İŞ YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ

Financial Statements
As of and For the Year
Ended 31 December, 2021
With Independent Auditors' Report Thereon

(*Convenience Translation of Financial Statements And Related Disclosures and Footnotes Are Originally Issued in Turkish)*

January 28, 2022

This report is 39 pages long and contains financial statements together with their explanatory notes.

(Convenience translation of a report and financial statements originally issued in Turkish)

INDEPENDENT AUDITOR'S REPORT

To the General Assembly of İş Yatırım Ortaklığı A.Ş.

A) Report on the Audit of Financial Statements

1) Opinion

We have audited the financial statements of İş Yatırım Ortaklığı A.Ş. (the Company), which depictures its financial position as of December 31, 2021. The following are among those statements subjected to a review: Statement of Profit or Loss, Statement of Other Comprehensive Income, Statement of Changes in Equity, and Statement of Cash Flows. Notes to the financial statements, including a summary of significant accounting policies, are also included.

In our opinion, the accompanying financial statements present fairly, in all material respects, the Company's financial position -its financial performance and its cash flows- as of December 31, 2021, following the Turkish Financial Reporting Standards (TFRS).

2) Basis for Opinion

We conducted the audit following auditing standards as issued by the Capital Markets Board of Turkey and Independent Auditing Standards (InAS), which are part of the Turkish Auditing Standards issued by the Public Oversight Accounting and Auditing Standards Authority of Turkey (POA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company under the Code of Ethics for Independent Auditors (Code of Ethics) as issued by the POA. We have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3) Key Audit Matters

We have determined that there are no key audit matters to communicate in our report.

4) Responsibilities of Management and Those Charged with Governance Relating to the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements according to TFRS. For such internal control, as management determines, it is necessary to prepare financial statements free from material misstatement, whether due to fraud or error.

When preparing the financial statements, management is responsible for assessing the Company's ability to continue operating unless there is an intention or obligation to liquidate the Company or terminate the commercial activity.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

(Convenience translation of a report and financial statements originally issued in Turkish)

5) Auditor’s Responsibilities for the Audit of the Financial Statements

In an independent audit, our responsibilities as the auditors are:

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance. Still, it is not a guarantee that an audit conducted following auditing standards as issued by the Capital Markets Board of Turkey and InAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence users' economic decisions relying on these financial statements.

As part of an audit following auditing standards as issued by the Capital Markets Board of Turkey and InAS, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit to design audit procedures appropriate in the circumstances, but not to express an opinion on the effectiveness of the Company’s internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue operating. Suppose we conclude that a material uncertainty exists. In that case, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

(Convenience translation of a report and financial statements originally issued in Turkish)

Among other things, we inform those responsible for senior management about the planned scope and timing of the independent audit and important audit findings, including significant internal control deficiencies that we identified during the audit.

We have informed those charged with senior management that we comply with ethical provisions regarding independence. Besides, we have communicated all relations and other matters that could potentially impact independence and, if any, relevant measures to those responsible for senior management.

Among the issues communicated to those responsible for senior management, we identify the most critical problems in the independent audit of the current period's financial statements, namely the key audit issues. In cases where the legislation does not allow the subject to be disclosed to the public, or in extremely exceptional cases where it is reasonably expected that the negative consequences of disclosing the matter to the public will exceed the public interest of the public disclosure, we may decide not to report the relevant matter in our independent auditor report.

B) Report on Other Legal and Regulatory Requirements

1) Auditors' report on Risk Management System and Committee prepared in accordance with paragraph 4 of Article 398 of Turkish Commercial Code ("TCC") 6102 is submitted to the Board of Directors of the Company on January 28, 2022.

2) In accordance with paragraph 4 of Article 402 of the TCC, no significant matter has come to our attention that causes us to believe that the Company's bookkeeping activities for the period 1 January - 31 December 2021 and financial statements are not in compliance with laws and provisions of the Company's articles of association concerning financial reporting.

3) In accordance with paragraph 4 of Article 402 of the TCC, the Board of Directors submitted to us the necessary explanations and provided required documents within the context of audit.

The name of the engagement partner who supervised and concluded this audit is Fatih Polat.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi
A member firm of Ernst & Young Global Limited

Fatih Polat, SMMM
Partner

January 28, 2022
İstanbul, Turkey

CONTENTS

İŞ YATIRIM ORTAKLIĞI A.Ş.
Convenience Translation of Notes to the Financial Statements
For the Year Ended December 31, 2021
STATEMENT OF FINANCIAL POSITION (BALANCE SHEET)
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

	Notes	*Audited*	*Audited*
		January 1-December 31, 2021	**January 1-December 31, 2020**
ASSETS			
Current Assets		**275.155.040**	**249.525.754**
Cash and cash equivalents	*3*	80.700.763	169.085.932
Investment securities	*4*	170.388.280	73.099.941
Trade receivables	*5*	24.012.689	7.259.208
Other receivables	*6*	39.320	23.505
-Other receivables from related parties	*19*	*39.320*	*23.505*
Other current assets	*12*	13.988	57.168
Non-current Assets		**430.746**	**580.800**
Investment securities	*4*	1	1
Tangible assets	*7*	30.070	16.838
Right of use assets	*8*	362.141	563.961
Intangible assets	*9*	38.534	-
TOTAL ASSETS		**275.585.786**	**250.106.554**

LIABILITIES			
Current Liabilities		**1.048.619**	**1.011.260**
Leasing payables		219.524	-
- Due to related parties	*8*	*219.524*	-
-Due to third parties	*19*	-	-
Trade payables	*5*	600.250	849.887
Due to related parties	*19*	*600.250*	*849.887*
Due to third parties		-	-
Other payables	*6*	93.316	68.717
Other payables from related parties	*19*	*12.208*	*10.480*
Other payables	*6*	*81.108*	*58.237*
Short term provisions		135.529	92.656
Employee benefits	*11*	135.529	92.656
Non-current Liabilities		**683.276**	**985.739**
Leasing payables	*8*	280.479	668.034
- Due to related parties	*19*	*280.479*	*614.447*
- Due to third parties		-	*53.587*
Long term provisions		402.797	317.705
Employee benefits	*11*	*402.797*	*317.705*
EQUITY		**273.853.891**	**248.109.555**
Paid-in capital	*13*	160.599.284	160.599.284
Inflation adjustment to share capital		968.610	968.610
Share premium		59.922	59.922
Restricted reserves	*13*	53.467.152	50.377.197
Retained earnings	*13*	7.947.586	8.129.995
Profit for the period		50.811.337	27.974.547
TOTAL LIABILITIES AND EQUITY		**275.585.786**	**250.106.554**

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

STATEMENT OF PROFIT OR LOSS

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

	Notes	*Audited* January 1- December 31, 2021	*Audited* January 1- December 31, 2020
CONTINUING OPERATIONS			
Sales	*14*	276.920.773	232.143.407
Cost of sales (-)	*15*	(221.652.913)	(200.066.591)
Gross profit		55.267.860	32.076.816
GROSS PROFIT		**55.267.860**	**32.076.816**
Administrative expenses (-)	*16*	(4.736.399)	(4.316.035)
Other income from main activities	*17*	279.876	213.766
Other operating expenses (-)	*17*	-	-
OPERATING PROFIT		**50.811.337**	**27.974.547**
PROFIT FROM CONTINUING OPERATIONS BEFORE TAX		**50.811.337**	**27.974.547**
Tax income / (expense) on continuing operations		-	-
PROFIT FROM CONTINUING OPERATIONS	***18***	**50.811.337**	**27.974.547**
DISCONTINUED OPERATIONS		**-**	**-**
PROFIT FOR THE PERIOD		**50.811.337**	**27.974.547**
Basic earnings share (per value of TL 1) from continuing operations	*18*	0,3164	0,1742
Diluted earnings share (per value of TL 1) from continuing operations	*18*	0,3164	0,1742

STATEMENT OF OTHER COMPREHENSIVE INCOME

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

		Audited	***Audited***
	Notes	**January 1- December 31, 2021**	**January 1- December 31, 2020**
PROFIT FOR THE PERIOD		50.811.337	27.974.547
Items that will never be reclassified to profit or loss		(13.513)	(17.059)
Actuarial gain/(loss) arising from defined benefit plans	*11*	*(13.513)*	*(17.059)*
TOTAL COMPREHENSIVE INCOME		**50.797.824**	**27.957.488**

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

STATEMENT OF CHANGES IN EQUITY

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

						Accumulated Profits		
	Notes	**Paid-in capital**	**Inflation adjustment to share capital**	**Share premium**	**Restricted reserves**	**Retained earnings**	**Profit for the period**	**Equity**
Balances at January 1, 2020		**160.599.284**	**968.610**	**59.922**	**42.422.903**	**6.915.635**	**64.271.268**	**275.237.622**
Transfers	*13*	-	-	-	7.954.294	56.316.974	(64.271.268)	-
Total comprehensive income		-	-	-	-	(17.059)	27.974.547	27.957.488
Dividends paid	*13*	-	-	-	-	(55.085.555)	-	(55.085.555)
Balances at December 31, 2020		**160.599.284**	**968.610**	**59.922**	**50.377.197**	**8.129.995**	**27.974.547**	**248.109.555**
Balances at January 1, 2021		**160.599.284**	**968.610**	**59.922**	**50.377.197**	**8.129.995**	**27.974.547**	**248.109.555**
Transfers	*13*	-	-	-	3.089.955	24.884.592	(27.974.547)	-
Total comprehensive income		-	-	-	-	(13.513)	50.811.337	50.797.824
Dividends paid	*13*	-	-	-	-	(25.053.488)	-	(25.053.488)
Balances at December 31, 2021		**160.599.284**	**968.610**	**59.922**	**53.467.152**	**7.947.586**	**50.811.337**	**273.853.891**

