

We empower
customers to
build a better
future

Contact Information

ICBC Turkey Bank Anonim Şirketi (ICBC Turkey) conducts operations as a foreign-capitalized deposit bank in Turkey. The contact information of our branches can be reached on our website under the heading of the “Contact Us”/ “Branch-ATMs” or by QR Code.

Period of the Report	01.01.2020 - 31.12.2020
Trade Name of the Bank	ICBC Turkey Bank A.Ş.
Currency of the Report	Unless indicated otherwise, all of the amounts are indicated in thousand TL.
Trade Registry Number of the Bank	224058 – İstanbul Chamber of Commerce
Head Office Address	Maslak Mah. Dereboyu/2 Cad. No: 13 34398 Sarıyer - İstanbul
Head Office Phone No.	0212 335 53 35
Head Office Fax No	0212 328 13 28
Internet Site Address	www.icbc.com.tr
Electronic Mail	info@icbc.com.tr

Convenience Translation into English of Independent Auditor’s Report on the Board of Directors’ Annual Report Originally Issued in Turkish



KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.
İş Kuleleri Kule 3 Kat:2-9
Levent 34330 İstanbul
Tel +90 212 316 6000
Fax +90 212 316 6060
www.kpmg.com.tr

To the General Assembly of ICBC Turkey Bank Anonim Şirketi

Opinion

We have audited the annual report of ICBC Turkey Bank Anonim Şirketi (the “Bank”) and its financial subsidiaries (together the “Group”) for the period between 1 January 2020 and 31 December 2020, since we have audited the complete set financial statements for this period.

In our opinion, the consolidated financial information included in the annual report and the analysis of the Board of Directors by using the information included in the audited financial statements regarding the position of the Bank are consistent, in all material respects, with the audited complete set of consolidated financial statements and information obtained during the audit and provides a fair presentation.

Basis for Opinion

We conducted our audit in accordance with “Regulation on Independent Audit of the Banks” published in the Official Gazette No.29314 dated 2 April 2015 by Banking Regulation and Supervision Agency (“BRSA Auditing Regulation”) and Standards on Auditing which is a component of the Turkish Auditing Standards published by the Public Oversight Accounting and Auditing Standards Authority (“POA”) (“Standards on Auditing issued by POA”). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Annual Report section of our report. We declare that we are independent of the Bank in accordance with the Code of Ethics for Auditors issued by POA (POA’s Code of Ethics) and the ethical requirements in the regulations issued by POA that are relevant to audit of financial statements, and we have fulfilled our other ethical responsibilities in accordance with the POA’s Code of Ethics and regulations. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Auditor’s Opinion on Complete Set of Consolidated Financial Statements

We have expressed an unqualified opinion on the complete set of consolidated financial statements of the Bank for the period between 1 January 2020 and 31 December 2020 on 24 February 2021.

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Board of Directors' Responsibility for the Annual Report

In accordance with the Articles 514 and 516 of the Turkish Commercial Code numbered 6102 ("TCC") and Regulation on the Principles and Procedures Concerning the Preparation of and Publishing Annual Reports by the Bank ("Regulation") published in the Official Gazette dated 1 November 2006 and Numbered 26333, the Bank's management is responsible for the following regarding the annual report:

a)The Bank's management prepares its annual report within the first three months following the date of statement of financial position and submits it to the general assembly.

b)The Bank's management prepares its annual report in such a way that it reflects the operations of the year and the consolidated financial position of the Bank accurately, completely, directly, true and fairly in all respects. In this report, the financial position is assessed in accordance with the Bank's consolidated financial statements. The annual report shall also clearly indicate the details about the Bank's development and risks that might be encountered. The assessment of the Board of Directors on these matters is included in the report.

c)The annual report also includes the matters below:

-Significant events occurred in the Bank after the reporting period,

-The Bank's research and development activities.

-Financial benefits such as wages, premiums and bonuses paid to board members and key management personnel, appropriations, travel, accommodation and representation expenses, benefits in cash and kind, insurance and similar guarantees.

When preparing the annual report, the Board of Directors also considers the secondary legislation arrangements issued by the Ministry of Trade and related institutions.

Auditor's Responsibility for the Audit of the Annual Report

Our objective is to express an opinion on whether the consolidated financial information included in the annual report in accordance with the TCC and the Regulation, and analysis of the Board of Directors by using the information included in the audited financial statements regarding the position of the Bank are consistent with the audited consolidated financial statements of the Bank and the information obtained during the audit and give a true and fair view and form a report that includes this opinion.

We conducted our audit in accordance with BRSA Auditing Regulation and Standards on Auditing issued by POA. Those standards require compliance with ethical requirements and planning of audit to obtain reasonable assurance on whether the consolidated financial information included in the annual report and analysis of the Board of Directors by using the information included in the audited financial statements regarding the position of the Bank are consistent with the consolidated financial statements and the information obtained during the audit and provides a fair presentation.

KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi



Orhan Akova, SMMM
Partner
24 February 2021
Istanbul, Turkey

Statement Regarding Annual Report

Address of the Bank's

Headquarters : Maslak Mah. Dereboyu/2 Caddesi No: 13 34398 Sarıyer - İstanbul
Telephone number : (0212) 335 53 35
Fax number : (0212) 328 13 28
Website of the Bank : www.icbc.com.tr

Annual Report for year 2020 of ICBC Turkey Bank A.Ş., has been prepared in accordance with the "Regulation on the Procedures and Principles for Preparation and Publishing of Annual Report by Banks" published in the Official Gazette no.26333 dated 1 November 2006 by Banking Regulation and Supervision Agency, and enclosed herewith.

Signature of XIANGYANG GAO
Chairman of Board of Directors

Signature of PEIGUO LIU
Member of Board of Directors and Chairman of Audit Committee

Signature of SHAOXIONG XIE
General Manager and Member of Board of Directors

Signature of HÜSEYİN HASAN İMECE
Deputy General Manager Responsible for Financial Control and Accounting, Asset and Liability, Economic Research Department

Signature of YAFENG HE
Managing Director of Financial Control and Accounting

CBC Turkey Bank A.Ş. Maslak Mah. Dereboyu / 2 Cad. No: 13 34398 Sarıyer / İstanbul
Tel: 0 212 335 53 35 Faks: 0 212 328 13 28 İstanbul Ticaret Sicil Memurluğu / 224058 Mersis No: 0836004772800050



icbc.com.tr

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In 2020 ICBC Turkey celebrated its 5th year in the Turkish market.

Having identified growth in the corporate, investment, and personal banking business lines as being its strategic goal, ICBC Turkey has made significant progress in the direction of being a leader in Belt and Road project finance.

Positioning itself as a bank that “is deeply rooted in the local market, radiates into neighboring countries, and links Europe and Asia”, ICBC Turkey is focused on increasing its influence in the region of which Turkey is the center, on growing shareholder value, and on benefitting all stakeholders.

ICBC Turkey completed 2020 with a strong performance that it achieved by combining strategic thinking with bottom-line thinking. Even as it registered strong growth in what was a very challenging year, the bank focused on protecting all of its employees and other stakeholders from the ravages of the pandemic as well as on strengthening its contributions to social wellbeing.

In keeping with its goal of being “a bank that is deeply rooted in the local market, radiates into neighboring countries, and links Europe and Asia”, ICBC Turkey will seek to proactively diversify its operations in the Turkish market in the period ahead while also methodically transforming itself step by step from a local bank to an international financial institution.

To sum up, ICBC Turkey will be working hard to help and inspire its customers in their efforts to build a better and more sustainable future while also continuing to contribute to commercial and economic relations between China and Turkey.

2020

Vision

Within the context of the international banking conception, to become a bank that is innovative, open to developments, expeditious and meticulous in its services and the most favoured by its customers with its prudential risk management approach.

Mission

To generate tailor-made solutions to our customers' for their current and future needs, to establish long-lasting relations through our high-quality service approach based on knowledge and creativity, to contribute to our country's economy by creating social and economic values, to continuously generate added value for our customers, employees and shareholders.

Our Strategic Targets

- In light of the political movements in the nearby geography and the global financial fluctuations, achieve a deliberate and sustainable growth by protecting the Bank's steady balance sheet and strong capital structure by identifying risks correctly,
- Grow in the corporate, commercial, and investment banking segments,
- Sustain the growth in the retail banking area,
- Closely monitor the costs and taking savings measures as practicable as possible.

ICBC Turkey's Strategic Development Plan (2021 - 2023)

ICBC Turkey, in 2018-2020...

Since its share acquisition and transfer on 22 May 2015, ICBC Turkey has pursued its position of “focusing on local development, expanding to neighboring regions and connecting Europe and Asia” by aiming to become a preferred bank in the Belt and Road Initiative.

ICBC Turkey has fully implemented the international strategies set out by the Head Office and built the preferred Chinese-capitalized pioneer bank of the Belt and Road Initiative.

Carrying out its activities with a prudent approach, ICBC Turkey has followed best practices in the field and has taken steps towards becoming a model and leading figure in cultural integration in the field of financial cooperation between China and Turkey.

Operating according to the principle of “overcoming difficulties, strengthening the foundations, increasing income from fee-based activities and reducing non-performing loans”, ICBC Turkey has also achieved its operational transformation in the same process.

In accordance with the requirements set out in the ICBC Head Office's Three Benchmarks, ICBC Turkey has continuously reinforced its “solid power” on the axes of size, quality, benefit, management and innovation, and built “soft power” in five aspects; corporate governance, team building, corporate culture and corporate social responsibility.

Adhering to the vision for the construction of the Belt and Road Initiative in the last 5 years, ICBC Turkey has achieved constant and tiger growth in terms of size, quality, profit and benefit, even in environments of economic volatility.

ICBC Turkey's success in recent 3 years has attracted wide acclaim from authorities, the local community and other stakeholders in China and Turkey.

- In 2017, 2018 and 2019, ICBC Turkey received the “Best Investment Bank” rating from the Turkish Capital Markets Association for three years in succession respectively.
- In 2018, ICBC was selected as the “Best Foreign Capital Bank” by Turcomoney; in 2019, it received the “Best Commercial Bank in Turkey of the Year” and “Best Investment Bank of the Year in Turkey” titles from the International Banker Magazine. ICBC Turkey was the only institution in the Turkish banking sector among magazine's list of winners to win the award.
- In 2018, ICBC Turkey was awarded the title of Excellent Overseas Enterprise (Transformation-Based Development) by ICBC Head Office.

ICBC Turkey has fully implemented the international strategies set out by the Head Office and built the preferred Chinese-capitalized pioneer bank of the Belt and Road Initiative.

ICBC Turkey will actively diversify its activities in the Turkish market and gradually transform itself from being a local bank to an international bank.

ICBC Turkey in 2021-2023...

ICBC Turkey will consciously implement the “48-Character Principle” adopted by the Head Office.

In accordance with the goal of “focusing on local development, expanding to neighboring regions and connecting Europe and Asia”, the Bank will continue to

- set out an international vision,
- conduct global operations,
- develop management skills in all aspects,
- improve quality and efficiency.

ICBC Turkey will actively diversify its activities in the Turkish market and gradually transform itself from being a local bank to an international bank. In the same process, the bank will integrate its regional operations to promote the coordinated development of asset size, quality and effectiveness.

