YÖNETİMİ ANONİM ŞİRKETİ

CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE NINE-MONTH INTERIM PERIOD ENDED 30 SEPTEMBER 2023

(All amounts expressed in Turkish Lira ("TL") unless otherwise indicated)

		Reviewed	Not Reviewed	Reviewed	Not Reviewed
		1 January – 30 September 2023	1 July – 30 September 2023	1 January – 30 September 2022	1 July– 30 September 2022
	<i>Notes</i>				
PROFIT OR LOSS					
Revenue	12	7,877,917	3,249,307	3,610,874	1,352,056
GROSS PROFIT		7,877,917	3,249,307	3,610,874	1,352,056
General administrative expenses	13	(8,951,760)	(3,484,609)	(4,150,109)	(1,368,755)
Other operating income	14	2,445,800	981,405	1,329,774	518,892
Other operating expenses	15	(66,386)	(25,524)	(129,812)	(66,857)
OPERATING PROFIT		1,305,571	720,579	660,727	435,336
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS		1,305,571	720,579	660,727	435,336
Tax expense from continuing operations		(402,403)	(286,341)	(165,720)	(114,005)
- Current tax expense	17	(513,144)	(383,594)	(198,949)	(146,560)
- Deferred tax expense	17	110,741	97,253	33,229	32,555
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS		903,168	434,238	495,007	321,331
Other Comprehensive Income / (Expense)		-	-	-	-
TOTAL COMPREHENSIVE INCOME		903,168	434,238	495,007	321,331

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

ICBC TURKEY PORTFÖY YÖNETİMİ ANONİM ŞİRKETİ

CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE NINE-MONTHS INTERIM PERIOD ENDED 30 SEPTEMBER 2023

(All amounts expressed in Turkish Lira (“TL”) unless otherwise indicated)

Prior Period	Notes	Paid-in Capital	Accumulated Other Comprehensive Income and Expenses that will not be Reclassified to Profit or Loss	Restricted Reserves Appropriated from Profit	Retained Earnings		Total Equity
			Gain/(Losses) on Remeasurement of Defined Benefit Plans		Prior Years' Profit/(Losses)	Net Period Profit/ (Loss)	
Balances as of 1 January 2022	11	8,500,000	53,802	--	(113,943)	489,054	8,928,913
Transfer		--	--	23,285	465,769	(489,054)	--
Net profit for the period		--	--	--	--	495,007	495,007
Balance as of 30 September 2022		8,500,000	53,802	23,285	351,826	495,007	9,423,920

Current Period	Notes	Paid-in Capital	Accumulated Other Comprehensive Income and Expenses that will not be Reclassified to Profit or Loss	Restricted Reserves Appropriated from Profit	Retained Earnings		Total Equity
			Gain/(Losses) on Remeasurement of Defined Benefit Plans		Prior Years' Profit/(Losses)	Net Period Profit/ (Loss)	
Balances as of 1 January 2023	11	8,500,000	53,802	23,285	351,826	597,061	9,525,974
Transfer		351,826	--	29,853	215,382	(597,061)	--
Capital increase		1,148,174	--	--	--	--	1,148,174
Net profit for the period		--	--	--	--	903,168	903,168
Balance as of 30 September 2023		10,000,000	53,802	53,138	567,208	903,168	11,577,316

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

ICBC TURKEY PORTFÖY YÖNETİMİ ANONİM ŞİRKETİ

CONDENSED STATEMENT OF CASH FLOWS FOR THE NINE-MONTHS INTERIM PERIOD ENDED 1 JANUARY - 30 SEPTEMBER 2023

(All amounts expressed in Turkish Lira ("TL") unless otherwise indicated)

		Reviewed	Reviewed
		1 January –	1 January –
	Notes	30 September 2023	30 September 2022
A. Cash flows from operating activities			
Profit/(loss) for the period		903,168	495,007
Adjustments related to reconcile net profit/(loss) for the period:			
Adjustments related to depreciation and amortization	5,6	24,405	16,754
Adjustments related to provisions		342,474	139,501
- Adjustments related to employment termination benefits	9	171,346	24,600
- Adjustments related to provision for unused vacation	9	141,384	23,802
- Adjustments related to provision for expected credit loss	3	29,744	91,099
Adjustments related to deferred tax expense/income	17	402,403	165,720
- Adjustments related to deferred tax (income)/expense		(110,741)	(33,229)
- Current tax		513,144	198,949
Adjustments related to interest income and expenses	14	(2,445,800)	(1,281,833)
Changes in working capital			
Change in other current assets		-	15,141
Change in blocked deposits		1,093,858	2,440,280
Change in prepaid expenses		(134,018)	18,604
Change in trade receivables		(666,856)	(215,634)
Change in trade payables		102,809	75,093
Tax Payments		(271,632)	(132,506)
Change in other payables related to operations		(927,338)	1,027,081
Cash flows from operating activities		(1,576,527)	2,763,208
B. Cash flows from investing activities			
Cash outflows from acquisition of property, plant and equipment		-	(18,431)
Cash flows from investing activities		-	(18,431)
C. Cash flows from financing activities			
Cash inflows related to capital increase		1,148,174	-
Interest received		2,278,970	1,216,042
Cash flows from financing activities		3,427,144	1,216,042
Net increase / (decrease) in cash and cash equivalents		1,850,617	3,960,819
D. Cash and cash equivalents at the beginning of the period		9,416,117	5,444,471
Cash and cash equivalents at the end of the period (A+B+C+D)	3	11,266,734	9,405,290