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

STATEMENT OF CASH FLOWS

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

	Notes	***Audited*** **January 1-December 31, 2021**	***Audited*** **January 1-December 31, 2020**
A. CASH FLOWS FROM OPERATING ACTIVITIES		**(62.858.078)**	**21.810.320**
Net profit for the period		**50.811.337**	**27.974.547**
Profit /(loss)reconciliation adjustments for the period:			
Depreciation and amortisation	*7,8,9*	285.032	243.706
Increase in provisions		(208.297)	(137.106)
Change in provision expense for employee benefits	*11*	*71.579*	*59.967*
Other provision expense		*(279.876)*	*(197.073)*
Dividend income	*13*	(696.493)	-
Change in interest accrual	*14*	394.156	(430.235)
Change in interest expenses	*8*	140.833	171.308
Fair value gains / (losses)	*14*	(6.932.705)	(1.014.209)
		(7.017.474)	**(1.166.536)**
Change in working capital:			
Change in financial investments		(90.440.153)	1.245.811
Change in trade receivables		(16.753.481)	(6.600.424)
Due to third parties		(15.815)	10.291
Change in other receivables		(15.815)	10.291
Due to related parties		43.180	(937)
Change in other current assets		42.873	(286.006)
Change in employee benefits payables		(249.637)	626.095
Change in trade payables		*(249.637)*	*626.095*
Due to related parties		-	-
Change in other payables		24.599	7.479
Due to related parties		*1.728*	*304*
Due to third parties		*22.871*	*7.175*
Other change in working capital		-	-
		(107.348.434)	**(4.997.691)**
Cash inflows from operating activities			
Dividends received	*14*	696.493	-
		696.493	-
B. CASH FLOWS FROM INVESTING ACTIVITIES		**(59.507)**	**(20.386)**
Acquisition of tangible assets and intangible assets		(59.507)	(20.386)
- Cash out flow from acquisition of tangible assets	*7*	*(19.872)*	*(20.386)*
- Cash out flow from acquisition of intangible assets	*9*	*(39.635)*	-
C. CASH FLOWS FROM FINANCING ACTIVITIES		**(25.437.823)**	**(55.445.366)**
Dividends paid	*13*	(25.053.488)	(55.085.555)
Cash outflows related to debt payments arising from lease agreements	*8*	(384.335)	(359.811)
NET INCREASE ON CASH AND CASH EQUIVALENTS BEFORE THE EFFECT OF EXCHANGE RATE FLUCTUATIONS		**(88.355.408)**	**(33.655.432)**
D. EFFECT OF EXCHANGE RATE FLUCTUATIONS ON CASH AND CASH EQUIVALENTS		**-**	**-**
NET INCREASE IN CASH AND CASH EQUIVALENTS		**(88.355.408)**	**(33.655.432)**
E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		**169.291.238**	**202.946.670**
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	*3*	**80.935.830**	**169.291.238**

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

1. ORGANISATION AND OPERATIONS OF THE COMPANY

The purpose of İş Yatırım Ortaklığı A.Ş. (The Company) is to perform capital market activities compliant with the Articles of Association and Capital Markets Law and the related regulation.

The Company was established in 1995 and operates in İş Kuleleri Kule 1, Kat: 5 Levent / Istanbul. The main shareholder of the Company is İş Yatırım Menkul Değerler A.Ş which is a subsidiary of Türkiye İş Bankası A.Ş. The Company was offered to the public on 1 April 1996. The Company's operational activity is portfolio management, and as of 31 December 2020, the number of employees of the Company is 6 (31 December 2019: 6). The Company has no participations, subsidiaries, or joint ventures. İş Portföy Yönetimi A.Ş. professionally manages the Company's portfolio following the principle of risk diversification.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1 Basis of Presentation

2.1.1 Accounting principles and statement of compliance to TAS

The Company prepared the financial statements for the year ended as of December 31, 2018, congruent with the Communiqué Serial Number II, No: 14.1, "Communiqué of Financial Reporting in Capital Markets" ("Communiqué") issued by the Capital Market Board ("CMB") at Official Gazette dated June 31, 2013, and numbered 28676, and in compliance with the Turkish Accounting Standards ("TAS") which was communicated by Public Oversight Accounting and Auditing Standards Agency ("POA"). TAS, Turkish Accounting Standards, comprises Turkish Financial Reporting Standards (TFRS)' and its supplements and interpretations.

As per March 17, 2005, dated and with the number 11/367 resolution of the CMB, it was decided that the application of inflation accounting is no longer needed for companies operating in Turkey and preparing the financial statements in line with the CMB Accounting Standards beginning from January 1, 2005. Therefore, starting from January 1, 2005, has not been applied in the financial statements.

In the announcement published by the Public Oversight Accounting and Auditing Standards Authority on January 20, 2022, it is stated that TAS 29 Financial Reporting in Hyperinflationary Economies does not apply to the TFRS financial statements as of December 31, 2021, since the cumulative change in the general purchasing power of the last three years according to Consumer Price Index (CPI) is 74,41%. In this respect, financial statements as of December 31, 2021 are not adjusted for inflation in accordance with TAS 29The financial statements and their explanatory notes have been prepared to befit the announcement regarding CMB's Communiqué.

The financial statements are prepared on a historical cost basis except for the financial assets at fair value through profit or loss. Historical cost is based on the actual amount of money paid for asset purchases.

As of December 31, 2020, the statement of financial position, statement of profit or loss, other comprehensive income, and notes to the financial statements for the year ended of the Company have been approved by the Board of Directors of the Company on January 29, 2021. General Assembly has the power to amend the financial statements after they are issued.

2.1.2 Operational Currency and Currency Used in Financial Disclosures

The Company's financial statements are presented in the currency of the primary economic environment (the functional currency) in which the entity operates. The financial position and the Company's operations are denoted in Turkish Lira ("TL"), the Company's functional currency, and accordingly, the financial statements are prepared using Turkish Lira.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS *(continued)*

2.1.3 Comparative information

The Company's financial statements for the period ending on December 31, 2021, are prepared comparatively with the prior period to provide information on the Company's financial position and performance. To comply with the presentation of the current period financial statements, comparative data is reclassified when necessary and significant differences are explained. The Company has prepared the statement of financial position as of December 31, 2021, comparatively with the ending on December 31, 2020. The following statements are compared to the accounting period ending on December 31, 2020: Profit and Loss, Other Comprehensive Income, Cash Flow, and Changes in Equity.

2.2 Changes in Accounting Policies and Errors

Significant changes in accounting policies and significant accounting errors are corrected retrospectively, and the financial statements of the previous period are rearranged. The Company does not have any considerable accounting errors detected in the current period, and there are no changes in accounting policies except for the new and amended TFRS standards and TFRYK interpretations effective as of January 1, 2021.

2.3 Changes in Accounting Estimates

Changes in accounting estimates are applied in the current period if the difference is related to only one period. If they are related to future periods, they are applied both in the period in which the change is made and in the coming periods, prospectively. There has been no significant change in the accounting estimates of the company in the current period.

2.4 The new standards, amendments and interpretations

The accounting policies adopted in preparation of the financial statements as of December 31, 2021 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRS interpretations effective as of January 1, 2021 and thereafter. The effects of these standards and interpretations on the Company's financial position and performance have been disclosed in the related paragraphs.

i) The new standards, amendments and interpretations which are effective as of January 1, 2021 are as follows:

Interest Rate Benchmark Reform – Phase 2 – Amendments to TFRS 9, TAS 39, TFRS 7, TFRS 4 and TFRS 16

In December 2020, the POA issued Interest Rate Benchmark Reform – Phase 2, Amendments to TFRS 9, TAS 39, TFRS 7, TFRS 4 and TFRS 16 to provide temporary reliefs which address the financial reporting effects when an interbank offering rate (IBOR) is replaced with an alternative nearly risk-free rate (RFR, amending the followings. The amendments are effective for periods beginning on or after January 1, 2021. Earlier application is permitted and must be disclosed.

Practical expedient for changes in the basis for determining the contractual cash flows as a result of IBOR reform

The amendments include a practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest. Under this practical expedient, if the interest rates applicable to financial instruments change as a result of the IBOR reform, the situation is not considered as a derecognition or contract modification; instead, this would be determined by recalculating the carrying amount of the financial instrument using the original effective interest rate to discount the revised contractual cash flows. The practical expedient is required for entities applying TFRS 4 Insurance Contracts that are using the exemption from TFRS 9 Financial Instruments (and, therefore, apply TAS 39 Financial Instruments: Classification and Measurement) and for TFRS 16 Leases, to lease modifications required by IBOR reform.

2. Basis of Presentation of Financial Statements (continued)

2.4 The new standards, amendments and interpretations (continued)

i) The new standards, amendments and interpretations which are effective as of January 1, 2021 are as follows (continued)

Relief from discontinuing hedging relationships

- The amendments permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued.
- Amounts accumulated in the cash flow hedge reserve are deemed to be based on the RFR.
- For the TAS 39 assessment of retrospective hedge effectiveness, on transition to an RFR, entities may elect on a hedge-by-hedge basis, to reset the cumulative fair value changes to zero.
- The amendments provide relief for items within a designated group of items (such as those forming part of a macro cash flow hedging strategy) that are amended for modifications directly required by IBOR reform. The reliefs allow the hedging strategy to remain and not be discontinued.
- As instruments transition to RFRs, a hedging relationship may need to be modified more than once. The phase two reliefs apply each time a hedging relationship is modified as a direct result of IBOR reform.