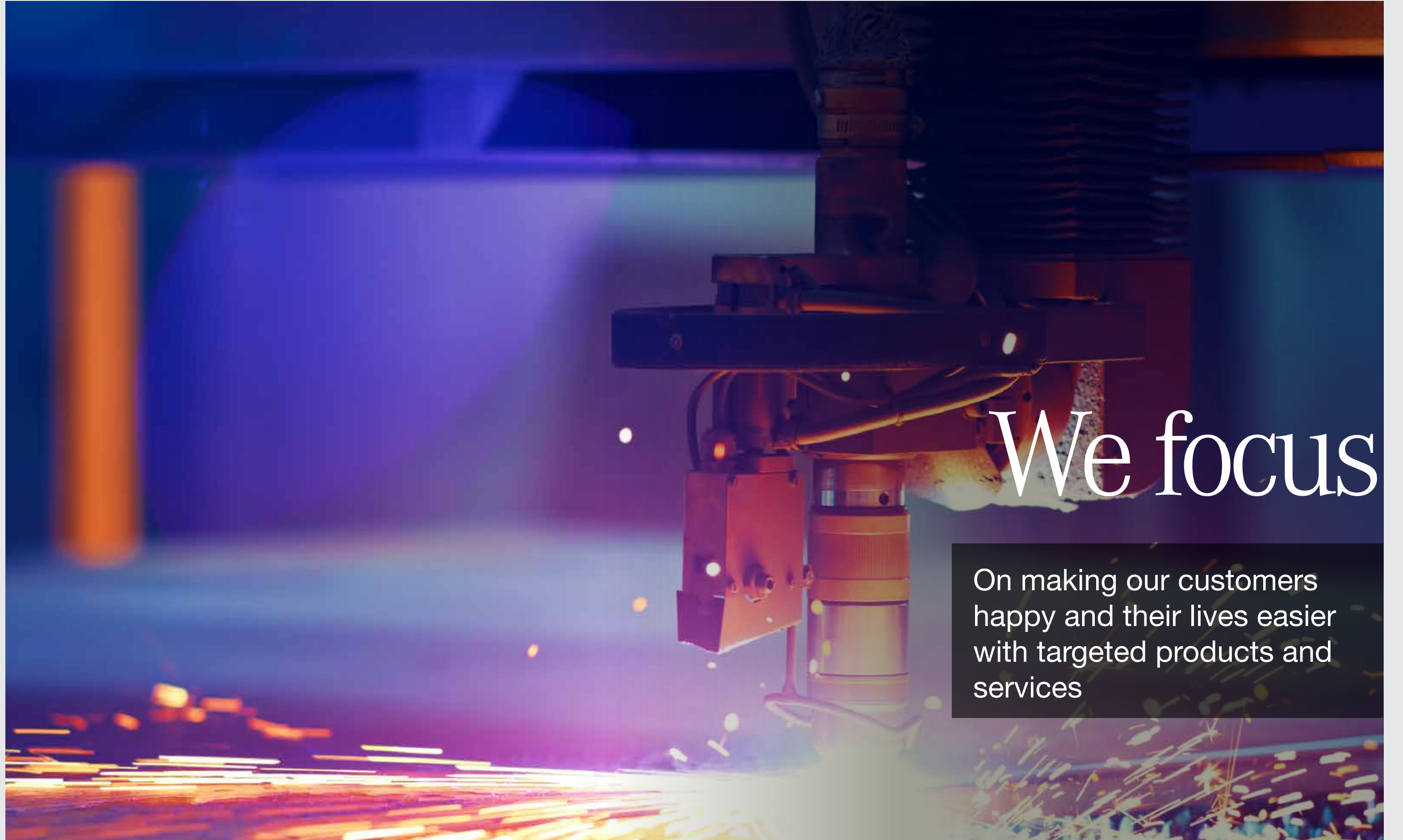
Over the next three years, ICBC Turkey will

- Continue to advance its place in the rankings of foreign subsidiaries announced by ICBC Head Office.
- Develop its operations; it will improve the main indicators of its activities when compared to organizations in the comparison group.
- Keep risk indicators under control and ramp up its internal control and risk management activities, which are held in high regard by regulatory authorities.
- Strengthen its robust corporate and retail customer base by increasing the proportion of highly qualified customers and its contribution to their business activities.
- Further enhance its competitiveness in the areas of international project finance, major client transactions, interbank transactions, RMB transactions and Internet finance.
- Increase the profitability and sustainable development capacities of its branches and improve the average business volume and profitability of its staff and branches.
- Continue to systematically invest in human resources, competencies and satisfaction to achieve all of these goals.



We work

To help the real sector
to be productive and
Turkey to prosper



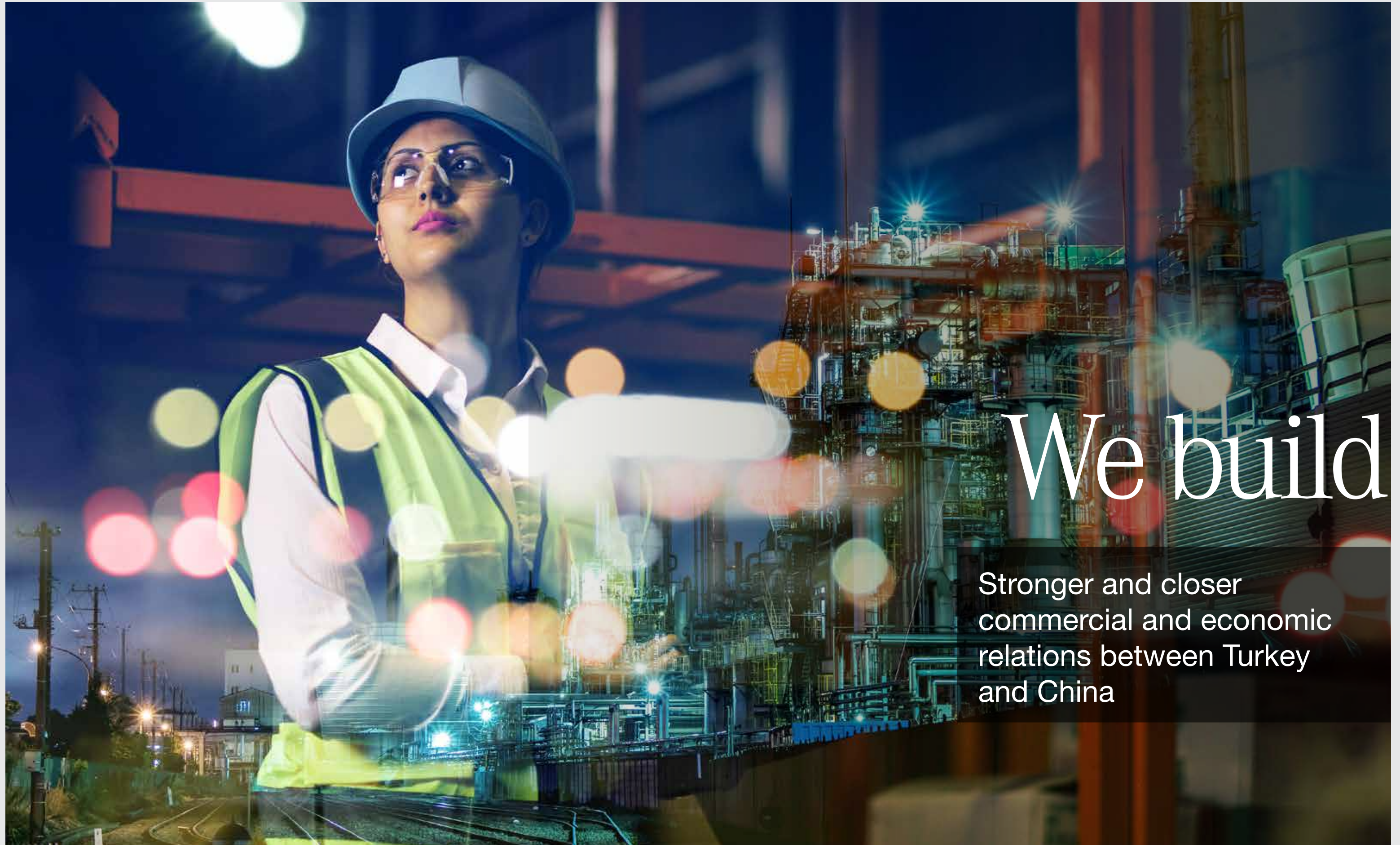
We focus

On making our customers
happy and their lives easier
with targeted products and
services



We inspire

Correct and productive
investments



We build

Stronger and closer
commercial and economic
relations between Turkey
and China

Historical Development of the Bank

1986

ICBC Turkey Bank A.Ş. (formerly named as Tekstil Bankası A.Ş.) was incorporated as a privately owned bank and authorized to accept deposits, on April 29th 1986 and started its operations on October 13th 1986.

1990

Shares of the Bank have started publicly traded and listed on Borsa İstanbul (Istanbul Stock Exchange - BIST) as of May 23rd 1990.

2006

The Bank has grown until 2006 based on the banking strategy predominantly focusing on commercial and corporate banking. In 2006, the Bank restructured its retail banking organization and since then has started providing services in this area as well. The Bank has continued to meet the needs of its customers with boutique banking concept by closely following the developments in the banking sector, including the commercial-corporate banking, retail banking and the investment banking areas.

2007

GSD Holding A.Ş. acquired 75.5% of the Tekstil Bankası A.Ş.'s shares and became the majority shareholder in 2007; and the remaining shares at 24.5% continued to publicly trade at the BIST.

2008

In 2008, the Bank's share capital was increased from 300 million TL to 420 million TL; 60 million TL out of this 120 million TL incremental share capital raise was obtained from the internal sources and the remaining 60 million TL was paid in cash.

2015

The Bank belonged to GSD Group until May 21st 2015. With its resolution dated April 2nd 2015 and numbered 6262, the Banking Regulation and Supervision Agency (the BRSA) authorized the transfer of all of the shares owned by GSD Holding A.Ş. corresponding to 75.5% of the Tekstil Bankası A.Ş.'s shares, to Industrial Commercial Bank of China Limited (ICBC), domiciled at the People's Republic of China. On April 28th 2015, the Bank made an announcement in the "Public Disclosure Platform" related to the transfer transaction and calling for an Extraordinary General Assembly to be held on May 22nd 2015 to resolve on the approval of the existing Board of Directors and reappoint the new ones to substitute them. May 22nd 2015 was determined to be the date on which the shares were to be transferred in accordance with the share purchase and sale agreement and the share transfer was realized on the same date. As of

May 22nd 2015, the Bank was included in the group of foreign banks incorporated in Turkey.

Pursuant to the Article 11, related to the mandatory bid offer transactions, of the Communiqué on Mandatory Bid Offers issued by the Capital Markets Board, with Serial Number II. 26.1, ICBC became obligated to make a share purchase proposal to purchase the remaining shares belonging to the other shareholders as a result of its purchase of the shares owned by GSD Holding A.Ş. representing 75.50% of the share capital of Tekstil Bankası A.Ş. In this context, ICBC, the majority shareholder of the Bank, made a mandatory bid offer pursuant to the "Communiqué on Mandatory Bid Offers" with Serial II, No.26.1, which expired on August 14th 2015, as a result of which the shares of the Bank held by ICBC increased from 75.50% to 92.82%. The trade name of our Bank has been changed from "Tekstil Bankası A.Ş." to "ICBC Turkey Bank A.Ş." pursuant to the general assembly resolution taken on November 5th 2015 and this matter was registered with the trade registry on November 13th 2015 and published in the Turkish Trade Registry Gazette dated November 19th 2015 and numbered 8950.

On the other hand, capital markets and investment banking services out of the banking services, are provided by ICBC Turkey Yatırım Menkul Değerler A.Ş., 99.998% of which is owned by the Bank.

Tekstil Portföy Yönetimi A.Ş., 100% of the share capital of which is held by ICBC Turkey Yatırım A.Ş., has been incorporated on the date of April 21st 2015 and by the resolution taken at the extraordinary general assembly meeting held on November 5th 2015, its trade name has been changed as "ICBC Turkey Portföy Yönetimi A.Ş.". Main field of activities of the company is to establish and manage investment funds.

2017

By the capital increase made in 2017, share capital of the Bank, which used to be 420 million TL, has been increased by an amount of 440 million TL in cash, to 860 million TL. As a result of the capital increase, shares held by the major shareholder ICBC in the share capital of the Bank, has increased from 92.82% to 92.84%.

By the resolution taken at the extraordinary general assembly meeting, held on the date of September

8th 2017, of ICBC Turkey Yatırım Menkul Değerler A.Ş., which is an affiliate of our bank and 99.998% of the share capital of which is held by our Bank; it has been decided

to increase its share capital. In this context, it has been resolved by the Board of Directors of our Bank, to exercise our pre-emption right for an amount of 39,999,200.-TL, arising from the portion of the share capital increased in cash, and to pay the amount of pre-emption right within the period set by said affiliated company. Within the framework of said resolution, said amount pre-emption right amount was paid to ICBC Turkey Yatırım Menkul Değerler A.Ş. on the date of October 4th 2017. New share capital of the company has been registered as 76,000,000.-TL on the date of October 9th 2017.

ICBC - THE WORLD'S LARGEST BANK

ICBC was founded in the People's Republic of China in 1984 and offers a wide range of financial products and services to its customers. The shares in ICBC, which has an international and integrated business model, were listed simultaneously on the Hong Kong Stock Exchange and Shanghai Stock Exchange in October 2006.

After many years of international development, ICBC had expanded its operations to six continents as of the first half of 2020, covering 49 countries and territories. With a widespread global coverage network, ICBC has distribution channels consisting of 425 international institutions, 25,602 self-service banking service points and 79,544 ATMs. The Bank also has correspondent relationships with 1,442 international banking institutions in 143 countries.

It offers a comprehensive range of financial products and services to approximately 8.5 million corporate and 660 million individual customers through its e-banking network consisting of a wide range of internet, telephone banking services and self-service banking centers with its diversified international information-based operational structure.

ICBC is supervised and regulated by the China Banking and Insurance Regulatory Commission (CBIRC), the banking authority of the People's Republic of China.

2020

ICBC Turkey continues its activities through its Head Office in Istanbul and 39 branches throughout the country. In addition to the branches, it also offers banking services through Retail and Corporate Internet Bank.