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

ICBC TURKEY PORTFÖY YÖNETİMİ ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2023

(All amounts expressed in Turkish Lira (“TL”) unless otherwise indicated.)

1. Organization and Operations of the Company

ICBC Turkey Portföy Yönetimi A.Ş. (“the Company”), formerly Tekstil Portföy Yönetimi A.Ş., was established on 21 April 2015. The Company was registered by the Istanbul Trade Registry Directorate on 21 April 2015 and announced in the Turkish Trade Registry Gazette in the issue 8809 dated 28 April 2015. The purpose of the Company is to manage portfolios consisting of Capital Market instruments in accordance with the provisions of the Capital Markets Law (“CMB”) and related legislation, by making portfolio management contracts with customers and as a proxy, and to engage in capital market activities specified in the Company's articles of association. The Company's trade name was registered by the Istanbul Trade Registry on 17 November 2015, announced in the Turkish Trade Registry Gazette dated 23 November 2015 and numbered 8952 and changed as ICBC Turkey Portföy Yönetimi A.Ş. The Company's address is Abdülhak Hamit Cad. No:25 Beyoğlu/İstanbul.

The Company continues its activities in accordance with the provisions of the Capital Markets Board's Communiqué III No: 55.1 “Portfolio Management Companies and Principles Regarding the Activities of These Companies.”

The Company engages in portfolio management, investment consultancy, and marketing and distribution of fund participation shares, including investment funds of which it is the founder, and the shares of investment trusts with variable capital.

The Company received an operating authorization certificate from the CMB on 17 June 2015. The actual field of activity of the Company is portfolio management.

The shares of the Company are not traded on stock exchange. As of 30 September 2023, the number of personnel of the Company is 8 (31 December 2022: 7).

The Company's statement of financial position dated 30 September 2023, statement of profit or loss and other comprehensive income and the notes to the financial statements for the period then ended were approved by the Board of Directors on 26 October 2023 and authorized for publication. The General Assembly and certain regulatory bodies have the right to amend the financial statements after publication.

The information regarding the shareholders and shares of the Company is as follows:

	30 September 2023	31 December 2022
ICBC Turkey Yatırım Menkul Değerler A.Ş.	100%	100%
Total	100%	100%

2. Basis of Presentation of Financial Statements

2.1 Basis of Presentation

2.1.1 Statement of Compliance to Turkish Financial Reporting Standards (“TRFSs”)

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 Article 5 of 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”).

POA made an announcement on 20 January 2022 regarding the application of TAS 29 “Financial Reporting in Hyperinflationary Economies” (“TAS 29”) for entities adopting Turkish Financial Reporting Standards (“TFRS”) for the year ended 31 December 2021. The announcement stated that, entities that apply TFRS should not adjust their financial statements in accordance with TAS 29 for the year ended 31 December 2021. As of the date of this report, POA has not made any further announcements regarding the scope and application of TAS 29. As a result, no inflation adjustment was made to the accompanying financial statements as of 30 September 2023 in accordance with TAS 29.

ICBC TURKEY PORTFÖY YÖNETİMİ ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2023

(All amounts expressed in Turkish Lira (“TL”) unless otherwise indicated.)

2. Basis of Presentation of Financial Statements (cont’d)

2.1 Basis of Presentation (cont’d)

2.1.1 Statement of Compliance to Turkish Financial Reporting Standards (“TRFSs”) (cont’d)

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.

2.1.2 Basis of Preparation of the Financial Statements

In the preparation of the financial statements and notes for the accounting period ending on 30 September 2023, the principles specified in the “Announcement on Financial Statement and Footnote Formats” announced by the CMB Decision Making Body dated 7 June 2013 and numbered 20/670 were used.

2.1.3 Currency Used

The accompanying financial statements are presented in Turkish Lira (“TL”), which is the current and reporting currency of the Company, and all financial information is presented in TL unless otherwise stated.

2.1.4 Measurement Principles

Financial statements have been prepared over historical costs, except for financial investments measured at fair value.

2.1.5 Comparative Information and Restatement of Prior Periods’ Financial Statements

The financial statements of the Company 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 financial statements, comparative information is reclassified when necessary and significant differences are explained.

2.1.6 Changes in Accounting Policies

Changes in accounting estimates are applied prospectively in the current period when the change is made, if the change is related to future periods, both in the period in which the change is made and in future periods. There has been no significant change in the Company's accounting in the current period.