Separately identifiable risk components

The amendments provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component.

Additional disclosures

Amendments need additional TFRS 7 Financial Instruments disclosures such as; How the entity is managing the transition to RFRs, its progress and the risks to which it is exposed arising from financial instruments due to IBOR reform, quantitative information about financial instruments that have yet to transition to RFRs and If IBOR reform has given rise to changes in the entity's risk management strategy, a description of these changes.

The amendments are mandatory, with earlier application permitted. While application is retrospective, an entity is not required to restate prior periods.

The amendments did not have a significant impact on the financial position or performance of the Company.

2. Basis of Presentation of Financial Statements (continued)

2.4 The new standards, amendments and interpretations (continued)

i) The new standards, amendments and interpretations which are effective as of January 1, 2021 are as follows (continued)

Amendments to TFRS 16 - Covid-19-Related Rent Concessions and Covid-19-Related Rent Concessions beyond June 30, 2021

In June 2020, the POA issued amendments to TFRS 16 Leases to provide relief to lessees from applying TFRS 16 guidance on lease modifications to rent concessions arising a direct consequence of the Covid-19 pandemic. In April 7, 2021, POA extended the exemption to include concessions that cause a decrease in lease payments whose maturity expired on or before June 30, 2022.

A lessee will apply the amendment for annual reporting periods beginning on or after April 1, 2021. Early application of the amendments is permitted.

Overall, the Company expects no significant impact on its balance sheet and equity.

ii) Standards issued but not yet effective and not early adopted

Standards, interpretations and amendments to existing standards that are issued but not yet effective up to the date of issuance of the financial statements are as follows. The Company will make the necessary changes if not indicated otherwise, which will be affecting the financial statements and disclosures, when the new standards and interpretations become effective.

TFRS 10 and TAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments)

In December 2017, POA postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. Early application of the amendments is still permitted. The Company will wait until the final amendment to assess the impacts of the changes.

Amendments to TFRS 3 – Reference to the Conceptual Framework

In July 2020, the POA issued amendments to TFRS 3 Business combinations. The amendments are intended to replace to a reference to a previous version of the Conceptual Framework (the 1989 Framework) with a reference to the current version issued in March 2018 (the Conceptual Framework) without significantly changing requirements of TFRS 3. At the same time, the amendments add a new paragraph to TFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date. The amendments issued to TFRS 3 which are effective for periods beginning on or after January 1, 2022 and must be applied prospectively. Earlier application is permitted if, at the same time or earlier, an entity also applies all of the amendments contained in the Amendments to References to the Conceptual Framework in TFRS standards (March 2018).

The Company is in the process of assessing the impact of the amendments on financial position or performance of the Company.

2. Basis of Presentation of Financial Statements (continued)

2.4 The new standards, amendments and interpretations (continued)

ii) Standards issued but not yet effective and not early adopted (continued)

Amendments to TAS 16 – Proceeds before intended use

In July 2020, the POA issued amendments to TAS 16 Property, plant and equipment. The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment (PP&E), any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and costs of producing those items, in profit or loss. The amendments issued to TAS 16 which are effective for periods beginning on or after January 1, 2022. Amendments must be applied retrospectively only to items of PP&E made available for use on or after beginning of the earliest period presented when the entity first applies the amendment. There is no transition relief for the first time adopters.

The Company is in the process of assessing the impact of the amendments on financial position or performance of the Company.

Amendments to TAS 37 – Onerous contracts – Costs of Fulfilling a Contract

In July 2020, the POA issued amendments to TAS 37 Provisions, Contingent Liabilities and Contingent assets. The amendments issued to TAS 37 which are effective for periods beginning on or after January 1, 2022, to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making and also apply a "directly related cost approach". Amendments must be applied retrospectively to contracts for which an entity has not fulfilled all of its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application). Earlier application is permitted and must be disclosed.

The Company is in the process of assessing the impact of the amendments on financial position or performance of the Company.

TFRS 17 - The new Standard for insurance contracts

The POA issued TFRS 17 in February 2019, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. TFRS 17 model combines a current balance sheet measurement of insurance contract liabilities with the recognition of profit over the period that services are provided. TFRS 17 will become effective for annual reporting periods beginning on or after January 1, 2023; early application is permitted.

The standard is not applicable for the Company and will not have an impact on the financial position or performance of the Company.

2. Basis of Presentation of Financial Statements (continued)

2.4 The new standards, amendments and interpretations (continued)

ii) Standards issued but not yet effective and not early adopted (continued)

Amendments to TAS 1- Classification of Liabilities as Current and Non-Current Liabilities

On January 15, 2021, the POA issued amendments to TAS 1 Presentation of Financial Statements. The amendments issued to TAS 1 which are effective for periods beginning on or after January 1, 2023, clarify the criteria for the classification of a liability as either current or non-current. Amendments must be applied retrospectively in accordance with TAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. Early application is permitted.

The Company is in the process of assessing the impact of the amendments on financial position or performance of the Company.

Amendments to TAS 8 - Definition of Accounting Estimates

In August 2021, the POA issued amendments to TAS 8, in which it introduces a new definition of 'accounting estimates'. The amendments issued to TAS 8 are effective for annual periods beginning on or after January 1, 2023. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, the amended standard clarifies that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors. The previous definition of a change in accounting estimate specified that changes in accounting estimates may result from new information or new developments. Therefore, such changes are not corrections of errors. This aspect of the definition was retained by the POA. The amendments apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of the effective date. Earlier application is permitted.

The Company is in the process of assessing the impact of the amendments on financial position or performance of the Company.

Amendments to TAS 1 - Disclosure of Accounting Policies

In August 2021, the POA issued amendments to TAS 1, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments issued to TAS 1 are effective for annual periods beginning on or after January 1, 2023. In the absence of a definition of the term 'significant' in TFRS, the POA decided to replace it with 'material' in the context of disclosing accounting policy information. 'Material' is a defined term in TFRS and is widely understood by the users of financial statements, according to the POA. In assessing the materiality of accounting policy information, entities need to consider both the size of the transactions, other events or conditions and the nature of them. Examples of circumstances in which an entity is likely to consider accounting policy information to be material have been added.

The Company is in the process of assessing the impact of the amendments on financial position or performance of the Company.

2. Basis of Presentation of Financial Statements (continued)

2.4 The new standards, amendments and interpretations (continued)

ii) Standards issued but not yet effective and not early adopted (continued)

Amendments to IAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

In August 2021, the POA issued amendments to TAS 12, which narrow the scope of the initial recognition exception under TAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences. The amendments issued to TAS 12 are effective for annual periods beginning on or after January 1, 2023. The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognised in the financial statements (and interest expense) or to the related asset component (and interest expense). This judgement is important in determining whether any temporary differences exist on initial recognition of the asset and liability. The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for all deductible and taxable temporary differences associated with leases and decommissioning obligations should be recognized.

The Company is in the process of assessing the impact of the amendments on financial position or performance of the Company.

Annual Improvements – 2018–2020 Cycle

In July 2020, the POA issued Annual Improvements to TFRS Standards 2018–2020 Cycle, amending the followings:

- TFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter: The amendment permits a subsidiary to measure cumulative translation differences using the amounts reported by the parent. The amendment is also applied to an associate or joint venture.
- TFRS 9 Financial Instruments – Fees in the "10 per cent test" for derecognition of financial liabilities: The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either borrower or lender on the other's behalf.
- TAS 41 Agriculture – Taxation in fair value measurements: The amendment removes the requirement in paragraph 22 of TAS 41 that entities exclude cash flows for taxation when measuring fair value of assets within the scope of TAS 41.

Improvements are effective for annual reporting periods beginning on or after January 1, 2022. Earlier application is permitted for all.

The Company is in the process of assessing the impact of the amendments / improvements on financial position or performance of the Company.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (continued)

2.5 Summary of Significant Accounting Policies

Revenue and cost of sales

The Company revenue consists of securities, redeem and interest income, dividends, net valuation gain / (loss), and derivative income /expenses. Income on security sales and purchases are recorded as income in the profit or loss statement. On the settlement date of the transaction, dividends and similar revenues from share certificates are recognized when the shareholders' rights to receive payment have been established. Interest income, commission expenses, and other expenses are recognized as income on an accrual basis. Interest income includes the fixed-rate coupon payments, time deposit, interest income from money market placements and reverse repurchase agreements, and income from trading securities are given as collateral.

Costs of sales consist of sales of securities in the portfolio, commission, and clearing expenses. Commission expenses are realized on an accrual basis.

Fees and commissions

Fee and commissions mainly include commissions given to İş Yatırım Menkul Değerler A.Ş. which is a brokerage company, and to İş Portföy Yönetimi A.Ş. as portfolio management fees. All fees and commissions are recognized in profit or loss on an accrual basis.

Tangible assets

Items of tangible assets acquired before January 1, 2005 are stated at cost adjusted for the effects of inflation through December 31, 2004. Tangible assets acquired after January 1 2005 are recorded at their historical costs less accumulated depreciation and accumulated impairment losses.

Depreciation

Tangible assets are depreciated principally on a straight-line basis considering estimated useful lives. Estimated useful lives, residual value and depreciation method are reviewed every year to estimate the possible effects of changes and if there is a change in estimation, revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The estimated useful lives of tangible assets are as follows:

Tangible Assets	Estimated Useful Life (Year)
Furniture and fixtures	3 - 10 years
Leasehold improvements	5 years

Subsequent costs

The costs of replacing a component of an item of tangible asset is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Company, and its cost can be measured reliably. All other costs are recognized in profit or loss as incurred.