According to the International Financial Reporting Standards ("IFRS"), at the end of the first half of 2020, the share of total consolidated assets held by ICBC Turkey Bank A.Ş. in the asset size of the Industrial and Commercial Bank of China Limited is 0.071%.



Chairman's Message

With the work in the field of vaccines, which produced concrete results in the last quarter of the year, and the vaccination programs launched in many countries, expectations for the future turned positive.



Xiangyang GAO
Chairman

The global economic agenda has, of course, been turned upside down by the pandemic.

The year 2020, a year marked by unprecedented developments, had started off with expectations of a recovery in the global economy. However, the WHO's declaration of the pandemic in March became a breaking point, with the optimism being replaced with a wave of restrictions and measures aimed at containing the pandemic, bringing negative effects to the global economy and our daily lives.

With the work in the field of vaccines, which produced concrete results in the last quarter of the year, and the vaccination programs launched in many countries, expectations for the future turned positive.

While the pandemic caused an unprecedented shock on both the supply and demand side not seen since the second World War, economic activity gained momentum with the normalization steps taken in the third quarter of the year. However, the rise in case numbers in the fourth quarter reinforced the downside risks to the macroeconomic outlook.

In its January 2021 World Economic Outlook Report, the IMF estimated that the world economy contracted by 3.5% in 2020, revising its earlier estimate of a 4.4% contraction set out in the previous report thanks to the stronger than expected rebound in the global economy in the second half of the year. Meanwhile, it updated its growth forecast for 2021 from 5.2% to 5.5%.

Faced with these developments in 2020, central banks and financial authorities took comprehensive large-scale measures to mitigate the negative impact of the pandemic on economies and implemented these measures throughout the year. In this process, the central banks of developed countries provided significant liquidity to the markets with their low interest rate policies as well as large-scale asset purchases.

The pandemic will continue to impact the economy in 2021. However, both the gains of what has been learnt and the experience gained during the 2020 global health shock, along with the rapid developments on the scientific front and in vaccine development support our ability to look to the future more positively.

A region of attraction: Turkey

Turkey's geopolitical position is one of the most important elements of its attraction. Located on the crossroads between Asia and Europe, Turkey serves as a bridge between Asia's rich energy resources and intensive energy consumers of Europe. Turkey's exceptional regional strategic location, which cannot be overlooked, renders Turkey more important than it has ever been. The fact that Turkey's economy was able to achieve a positive growth rate even in the face of the global pandemic stands as testament to the strength of its economy.

Turkey entered 2020 with sound public finance indicators with room for manoeuvre in public spending, allowing the country to provide an rapid policy response to the pandemic. Although the policies implemented in 2020 supported growth, the low interest rate environment precipitated a rise in inflation. Placing priority on price stability, since November 2020 policy makers have announced that the maintenance of fiscal discipline and the supporting of sustainable growth of Turkey was a top priority.

Turkey's economy, has repeatedly proven its durability and capacity for growth. Economic activity is expected to post some relative recovery in 2021 with the support of the base effect and pent-up demand. The coming period will also be a time to focus on shoring up the fragility of the economy and tackling inflation and the balance of payments. The establishment of a policy which prioritizes price stability is a welcome development in this sense.

The banking sector's tremendous contribution

Our sector played a very important role in Turkey's growth performance in 2020. Under the leadership of public banks, all customer segments were provided with access to continuous financing throughout the year.

Loan stock, which started to grow from the beginning of 2020, reached historical peaks. With the support of a robust IT infrastructure, the Turkish banking system started to distribute its products through digital channels. Competition and profitability remained secondary priorities as the sector prioritized the needs of its customers.

Turkey entered 2020 with sound public finance indicators with room for manoeuvre in public spending, allowing the country to provide an rapid policy response to the pandemic.

The fifth year of a strong performance built on a combination of strategic thinking and result-oriented thinking

In the shadow of the 2020 pandemic, the ICBC brand in Turkey rounded off its fifth year.

Being the first Chinese bank to enter the Turkish market, from the very outset we considered this entry into the market as an important responsibility and mission on our shoulders. We have achieved important strides in order to fulfill our mission even in the most challenging times and to build the road to a successful future. Within the space of just five years ICBC Turkey has emerged from being a local boutique bank to the bank it is today, taking important steps towards becoming an international bank equipped with a growth dynamic with a presence in Turkey and the surrounding region.

Under the strong leadership and support of the Board of Directors and related departments of the ICBC Head Office, ICBC Turkey started to implement its strategic positioning of "acting locally, opening up to neighbouring countries and connecting Eurasia". With the identity of a bank with Chinese capital, which is preferred for Belt and Road projects, which is known as being and of being pioneering and stable, with its best practices in its operations, it has strived to be a model in the Turkey-China financial cooperation, and to be a reference and bridge in cultural integration.

A strategy consistent with the Belt and Road vision

Turkey's strategy of becoming a regional centre in transportation and energy and the integration it has realized with other countries in the region fully fits China's vision of "Belt and Road".

Turkey has always been an important partner and market for China. Turkey's successful performance recorded by ICBC five years, it has also triggered a large number of Chinese investors and companies to be included in the existing or potential to expand the capacity level jobs in Turkey.

We believe that the further strengthening of our cultural, commercial and economic ties are important and beneficial for both countries. Turkey and China will celebrate their 50th Anniversary of diplomatic relations in 2021, and we see our strategic initiative as a valuable opportunity to bring a new dimension to relations between our countries.

Chairman’s Message

Despite all of the difficulties posed by the global health crisis, in 2020, we have successfully reached our goals, continuing to create added value for our stakeholders and Turkey’s economy.

Continuing with success despite the difficult conditions
Despite all of the difficulties posed by the global health crisis, in 2020, we have successfully reached our goals, continuing to create added value for our stakeholders and Turkey’s economy.

This success, achieved by strict adherence to the basic principles and strategies of the ICBC Group, also contributed to our regional pioneering role in the Belt and Road Project. The year 2020, in which our solid power was further consolidated and our soft power continued to be developed, was also the final year of our 3-year strategic plan.

Firmly adhering to the principle of increasing operating income and decreasing non-performing loans, ICBC Turkey has also achieved valuable gains which have served its operational transformation in the same period. The successes we achieved in the last 3 years process, won the acclaim of our stakeholders both in China and Turkey, confirming and reinforcing our belief to get better results in reaching the new strategical objectives between 2021 and 2023.

Our employees are our most valuable asset
ICBC Turkey’s first priority in 2020 was to protect the health of its employees during the pandemic, which has ushered in changes of a magnitude only seen once in a century. Adhering to the principle of “life and safety first”, all necessary precautions had been put into effect as of January, and an “Emergency Plan” was prepared to ensure the continuity of commercial activities. Thirty pandemic prevention work team meetings were held in the Bank throughout the year, in which the necessary updates to the measures were decided on and addressed in response to changes in pandemic conditions, while taking the necessary actions in accordance with the measures announced by the Turkish Government.

With the full support and participation of ICBC Turkey’s employees, significant success was achieved and experience gained in combating pandemics, while the Bank has also developed proactive action plans in line with the course of the global pandemic in the upcoming period.

ICBC Turkey also supported its customers in the same process and stood by them with all means of support. While the necessary measures were taken and regulations put in place with a focus on preventing possible disruptions in banking activities, our IT infrastructure and digital service muscles successfully rose to the challenge.

The start of the vaccination process has started to offer us hope that the pandemic will be overcome more rapidly. Authorities and healthcare professionals are going to great efforts worldwide to contain the pandemic. Our hope and wish is to see realistic and lasting progress in the support of science by the middle of 2021.

A focus on carefully protecting our optimal and healthy structure
During this period, ICBC Turkey has maintained its support for Turkey’s economy and its companies with decisiveness and determination.

In 2020, we exceeded our annual targets in all of our business areas, from corporate banking to retail banking and cross border financing. This success which we achieved in what was such an exceptional year is no coincidence, but rather that a regional leg of the common values and strategies shared in the ICBC Group was carried out with an uncompromising and determined approach. At the same time, ICBC Turkey focused on maintaining an optimal and healthy balance sheet structure under the unique conditions of 2020, and carried out the processes of building its loan portfolio under a prudent and risk-oriented management approach.

In 2020, one of our main achievements which gave us the most satisfaction was our non-performing loans ratio, which was far below the industry average and close to zero.

Our close cooperation with our global service network strengthens the value proposition we offer to our customers
As a member of the world’s largest banking group, ICBC Turkey, deriving strength from its global service network and experience in international trade, supports international and Turkish customers in achieving their financial goals and building their future. Our global and comprehensive service network, which forms the basis of our “One ICBC” service approach, offers a wide range of lending opportunities from foreign trade financing products to syndicated loans and RMB transactions.

Advancing to the future with the 48 Character Approach
In 2020, ICBC Turkey firmly applied the principles of 48-Character Approach in the process of overcoming challenges and producing the performance outlined above.

The progress achieved in three benchmarks, three reviews and three improvement focal areas has ensured the internalization of large, comprehensive, stable, new, excellent and strong development orientation throughout ICBC Turkey. At the same time, by combining strategic thinking with result-oriented thinking, we have further developed our strategic orientation, rule-based management and modern governance competencies with a determined approach and execution.

ICBC Turkey, using the strength it has built up over 5 years in Turkey, in a wide region extending from Europe to Asia, to strengthen our relationships with our customers and business partners and is committed to maintaining its strategy of creating added value for our customers.

In 2020, one of our main achievements which gave us the most satisfaction was our non-performing loans ratio, which was far below the industry average and close to zero.

Within the targets set out in our strategic plan for the 2021-2023 period, we will continue contribute to taking the economic and trade relationship between China and Turkey to a new level and to increase business volumes. By unwaveringly improving the quality of our products and services to the same extent, by expanding our market and our surrounding region, by providing all complete compliance with the laws and regulations of our business process and complying with the standards of the ICBC Head Office, we will continue to serve as a strong and respected local bank in Turkey.

We believe we will realize this contribution and a stronger performance with the dedication of our human resources as well as dedication to the ICBC brand.

On behalf of myself and our Board of Directors, I would like to thank all our stakeholders, especially our employees and customers, for their valuable support and contributions.

Xiangyang GAO
Chairman of the Board

CEO's Message

In 2020, ICBC Turkey set the goal to protect the health of human resources, which it views as its most valuable asset, and took measures to protect its human resources from the negative effects of the pandemic throughout the year.



Shaoxiong XIE
General Manager

Dear stakeholders,

Does it K-shaped recovery?

The effects of the pandemic dominated the world economy in 2020. In this process, it was observed that some countries moved more quickly than others to contain the pandemic and managed to mitigate the effects of the health crisis. While the USA and the EU suffered a relatively long-lasting impact of the pandemic, the pressure on Asian economies was more varied. Countries such as China and Singapore, which took action swiftly at the beginning of the pandemic, succeeded in bringing the outbreak under control and returning daily life and their economies back on track.

Another important consequence of the pandemic, the origins of which can be traced to global economic problems, has been the worsening in income inequality. While this situation has hit less developed countries the most, sectors and businesses which were unable to integrate with technology and e-commerce, especially traditional jobs which need services and human interaction, were the ones which were most affected by the crisis.

This situation could well confront the world economy with a K-shaped recovery. When different segments of the economy recover at varying rates, at different times or extents after a recession, the improvement draws a trend similar to the two arms of the letter K. In this type of recovery, economic results and relations may present a fundamentally different picture when compared to their position prior to the recession, and reflect differently on the structure of the economy or on wider society.

While the measures taken against the pandemic on a worldwide scale have precipitated far-reaching changes in the way things are executed, the year 2020 has passed as a year of accelerated digital transformation.

Life and safety first

In 2020, ICBC Turkey set the goal to protect the health of human resources, which it views as its most valuable asset, and took measures to protect its human resources from the negative effects of the pandemic throughout the year.

Before the pandemic was declared in January, the Bank prepared its action plan and started rolling out its multi-faceted support to its human resources by adhering to the principle of "life and safety first".

With the strong support and participation of its employees, ICBC Turkey successfully managed the process and completed its preparations for the possible course of the pandemic in 2021.

Another important issue during this pandemic has been the sustainability of the support which we provide to our customers. Our focus has been built on the pillars of offering seamless availability of banking activities, the efficient use of digital products and services, and meeting of our customers' resource demands rapidly.

A performance that serves as the crowning achievement of our fifth year

ICBC Turkey wrapped up its 5th year in the Turkish market achieved a phenomenal success with a strong financial and operational performance.

ICBC Turkey successfully implemented a healthy, profitable and sustainable growth strategy, continuing decisively to carry out activities in Turkey in line with its mission. In this process, the Bank continued to build up on its strong support for the economy while reinforcing its support for development, employment, production, investments and exports.