ICBC TURKEY PORTFÖY YÖNETİMİ ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2023

(All amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

2. Basis of Presentation of Financial Statements (cont'd)

2.2 New and Amended Turkish Financial Reporting Standards

a) Amendments that are mandatorily effective from 2023

Amendments to TAS 1	<i>Disclosure of Accounting Policies</i>
Amendments to TAS 8	<i>Definition of Accounting Estimates</i>
Amendments to TAS 12	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>
Amendments to TFRS 17	<i>Initial Application of TFRS 17 and TFRS 9 — Comparative Information (Amendment to TFRS 17)</i>
Amendments to TAS 12	<i>International Tax Reform - Pillar Two Model Rules</i>

Amendments to TAS 1 *Disclosure of Accounting Policies*

The amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies.

Amendments to TAS 1 are effective for annual reporting periods beginning on or after 1 January 2023 and earlier application is permitted.

Amendments to TAS 8 *Definition of Accounting Estimates*

With this amendment, the definition of "a change in accounting estimates" has been replaced with the definition of "an accounting estimate," sample and explanatory paragraphs regarding estimates have been added, and the differences between application of an estimate prospectively and correction of errors retrospectively have been clarified.

Amendments to TAS 8 are effective for annual reporting periods beginning on or after 1 January 2023 and earlier application is permitted.

Amendments to TAS 12 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

The amendments clarify that the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition.

Amendments to TAS 12 are effective for annual reporting periods beginning on or after 1 January 2023 and earlier application is permitted.

Amendments to TFRS 17 *Insurance Contracts and Initial Application of TFRS 17 and TFRS 9 — Comparative Information*

Amendments have been made in TFRS 17 in order to reduce the implementation costs, to explain the results and to facilitate the initial application.

The amendment permits entities that first apply TFRS 17 and TFRS 9 at the same time to present comparative information about a financial asset as if the classification and measurement requirements of TFRS 9 had been applied to that financial asset before.

Amendments are effective with the first application of TFRS 17.

ICBC TURKEY PORTFÖY YÖNETİMİ ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2023

(All amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

2. Basis of Presentation of Financial Statements (cont'd)

2.2 New and Amended Turkish Financial Reporting Standards (cont'd)

a) Amendments that are mandatorily effective from 2023 (cont'd)

Amendments to TAS 12 *International Tax Reform - Pillar Two Model Rules*

The amendments provide a temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes. These amendments to TAS 12 are effective for annual periods beginning on or after 1 January 2023.

b) New and revised TFRSs in issue but not yet effective

The Company has not yet adopted the following standards and amendments and interpretations to the existing standards:

TFRS 17	<i>Insurance Contracts</i>
Amendments to TFRS 4	<i>Extension of the Temporary Exemption from Applying TFRS 9</i>
Amendments to TAS 1	<i>Classification of Liabilities as Current or Non-Current</i>
Amendments to TFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to TAS 1	<i>Non-current Liabilities with Covenants</i>
Amendments to TAS 7 and TFRS 7	<i>Supplier Finance Arrangements</i>

TFRS 17 *Insurance Contracts*

TFRS 17 requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. TFRS 17 supersedes TFRS 4 *Insurance Contracts* as of 1 January 2024 for insurance and reinsurance and pension companies.

Amendments to TFRS 4 *Extension of the Temporary Exemption from Applying TFRS 9*

The amendment changes the fixed expiry date for the temporary exemption in TFRS 4 *Insurance Contracts* from applying TFRS 9, so that insurance and reinsurance and pension companies would be required to apply TFRS 9 for annual periods beginning on or after 1 January 2024 with the deferral of the effective date of TFRS 17.

Amendments to TAS 1 *Classification of Liabilities as Current or Non-Current*

The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.

Amendments to TAS 1 are effective for annual reporting periods beginning on or after 1 January 2024 and earlier application is permitted.

ICBC TURKEY PORTFÖY YÖNETİMİ ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2023

(All amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

2. Basis of Presentation of Financial Statements (cont'd)

2.2 New and Amended Turkish Financial Reporting Standards (cont'd)

b) New and revised TFRSs in issue but not yet effective (cont'd)

Amendments to TFRS 16 *Lease Liability in a Sale and Leaseback*

Amendments to TFRS 16 clarify how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in TFRS 15 to be accounted for as a sale.

Amendments are effective from annual reporting periods beginning on or after 1 January 2024.

Amendments to TAS 1 *Non-current Liabilities with Covenants*

Amendments to TAS 1 clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability.

Amendments are effective from annual reporting periods beginning on or after 1 January 2024.

The Company evaluates the effects of these standards, amendments and improvements on the financial statements.

Amendments to TAS 7 and TFRS 7 *Supplier Finance Arrangements*

The amendments add disclosure requirements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements. Amendments are effective from annual reporting periods beginning on or after 1 January 2024.