Gains and losses of sale of a tangible asset is determined by offsetting the carrying value with recovered amount and recognized through profit or loss in the other operating income / loss account. The useful lifes and depreciation method of tangible fixed assets are reviewed at each reporting period and adjusted if it necessary.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (continued)

2.5 Summary of Significant Accounting Policies (continued)

Intangible assets

Intangible assets acquired before January 1, 2005, are stated at cost adjusted for the effects of inflation through December 31, 2004, and intangible assets purchased after January 1, 2005, are recorded at their acquisition cost less accumulated depreciation and accumulated impairment losses. Intangible assets are amortised principally on a straight-line basis considering the estimated useful lives. Estimated useful lives and depreciation method are reviewed every year to estimate the possible effects of changes and changes in estimation accounted for prospectively. Intangible assets are comprised of information technologies and computer softwares. Purchased computer software are capitalized on purchasing costs incurred during the purchase and until they are ready to use. Intangible assets are amortised over their estimated useful lives (3 years) from the date of acquisition. The useful lifes and depreciation method of intangible fixed assets are reviewed each period and adjusted if it necessary.

Impairment of assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognized if the carrying amount of an asset or its related cash generating unit exceeds its estimated recoverable amount. The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value. Impairment losses are recognized in profit or loss. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined; if no impairment loss had been recognized.

Borrowing costs

All borrowing costs are recognized in profit or loss in the period which they are incured.

Financial instruments

<u>Financial assets</u>

All financial assets are recognized and derecognized on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs except for those financial assets classified at fair value through profit or loss, which are initially measured at fair value.

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss', 'financial assets measured at amortised cost', 'financial assets at fair value through other comprehensive income'.

Effective interest method

The effective interest method is a method of calculating the amortized cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period.

Income related with financial assets which are classified as not financial assets at fair value through profit or loss is calculated by using effective interest method.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (continued)

2.5 Summary of Significant Accounting Policies (continued)

Financial instruments (continued)

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term. Derivatives are also categorized as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

Financial assets measured at amortised cost

Trade and other receivables and loans with fixed and determinable payments that are not traded on the market are classified in this category. Loans and receivables subject to valuation with their discounted cost value by using the effective interest rate method, net of any provision for impairment. As of December 31, 2021, the Company has no loan transaction in its portfolio. (December 31, 2020: None.)

As at reporting period ended, the Company has no financials assets measured at amortised cost in its portfolio.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income are initially recognised at fair value plus the transaction costs that are directly attributable to its acquisition costs. After the initial recognition, Financial assets at fair value through other comprehensive income are measured at fair value.

Reverse repurchase agreements

Marketable securities held as part of resale agreement commitments ("reverse repo") are accounted for under cash and cash equivalents in the statement of financial position. The difference between purchase and resale prices is accounted for as interest and amortized during the period of the agreement.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each balance sheet date. In the case that,there is an indication of impairment mentioned in advance, the Company determines the amount of the impairment. Financial assets are impaired where there is objective evidence that loss or losses have been occured, as a result of one or more events (gains/losses) that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted. Possible losses that may arise as a result of future events are not accounted for, regardless of the probability level.

If financial assets at fair value through other comprehensive income is impaired, the cumulative gain or loss entries are deducted from equity and presented as net profit for the period. If there is an increase in the fair value of the asset during the subsequent loss accounting periods, the value increases are accounted under equity. In the current period, in accordance with TFRS 9 – Financial Instruments a provision is made for financial assets at fair value through other comprehensive income, bank deposits and receivables from stock exchange money market.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (continued)

2.5 Summary of Significant Accounting Policies (continued)

Financial instruments (continued)

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits, time deposits that maturities are less than 3 months or 3 months and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Financial Liabilities

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

The Company has no financial liabilities at fair value through profit or loss.

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Share capital

Ordinary shares

Ordinary shares are classified under equity. Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity, net of any tax effects.

All shares are shown as issued capital. Dividends distributed over shares are classified as dividend liability to be paid by deducting from the accumulated profit as of the dividend distribution period.

Share capital and dividends

Common shares are classified as issued capital. Dividends on common shares are reclassified as dividend payables by netting off from the retained earnings in the period in which they are approved and disclosed.

Effect of foreign currency transactions

In the preparation of the financial statements of the Company, transactions in foreign currencies(currencies other than TL) are recorded at exchange rates at the dates of the transactions Monetary assets and liabilities indexed foreign exchange in the financial position are translated into TL at exchange rates at the end of the reporting period. As of December 31, 2021, there are 7.072.553 mutual fund certificates that bear currency risk of USD and 90 FX (USD based) futures contracts (short positions) with the maturity of February 28, 2022 in the Company's portfolio. The foreign currency position table of the Company is given in Note 20. (December 31, 2021, there are Eurobonds with a nominal amount of USD 1.200.000 and 1.412 FX (USD based) future contracts (short positions)).

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (continued)

2.5 Summary of Significant Accounting Policies (continued)

Earnings per share

Earnings per shares are calculated by dividing profit or loss by the weighted average number of ordinary shares outstanding during the period. In Turkey, companies can raise their share capital by distributing "bonus shares" to shareholders from retained earnings. In computing earnings per share, such "bonus share" distributions are assessed as issued shares. Accordingly, the retrospective effect for those share distributions is taken into consideration in determining the weighted-average number of shares outstanding used in this computation.

Events after the reporting period

Events after the reporting period represent the events that occur against or on behalf of the Company between the reporting date and the date when statement of financial position was authorised for the issue. If there is evidence of such events as of reporting date or if such events occur after reporting date and if adjustments are necessary, the Company's financial statements are adjusted according to the new situation. The Company discloses the post-balance sheet events that are not adjusting events but material.

Trade Payables/ Trade Receivables

Trade payables and trade receivables consist of payables and receivables resulting directly from the company's portfolio management activities. Payables consist of operations such as share swap, brokerage, asset management, are classified as trade payables, and receivables consist of operations such as share swaps, TDE transaction collaterals, derivatives market cash deposit are classified as trade receivables as at reporting date.

Related parties

In the accompanying financial statements, key management personnel of the Company and Board of Directors, their family and controlled or dependent companies, associates and subsidiaries are all accepted and referred to as related parties ("Related Parties"). Shareholders, Board of Directors and Audit Committee members are also included in the related parties. Related party transactions are explained as the transfer of the asset and liabilities between institutions with or without a charge.

Provisions, contingent liabilities and contingent assets

According to "TAS 37 - Turkish Accounting Standards on provisions, contingent liabilities and assets" a provision is recognized when the Company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. If the specified criteria are not met, the Company discloses the related issues in the accompanying notes.

Contingent assets are disclosed where an inflow of economic benefits is probable and it recognized in the notes.

Segment reporting

Since the Company does not have operating segments whose operating results are separately reviewed and performances assessed by the decision makers of the Company, no segment reporting information is considered as necessary.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (continued)

2.5 Summary of Significant Accounting Policies (continued)

Taxation

Effective from January 1, 2006, in accordance with Article 5/(1)-d of the Corporate Tax Law dated June 21, 2006 and No: 5520, portfolio management income by securities investment funds and trusts founded in Turkey are exempt from corporate tax. This exemption is also applied to the advance corporate tax. This exemption is also applicable to Quarterly Advance Corporate Tax.

Based on Article 15 (3) of the Corporate Tax Law, 15% withholding tax is deducted against the portfolio management income, which is exempt from tax, whether it is distributed or not. The Council of Ministers is authorized to reduce the deduction rates referred to in the Article 15 of the Corporate Tax Law to nil or to increase it up to the corporate tax rate and differentiate the related deduction according to fund and entity types or the nature and distribution of the assets of the portfolio of such funds and entities within the related limits. Accordingly, the mentioned effective tax rate is 0% on portfolio management income based on the Council of Ministers decision No: 2009/14594.

According to the paragraph (8) of Article 34 of the Corporate Tax Law, the taxes deducted from the securities investment funds and trusts during the acquisition of portfolio management earnings in accordance with Article 15, provided that they are paid to the relevant tax office by the tax deductors, According to paragraph (3) of Article 15 of the Law, it has been stated that they can offset from the tax deduction they will make within the institution, and the amount of deduction that cannot be deducted will be rejected and returned to them upon application.

Based on the Law No: 5281, effective between January 1, 2006 and December 31, 2020 in accordance with the Law No: 5527 which added to the Income Tax Law through of the law numbered 193 and Temporary Article 67/ (1), the rate of income tax deduction is 0% for gains derived from the alienation and retention of the marketable securities and other capital market instruments as from 1 October 2006. The article of the Income Tax Code in question It will be implemented until December 31, 2025.

In accordance with Corporate Tax Law and Income Tax Law, there is no further withholding tax for the gain from marketable securities investment funds and marketable securities investment trusts under the Temporary Article 67, (2) and (4) numbered clauses.

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

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (continued)

2.5 Summary of Significant Accounting Policies (continued)

Employee Benefits

Reserve for employee severance indemnity

Under the Turkish law and union agreements, lump sum payments are made to employees retiring or involuntarily leaving the Company. Such payments are considered as being part of defined retirement benefit plan as per Turkish Accounting Standard No. 19 (revised) “Employee Benefits” (“TAS 19”).

The retirement benefit obligation recognized in the financial statements represents the present value of the defined benefit obligation. All actuarial gains and losses have been recognized in the other comprehensive income.

The main assumptions used in net present value calculation are as follows:

	December 31, 2021	December 31, 2020
	(%)	(%)
Net discount rate	3,50	4,07
Turnover rate to estimate the probability of retirement	100,00	100,00

Pension Plans

The Company does not have any pension and post employment benefit plans.