This success, achieved by strict adherence to the ICBC Group's fundamental principles and strategies, also contributed to the Bank's regional pioneering role in the Belt and Road Project. In 2020, a year in which the solid power of ICBC Turkey was further consolidated and its soft power continued to develop, was also the last year of our 3-years strategic plan.

The volume of assets, loans, deposits and shareholders' equity which ICBC had attained at the end of 2020 serves to confirm the Bank's commitment to growth in Turkey and the surrounding region. The most important contribution to the development of ICBC Turkey's asset base, which had reached TL 24.9 billion at the end of 2020, came from the 57% YoY expansion in loans, reaching TL 14.1 billion. I would like to take this opportunity to express with satisfaction that in a period as difficult as 2020, ICBC Turkey increased its placements at a rate well above the sector average of 36.5%.

Our operating income reached TL 777 million in 2020, while our net profit reached TL 58 million. The deposits entrusted to our Bank by our customers constituted 48% of our liabilities, reaching a total of TL 11.9 billion. Backed by our lending principles, which we apply with precision, and a strong collection performance, ICBC Turkey's NPL ratio stood at just 0.3% in 2020 – well below the sector average.

While our equity reached TL 1,32 billion, our capital adequacy ratio was realized at 19.48% - a level able to support the projected growth rates in the medium and long term (2019: 18.64%). With these results, 2020 was a year in which we further strengthened our financial structure.

ICBC Turkey successfully implemented a healthy, profitable and sustainable growth strategy, continuing decisively to carry out activities in Turkey in line with its mission.

ICBC Turkey, which always carries out its activities with a prudent approach, has continued with determination to be a model in the field of financial cooperation between China and Turkey, and a leading actor in cultural integration. Within the scope of our 2021-2023 strategic plan, we are determined to enhance our contribution to the cooperation between the two countries and the added value we produce for our stakeholders.

Strong gains in corporate banking

Our efforts in corporate banking, one of our core business lines, continued by adhering to the focus of sustainable and quality balance sheet growth, and deepening relations with our customers in 2020. While corporate banking has been the driving force of our operations in Turkey, the targets for cash and non-cash loan volumes for 2020 were exceeded. By the end of 2020, the share of this business line in our Bank's total loans stood at 96%.

In this period, ICBC Turkey increased its support for Turkey's economy and its companies with determination. In accordance of being a bridge between China and Turkey, it has attached special importance to the sectors affected by the pandemic, especially aviation and tourism. Valuable works were carried out in areas which involve accessing more customers with a Chinese element, developing cooperation with municipalities and providing services to Turkey's leading companies.

While advancing its active presence in syndicated loans, ICBC Turkey allocated USD 224 million to new and ongoing projects in the field of project and cross border financing.

CEO’s Message

Strength in international transactions as a member of the global ICBC family

As a member of ICBC, the world’s largest banking group, we contribute to the journey of international and Turkish customers in reaching their financial goals and building their futures, drawing strength from its global service network and experience in international trade. Our global and comprehensive service network, which is the basis of our “One ICBC” service approach, allows disbursement of foreign trade financing products to our customers in Turkey at attractive conditions.

Under the unique conditions witnessed in 2020, ICBC Turkey offered products such as letters of guarantee, letters of credit, standby letters of credit, discounts, forfaiting, and financing of letters of credit, and provided value added services to a diverse audience ranging from SMEs to large customers, in an approach that places importance on customer satisfaction. Also working in close cooperation with the public sector, our Bank issued a letter of guarantee to the Ministry of Transport and Infrastructure within the scope of railway construction projects.

The first Turkish bank registered in the Chinese Interbank Bond Market

Aiming to become the first bank which comes to mind when dealing in RMB in Turkey in 2020, ICBC Turkey continued its intensive work in this area. The products and services we offer in RMB terms have attracted considerable attention and demand from individual and corporate customers as well as correspondent banks and the financial markets. ICBC Turkey’s registration as a qualified investor in the Chinese Interbank Bond Market (CIBM) represents an important step in its journey to move RMB business such as clearing and deposit beyond the traditional, supporting our efforts to expand RMB transaction volume.

As a member of ICBC, the world’s largest banking group, we contribute to the journey of international and Turkish customers in reaching their financial goals and building their futures, drawing strength from its global service network and experience in international trade.

A clutch of achievements within the scope of the three-year strategic plan...

ICBC Bank made significant breakthroughs in retail banking in 2020. Based on the point that payment services will normally have a crucial importance, the CHINEX project was successfully implemented in 2019 and the WeChat Pay project implemented in 2020.

In 2020, there was a 52% increase in the number of active customers and a 214% increase in the volume of deposits. Thus, ICBC Turkey achieved significant progress on the axes of active customers, deposit volume and profitability, which it had determined as critical targets in its three-year strategy.

The WeChat Pay Project

WeChat Pay, one of the world’s largest wallet platforms, is a global product distinguished by giving users the opportunity to shop as if they were in their own country. ICBC Turkey launched the WeChat Pay application in Unifree Duty Free, located at Istanbul Airport, in July 2020.

In this contribution to the new generation payment systems, this product is a leading sign that the transition to a cashless society is not far away. Our bank will maintain the innovative product approach initiated with WeChat Pay with new investments.

A strong financial structure, able to support our growth

The performance we achieved in the unique conditions of 2020 further consolidated our strong financial structure and competencies.

While carrying our healthy balance sheet structure to the future, we have shaped our loan portfolio with an effective risk management approach.

While 2020 was a year marked by healthy performance in the name of growth, another success which brought us great satisfaction was our non-performing loan ratio, which remained far below the industry average and maintained a near-zero level.

The future is in FINTECH

ICBC Turkey’s banking services strategy is to be a financial solution partner which adds value to the lives of its customers. In 2020, our bank focused on digital transformation efforts aimed at meeting corporate and retail needs, taking customer experience to new horizons and making a difference by focusing on customer expectations. We continued to offer our existing products in digital service channels while designing fully digital services. Our innovations in digital platforms have won the acclaim and appreciation of our customers and have contributed to our business volumes.

The importance we attach to the concept of FINTECH, which can be considered a technological innovation in the financial services offered by ICBC Turkey, points to the new horizons we seek to reach. Our goal is to bring together ICBC’s global expertise in FINTECH with the progress made by the Turkish banking industry in the field of technology in the last two decades, and to move to the new normal after the pandemic with a very strong promise.

The importance we attach to the concept of FINTECH, which can be considered a technological innovation in the financial services offered by ICBC Turkey, points to the new horizons we seek to reach.

The Turkish banking sector is poised to enter a new chapter at the same time as the world with the new regulations recently set out on the axis of FINTECH and open banking. By providing resources to the project, ICBC Turkey will advance to higher income classes while continuing to support the Turkish economy, while seeking opportunities for cooperation to bring our expertise to the sector and stakeholders in FINTECH our central office.

We stand ready to build the future

The pioneering quality and brand recognition which we have built in the sector in the space of just 5 years has encouraged us to redouble our efforts and create value. Whatever the conditions in 2021, ICBC Turkey will allocate resources to the sectors which create employment and added value, and the sustainable growth journey of Turkey’s economy will continue and strengthen.

With its strong and competent management team and human resources, ICBC Turkey as the first Chinese bank in Turkey will help serve as a bridge between the two countries and will continue to play an important role in deepening the friendship ties between China and Turkey.

On behalf of myself and our management team, I would like to thank all of our stakeholders, especially our employees and customers, for their valuable support and contributions.

Shaoxiong XIE
CEO

ICBC Turkey's Pandemic Strategy and the Measures Taken

Early measures with a complete plan

ICBC Turkey established a "Pandemic Prevention Control and Steering" group on January 23, 2020, developed work plans adhering to the principle of **"life and safety first"** and revised its plans according to the development of the pandemic. ICBC Turkey has organized 30 pandemic prevention study team meetings to regularly monitor, examine the results and resolve pandemic-related problems.

Determination of Responsibilities

In order to implement all pandemic measures effectively, ICBC Turkey made it clear that the first responsibility for seriously performing their role and duties in the management of pandemic protection must be with the Managing Directors of branches, departments and the centers. ICBC Turkey also required strict implementation of pandemic prevention and monitoring activities in accordance with the local status of all branches and related control measures.

Wide and Full Coverage

ICBC Turkey has developed its employees' awareness of security protection in various ways and called on all employees to strictly follow the precautionary measures set out by the government. In addition, it has called on the families of our employees to jointly comply with the measures taken in order to protect all employees and their families.

Effective Measures and Improved Tasks

ICBC Turkey has continuously improved the preventive measures taken in accordance with the actions taken by the Turkish Government and the developments during the pandemic, and has implemented a principle of "minimum personnel", tightly managing its office space and outsourcing personnel, adopting a non-contact food distribution and working policy, and stepping up efforts to report, audit and correct any violations of the rules.

Broad Collaboration and Frequent Testing

ICBC Turkey has assigned an additional assistant doctor and two nurses in the Head Office and actively cooperated with qualified medical laboratories to test employees.

During the pandemic, ICBC Turkey has focused on protecting its stakeholders, especially its human resources and customers, and providing an uninterrupted service.

Working to ensure the Sustainability of a Healthy Work Environment

ICBC Turkey aims to provide a healthy working environment for its employees in order to create the highest added value for its customers and stakeholders.

The Bank has kept employee health and satisfaction as a top priority during the pandemic.

The Pandemic Prevention Committee convened online on a weekly basis to analyze the situation and make decisions.

Under government guidance, ICBC Turkey employees started working from home in March 2020 and the Bank initiated the necessary measures to enable the business units to work from home.

A rotational work plan for work which cannot be performed from home in accordance with the policies of the Banks Association of Turkey (TBB) was announced to the entire bank on March 16, 2020; managers were supported in managing their teams on a 14-day rotation.

In accordance with the decisions taken by the TBB, the branch working hours were revised and customers were informed in advance regarding the continuity of service.



A fast, clear and transparent process

The Human Resources Department has redoubled its information work in order to carry out this process with fast, clear, and transparent communication and remained in contact with employees through 95 e-mails from the beginning of the process up until the end of 2020. Human Resources staff attached importance to the principle of continuous accessibility by telephone and provided uninterrupted support for employees.

In the light of the rules adopted by the World Health Organization and ICBC, the Human Resources Department has been engaged in constant communication with branch managers and employees; the workplace doctor and occupational health services conducted risk assessments and reports throughout the pandemic.

Each case or suspicious notification was reported; tests and support with doctor's advice was provided to employees who were considered to be infected-positive or in contact with someone who was, and the issue was constantly monitored by the Human Resources Department.

Additional support

Payment support in transportation was paid in cash to employees of the bank who were unable to benefit from the regular personnel bus transportation due to their remote working. Those who physically travelled to the workplace were provided with TL 100 in daily support for the number of days they worked during the 3-month period.

As of December, an allowance was allocated to all employees within the scope of hygiene and kitchen-related expenses and distributed by their Managers.

Under the coordination of the Administrative Affairs Center, regular masks and hygiene products were distributed in the departments and branches starting from March, and the employees' compliance with the rules was monitored through e-mails and by the managers.

Psychological support

The psychological health of employees has been another important issue throughout this pandemic. In this context, pandemic awareness and personnel motivation studies were carried out for employees. In order to increase work efficiency, the distance learning network was expanded by providing various training programs and examinations, with awards offered to increase employee participation in the training programs.

Looking to 2021

With 2020 behind us, the introduction of global vaccination program has ushered in more positive expectations for the future. On the other hand, the emergence of virus mutations cast doubt on projections for the future.

With an expectation that fully emerging from the pandemic will take a certain amount of time, ICBC has drawn up projections for 2021 and beyond, and developed alternative scenarios. The unwavering goal of the Bank is to protect the health of all its stakeholders, especially its employees and customers, from the possible negative effects of the crisis.

ICBC Turkey would like to thank all its stakeholders, especially its employees, who have meticulously followed the rules in the difficult conditions of 2020.



Outlook for 2021



Looking forward to 2021 with optimism

The effects of the pandemic, which completely dominated the year 2020, have extended into 2021. However, advances in science and the rapid progress in the quest to find vaccines have brought optimism regarding the outlook for 2021.

It is now clear that the process of overcoming the pandemic will be a long and difficult journey. This process comes with a long to-do list both on a global and country basis and will keep the world busy even in the post-pandemic period.

The start of the normalization process requires the implementation of an ambitious vaccination program on a global scale. Achieving this will require the most exemplary level of global cooperation. The cooperation that started for this reason should continue in tackling basic problems such as climate change and inequalities. It is imperative that global welfare is increased in a sustainable manner and the world focuses on these issues with determination.

Considering that the pressures brought about by the pandemic will continue to be felt in the global economy, it is reasonable to assume that fiscal and monetary policies will maintain an expansionary and supportive nature all over the world. Fiscal expansion, which focuses on the sectors and individuals most affected by the pandemic, is crucial for the survival of these economic units during the pandemic.