ICBC TURKEY PORTFÖY YÖNETİMİ ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2023

(All amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

2. Basis of Presentation of Financial Statements (cont'd)

2.3 Significant Accounting Evaluations, Estimates and Assumptions

The preparation of financial statements in accordance with TAS requires management to apply the policies and make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected from these revisions.

There has been no change in the estimates and assumptions of the Company management used in the application of the accounting policies used in the preparation of the financial statements compared to the accounting period ending on 30 September 2023.

3. Cash and Cash Equivalents

As of 30 September 2023 and 31 December 2022, the details of cash and cash equivalents are as follows:

	30 September 2023	31 December 2022
Cash at bank	11,492,068	10,568,478
<i>Demand deposit</i>	70,963	41,267
<i>Time deposit</i>	11,421,105	10,527,211
Provision for expected credit loss (-)	(288,628)	(258,884)
Total	11,203,439	10,309,594

As of 30 September 2023, the Company has no blocked deposits (31 December 2022: TL 1,093,858). As of 30 September 2023 and 31 December 2022, the interest and maturity details of time deposits in banks are as follows:

Currency Type	Interest Rate	Maturity	30 September 2023
TL	24.90%	2 October 2023	696,772
TL	39.00%	16 October 2023	10,724,333
			11,421,105
Currency Type	Interest Rate	Maturity	31 December 2022
TL	8.90%	2 January 2023	375,032
TL	26.00%	24 January 2023	9,057,699
TL	10.37%	2 January 2023	1,094,480
			10,527,211

In the cash flow statement of the Company as of 30 September 2023, cash and cash equivalents are shown by deducting interest accruals from cash and cash equivalents:

	30 September 2023	31 December 2022
Cash and cash equivalents	11,203,439	10,309,594
Interest accruals	(225,333)	(58,503)
Blocked deposits	-	(1,093,858)
Provision for expected credit loss	228,628	258,884
Total	11,266,734	9,416,117

ICBC TURKEY PORTFÖY YÖNETİMİ ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2023

(All amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

4. Trade Receivables and Payables

As of 30 September 2023 and 31 December 2022, the details of trade receivables are as follows:

Trade Receivables	30 September 2023	31 December 2022
Trade receivables from related parties (Note 16)	1,588,103	915,686
Trade receivables from third parties	-	5,561
Total	1,588,103	921,247

As of 30 September 2023 and 31 December 2022, the details of trade payables are as follows:

Trade Payables	30 September 2023	31 December 2022
Trade payables to related parties (Note 16)	434,618	331,809
Trade payables to third parties	-	-
Total	434,618	331,809

5. Property, Plant and Equipment

The net book value of the Company's property, plant and equipment as of 30 September 2023 is TL 38,632 (31 December 2022: TL 63,037). As of 30 September 2023, depreciation expense for property, plant and equipment is TL 24,405 (30 September 2022: TL 16,755).

As of 30 September 2023, the Company has no assets acquired through financial leasing.

All depreciation expenses are included in general administrative expenses.

ICBC TURKEY PORTFÖY YÖNETİMİ ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2023

(All amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

6. Intangible Assets

As of 30 September 2023, the Company has no intangible assets (31 December 2022: None).

For the period ended 30 September 2023, there is no amortization expense for intangible assets (31 December 2022: TL None).

As of 30 September 2023, the Company has no assets acquired through financial leasing (31 December 2022: TL None).

All depreciation expenses are included in general administrative expenses.

7. Prepaid Expenses

As of 30 September 2023 and 31 December 2022, the details of the Company's prepaid expenses are as follows:

	30 September 2023	31 December 2022
Prepaid expenses	184,997	50,979
Total	184,997	50,979

8. Disclosures on Other Current Assets

As of 30 September 2023, the Company has no other current assets (31 December 2022: None).

9. Short-Term and Long-Term Provisions

The short-term provisions of the Company as of 30 September 2023 and 31 December 2022 are as follows:

	30 September 2023	31 December 2022
Provision for unused vacation	233,140	91,756
Total	233,140	91,756

ICBC TURKEY PORTFÖY YÖNETİMİ ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2023

(All amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

9. Short-Term and Long-Term Provisions (cont'd)

The movement table of the Company's leave provisions as of 30 September 2023 and 30 September 2022 is as follows:

	1 January - 30 September 2023	1 January - 30 September 2022
As of 1 January	91,756	82,715
Provision made during the year	141,384	23,802
As of 30 September	233,140	106,517

Under Turkish Labor Law, the Company is required to pay termination benefits to each employee who has completed certain years of service and whose employment is terminated without due cause, who is called up for military service, dies or retires after completing 25 years of service and reaches the retirement age (58 for women and 60 for men).

Employee termination benefits to be paid as of 30 September 2023 is subject to a monthly ceiling of TL 23,489.83 (30 September 2022: TL 15,371.40).