Statement of Cash Flows

In the statement of cash flows, the cash flows for the period are reported with a classification of operating, investment and financing activities. Cash flows related with operating activities compose of cash flows arising from portfolio management operations of the Company. Cash flows related with investment activities compose of cash flows that the Company uses in investment activities or generates from investment activities (tangible investments). Cash flows related with financing activities represent resources that the Company uses for financing activities and the reimbursements of such resources.

Turkish Derivatives Exchange market (“TDE”) transactions

All cash collaterals given by the Company for the transactions made in the TDE are classified as trade receivables as gross. Gains and losses arising from the transactions in the current period are recognised in profit or loss from main operations. The net amount of fair value differences recognised in profit or loss, and interest income from the remaining part of the collateral amounts arising from the open transactions are presented in trade receivables.

2.6 Significant Accounting Judgements, Estimates and Assumptions

The preparation of financial statements in conformity with the Communiqué requires management to make judgements, 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. The estimates are used particularly in the following notes:

Note 11 – Provisions, contingent liabilities and contingent assets.

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

3. CASH AND CASH EQUIVALENTS

	December 31, 2021	December 31, 2020
Cash in bank (*)	20.845.575	6.053.335
Demand deposits (Note 19)	*17.911*	*27.240*
Time deposits	*20.827.664*	*6.026.095*
Receivables from reverse repo agreements	45.018.486	137.066.762
Receivables from money market	15.171.852	26.665.378
Expected loss provision (**)	(335.150)	(699.543)
Toplam	**80.700.763**	**169.085.932**

(*) There is no blockage or pledge on cash at banks as of December 31, 2021 (December 31, 2020: None).
(**) As of December 31, 2020, the Company has recorded an expected loss provision amounting to TL 335.150 for its bank deposits, reverse repo and money market transactions that have original due date less than 3 months in accordance with TFRS 9 Financial Instruments standard. (December 31, 2020: 699.543)4

Time deposits:

December 31, 2021	Interest Rate	Maturity	Cost	Carrying Value
TL	24%	11 February 2022	4.000.000	4.007.786
TL	22%	4 February 2022	5.000.000	5.014.916
TL	22%	4 February 2022	5.000.000	5.014.916
TL	20,25%	3 February 2022	6.752.919	6.790.046
			20.752.919	**20.827.664**

December 31, 2020	Interest Rate	Maturity	Cost	Carrying Value
TL	17,75%	27 January 2021	6.000.000	6.026.095
			6.000.000	**6.026.095**

Receivables from money market operations:

December 31, 2021	Interest Rate	Maturity	Cost	Carrying Value
TL	16,50%	3 January 2022	15.165.000	15.171.852
			15.165.000	**15.171.852**

December 31, 2020	Interest Rate	Maturity	Cost	Carrying Value
TL	16,10%-17,65%	4 January 2021	5.900.000	5.988.491
TL	16,25%	5 January 2021	15.000.000	15.280.231
TL	16,5%-17,5%	18 January 2021	5.364.000	5.396.656
			26.264.000	**26.665.378**

Receivables from reverse repo agreements:

December 31, 2021	Interest Rate	Maturity	Cost	Carrying Value
TL	15%	3 January 2022	44.000.000	44.018.075
TL	15,01%	3 January 2022	1.000.000	1.000.411
			45.000000	**45.018.486**

December 31, 2020	Interest Rate	Maturity	Cost	Carrying Value
TL	17,80%	4 January 2021	137.000.000	137.066.762
			137.000.000	**137.066.762**

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

3. CASH AND CASH EQUIVALENTS *(Continued)*

As of December 31, 2021 and December 31, 2020, cash and cash equivalents less accrued income interest in the statement of cash flows are as follows:

	December 31, 2021	December 31, 2020
Cash and cash equivalents	80.700.763	169.085.932
Accrued interest and value increases	(100.083)	(494.237)
Expected loss provision	335.150	699.543
	80.935.830	**169.291.238**

Explanations about the nature and level of risk of cash and cash equivalents are summarized in Note 20.

4. INVESTMENT SECURITIES

	December 31, 2021	December 31, 2020
Financial assets at fair value through profit/loss	137.948.297	73.099.941
Financial assets at fair value other comprehensive income	1	1
Receivables from the Stock Exchange Money Market with an original maturity of more than 3 months (*)	32.439.983	-
Total	**170.388.281**	**73.099.942**

The securities in the financial investments account due to the company's activities are mainly for trading securities, and they are valued with their fair values. Fair value refers to the best buy orders or announced price among pending, current orders as of December 31, 2021. If they are not available, the price advances to the end of the period basing the cost of the most recent transaction, and, in their absence, the price is offered with the internal yield rate. As of December 31, 2021, the fair value difference reflected in other comprehensive income consists of TSKB Gayrimenkul Değerleme A.Ş. shares amounting to TL 1 (December 31, 2020: TL 1 TSKB Gayrimenkul Değerleme A.Ş. share).

	31 December 2021		
Financial assets at fair value through profit or loss	**Nominal**	**Fair Value**	**Carrying Value**
Private sector bonds and bills	119.210.000	120.385.631	120.385.631
Mutual fund participation certificates	12.078.844	17.562.666	17.562.666
	131.288.844	**137.948.297**	**137.948.297**

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

4. INVESTMENT SECURITIES *(Continued)*

	December 31, 2020		
Financial assets at fair value through profit or loss	**Nominal**	**Fair Value**	**Carrying Value**
Private sector bonds and bills	55.090.000	56.883.272	56.883.272
Mutual funds certificates	5.000.000	7.098.350	7.098.350
Eurobonds (*)	8.903.280	9.118.319	9.118.319
	68.993.280	**73.099.941**	**73.099.941**

(*) The nominal value of the eurobonds in the portfolio as the original currency is USD 1.200.000.

As of 31 December 2021, the interest rates corresponding to TL debt securities' current values held for trading are between %16,52 and %27,14 (31 December 2020: %14,65 - %20,79). As of December 31, 2021, there are no USD denominated debt securities in the portfolio for trading purposes. (As of 31 December 2020, the interest rate corresponding to the USD-based debt securities' current value held for trading is 2.32%).

5. TRADE RECEIVABLES AND TRADE PAYABLES

As of December 31, 2021, the Company does not have any overdue and doubtful receivables. (December 31, 2020: TL None).

As of December 31, 2021 and December 31, 2020, the detailed information on short-term trade receivables is as follows:

	December 31, 2021	**December 31, 2020**
TDE transaction collaterals	24.012.689	7.259.208
Total	**24.012.689**	**7.259.208**

As at December 31, 2021 and 31 December 2020, the detailed information on short-term trade payables is as follows:

	December 31, 2021	**December 31, 2020**
Portfolio management commission (Note 19)	71.994	116.101
Portfolio performance commision (Note 19)	458.845	669.209
Portfolio custody commission (Note 19)	69.411	64.577
Total	**600.250**	**849.887**

Explanations about the nature and level of risk of Trade Receivables are summarized in Note 20.

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

6. OTHER RECEIVABLES AND OTHER PAYABLES

As at December 31, 2021 and December 31, 2020, the detailed information on short-term other receivables are as follows:

	December 31, 2021	December 31, 2020
Other receivables from related parties (Note 19)	39.320	23.505
Total	**39.320**	**23.505**

As at December 31, 2021 and December 31, 2020, the detailed information on short-term other payables are as follows:

	December 31, 2021	December 31, 2020
Tax payables	81.108	58.237
Other payables to related parties (Note 19)	12.208	10.480
Total	**93.316**	**68.717**

7. TANGIBLE ASSETS

	Furniture and fixtures	Leasehold improvements	Total
Cost			
Opening balance at January 1, 2021	201.141	61.216	262.357
Purchases	19.872	-	19.872
Closing balance at December 31, 2021	**221.013**	**61.216**	**282.229**
Accumulated depreciation			
Opening balance at January 1, 2021	(184.303)	(61.216)	(245.519)
Charge for the year	(6.640)	-	(6.640)
Closing balance at December 31, 2021	**(190.943)**	**(61.216)**	**(252.159)**
Net carrying amount January 1, 2021	**16.838**	**-**	**16.838**
Net carrying amount December 31, 2021	**30.070**	**-**	**30.070**

	Furniture and fixtures	Leasehold improvements	Total
Cost			
Opening balance at January 1, 2020	180.755	61.216	241.971
Purchases	20.386	-	20.386
Closing balance at December 31, 2020	**201.141**	**61.216**	**262.357**
Accumulated depreciation			
Opening balance at January 1, 2020	(177.195)	(61.216)	(238.411)
Charge for the year	(7.108)	-	(7.108)
Closing balance at December 31, 2020	**(184.303)**	**(61.216)**	**(245.519)**
Net carrying amount January 1, 2020	**3.560**	**-**	**3.560**
Net carrying amount December 31, 2020	**16.838**	**-**	**16.838**

As at December 31, 2021 and December 31, 2020, there is no pledge on tangible assets.

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

8. RIGHT OF USE ASSETS (LIABILITIES)

As of January 1, 2019, following the TFRS 16 standard, the amounts related to the Company's lease agreements were discounted with a reasonable interest rate within the framework of their default maturities and reduced to their present value recorded as the right of use assets. Corresponding liability amounts are under leasing payables.