With the US presidential elections and the Brexit deal between the UK and the EU, which had constituted the two main sources of uncertainty on the global agenda, now behind us, world leaders will be better able to focus on policies which will support the ending of the pandemic and the preparations for the post-pandemic world. The coordinated response to the pandemic, the rapid vaccine development efforts and the resilience of important production centers in Asia and Turkey are among the main factors which give us cause to look to 2021 with a greater sense of optimism.

According to the estimates published by the IMF in October, the world economy contracted by 4.4% in 2020. According to the same study, this shrinkage will be followed by 5.2% growth in 2021. As the pandemic casts uncertainty over this outlook, a globally coordinated response to the pandemic is now vital in ensuring recovery.

As a result of the expansionary policies implemented by

The effects of the pandemic, which completely dominated the year 2020, have extended into 2021. However, advances in science and the rapid progress in the quest to find vaccines have brought optimism regarding the outlook for 2021.

the Turkish economy, Turkey is expected to be one of the few economies to have recorded a positive growth rate in 2020. On the other hand, achieving this economic growth will have come at the price of a deterioration in the country's internal and external fragility, inflation and current account balance. In addition to the supply chain shock caused by the pandemic, the expansionary monetary and fiscal policy stance implemented until September led to a rise in inflation. The current account balance, which had recorded a surplus in 2019, displayed a sharp downward movement in 2020, when tourism revenues plunged significantly. Policymakers signaled that the focus would shift to these areas rather than growth, and therefore these vulnerabilities will be eased in 2021.

The Turkish banking sector continued to play a key role in the continuity of economic activity and in maintaining access to finance for Turkish companies and households. Along with the steps taken by the regulatory authority, the Turkish banking sector has provided customers with seamless access to banking services with its advanced and reliable digital service channels. This approach has helped protect the health and well-being of customers as well as the industry's human resources.

ICBC Turkey continued to improve its organic growth and financial indicators in the challenging conditions of 2020 with a prudent risk management approach and its highly skilled personnel who are committed to their business, are passionate when it comes to enterprise and who work in accordance with the requirements of the global strategy.

The goal of ICBC Turkey is to increase cooperation with its partners in the finance sector as well as the real and public sectors.

ICBC Turkey will continue to finance ideas and projects which contribute to Turkey's sustainable growth. Its global expertise in open banking and FINTECH will be one of ICBC Turkey's most valuable assets in the process of advancing in its journey to the future of banking in Turkey.

ICBC TURKEY 2020 Equity Performance

The data and comments below as of December 31, 2020.

ICBCT's share price fell by 9% in the last quarter of 2020 after a strong performance in the first nine months of the year. All in all, the shares increased by 23% during the year. The banking index, XBANK, on the other hand, increased by 35% in the last quarter, despite a 3% decline in 2020. The BIST100 increased by 29% in the last quarter and 29% for the whole of 2020.

ICBCT's market value was recorded as TL5,590 million or USD 753 million (2019: TL4,532 million or USD 763 million). In other words, while its market capitalization increased by 23% in TL terms, it decreased by 1% in US dollar terms. Although the value of the Bank decreased during the February-March 2020 period due to selling experienced as a result of the negative market reaction caused by the pandemic, it increased by 117% during the recovery that followed.

Bank	P/E	P/BV	Market Cap	Market Cap	Total Assets
			(TL million)	(USD million)	(TL million)
ICBC Turkey	96.30	4.25	5,590	753	24,863

*Note: The P/E and P/BV ratios are calculated based on the net income and book value as of December 31, 2020 and share prices as of December 31, 2020.

We believe there are three main reasons for ICBCT's high valuation multiples:

- 1) Since its acquisition by ICBC, the profitability of ICBCT has steadily increased, leading to a continued rise in the share price.
- 2) There have been ongoing reports that the Bank is financing several major projects in Turkey.
- 3) The free float rate of the shares is low (lower liquidity), resulting in higher trading multiples.

ICBCT	TL based	USD based	Relative to BIST100	Rel. To Banks
Since April 2014	581%	95%	234%	474%
Since May 2015	372%	61%	177%	361%

In summary, when ICBC acquired ICBC Turkey Bank in May 2015, the Bank's market capitalization stood at USD 347 million. In April 2017, the parent company increased the capital of ICBC Turkey Bank by TL 440 million (USD 122 million at the time), in a total investment of USD 469 million. As of December 31, 2020, the market capitalization of the Bank in foreign currency terms had increased by 61% to USD 753 million.

ICBCT shares performed worse in the 4th quarter of 2020 than earlier in the year. ICBC Turkey's share price in the fourth quarter and on an annual basis in comparison with the BIST 100 and the banking indices are provided below:

Bank	30 September-31 December Performance	2020 Performance
BIST100	29%	29%
XBANK (Banking)	35%	-3%
ICBC Turkey	-9%	23%

Since its acquisition by ICBC in May 2015, ICBCT shares have gained by 372%, while the XBANK and BIST100 indices only posted increases of 2% and 71% respectively. The performances of the stock since the acquisition by ICBC Bank and since the announcement of the completion of the acquisition are set out below. The stock has since outperformed both the BIST100 and the banking index XBANK.

Key Performance Indicators

In 2020, our Bank's asset size increased by 37% from TL 18.2 billion to TL 24.9 billion. Loans amounted to TL 14.1 billion, an increase of 56% compared to the end of 2019. The Bank's securities increased by 19% compared to the end of 2019 to reach TL 5.6 billion.

ICBC Turkey's operating income for 2020 reached TL 777 million and the Bank wrote a net profit of TL 58 million. As of the end of 2020, interest income decreased by 11% compared to the end of 2019 due to the more challenging environment in the sector, while net fees and commission income increased by 42%.

According to ICBC Turkey's unconsolidated financial statements prepared in accordance with the Banking Regulation and Supervision Agency regulations as of the end of 2020;

- The Bank's asset size reached TL 24.9 billion.
- Total cash loans (Loans classified as Financial Assets at Fair Value Differences Reflected in Other Comprehensive Income are included) stood at TL 14.1 billion and constituted 57% of the Bank's balance sheet.
- Consumer loans (excluding credit cards) constituted 3.8% of the total cash loans, marking a decrease of 12% compared to the previous year.
- Total customer deposits increased by 14% compared to 2019 to reach TL 11.9 billion, accounting for 48% of total liabilities.
- Shareholders' equity increased by 4.4% compared to its level at the end of 2019.
- The Bank wrote a net profit of TL 58 million in 2020.
- The Bank generated a Return on Assets of 0.3% and a Return on Equity of 4.4%.
- The Capital Adequacy Ratio stood at 19.48% (2019: 18.6%).

In addition, we have closely monitored the activities of the Audit Committee, Corporate Governance Committee and Remuneration Committee during the year and observed that the committees had worked effectively.

EXPLANATIONS REGARDING THE BANK'S NUMBER OF PERSONNEL AND BRANCHES, SERVICE TYPES PROVIDED BY THE BANK AND ITS AREA OF ACTIVITY AND THE ASSESSMENT OF ITS POSITION IN THE SECTOR BASED ON THESE CRITERIA

The Bank's areas of operations consist of corporate banking, fund management transactions (foreign currency, money markets and securities transactions), international banking services, retail banking and the credit card transactions. Along with these banking services, the Bank also conducts insurance services operations as an agency of Sampo Japan Sigorta A.Ş., Vakıf Emeklilik A.Ş., Fiba Emeklilik ve Hayat A.Ş., HDİ Sigorta A.Ş. and Axa Sigorta A.Ş.

As of 31 December 2020, the Bank had 39 branches located in proximity to Turkey's industrial zones. As of the same date, the number of employees working at the Bank was 726 (as of 31 December 2019, there were 43 branches and a total of 731 employees).

Our Bank's position in the sector as of year-end 2020:

- Our Bank's total assets grew by 36.7%, while total assets in the sector increased by 36.3%,
- The total loan volume of our Bank increased by 56%, while the total loans of the sector increased by 36.5%,
- The total deposits held by our Bank (including banks' deposits) increased by 13%, while total deposits in the sector increased by 35.5%,
- Our Bank's total securities portfolio expanded by 18.7% whereas the total securities portfolio of the sector increased by 53.5%,
- Our Bank's total placements decreased by 18.7% whereas the total placements in the sector increased by 2.6%,
- Our Bank's non-cash loans increased by 34.7% whereas the total non-cash loans in the sector increased by 23.8%,

GENERAL INFORMATION

Million TL	31.12.2019		31.12.2020		Changes	
	ICBC Turkey	Sector	ICBC Turkey	Sector¹	ICBC Turkey	Sector¹
Cash and CBRT	2,073	237,952	3,161	312,927	52.45%	31.5%
Placements to Banks and BPP	2,300	211,399	1,870	216,822	-18.7%	2.6%
Securities Portfolio	4,693	679,476	5,573	1,043,184	18.7%	53.5%
Loans ^(*)	9,088	2,656,132	14,155	3,624,395	55.8%	36.5%
Loans (Including Non-Performing Loans)	9,142	2,708,700	14,165	3,661,408	54.9%	35.2%
Non-Performing Loans (Gross)	168	150,763	46	150,385	-72.9%	-0.3%
Special Provisions for the Non Performing Loans	114	98,195	36	113,372	-68.5%	15.5%
Total Deposits and Funds	10,614	2,566,897	12,036	3,479,259	13.4%	35.5%
Non Cash Loans	6,987	814,961	9,412	1,008,523	34.7%	23.8%
Total Assets	18,191	4,491,090	24,863	6,122,563	36.7%	36.3%

¹ Based on the data obtained from the BRSA's Monthly Sector Bulletin dated November 2020.
(*) Loans classified as Financial Assets at Fair Value Differences Reflected in Other Comprehensive Income are included.

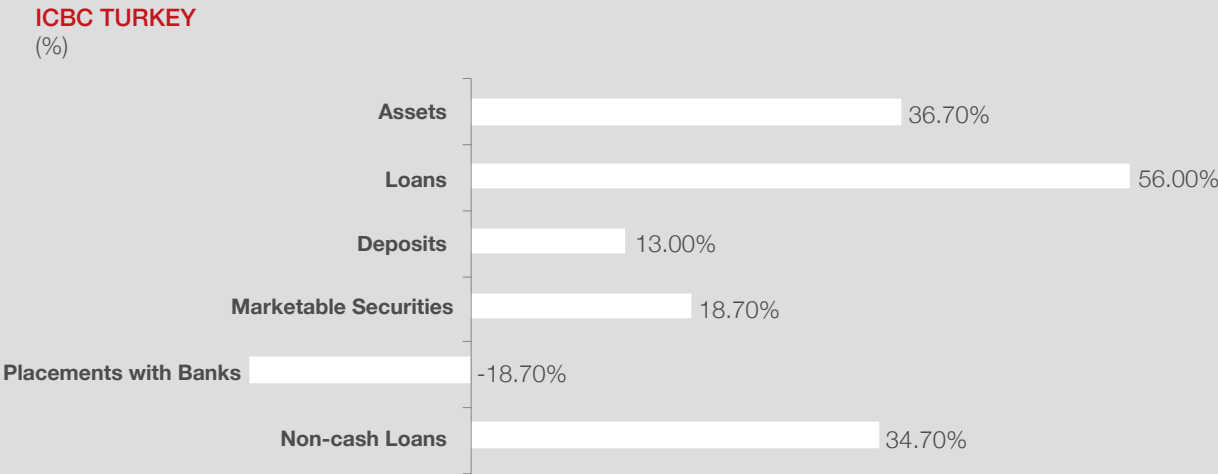
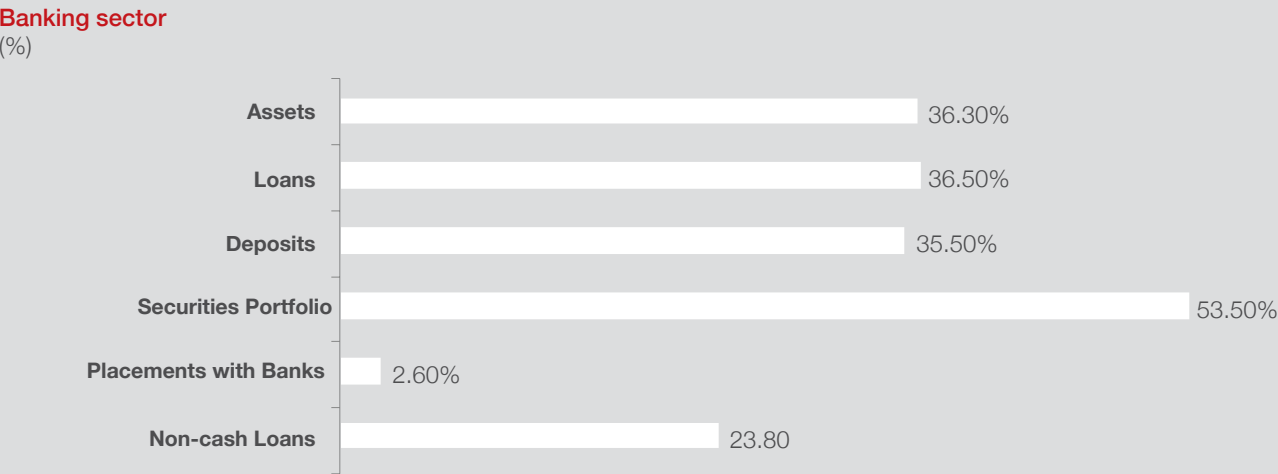
The loans to assets and deposits to liabilities ratios in the sector were 59% and 57% respectively, while the Bank's loans to assets and deposits to liabilities ratios were 57% and 48%, respectively.