Retirement pay liability is not subject to any kind of funding legally. Provision for retirement pay liability is calculated by estimating the present value of probable liability amount arising due to retirement of employees. TAS 19 *Employee Benefits* stipulates the development of company's liabilities by using actuarial valuation methods under defined benefit plans. Accordingly, the following actuarial assumptions were used in the calculation of the total liability:

The main assumption is that the maximum liability amount for each year of service will increase in line with inflation. Consequently, 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 30 September 2023 are calculated by estimating the present value of the future probable obligation arising from the retirement of the employees. Provisions at the relevant balance sheet dates are calculated using the real discount rate, which is approximately 2.28%, based on the assumptions of an annual inflation rate of 18.30% and an interest rate of 21.00%. Voluntary dismissal rates are 100% for those working for 0-15 years and 0% for 16 years or more. The maximum amount of TL 23,489.83 effective from 1 July 2023 has been taken into account in the calculation of the severance pay provision of the Group (1 January 2023: TL 19,982.83).

As of 30 September 2023 and 30 September 2022, the details of long-term employee benefits are as follows:

	1 January - 30 September 2023	1 January - 30 September 2022
As of 1 January	134,925	93,763
Provision made during the year	171,346	24,600
As of 30 September	306,271	118,363

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10. Other Payables

	30 September 2023	31 December 2022
Income tax deducted from fees	163,908	85,402
SSI premium employer share	106,825	48,836
SSI premium employee share	77,829	44,110
Fund Management BSMV	57,674	-
Fund management fee rediscount	23,496	93,578
Advances received from related parties (Note 16) (*)	-	1,057,585
Stamp duty deducted from fees	4,572	2,203
VAT payable	1,861	6,758
Other	13,878	38,909
Total	450,043	1,377,381

(*) In the Board of Directors dated 09.08.2022, it was decided to increase the capital of the Company. Advances received from related parties include the amount to be used for capital increase.

11. Equity

As of 30 September 2023 and 31 December 2022, the paid-in capital structure is as follows:

	Share Rate(%)	30 September 2023	Share Rate(%)	31 December 2022
<i>ICBC Turkey Yatırım Menkul Değerler A.Ş.</i>	100.00	10,000,000	100.00	8,500,000
Total	100.00	10,000,000	100.00	8,500,000

The Company's share capital consists of 10,000,000 shares having a nominal value of TL 1 each (31 December 2022: 8,500,000 shares having a nominal value of TL 1).

Restricted reserves appropriated from profit

According to the Regulation of Dividend No II-19.1 which came into force from the date of 1 February 2014 by Capital Market Board dividend rate for shares of unquoted subsidiaries cannot be less than twenty percent of net distributable profit including donations. According to the same regulation, dividend of shares of unquoted subsidiaries is required to be distributed in cash and fully and cannot be taken advantage of dividend installments application granted to public companies.

In line with the provisions of the notification, partnerships shares of which are not traded on the stock exchange, in case the calculated profit share amount is less than five percent of the capital according to the last annual financial statements to be submitted to the general assembly or the net distributable profit for the period is below TL 100,000 according to the financial statements may not distribute dividends for the relevant accounting period, and in this case, the undistributed dividend is distributed in subsequent periods.

As of 30 September 2023, the Company's restricted reserves appropriated from profit is TL 53,138 (31 December 2022: TL 23,285).

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12. Revenue

The revenue details of the Company for the accounting periods ending on 30 September 2023 and 30 September 2022 are as follows:

	1 January- 30 September 2023	1 July- 30 September 2023	1 January- 30 September 2022	1 July- 30 September 2022
Fund management commission income	7,877,917	3,249,307	2,947,082	1,112,434
Portfolio management commissions	-	-	663,792	239,622
Total	7,877,917	3,249,307	3,610,874	1,352,056

13. General Administrative Expenses

The general administrative expenses of the Company for the accounting periods ending on 30 September 2023 and 30 September 2022 are as follows:

	1 January- 30 September 2023	1 July- 30 September 2023	1 January- 30 September 2022	1 July- 30 September 2022
Personnel fees and expenses	6,224,660	2,406,313	2,798,775	943,749
Taxes, fees and registration fees	664,667	250,021	317,403	145,553
Membership expenses	850,396	391,330	255,038	(72,284)
Audit and consultancy expenses	249,606	85,035	244,859	225,356
Computer usage expenses	427,640	127,963	199,362	197,972
Building expenses	242,329	86,708	113,584	2,983
Transportation expenses	50,179	21,239	50,999	(21,432)
Maintenance and repair expenses	59,493	29,910	44,747	43,420
Depreciation expenses	24,405	8,125	16,755	7,874
Representation and hospitality expenses	12,408	2,362	14,318	9,430
Stationery expenses	6,455	400	10,379	(13,090)
Non-deductible expenses	2,676	254	4,409	4,209
Communication expenses	2,749	1,246	2,308	(37,382)
Other	134,097	73,703	77,173	(67,603)
Total	8,951,760	3,484,609	4,150,109	1,368,755