Right of Use Assets	**December 31, 2021**	**December 31, 2020**
Beginning of period	563.961	720.202
Rent increase effect	75.471	80.357
Accumulated depreciation (-)	(277.291)	(236.598)
Total	**362.141**	**563.961**

Lease Liabilites	**December 31, 2021**	**December 31, 2020**
Beginning of period	668.034	776.180
Rent increase effect	75.471	80.357
Interest expenses	140.833	171.308
Paid rent amounts (-)	(384.335)	(359.811)
Total	**500.003**	**668.034**

9. INTANGIBLE ASSETS

	Other intangible assets (*)	**Total**
Cost		
Opening balance at January 1, 2021	125.932	125.932
Purchases	39.635	39.635
Closing balance at December 31, 2021	**165.567**	**165.567**
Accumulated depreciation		
Opening balance at January 1, 2021	(125.932)	(125.932)
Charge for the year	(1.101)	(1.101)
Closing balance at December 31, 2021	**(127.033)**	**(127.033)**
Net carrying amount January 1, 2021	**-**	**-**
Net carrying amount December 31, 2021	**38.534**	**38.534**

(*) Comprised of software.

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

9. INTANGIBLE ASSETS (continued)

	Other intangible assets (*)	Total
Cost		
Opening balance at January 1, 2020	125.932	125.932
Purchases	-	-
Closing balance at December 31, 2020	**125.932**	**125.932**
Accumulated depreciation		
Opening balance at January 1, 2020	(125.932)	(125.932)
Charge for the year	-	-
Closing balance at December 31, 2020	**(125.932)**	**(125.932)**
Net carrying amount January 1, 2020	**-**	**-**
Net carrying amount December 31, 2020	**-**	**-**

(*) Comprised of software.

As at December 31, 2021 and December 31, 2020, there is no pledge on tangible assets.

10. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

As of date December 31, 2021, the Company has a long position of 100 BIST 30 index futures contracts and short position of 90 FX (USD based) futures contracts both of which have the maturity of February 28, 2022 in the portfolio. (December 31, 2020: short position of 1,412 FX (USD based) futures contracts.) These contracts are recorded in off-balance sheet accounts and fair value changes are accounted through statement of profit or loss.

The Company gives no guarantees, pledges, mortgages, or sureties to provide its debt and to ensure the obligation of any person, organization.

There is no lawsuit to which the Company is a party.

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

11. EMPLOYEE BENEFITS

Short-term provisions for employee benefits

	December 31, 2021	December 31, 2020
Vacation pay liability and provision for employee bonuses	135.529	92.656
Total	**135.529**	**92.656**

In accordance with existing Turkish Labour Law, the Company is required to make lump-sum severance indemnities to each employee who has completed one year of service with the Company and whose employment is terminated due to retirement or for reasons other than resignation or misconduct. As at the reporting date, provision for vacation pay liability is the liability of the Company that is the undiscounted total amount of the days that were deserved but not used by the employees.

As at December 31, 2021 and December 31, 2020, movement of unused vacation pay liabilities and employee bonuses are as follows:

	December 31, 2021	December 31, 2020
Opening balance, January 1	92.656	378.662
Vacation and employee bonuses paid	-	(271.513)
Period cost / (reversal)	42.873	(14.943)
Provisions closing balance, December 31	**135.529**	**92.656**

Long-term provisions for employee benefits

	December 31, 2021	December 31, 2020
Employee severance indemnity	402.797	317.705
Total	**402.797**	**317.705**

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

11. EMPLOYEE BENEFITS *(continued)*

Employee Severance Indemnity:

Under Turkish Labour Law, the Company is required to pay employment termination benefits to each employee whose employment is terminated by gaining the right to receive the termination benefits. In addition, based on the amended 60th article of the current Social Insurance Law's numbered 506 together with amendments dated March 6, 1981, numbered 2422, dated August 25, 1999 and numbered 4447, the Company is obliged to pay termination benefits to the employees who have quitted by gaining right to receive their termination benefits. Some provisions for the pre-retirement service conditions are abolished from the law with amendment on May 23, 2002.

The reserve for severance pay liability as at December 31, 2021 is based on the monthly ceiling amounting to TL 8.284,51. (December 31, 2020: TL 7.117,17).

The reserve has been calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of employees. TAS 19 ("Employee Benefits") requires actuarial valuation methods to be developed to estimate the enterprise's obligation under defined benefit plans. Accordingly, the actuarial assumptions explained in the following paragraph were used in the calculation of the total liability.

The principal assumption is that the maximum liability for each year of service will increase parallel to the change in inflation. Consequently, in the accompanying financial statements as at December 31, 2021, the provision has been calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of the employees. The provisions at the end of the reporting period is calculated assuming an annual inflation rate of %15.07 and a interest rate of % 19,10, resulting in a net discount rate of approximately % 3,5 (December 31, 2020: The provisions at the end of the reporting period is calculated assuming an annual inflation rate of % 8 and a interest rate of % 12,40, resulting in a net discount rate of approximately % 4,07). The probability of voluntarily leaves is also considered in the calculation.

	1 January – 31 December 2021	**1 January – 31 December 2020**
Opening balance at January 1	317.705	240.679
Interest cost	36.529	28.237
Service cost	35.050	31.730
Actuarial (gains) / losses	13.513	17.059
Employee severance indemnity	**402.797**	**317.705**

12. OTHER CURRENT ASSETS

Other current assets	**December 31, 2021**	**December 31, 2020**
Prepaid expenses	13.988	17.533
Advances given(*)	-	39.635
Total	**13.988**	**57.168**

(*) Advances paid to third party for the improvement of IT system used by the Company.

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

13. CAPITAL AND RESERVES

Paid-in Capital

The structure of the Company's paid-in share capital as at December 31, 2021 and December 31, 2020 is as follows:

Shareholders	Group	Shareholding Interest (%)	December 31 2021	Shareholding Interest (%)	December 31 2020
İş Yatırım Menkul Değerler AŞ	(A)	1,46	2.347.411	1,46	2.347.411
İş Yatırım Menkul Değerler AŞ	(B)	27,47	44.106.690	27,47	44.106.690
T.Sınai Kalkınma Bankası AŞ	(B)	5,82	9.346.475	5,82	9.346.475
Yatırım Finansman Menkul Değerler AŞ	(A)	0,73	1.185.072	0,73	1.185.072
Yatırım Finansman Menkul Değerler AŞ	(B)	0,40	632.039	0,40	632.039
Anadolu Hayat Emeklilik AŞ	(A)	0,37	592.536	0,37	592.536
Anadolu Hayat Emeklilik AŞ	(B)	0,54	870.929	0,54	870.929
Diğer	(B)	63,21	101.518.132	63,21	101.518.132
Total share capital		**100,00**	**160.599.284**	**100,00**	**160.599.284**

The total number of ordinary shares consists of 16.059.928.400 shares with a par value of Kurus 1 (one) per share and TL 4.125.019 of the total amount is Group (A), TL 156.474.265 of the total amount is Group (B) shares. Group (A) shareholders have the privilege to nominate candidates during the Board of Directors member elections, Group (A) shareholders have 1.000.000 (one million) right to vote while Group (B) shareholders have 1 (one) right to vote. The Company's A group shares do not include any classes of preference shares. Earnings per share are the same for both preference shares and ordinary shares.

The free float of the Company is 67,32%.

Reserves on Retained Earnings

	December 31, 2021	December 31, 2020
Legal reserves	53.467.152	50.377.197
Total	**53.467.152**	**50.377.197**

The legal reserves consist of first and second legal reserves, appropriated in accordance with the Article 519 of 6102 numbered Turkish Commercial Code ("TCC"), are not distributable to shareholders. The first legal reserve is appropriated out of historical statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the historical paid-in share capital. The second legal reserve is appropriated after the first legal reserve and dividends, at the rate of 10% per annum of all cash dividend distributions.

In accordance with the Turkish Commercial Code numbered 6102, Article 519, the Company has transferred TL 3.089.955 to its legal reserves of TL 50.377.197 with the resolution of General Assembly meeting held on March 23, 2021 and as of December 31, 2021 legal reserves of the Company increased to TL 53.467.152.

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

13. CAPITAL AND RESERVES *(continued)*

Retained Earnings

Retained earnings amounts to TL 7.947.586 as of December 31, 2021. (December 31, 2020: TL 8.129.995).

Dividend Distribution

At the Ordinary General Assembly Meeting of the Company held on March 23, 2021, 15,60% (gross = net) of the Company's issued capital which amounts to 25.053.488,30 TL, are distributed as dividends. The dividends will be covered from the 2020 profit in cash as of March 29, 2021. The distribution process started on the relevant date and was completed on March 31, 2021.

Dividend distribution is performed as follows:

	Amount
A- General legal total reserves (TCC 519/1, 519/2 (c))	2.921.059
B- Cash dividend for shareholders	25.053.488
Total	**27.974.547**

Distribution of profit from operating activities of the Company is determined in accordance with CMB regulations.