	31.12.2019		31.12.2020		Changes	
	ICBC Turkey	Sector	ICBC Turkey	Sector¹	ICBC Turkey	Sector¹
Total Loans/Total Assets	50%	59%	57%	59%	13.9%	0.1%
Total Deposits/Total Liabilities	58%	57%	48%	57%	-17.1%	-0.6%
Securities/Total Assets	26%	15%	22%	17%	-13.2%	12.6%
Non-Performing Loans Ratio	1.8%	5%	0.3%	4%	-82.3%	-25.8%
Liquid Assets/Total Assets	24%	10%	20%	9%	-15.9%	-13.5%
Non Cash Loans/Total Cash Loans	76%	30%	66%	28%	-13.1%	-8.4%

¹ Based on the data taken from the BRSA's Monthly Sector Bulletin dated November 2020.
(*) Loans classified as Financial Assets at Fair Value Differences Reflected in Other Comprehensive Income are included.

The Bank's budget is approved by the Board of Directors. The realization of the budget is regularly scrutinized based on the performance criteria.

ICBC TURKEY'S POSITION IN THE SECTOR (AS OF THE END OF 2020)



Assessment Of The Bank's Activities in the Year 2020

ICBC Turkey's Corporate Banking Department continued its activities focused on sustainable and high-quality growth in the balance sheet in 2020. As a result of the efforts carried out to increase the volume of loans, relations with customers were further deepened, with the volume of cash and non-cash loans expanding and the targets for the year exceeded.

6,9 billion TL

The average loan volume of ICBC Turkey's Corporate Banking Department, including Booking Center

1,4 billion TL

The average non-cash loans volume of ICBC Turkey's Corporate Banking Department, including Booking Center

CORPORATE BANKING

Strong success in the face of challenges

ICBC Turkey's Corporate Banking Department continued its activities focused on sustainable and high-quality growth in the balance sheet in 2020. As a result of the efforts carried out to increase the volume of loans, relations with customers were further deepened, with the volume of cash and non-cash loans expanding and the targets for the year exceeded.

The average loan volume of ICBC Turkey's Corporate Banking Department, including Booking Center operations in 2020, was TL 7.5 billion, while the total cash loan volume at the end of 2020 was TL 6.9 billion, and non-cash loans stood at TL 1.4 billion. As far as deposits were concerned, the average of the total time and demand deposits in 2020 was TL 4.5 billion.

An approach tailored to meet the needs of the pandemic

During this period, ICBC Turkey determined the health of its employees, business partners and customers as its priority and, in line with its mission, maintained its support for the Turkish economy and companies, regardless of the economic conditions.

During the pandemic, ICBC Turkey's Corporate Banking Department closely followed customer demands and provided uninterrupted and complete services in spite of the precautionary measures taken to reduce the number of working hours and personnel.

Special attention was placed on the sectors and companies most affected by the pandemic, and within this scope, 30 teleconferences were held with key customers in 2020.

Considering the Bank's function as a bridge between Turkey and China, special attention was placed on the sectors most affected by the pandemic, especially aviation and tourism, with a focus on gaining customers with a Chinese element, performing transactions with municipalities and developing the customer base with key companies in Turkey. In this context, loan applications received by the Bank were quickly evaluated, and when needed, the Bank stood with its customers by restructuring its loan.

In 2020, ICBC Turkey's conviction in the need for the real sector and the financial sector to complement and support each other in difficult times has been strengthened. In addition to the equity and working capital financing support provided to the real sector, new investments, which are the driving force of the Turkish economy, were also funded during this period. In line with its growth targets, the financing of energy, production, resource development, economic zone construction, green industry and infrastructure projects in particular have taken precedence on the Bank's agenda. Due to the Bank's sensitivity to environmental issues, sustainable energy projects were, as always, a priority for the Bank in 2020.

Stronger customer relationships

The Corporate Banking Department has maintained good relations with its business partners in Europe, the Far East and the United States, paving the way for the completion of important syndication projects with large-scale business groups in Turkey.

The negative effects of the outbreak on the Turkish economy and sectors were closely monitored and the Bank's focus was on expanding the customer base through customer video conference and new offers. With these efforts, ICBC Turkey aimed to provide high-quality loans and worked closely with the Head Office Departments and ICBC affiliates.

Work within the scope of the Belt and Road Initiative

Since 2015, ICBC Turkey has brought new vigour to the market, becoming an alternative channel in terms of access to financial resources in Turkey.

Implementing operational management and transformation within the framework of its vision of building the preferred China-based Bank of the Belt and Road Initiative, ICBC Turkey has been the model organization for the financial cooperation between China and Turkey. During this 5-years period, support was extended to the expansion of the market presence of existing Chinese companies such as Huawei, as well as the flow of new Chinese businesses and capital entering Turkey.

ICBC Turkey maintains its full support for Turkey's goal of becoming a regional transport and energy hub, which is also compatible with the Belt and Road Initiative. By developing long-term business partnerships in coordination with Sinore and other Chinese banks, the Bank ensures effective and reliable use of long-term debt instruments. In addition, entrepreneurs seeking to do business in both countries receive support in regard to legal institutions and legislation.

ICBC Turkey follows business opportunities for businesses by strengthening its presence in the Mediterranean region,

including emerging markets in Israel, Greece, Macedonia, Azerbaijan, Georgia and other surrounding countries.

In addition to the enterprises and investments which are within the scope of China's Belt and Road Initiative and Turkey's Middle Corridor, Chinese enterprises and Turkish companies operating in the surrounding region are seen as key potential customers, and by entering in cooperation with these enterprises, ICBC Turkey develops its presence in local markets.

Adopting an international vision which runs in parallel with the positioning set out by the aim of "focusing on local development, expanding to neighboring regions and connecting Europe and Asia", ICBC Turkey is focused on maintaining its global operations, improving its governance capacities in a multifaceted way, and improving quality and efficiency.

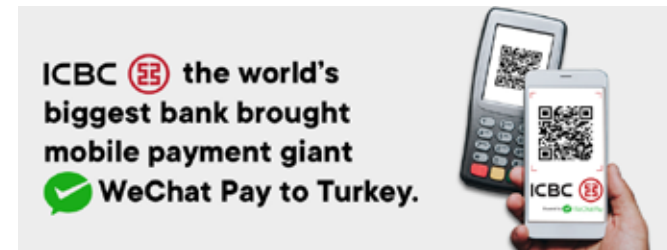
Municipalities and ICBC Turkey

Municipalities play an important role in the production of services because they are the units closest to the public and can identify the needs of local people on the spot. One of the most important developments in contemporary social life has been the gradual growth of cities. Urbanization, a process which has accelerated since the second half of the 20th century, has reached new dimensions with more profound effects. This process has brought with it many economic, social, technical and financial problems which need to be resolved quickly, while also increasing the importance of local governments.

The Corporate Banking Department cooperates closely with Municipalities in different provinces of Turkey. By listening to the needs of municipalities on the spot and in a timely manner, the Department creates credit packages and provide services in accordance with these demands. In the coming period, we will keep continue to support municipalities in connection with their duties in road, water and infrastructure services, and to closely monitor projects such as wind power plant and solar power plant projects aimed at increasing efficiency.



Assessment Of The Bank's Activities in the Year 2020

**WeChat Pay in Turkey**

In July 2020, the Corporate Banking Department of ICBC Turkey launched the WeChat Pay application at Istanbul Airport for the first time in Turkey. WeChat is one of the most widely used voice and text messaging services in China, with 1.2 billion monthly users.

WeChat Pay users can carry out contactless payments through the application. With the application, Chinese guests visiting Turkey are able to shop easily using the WeChat Pay application, as they are accustomed to. It is planned that the application, which was initially implemented in Unifree stores at Istanbul Airport, will be rolled out in all of the outlets located in the airport within a short time.

Cash management and product development works

ICBC Turkey's cash management operations consist of collection and payment systems which allow the Bank's corporate and commercial customers to manage their cash flows using both electronic and classical methods.

Among these systems which allow customers to carry out their banking transactions smoothly and securely are the Direct Debiting, Bulk EFT / Money Transfer from Branch and internet channels, the Continuous Cheque Printing System, FTP and Web Service, Electronic Settlement Accounting Integration and Corporate Internet Banking products. Mediation services are also provided for Companies' legal and regular payments.



WeChat Pay signing ceremony

WeChat Pay users can carry out contactless payments through the application.

In 2020, the trend towards using cash management and electronic banking products gained pace, and the number of customers using FTP and Web Services increased by 34%. The volume of legal and regular payments for which mediation was provided reached TL156.7 million.

Key strategies of the Corporate Banking Department on the axis of customer relations

- Expanding the customer base with customer visits, interviews and new offers; creating synergies with other departments and ICBC affiliates by creating a company-wide marketing philosophy;
- Closely monitoring the negative effects of the pandemic on the Turkish economy and sectors;
- Regularly reviewing the Bank's portfolio to identify threats and new opportunities in the wake of the recent economic volatility;
- As a strategic stakeholder in the Belt and Road Initiative and with ICBC's global network, to further increase cross-selling under synergy-based collaboration with the International Banking and Financial Markets Department to gain more customers, and generate business volume and revenue. In the same context, to perform marketing for Chinese corporate customers and projects with a "Chinese element";
- To roll out the WeChat project in the new Istanbul Airport and carry out the marketing of RMB credits to corporate customers to promote the development of RMB transactions;
- Working closely with the Retail Banking Department and branches to market the retail products and services to corporate customers for supporting the development of the retail business;
- To accelerate the integration of regional markets by tracking business opportunities, especially for enterprises under the Belt and Road Initiative in Israel, Azerbaijan, Georgia and Macedonia, as well as for Chinese and Turkish companies operating in these countries;
- Prioritizing sectors and projects which reduce their carbon footprint.

The Corporate Banking Department will maintain its prudent approach to credit risk management.

**Looking ahead to 2021**

2021 is expected to be a period of recovery. The risk of pandemic is expected to decrease thanks to the developed vaccines with the economic recovery set to gain momentum.

ICBC Turkey is ready to support its existing and new customers in the field of Corporate Banking with a strong range of resources, and products and services.

Support will continue to be extended to the transport, health, energy and other infrastructure sectors.

The ICBC Turkey value chain will be developed by following the main infrastructure projects within the scope of the Belt and Road Initiative, major resource utilization projects, the construction of international industrial parks and other projects, high-value projects supported by the Turkish Government, customized product programs and comprehensive financial services.

The Corporate Banking Department will maintain its prudent approach to credit risk, especially in current market conditions, and will attach importance to post-loan management. Customers' currency risk will be managed with appropriate solutions with the support of derivatives.

Changing consumer habits which guide the global economy will be a priority in the upcoming period. Redefining business processes and models with a contactless and mobile focus and reducing physical contact will be the building blocks both today and ongoing forward. Turkey enjoys a considerable advantage in this respect with its resilient economy and young, dynamic population which can be easily integrated into new trends. ICBC Turkey is committed to generating value in this field as well.

**PROJECT AND CROSS BORDER FINANCE
DEPARTMENT****USD 224 million funding for new and ongoing projects in
the year of the pandemic**

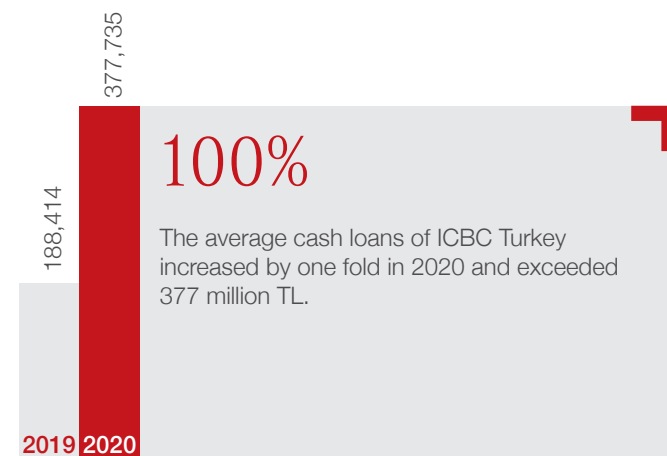
Despite the pandemic, the effects of which began to be felt in Turkey from early 2020, the Project and Cross Border Finance Department completed the financial closure of two project financing transactions with a total loan volume of EUR142 million, one in the field of real estate and the other in the field of energy.