14. Other Income from Operating Activities

The Company's other income from operating activities for the interim accounting periods ending on 30 September 2023 and 30 September 2022 is as follows:

	1 January- 30 September 2023	1 July- 30 September 2023	1 January- 30 September 2022	1 July- 30 September 2022
Deposit interest income	2,445,800	981,405	1,281,833	518,892
Other income	-	-	47,941	-
Total	2,445,800	981,405	1,329,774	518,892

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15. Other Expenses from Operating Activities

The Company's other expenses from operating activities for the accounting periods ending on 30 September 2023 and 30 September 2022 are as follows:

	1 January- 30 September 2023	1 July- 30 September 2023	1 January- 30 September 2022	1 July- 30 September 2022
Fund overdraft expenses	31,452	4,952	12,853	892
Other service expenses	29,744	20,572	115,266	65,965
Prior year payments	5,190	-	1,693	-
Total	66,386	25,524	129,812	66,857

16. Related Party Disclosures

ICBC Turkey Yatırım Menkul Kıymetler A.Ş., established in Turkey, is the main shareholder and ultimate controlling party of the Company.

ICBC Turkey Bank	30 September 2023	31 December 2022
Cash and cash equivalents		
- Demand deposit	-	491
- Time deposit	695,772	3,705,032
Total	695,772	3,705,523

ICBC Turkey Portföy Investment Funds	30 September 2023	31 December 2022
Trade receivables		
- Fund management commissions	1,588,103	915,686
Total	1,588,103	915,686

ICBC Turkey Yatırım Securities	30 September 2023	31 December 2022
Other payables		
- Other payables to related parties	-	1,057,585
Total	-	1,057,585

ICBC Turkey Yatırım Securities	30 September 2023	31 December 2022
Trade payables		
-Trade payables to related parties	162,314	134,631
Total	162,314	134,631

ICBC Turkey Bank	30 September 2023	31 December 2022
Trade payables		
-Trade payables to related parties	272,304	197,178
Total	272,304	197,178

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16. Related Party Disclosures (cont'd)

	1 January- 30 September 2023	1 July- 30 September 2023	1 January- 30 September 2022	1 July- 30 September 2022
ICBC Turkey Portföy Investment Funds				
- Fund management service income	7,861,650	3,249,307	2,947,082	1,112,434
	7,861,650	3,249,307	2,947,082	1,112,434
ICBC Turkey Yatırım Securities				
- Individual portfolio management commission income	-	-	707,304	299,468
	-	-	707,304	299,468
ICBC Turkey Yatırım Securities				
- Fund management support service expenses	18,900	6,300	18,900	6,300
	18,900	6,300	18,900	6,300
ICBC Turkey Bank				
- Time deposit interest income	389,740	352,883	812,497	157,949
	389,740	352,883	812,497	157,949

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17. Income Taxes (Including Deferred Tax Assets and Liabilities)

The details of the Company's current tax liability as of 30 September 2023 and 31 December 2022 are as follows:

	30 September 2023	31 December 2022
Provision for corporate tax	513,144	256,178
Less: Prepaid taxes and funds	(243,499)	(228,045)
Total	269,645	28,133

Tax expense in the profit or loss statement

The tax expense consists of the following:	30 September 2023	30 September 2022
Tax expense for the period	(513,144)	198,949
Deferred tax expense	110,741	(33,229)
Total tax expense	(402,403)	(165,720)

Corporate Tax

The Company 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 Company regarding the current period operating results.

Corporate tax is applied on taxable corporate income, which is calculated from the statutory accounting profit by adding back non-deductible expenses, and by deducting dividends received from resident companies, other exempt income and other incentives (prior year's losses if any and investment incentives used if preferred) utilized.

In 2023, the corporate tax rate applied to the corporate income of companies within the scope of Law No. 6361, electronic payment, and money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies in Turkey is 30% (2022: 25%).

The Law numbered 7061 on "Amendment of Certain Taxes and Laws and Other Acts" was published on the Official Gazette dated 5 December 2017 and numbered 30261. Article 5 entitled "Exceptions" of the Corporate Tax Law has been amended in Article 89 of the Law. In accordance with (a) clause in the first paragraph of the Article, the exemption of 75% applied to gains from the sales of lands and buildings held by the entities for two full years has been reduced to rate of 50%. This regulation has been effective from 5 December 2017.