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

14. REVENUE

Sales	**January 1- December 31, 2021**	**January 1- December 31, 2020**
Sale of share certificates	137.808.727	18.639.403
Sale of mutual funds certificates	28.703.140	4.788.896
Sale of eurobonds	90.357.470	197.762.329
Sale of bonds and bills	-	3.529.259
Subtotal	**256.869.337**	**224.719.887**

Increase/decrease in stock value (net)	-	-
Increase/decrease in the value of debt securities (net)	2.299.017	581.517
Eurobond value increase/decrease (net)	-	(69.153)
Exchange rate difference income/expenses (net	(10.794.523)	1.317.216
Amortization and interest income	16.985.063	19.521.554
Increase/decrease in mutual fund value (net)	4.633.688	501.845
Reverse repurchase interest income	15.706.711	5.786.831
Accruals of interest	524.583	494.237
Dividend income	696.493	-
Commission income from securities borrowed	-	17.629
Futures contract profits/losses (net)	(9.999.596)	(20.728.156)
Subtotal	**20.051.436**	**7.423.520**
Total	**276.920.773**	**232.143.407**

15. COST OF SALES

Cost of Sales	**January 1- December 31, 2021**	**January 1- December 31, 2020**
Cost of sales of share certificates	136.960.016	18.622.620
Cost of sales of mutual funds certificates	23.167.147	4.677.344
Cost of sales of eurobonds	59.130.675	170.166.952
Cost of sales of government bonds and treasury bills	-	3.554.230
Subtotal	**219.257.838**	**197.021.146**
Portfolio management commission expenses (Note 19)	775.697	1.381.682
Portfolio performance commission expenses (Note 19)	837.264	676.867
Brokerage commission expenses (Note 19)	458.845	669.209
Portfolio custody commission expenses (Note 19)	258.674	257.887
Settlement and custody commission expenses	64.595	59.800
Subtotal	**2.395.075**	**3.045.445**
TOTAL COST OF SALES	**221.652.913**	**200.066.591**

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

16. ADMINISTRATIVE EXPENSES

	January 1- December 31, 2021	January 1- December 31, 2020
Personnel wages and expenses	2.575.600	1.910.889
Board of directors attendance fees	864.000	979.650
System expenses	262.504	225.109
Operating expenses	83.861	90.332
Audit fees	105.355	88.677
Listing expenses	68.094	64.756
Risk management system expenses	44.133	38.852
Membership fees	24.849	14.744
Depreciation and amortization expenses	285.032	243.706
Interest expense arising from the right to use the asset	140.833	171.308
Donations and aids made	-	99.997
Other operating expenses	282.138	388.015
Total	**4.736.399**	**4.316.035**

Personnel wages and expenses

	January 1- December 31, 2021	January 1- December 31, 2020
Salaries and wages	1.989.517	1.459.355
Provision for unused vacation and employee bonus	42.873	-
Social security expenses	368.964	304.096
Other personnel expenses	71.579	59.967
Provision for employee severance indemnity	102.667	87.471
Total	**2.575.600**	**1.910.889**

17. OTHER OPERATING INCOME AND EXPENSES

Other operating income amounting to TL 279.876 is the result of netting the expected loss provision calculated for the financial instruments within the scope of TFRS 9 and the effect of the current period. (December 31, 2020: TL 213.766 TFRS 9 effect and other income)

18. EARNINGS PER SHARE

	January 1- December 31, 2021	January 1- December 31, 2020
Nominal value of current shares during the period (TL)	160.599.284	160.599.284
Nominal value of shares in circulation (TL)	**160.599.284**	**160.599.284**
Net profit for the period (TL)	**50.811.337**	**27.974.547**
Earnings per ordinary and diluted shares (TL) (per value of TL 1)	**0,3164**	**0,1742**

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

19. RELATED PARTY DISCLOSURES

Details of related party balances are as follows:

	December 31, 2021	December 31, 2020
Cash and cash equivalents		
Türkiye İş Bankası Anonim Şirketi *(Demand deposit)(Note 3)*	17.911	27.240
Türkiye İş Bankası Anonim Şirketi *(Time deposit) (Note 3)*	5.014.916	-
Total	**5.032.827**	**27.240**

Financial investments at fair value through profit or loss

	December 31, 2021	December 31, 2020
Related parties leasing payables (private sector bonds and bills)	-	1.471.759
Mutual fund certificates	17.562.666	7.098.350
Total	**17.562.666**	**8.570.109**

Receivables from related parties

	December 31, 2021	December 31, 2020
Other non-trading receivables (Note 6)		
İş Merkezleri Yönetim ve İşletim A.Ş.	39.320	23.505
	39.320	**23.505**

Other current assets

	December 31, 2021	December 31, 2020
Anadolu Anonim Türk Sigorta Şirketi	13.988	12.016
Total	**13.988**	**12.016**

Due to related parties

	December 31, 2021	December 31, 2020
Trade payables		
Portfolio management, custody and brokerage commission payables (Note 5)		
İş Portföy Yönetimi AŞ	530.839	785.310
Türkiye İş Bankası Anonim Şirketi	69.411	64.577
İş Yatırım Menkul Değerler AŞ		
	600.250	**849.887**
Other non-trading payables (Note 6)		
Anadolu Anonim Türk Sigorta Şirketi	12.208	10.480
	12.208	**10.480**
Leasing payables (Note 8)		
Türkiye İş Bankası Anonim Şirketi	500.003	614.447
	500.003	**614.447**

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

19. RELATED PARTY DISCLOSURES *(continued)*

Transactions within the period	January 1-December 31, 2021	January 1-December 31, 2020
Portfolio management, brokerage and custody commissions paid to related parties (Note 15)		
İş Portföy Yönetimi AŞ	1.234.542	2.050.891
İş Yatırım Menkul Değerler AŞ	837.264	676.867
Türkiye İş Bankası AŞ	258.674	257.887
Total	**2.330.480**	**2.985.645**

Administrative expenses	January 1-December 31, 2021	January 1-December 31, 2020
Expenses paid to related parties		
İş Merkezleri Yön. ve İşl. AŞ - (maintenance and other operating expenses)	97.611	95.561
İşnet Elektronik Bilgi Üretim ve Dağıtım Tic. ve İletişim Hiz. AŞ - (internet usage and other service expenses)	139.439	117.051
İş Yatırım Menkul Değerler AŞ - (risk management expenses)	44.133	38.852
Anadolu Anonim Türk Sigorta Şirketi - (health insurance expenses)	13.287	12.758
SoftTech Yazılım Teknolojileri Araştırma Geliştirme ve Pazarlama Tic. AŞ - (Web updating expenses)	4.271	3.614
Total	**298.741**	**267.836**

The Company has not earned time deposit interest income from Türkiye İş Bankası A.Ş. for the year ended December 31, 2021 (December 31, 2020: TL 316), rent payment was made to T.İş Bankası A.Ş. amounting to TL 337.182 (December 31, 2020: TL 300.311)

Dividend income	January 1-December 31, 2021	January 1-December 31, 2020
Türkiye Şişe ve Cam Fab. A.Ş.	26.162	-
Total	**26.162**	**-**

Benefits provided to key management personnel, members of board of directors and audit committee are as follows.

	January 1-December 31, 2021	January 1-December 31, 2020
Benefits provided to key management personnel		
Gross wages and other short-term benefits	1.635.972	1.498.926
Employee severance indemnity	10.356	10.159
Provision for unused vacation and employee bonuses	42.133	25.964
Total	**1.688.461**	**1.535.049**

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

20. NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS

Financial Risk Factors

The Company's activities expose to a variety of financial risks: market risk (fair value interest rate risk and share price risk). Market risk is the fluctuations in interest rates and value of marketable securities or other financial agreements that negatively affect the Company. The Company recognise its marketable securities at fair value and monitors the market risk as interest rate risk and share price risk separately. The Company's Board of Directors determine strategy and limits related with portfolio management in certain periods and portfolio of marketable securities are managed within this scope by portfolio directors. The Company receives a regular service from İş Yatırım Menkul Değerler A.Ş. with respect to measurement and reporting of portfolio risk and concerning reports evaluated by Early Detection of Risk Committee and Board of Directors. The Company's overall risk management program focuses on the uncertainty of financial markets and seeks to minimize the potential negative effects on the Company's financial performance.

Interest rate risk

Interest rate risk is defined as decrease in value that interest rate fluctuations may have over the Company's interest rate sensitive assets. The Company has no interest sensitive liabilities.

Interest Risk Position Table

		December 31, 2021	December 31, 2020
Fixed interest rate financial instruments			**202.984.002**
Financial assets	Financial assets at fair value through profit or loss	55.381.799	9.118.319
	Receivables from reverse repo agreements	45.018.486	137.066.762
	Time deposits	20.827.664	6.026.095
	Receivables from MMT	47.696.352	26.665.378
Floating interest rate financial instruments		**65.003.832**	**56.883.272**
Financial assets	Financial assets at fair value through profit or loss	65.003.832	56.883.272

Debt securities classified as financial assets at fair value through profit or loss in the balance sheet of the Company are exposed to price risk due to interest rate changes. According to the analysis made by the Company as of December 31, 2021, 1% increase or decrease in interest rates on the condition that all other factors remain stable, causes a decrease amounting to TL 1.177.512 or an increase amounting to TL 1.227.815 in the fair value of debt securities amounting to TL 120.385.631 including net profit in the period and equity of the Company as of December 31, 2021. (According to the analysis made by the Company as of December 31, 2020, 1% increase or decrease in interest rates on the condition that all other factors remain stable, causes a decrease amounting to TL 802.381 or an increase amounting to TL 848.425 in the fair value of debt securities amounting to TL 66.001.591 including net profit in the period and equity of the Company).

Equity price risk

The Company is also exposed to equity price risk arising from equity investments. As of December 31, 2021, if the settlement prices of BIST 30 Index Future contracts were 10% higher/lower and all other variables were held constant; The Company's net profit and equity would decrease/increase by TL 209.700 with regards to long position of 100 BIST 30 Index Future contracts. (December 31, 2020: TL There are no equities, no index future contracts.)