The project financing amounting to EUR 110 million has a 10-year maturity with a 1-year grace period. The EUR 32 million project loan was disbursed with 12-years maturity including 2-year grace period. ICBC Turkey's long-term loans serve to confirm the permanent nature of its activities in Turkey.

In addition to these two new financing transactions, during 2020, USD 51 million loan, which it had previously committed to implement in investments in various sectors such as ports, highways and energy in strategic regions of Turkey, was realized by ICBC Turkey.

ICBC Turkey provided a total of USD 224 million in 2020 to finance projects where building work has just started in Turkey and which are under construction.

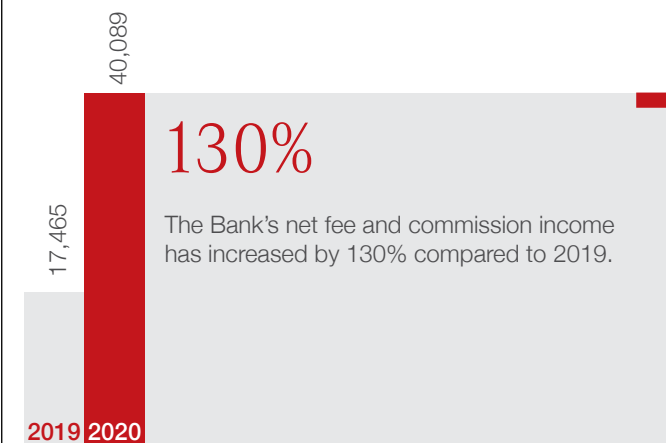
Taking into account average annual figures, ICBC Turkey's cash project financing loans from its own resources doubled when compared to their previous year's level. The amount of commission and net interest income from project financing transactions also doubled compared to the previous year.

Average cash loans
(thousand TL)**A significant increase in net fees and commissions**

While arrangement fees charged at the financial close of project financing transactions constitute the most important income item in the business line, during the validity period of the project limits, commitment fees charged during interest periods also support the income stream. Letter of Guarantee commissions are also an important income item within the scope of brokerage transactions for foreign loan disbursements.

ICBC Turkey, demonstrating its presence in the financing of various energy investments such as hydroelectric, wind, solar and thermal projects, has also focused on the financing of real estate, port and highway projects.

ICBC Turkey increased its project finance net fee and commission income from approximately TL 17 million in 2019, to around TL 40 million in 2020.

Net Fees and Commissions
(thousand TL)**Innovative financing models**

Having received awards in various categories in competitions organized by prestigious and renowned organizations such as The Bonds & Loans and IJ GLOBAL with its innovative financing models, ICBC Turkey adopts a fast and solution-oriented approach in projects, and achieves success by being inspired by the innovative financing models existing under the ICBC roof.

The Bank, which can offer a range of pricing models such as variable, fixed and TRYFIX in the projects in its portfolio, can mediate foreign lending in the same project financing transaction, and offer cash and non-cash loan products to its customers in various terms. Privatization financing and refinancing transactions, as well as share purchase and sale financing transactions, are carried out with a diverse product and service approach thanks to the Bank's global networks.

Sectoral diversity

ICBC Turkey, demonstrating its presence in the financing of various energy investments such as hydroelectric, wind, solar and thermal projects, has also focused on the financing of real estate, port and highway projects.

In the privatization of Tekirdağ Port, the Bank, as the sole lender, provided a total of USD 95 million cash and non-cash financing. In this transaction, cash credit support was provided for the purpose of fulfilling the investment commitment stipulated by the Turkish Maritime Enterprises for the repair of the port and the increase in capacity, and a Letter of Guarantee was used within the framework of the obligation to the Privatization Administration.

Both the strategic importance of the project to the Turkish economy and the creditworthiness of the sponsor, as well as the EBRD's participation in the financing strongly indicates that ICBC Turkey is focused on economic and feasible projects. In addition to physical investments, the Project and Cross Border Finance Department developed a TRYFIX-indexed financing model for an asset management company with a significant market share in Turkey through a syndication transaction with the EBRD.

Another project in which ICBC Turkey is a party is the syndicated loan of the Ankara-Niğde Highway Project, which is carried out with internationally respected creditors. With a share of EUR 68.81 million in the project, ICBC Turkey took part as the lead arranger in this syndication transaction. A Treasury guarantee has been provided to the project to support the construction and operation of the 330 km Trans European Motorway from Ankara to the southeast. With the recent opening of the second section of the highway, the entire project, which is of great importance in terms of promoting the implementation of the Belt and Road Initiative, has been brought into operation.

Looking ahead to 2021

ICBC Turkey predicts a revival in projects and investments in 2021, with the pandemic expected to recede in parallel with the vaccination. The Bank will maintain its interest in important investment projects in Turkey, with plans to cooperate in potential projects with a value of USD 1 billion in 2021. ICBC Turkey aims to achieve 30% growth in both TL and FX loan volumes.

**EUR 142 million**

The Project and Cross Border Finance Department completed the financial closure of two project financing transactions with a total loan volume of EUR142 million.

USD 224 million

ICBC Turkey provided a total of USD 224 million in 2020 to finance projects where building work has just started in Turkey and which are under construction.

FINANCIAL INSTITUTIONS

In line with its strategic goals, ICBC Turkey is focused on taking advantage of the unique advantages provided by the Middle Corridor of China's Belt and Road Initiative and creating added value for all of its stakeholders by improving its business volume.

Acting with this understanding, the Bank is focused on serving selected customers with ICBC's wide range of products, as well as improving its presence in the client portfolio of Chinese companies.

Using the power of its Head Office's extensive service network and experience in international trade and clearing, ICBC Turkey offers wide access to global resources and competitive advantages in the commercial financing lane. In addition, as well as offering its customers the opportunity to perform their transactions without error, it also provides them with structured financing opportunities from international markets.

The first Turkish bank registered in the Chinese Interbank Bond Market

ICBC Turkey, which is the first Chinese bank to invest in the Turkish market and which aims to be the bank of choice in the field of RMB transactions in Turkey, has the advantage of offering a comprehensive range of products and services which can be performed on an RMB basis.

In 2019, ICBC was registered in the China Interbank Bond Market (CIBM) as a qualified investor and became the first bank in Turkey to invest in the Chinese Interbank Bond Market, moving RMB business such as trade, clearing and deposits beyond the traditional dimension. ICBC Turkey also integrates the RMB into all areas of marketing services, from individual and corporate services to correspondent banking and financial markets, to protect and build RMB business and volumes in the Turkish market. Moreover, ICBC Turkey also provides brokerage services for RMB payments of Turkish banks by opening RMB accounts.

Value generated by multiple relationships

As a reflection of its confidence in the Turkish banking sector, ICBC Turkey provided Turkish Eximbank and Vakıfbank with bilateral loans in 2020. The loans, provided through the Financial Institutions Department, amounted to EUR 200 million with a 2-year term and USD 325 million with a 3-year term.

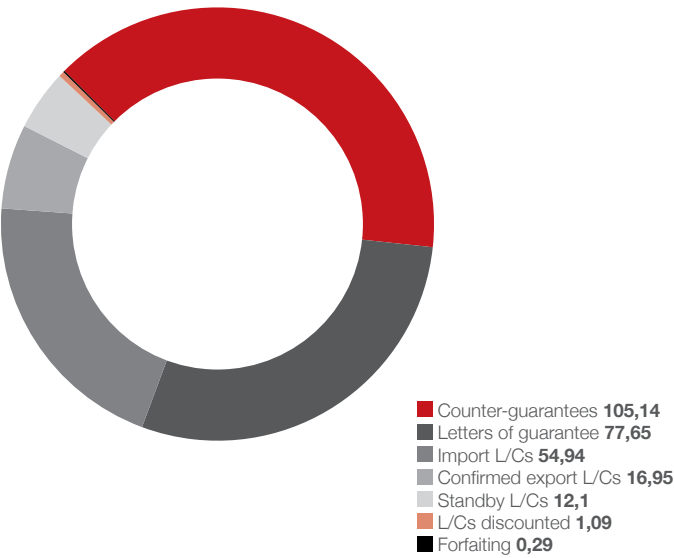
In addition to long-established and valuable business relationships, relationships have also been established with new financial institutions. The Financial Institutions Business Department continued to expand the scope of its existing cooperation in the areas of bilateral loans, syndicated loans, accounts, treasury and other capital debt market transactions by creating cross-selling opportunities.

Looking ahead to 2021

ICBC Turkey will continue to support the activities of its selected customers in line with its strategic plan and the projects in the countries determined by the ICBC Head Office, with various financing models, risk sharing programs, innovative business solutions and ICBC's international service network.

In this manner, in addition to maintaining customer satisfaction as the highest priority, the bank will continue to develop deeply rooted and value-generating customer relationships and produce added value in line under the banner of “Sure We Can”. This way, ICBC Turkey will continue to be the “bank of banks”.

Transactions made with ICBC Network
(USD million)



INTERNATIONAL BUSINESS

A wide service network and international trade experience

As on one of the largest banks in the world, ICBC Turkey offers a wide service network and international trade experience.

The Bank's International Business Department is supported by extensive subsidiaries in 48 countries with international trade experience, business models and strong market competitiveness. ICBC Turkey's main goals are to focus on a customer-oriented business approach, understanding customer needs, generating solutions and providing innovative products and services, thus providing a great opportunity for international and Turkish customers to reach their financial goals.

ICBC Turkey is focused on providing advantages to Turkish customers, especially with letters of guarantee and standby letters of credit. Our Bank participates projects, carried out by Chinese-owned enterprises in Turkey, actively. The Bank ensures foreign trade financing products are easily available to its customers through its global and comprehensive service network.

In addition to internal transactions, services are offered in international branches such as ICBC London, ICBC Hong Kong and ICBC Singapore in order to better serve Turkish customers, contributing to the win-win policy.

“An ICBC” service concept

The use of the global service network, the ability to provide customers with solutions in their trade finance business and high efficiency are the foundations of the service approach described as “An ICBC”.

With an approach which attaches importance to customer satisfaction, ICBC Turkey International Business creates added value in the field of foreign trade by offering products such as letters of guarantee, letters of credit, standby letters of credit, discounts, forfaiting, and letters of credit confirmation and financing.

Details of the transactions carried out in cooperation with ICBC branches in 2020 are presented in the following figures.

International payments and developments in trade finance volume

Under the special conditions experienced in 2020, the International Business Department devoted special attention to work which would generate income and business volume, and achieved successful results.

The International Business Department increased the volume of international payments to USD 11.19 billion and its foreign trade volume to approximately USD 1 billion by implementing strategies to improve foreign trade transactions relations and international payments.



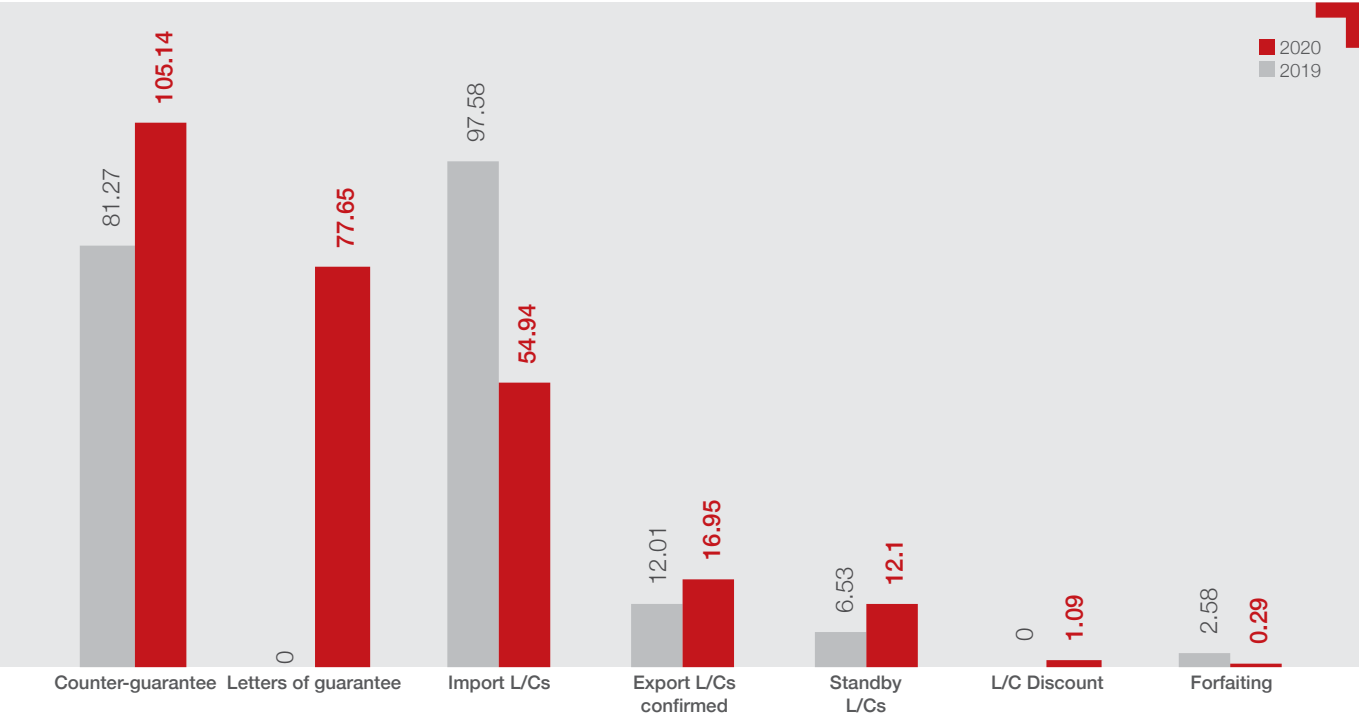
The International Business Department continued to mediate in railway construction projects and communication infrastructure projects carried out in Turkey as a guarantor in letters of guarantee. Based on the counter-guarantees amounting to TL 568.3 million received from ICBC for railway construction projects, a letter of guarantee was issued to the Ministry of Transport and Infrastructure.