The reconciliation of the period tax expense with the profit for the period is as follows:

Reconciliation of tax provision:	1 January - 30 September 2023	1 January - 30 September 2022
Profit / (loss) before tax	1,305,571	495,007
Tax calculated at 30% (2022: 25%)	(391,671)	(123,752)
- Non-deductible expenses	14,444	9,990
- other	(25,176)	(51,888)
Total tax expense	(402,403)	(165,720)

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17. Income Taxes (Including Deferred Tax Assets and Liabilities) (cont'd)

Deferred tax

As of 30 September 2023 and 31 December 2022, the items giving rise to the Company's deferred tax assets and liabilities are as follows:

	30 September 2023	31 December 2022
<i>Deferred tax assets/liabilities</i>		
Provisions for other debt and expense	7,048	23,394
Provision for employment termination benefits	91,881	33,731
Vacation provision expense	69,942	22,939
Provision for expected credit loss	86,588	64,721
Economic life differences of property, plant and equipment	403	336
Total deferred tax asset (net)	255,862	145,121
	1 January- 30 September 2023	1 January- 30 September 2022
<i>Movements of deferred tax assets</i>		
1 January opening balance	145,121	62,310
Deferred tax income /(expense) recognized in the statement of income	110,741	33,229
Total deferred tax asset (net)	255,862	95,539

18. Earnings Per Share

According to TAS 33 "Earnings Per Share" standard, since companies whose stocks are not traded on the stock exchange are not required to disclose earnings per share, earnings/loss per share are not calculated for the Company whose shares are not traded on the stock exchange.

19. Foreign Currency Position

The Company has no foreign currency assets and liabilities as of 30 September 2023 (31 December 2022: None).

20. Nature and Level of Risks Arising from Financial Instruments and Capital Risk Management and Capital Adequacy Requirements

The Company manages its financial risk in accordance with the Communiqué Serial: V, No: 34 "Communiqué on Capital and Capital Adequacy of Brokerage Companies" ("Serial: V, No: 34") promulgated by CMB. According to the Communiqué, portfolio management companies are also subject to the provisions of this communiqué, and the equities of these companies constitute the group that includes the amounts included in the balance sheets prepared as of the valuation date and the total amount of net assets expressed by the partnership, within the framework of the valuation provisions introduced in Communiqué Serial: V No: 34.

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20. Nature and Level of Risks Arising from Financial Instruments and Capital Risk Management and Capital Adequacy Requirements (cont'd)

Pursuant to Article 25 of the CMB's Communiqué Serial: V No: 34 on Principles Regarding the Capital and Capital Adequacy of Intermediary Institutions Portfolio Management Companies are obliged to calculate their capital adequacy according to the regulations of the same communiqué and notify them to the CMB. Capital adequacy base of portfolio management companies in accordance with Article 4 of Communiqué Serial: V No: 34, net amount of tangible and intangible assets from their own capital calculated in accordance with Communiqué Serial: V No: 34, article 3, excluding those traded on stock exchanges and other organized markets, financial fixed assets and other non-current assets after deducting the provision for impairment and capital commitments, even if in the capacity of customers, means unsecured receivables from personnel, partners, affiliates, subsidiaries and persons and institutions that are directly or indirectly related in terms of capital, management and audit and the amount found by deducting the amounts of capital market instruments issued by these individuals and institutions that are not traded in stock exchanges and other organized markets. As of 31 December 2022, the Company complies with the relevant capital adequacy requirements. However, pursuant to paragraph 11 of the Communiqué No. IIII-55.1.d ("Communiqué") on Portfolio Management Companies and Activities of These Companies published in the Official Gazette dated 18 February 2023 and numbered 31208, the process for the amendment of Article 8 of the Company's Articles of Association titled "Capital and Type of Share Certificates" was initiated with the request of the Board of Directors Resolution dated 21.03.2023 to duly increase the Company's registered capital ceiling of TL 10,00,000 in order to meet the issued capital amount stipulated in subparagraph (ç) of paragraph 1 of Article 5 of the Communiqué until 30 September 2023. All processes related to the capital increase of the Company have been submitted for approval by ICBC Turkey Bank A.Ş. to ICBC Bank Headquarters in the People's Republic of China. Capital movements of foreign subsidiaries of financial institutions operating under the ownership of the People's Republic of China are subject to the approval of the Ministry of Commerce of the People's Republic of China. Since the Company operates as an overseas state-owned subsidiary subject to the legislation of the Ministry of Commerce of the People's Republic of China, the capital increase process is subject to the evaluation and approval of the Ministry of Commerce of the People's Republic of China. Considering these issues, as of 30 September 2023, the Company has not fulfilled the related capital adequacy requirements.

Financial Risk Factors

The Company's activities expose it to market risk (fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Company's risk management programme generally focuses on uncertainty in financial markets and minimizing potential negative effects on the Company's financial performance.

Risk management is conducted by a treasury department with policies approved by the Board of Directors. Treasury department of the Company defines and evaluates the financial risk, and by working with the operation units by using tools to decrease the risk. Board of Directors maintains generates a written procedure about foreign exchange risk, interest rate risk, credit risk, usage of derivative instruments and other non-derivative financial instruments and evaluating excess liquidity or other various risks.