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

20. NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS *(continued)*

Credit risk

The Company does not have any credit default risk, since the Company does not have extended loans. As of December 31, 2021 and 2020, the Company's credit risk carrying assets are as follows:

		Receivable							
		Trade receivables		**Other receivables**					
	December 31, 2021	**Related parties**	**Other parties**	**Related parties**	**Other parties**	**Bank deposits**	**Receivables from reverse repo and money market placements**	**Investment securities [1]**	**Other**
	Exposure to maximum credit risk as at the reporting date (A+B+C+D) [1]	**-**	**24.012.689**	**39.320**	**-**	**20.845.575**	**92.714.838**	**120.385.631**	**-**
	- Maximum credit risk amount secured with guarantees	-	-	-	-	-	-	-	-
A.	Net carrying value of neither past due nor impaired financial assets	-	24.012.689	39.320	-	20.845.575	92.714.838	120.385.631	-
B.	Net carrying value of past due but not impaired financial assets	-	-	-	-	-	-	-	-
C.	Net carrying value of impaired assets	-	-	-	-	-	-	-	-
	- Past due (Gross amount)	-	-	-	-	-	-	-	-
	- Impairment (-)	-	-	-	-	-	-	-	-
	- Net carrying value secured with guarantees	-	-	-	-	-	-	-	-
	- Not past due (gross amount)	-	-	-	-	-	-	-	-
	- Impairment (-)	-	-	-		-	-	-	
	- Net carrying value secured with guarantees	-	-	-	-	-	-	-	-
D.	Off balance sheet items with credit risks	-	-	-	-	-	-	-	-

[1] Quoted share and real estate certificates, which have not credit risk, are not included in the determination of the balance.

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

20. NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS *(continued)*

Credit risk (continued)

		Receivables							
		Trade receivables		Other receivables					
	December 31, 2020	**Related parties**	**Other parties**	**Related parties**	**Other parties**	**Bank deposits**	**Receivables from reverse repo and money market placements**	**Investment securities [(1)]**	**Other**
	Exposure to maximum credit risk as at the reporting date (A+B+C+D) [(1)]	**-**	**7.259.208**	**23.505**	**-**	**6.053.335**	**163.732.140**	**66.001.591**	**-**
	- Maximum credit risk amount secured with guarantees	-	-	-	-	-	-	-	-
A.	Net carrying value of neither past due nor impaired financial assets	-	7.259.208	23.505	-	6.053.335	163.732.140	66.001.591	-
B.	Net carrying value of past due but not impaired financial assets	-	-	-	-	-	-	-	-
C.	Net carrying value of impaired assets	-	-	-	-	-	-	-	-
	- Past due (Gross amount)	-	-	-	-	-	-	-	-
	- Impairment (-)	-	-	-	-	-	-	-	-
	- Net carrying value secured with guarantees	-	-	-	-	-	-	-	-
	- Not past due (gross amount)	-	-	-		-	-	-	
	- Impairment (-)	-	-	-	-	-	-	-	-
	- Net carrying value secured with guarantees	-	-	-	-	-	-	-	-
D.	Off balance sheet items with credit risks	-	-	-	-	-	-	-	-

[1] Quoted share and real estate certificates, which have not credit risk, are not included in the determination of the balance.

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

20. NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS (continued)

Currency risk

In the preparation of the financial statements of the Company, transactions in foreign currencies are recorded at exchange rates at the dates of the transactions Monetary assets and liabilities indexed foreign exchange in the financial position are translated into TL at exchange rates at the end of the reporting period. As of December 31, 2021, there are 7.072.553 mutual fund certificates that bear currency risk of USD and 90 FX (USD based) futures contracts (short positions) with the maturity of February 28, 2022 in the Company's portfolio. The foreign currency position table of the company is given in Note 20. (December 31, 2021, nominal amount of USD 1.200.000 Eurobonds and 1.412 FX (USD based) future contracts (short positions)).

Sensitivity to exchange rate risk

The Company's sensitivity to a 10% increase/decrease in USD are presented below. Sensitivity analysis only includes foreign currency denominated monetary assets outstanding at the end of period and indicates the effects of 10% changes in exchange rates. Positive value indicates an increase in profit/loss and other equity items.

Profit/(loss)	**December 31, 2021**		**December 31, 2020**	
	Foreign currency		**Foreign currency**	
	appreciation	**devaluation**	**appreciation**	**devaluation**
US Dollar changes against TL by 10%				
1- US Dollar net asset / liability	644.129	(644.129)	918.747	(918.747)
2- Portion hedged against US Dollar risk (-)	(130.530)	130.530	(1.070.818)	1.070.818
3- US Dollar net effect (1+2)	513.600	(513.600)	(152.071)	152.071
TOTAL	**513.600**	**(513.600)**	**(152.071)**	**152.071**

Liquidity risk

Liquidity risk may occur as a result of inability in funding of long term assets with a short term liabilities. The Company's total assets are almost comprised of cash and cash equivalents and investment securities due to the nature of the Company's operations. The Company's management approach is to finance assets through the equity in order to minimize liquidity risk.

The Company has no derivative liabilities. Non-derivative financial liabilities as of December 31, 2021 and December 31, 2020 based on the discounted cash flow of the remaining contract term maturities are as follows:

			December 31, 2021				
Contractual maturities	**Carrying Value**	**Total contractual cash outflows**	**Less than 1 month**	**1-3 months**	**3-12 months**	**1-5 years**	**More than 5 years**
Non-derivative financial liabilities	**1.193.569**	**1.348.610**	**720.860**	**54.587**	**245.641**	**327.522**	**-**
Trade payables	600.250	600.250	600.250				-
Other payables	93.316	93.316	93.316				-
Leasing payables	500.003	655.044	27.294	54.587	245.641	327.522	

			December 31, 2020				
Contractual maturities	**Carrying Value**	**Total contractual cash outflows**	**Less than 1 month**	**1-3 months**	**3-12 months**	**1-5 years**	**More than 5 years**
Non-derivative financial liabilities	**1.586.638**	**2.221.588**	**948.587**	**59.966**	**269.847**	**943.188**	**-**
Trade payables	849.887	849.887	849.887	-	-	-	-
Other payables	68.717	68.717	68.717	-	-	-	-
Leasing payables	668.034	1.302.984	29.983	59.966	269.847	943.188	-

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

20. NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS *(continued)*

Capital management

The Company manages its capital by allocating its investment risk to the lowest level with effective portfolio management. The aim of the Company is to maintain sustainable returns for shareholders and benefits for other stakeholders; and to maintain an optimal capital structure to reduce the cost of capital. The balance between the Company's growth expectation and the shareholders' expectation and also the Company's profitability are considered in dividend distribution prepared within the current legislation framework.

21. FINANCIAL INSTRUMENTS

Financial Instruments Categories:

December 31, 2021	Carrying Value	Fair Value
Financial Assets		
Cash and cash equivalents	80.700.763	80.700.763
Financial assets at fair value through profit or loss	170.388.280	170.388.280
Trade receivables	24.012.689	24.012.689
Other receivables	39.320	39.320
Financial liabilities		
Trade payables	600.250	600.250
Other payables	93.316	93.316
Leasing payables	500.003	500.003

December 31, 2020	Carrying Value	Fair Value
Financial Assets		
Cash and cash equivalents	169.085.932	169.085.932
Financial assets at fair value through profit or loss	73.099.941	73.099.941
Trade receivables	7.259.208	7.259.208
Other receivables	23.505	23.505
Financial liabilities		
Trade payables	849.887	849.887
Other payables	68.717	68.717
Leasing payables	668.034	668.034

Fair value of financial instruments

Fair value is the amount in which a financial asset could be exchanged or a liability could be met between knowledgeable and willing parties in transactions effected in accordance with market conditions.

The estimated fair values of financial instruments have been determined by the Company using available market information and appropriate valuation methodologies. However, judgement is necessarily required to interpret market data to develop the estimated fair value. Accordingly, the estimates presented herein may not necessarily be indicative of the amounts that the Company could realize in a current market exchange.

The following methods and assumptions are used to estimate the fair value of each class of financial instrument for which it is practicable to estimate fair value:

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

21. FINANCIAL INSTRUMENTS (continued)

Fair value of financial instruments *(continued)*

Financial assets

Carrying amounts of financial assets measured at amortized cost including cash and cash equivalents and other financial assets approximate their fair values due to their short-term nature and the assumption of immaterial potential losses in exchange of these assets.

Market prices are used in determination of fair values of debt securities and share certificates.

Financial liabilities

The carrying amount of monetary liabilities approximates their fair values due to their short-term nature.

The fair value of financial assets and liabilities are determined as follows:

First level: Implies that in determining the fair values of assets and liabilities, active market trading price is used for valuation purposes.

Second level: Implies that in determining the fair values of assets and liabilities, should other market price be observed other than first degree market prices, then observed market price is used for valuation purposes.

Third level: Implies that in determining the fair values of assets and liabilities, data not based on market observation is used for valuation purposes.

Financial assets presented at fair value through profit and loss:

December 31, 2021	**Carrying Value**	**Level 1**	**Level 2**	**Level 3**
Financial assets at fair value through profit/loss				
Financial investments	120.385.631	120.385.631	-	-
Mutual fund certificates	17.562.666	17.562.666	-	-
Total	**137.948.297**	**137.948.297**	**-**	**-**

December 31, 2020	**Carrying Value**	**Level 1**	**Level 2**	**Level 3**
Financial assets at fair value through profit/loss				
Financial investments	56.883.272	56.883.272	-	-
Mutual fund certificates	7.098.350	7.098.350	-	-
Eurobonds	9.118.319	-	9.118.319	-
Total	**73.099.941**	**63.981.622**	**9.118.319**	**-**

22. Fees for Services Received from External Auditor/ External Audit Firm

January 1 – December 31, 2021 external auditing fee for the reporting period TL 62.265. (December 31, 2020: TL 53.580.).

23. EVENTS AFTER THE REPORTING PERIOD

None. (December 31, 2020: None).