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20. Nature and Level of Risks Arising from Financial Instruments and Capital Risk Management and Capital Adequacy Requirements (cont'd)

Financial Risk Factors (cont'd)

Credit risk of financial instruments	Receivables					
	Trade Receivables		Other Receivables		Bank Deposits	Financial Investments
30 September 2023	Related Party	Other Party	Related Party	Other Party		
As of reporting date, credit risk exposure (*)	1,588,103	-	-	-	11,203,439	-
The part of maximum risk under guarantee with collateral	-	-	-	-	-	-
A. Net book value of financial assets that are neither past due nor impaired	1,588,103	-	-	-	11,203,439	-
B. Net book value of financial assets that are renegotiated, if not that will be accepted as past due or impaired	-	-	-	-	-	-
C. Net book value of assets that are past due but not impaired	-	-	-	-	-	-
- The part under guarantee with collateral etc.	-	-	-	-	-	-
D. Net book value of impaired assets	-	-	-	-	-	-
- Past due (gross carrying amount)	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-
- The part under guarantee with collateral etc.	-	-	-	-	-	-
- Not past due (gross carrying amount)	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-
- The part under guarantee with collateral etc.	-	-	-	-	-	-
E. Off-balance sheet items with credit risk	-	-	-	-	-	-
F. 12-month expected credit losses	-	-	-	-	-	-

(*) In determining the amount, factors that increase credit reliability, such as guarantees received, were not taken into account.

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20. Nature and Level of Risks Arising from Financial Instruments and Capital Risk Management and Capital Adequacy Requirements (cont'd)

Financial Risk Factors (cont'd)

Credit risk of financial instruments	Receivables					
	Trade Receivables		Other Receivables		Bank Deposits	Financial Investments
31 December 2022	Related Party	Other Party	Related Party	Other Party		
As of reporting date, credit risk exposure (*)	915,686	5,561	-	-	10,309,594	-
The part of maximum risk under guarantee with collateral	-	-	-	-	-	-
A. Net book value of financial assets that are neither past due nor impaired	915,686	5,561	-	-	10,309,594	-
B. Net book value of financial assets that are renegotiated, if not that will be accepted as past due or impaired	-	-	-	-	-	-
C. Net book value of assets that are past due but not impaired	-	-	-	-	-	-
- The part under guarantee with collateral etc.	-	-	-	-	-	-
D. Net book value of impaired assets	-	-	-	-	-	-
- Past due (gross carrying amount)	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-
- The part under guarantee with collateral etc.	-	-	-	-	-	-
- Not past due (gross carrying amount)	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-
- The part under guarantee with collateral etc.	-	-	-	-	-	-
E. Off-balance sheet items with credit risk	-	-	-	-	-	-
F. 12-month expected credit losses	-	-	-	-	-	-

(*) In determining the amount, factors that increase credit reliability, such as guarantees received, were not taken into account.

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20. Nature and Level of Risks Arising from Financial Instruments and Capital Risk Management and Capital Adequacy Requirements (cont’d)

Credit Risk

Receivables contain an element of risk that the counterparties may be unable to meet the terms of the agreements. Since the Company's receivables are mostly from group companies, this risk is considered to be at a minimum level.

The Company does not have any loans extended.

Interest Rate Risk

The fact that changes in market interest rates cause fluctuations in the prices of financial instruments necessitates the Company to cope with interest rate risk. The Company's sensitivity to interest rate risk is related to the mismatch in the maturities of asset and liability accounts. This risk is managed by covering the assets affected by interest rate changes with the same type of liabilities.

Interest Rate Sensitivity

The financial assets of the Company are fixed interest instruments.

Market Risk

Any change that may occur in the Stock Market indices of Borsa Istanbul (“BIST”) does not pose a risk that will affect the net profit/loss of the Company since there are no stocks in the Company portfolio as of 30 September 2023 and 31 December 2022.

Liquidity Risk

Liquidity risk is the risk that a Company cannot meet its funding needs. The occurrence of events that result in a decrease in fund resources, such as deterioration in the markets or a decrease in the credit score, causes the formation of liquidity risk. The Company management manages the liquidity risk by allocating funds and keeping sufficient cash and similar resources to fulfill its current and potential liabilities.

As of 30 September 2023 and 31 December 2022, the Company does not have any derivative financial assets and liabilities.

21. Financial Instruments

	30 September 2023		31 December 2022	
	Fair value	Book value	Fair value	Book value
Financial Assets				
Cash and cash equivalents	11,203,439	11,203,439	10,309,594	10,309,594
Trade receivables	1,588,103	1,588,103	921,247	921,247
Financial Liabilities				
Trade payables	434,618	434,618	331,809	331,809

The Company management believes that the recorded values of financial instruments reflect their fair values due to their short-term nature.

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21. Financial Instruments (cont'd)

Fair Values of Financial Assets

The fair values of financial assets and liabilities are determined by the Company as follows:

- Level 1: The fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices.
- Level 2: The fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions.
- Level 3: The fair value of the financial assets and financial liabilities are determined where there is no observable market data.

22. Subsequent events

None.