In 2020, the total volume of letters of guarantee issued for projects in Turkey reached USD 124 million.

Looking ahead to 2021

The year 2021 will be celebrated as the 50th anniversary of diplomatic relations between China and Turkey with bilateral relations and trade volumes set to grow during this important year. In year set to be marked by growing potential business opportunities, ICBC Turkey aims to increase the share of all transactions such as letters of guarantee, letters of credit, discounts, forfaiting and confirmation of letters of credit in the total business volume from 10% to 15%.

Transactions Made with ICBC International Network
(USD million)



Assessment Of The Bank's Activities in the Year 2020

TREASURY**A service approach sensitive to market movements and focused on quality**

With its far-reaching changes to working conditions, the pandemic prolonged uncertainty and precipitated a deep economic shock during 2020, ushering in an unprecedented period. While the traditional form of management in most businesses has had to adapt to the new normal, pandemic measures have led to closures, and access to funds has become crucial for the survival of many businesses.

As in the whole world, a raft of incentive packages were announced in Turkey aimed at mitigating the effects of the pandemic on the economy.

The Asset and Liability Management Department at ICBC Turkey has maintained a dynamic pricing approach, effectively used existing fund resources and ICBC's global network, and increased its contributions to the Bank's balance sheet by continuing to collect funds under a preferential maturity and cost structure.

The Asset and Liability Management Department has acted in accordance with the regulations set out by the CBRT and the BRSA to maintain our customers' access to funding and ensure that the Bank's financial indicators meet the requirements stipulated by the relevant legislation.

Despite the difficult global and local conditions, ICBC Turkey has implemented its prudent growth strategy and successfully managed interest and currency risks. In this challenging and volatile period, necessary liquidity and support was provided to ICBC Turkey branches.

Looking ahead to 2021

Although some effects of the risks and uncertainties which defined 2020 are expected to continue in 2021, the pandemic is expected to give way to a more optimistic backdrop during the first half of the year, depending on the success of the vaccines and the start of mass vaccination.

On the other hand, 2021 will be a year in which Turkey redoubles its efforts to tackle inflation. The CBRT's tight monetary stance could cause some cooling off in credit markets, especially in the first half of the year. Optimistic forecasts for the world economy and global trade signal a revival in the international trade business.

Against this backdrop, the role of ICBC Turkey as the bank of choice for RMB transactions will become more important. Overcoming short-term challenges will ensure a solid foundation for the long-term sustainable development of the Turkish economy and financial markets.

With its far-reaching changes to working conditions, the pandemic prolonged uncertainty and precipitated a deep economic shock during 2020, ushering in an unprecedented period.

FINANCIAL MARKETS**High-quality products and solutions in three main fields of activity**

Financial Markets Department serves customers in three main fields of activity; spot FX transactions, derivative transactions and bond transactions. In line with its prudent stance in Financial Markets business line, the Bank offers a product range in which risks can be easily understood and managed by its customer base.

The pandemic caused considerable negative effects in the markets in 2020. During this period, the BRSA tightened the measures it took to protect the value of the Turkish lira, increased the rate of tax on foreign currency purchases and narrowed the TL-legged forward transaction limits with foreign banks. Financial Markets Department adapted to all regulatory changes on time and initiated the operational process within the Bank.

Despite the decline in the markets in 2020, Financial Markets Department managed to maintain its volume at a certain level and increase the number of customers trading in financial markets. In addition to pricing policy, the service provided with private banking approach by contacting clients directly and the high-quality services offered by the competent personnel working in the department significantly increased the profitability of the business line.

In the field of derivative transactions, the Bank simplified the documentation requested from customers in order to increase service quality, and aimed to meet the special needs of customers through the contracts prepared for corporate customers.

ICBC Turkey starts swap transactions

Swap transactions started to be offered in 2020 with the completion of the system infrastructure. Backed by the developing product range and a high level of customer satisfaction, a significant increase in derivative transaction volumes was seen when compared to 2019.

Looking ahead to 2021

As a result of the tightening measures taken following changes key positions regarding the administration of the economy, attention in 2021 will focus on how the increase in TL interest rates will be reflected to the next steps to be taken as well developments in macroeconomic indicators; inflation will be one the important indicators to be monitored domestically.

On a global scale, it is thought that measures to stimulate economies will continue with incentive packages being rolled out in a bid to eliminate the destructive effects of the pandemic on economies. The steps to be taken by the new administration in the United States and the relations between the United States and Turkey will also be another key agenda item to be closely followed.

In 2021, Financial Markets Department will continue to build trading volumes, increase the number of customers and develop new products to the extent which financial market conditions allow, maintaining its prudent stance and complying with the regulations of regulatory agencies.

ICBC SECURITIES AND INVESTMENT BANKING**A focus on projects compatible with the Belt and Road Initiative**

In 2020, the ICBC Investment Banking Group primarily focused on projects compatible with Turkey's Belt and Road Initiative, uniting Central Asia, Europe and Africa where Turkey takes place at a strategic location.

The combination of ICBC Securities' strong potential in Turkey and the region and ICBC's knowledge in Asian markets has ensured the successful completion of important transactions in 2020.

ICBC Securities has worked together with government agencies, reputable financial institutions and corporate clients in the fields of buyer/seller party M&A projects, project finance, structured finance and debt capital markets. It has also acted as an arranger and advisor for these institutions and organizations in obtaining financing from the global syndicated loan market. In addition, ICBC Securities provides high standards of brokerage and portfolio management services to its domestic and international customers.

ICBC Securities is focused on strengthening the cooperation with the ICBC Head Office, ICBC Hong Kong and ICBC Standard London in order to fully benefit from ICBC's strong global network; to reach Asian companies aiming to invest in Turkey's leading sectors such as financial services, real estate, logistics and manufacturing.

ICBC Securities was selected as the "Best Investment Bank" by the Turkish Capital Markets Association in "Financing Intermediary" category and was the winner of the TCMA Capital Markets award for the third consecutive year in 2020.



Assessment Of The Bank's Activities in the Year 2020

In 2020, ICBC Securities acted as co-leading coordinator and arranger in four international syndications where USD 3 billion of foreign funding was provided to leading Turkish Banks.

USD 500 million

ICBC Securities acted as a book runner for a USD 500 million, 5.5 year maturity Eurobond issuance for a leading Turkish bank and contributed to the successful completion of the transaction.

11% increase

In 2020, ICBC Securities gained 1,628 new customers within the scope of its brokerage activities and achieved an 11% increase in the number of customers on an annual basis.

ICBC Turkey Securities received the "Most Innovative Brokerage Firm" Award

Successful institutions in their fields are rewarded every year at the International Finance Awards 2020, organized by the International Finance Magazine published in the field of finance and business analysis. In this year's competition, ICBC Turkey Securities won the "Most Innovative Brokerage House 2020" award.

Providing significant resources to the market

In 2020, ICBC Securities acted as co-leading coordinator and arranger in four international syndications where USD 3 billion of foreign funding was provided to leading Turkish Banks.

Each of the syndicated loans in question was conducted with the participation of at least 30 reputable banks around the world, at a time when the effects of the pandemic were being felt most seriously.

ICBC Securities acted as a book runner for a USD 500 million, 5.5 year maturity Eurobond issuance for a leading Turkish bank and contributed to the successful completion of the transaction.

This issue is the first by the bank in question since 2018, and despite being the first issue in Turkey to take place when the negative impact of the pandemic was beginning to be felt, it was a prominent transaction in view of the sales success it achieved.

ICBC Securities served as an arranger for a major investment project in Eastern Europe being undertaken by a leading contracting firm, and successfully completed its first international investment banking transaction.

Along with international financial institutions, ICBC Securities participated in the structuring of two city hospitals located in major cities in Turkey.

ICBC Securities has also acted as an arranger for a syndicated loans for the building materials and a health products company of a leading conglomerate in Turkey and as a bookrunner in two IPO projects. ICBC Securities has also provided M&A advisory services on an airline acquisition project for a major Chinese partnership.

An 11% increase in the number of customers

Despite all of the difficulties brought about by the pandemic in 2020, ICBC Securities gained 1,628 new customers within the scope of its brokerage activities and achieved an 11% increase in the number of customers on an annual basis. The company also started to provide brokerage services to three leading domestic and two foreign portfolio management companies in the market.



International cooperation leads to a diversification the scope of brokerage activities

Commission income from stock and futures and options market brokerage activities increased by 200% compared to their 2019 level to reach TL 28.5 million. Our brokerage operating income increased by 36% compared to the previous year to reach TL 49 million.

In 2020, ICBC Securities focused on institutional sales and stock trading; it aimed to both open new customer accounts and increase the volume of domestic and foreign institutional investors' stock trading in Turkey.

Client acquisitions in 2020 included three domestic portfolio management companies and two foreign funds.

A cooperation agreement was signed with a leading Chinese investment company to create a bridge to Chinese stock exchanges and securities for Turkish investors. In addition, cooperation efforts got underway with an American investment company to provide brokerage services to US institutional investors on Turkish stock exchanges.

In summary, 2020 was a year in which important building blocks were placed on the road to becoming an investment bank organization which reflects ICBC's global strength.

In 2020, ICBC Securities continued its advisory services for the shareholders of a leading cotton yarn manufacturer in Turkey regarding the sale of its entire stake and majority shares of a European cosmetics group to an Asian strategic investor.

Project Financing

ICBC Turkey focuses primarily on the energy, infrastructure and healthcare sectors.

In 2017 and 2018, the Bank participated in the public-private partnership project for four city hospitals (Izmir, Kocaeli, Bursa, Elazığ) and the Çanakkale Bridge project. In 2019, it provided EUR 260 million in privatization financing for the 262.7 MW Torul, Kürtül and Doğankent (TKD) Hydroelectric Power Plant Project, and financed Balıkesir Tatlıpınar Wind farm, the construction of which started with an installed capacity of 124.8 MW. In the health sector, the bridge loan provided to the 600-bed Kütahya public-private partnership hospital was the first bridge loan granted by ICBC Turkey to a project financing loan. The Bank was also appointed as a transaction advisor in the long-term financing of the project.



Assessment Of The Bank's Activities in the Year 2020

As a continuation of these activities, ICBC Securities acted as the arranger in a major investment project in Eastern Europe for a leading contracting firm and successfully completed its first foreign investment banking transaction abroad in 2020. Arranger role was assumed in securing a syndicated loan for one of Turkey's leading groups, and asset transfer operations were successfully completed in two separate infrastructure projects.

Of project finance transactions carried out in 2020 in Turkey, ICBC Turkey ranked second in terms of the number of transactions among all domestic and foreign financial institutions and third on the basis of the total transaction volume.

Mergers and Acquisitions

ICBC Securities continued its M&A advisory services in 2020 as part of the acquisition of a majority stake in a private airline operating under a low-cost operating model in Turkey by a China-based tourism investment group, where it was mandated to be a financial adviser. The transaction, which reached the final stage, has been put on hold due to pandemic conditions.

In 2020, ICBC Securities continued its advisory services for the shareholders of a leading cotton yarn manufacturer in Turkey regarding the sale of its entire stake and majority shares of a European cosmetics group to an Asian strategic investor.

Of project finance transactions carried out in 2020 in Turkey, ICBC Turkey ranked second in terms of the number of transactions among all domestic and foreign financial institutions and third on the basis of the total transaction volume.

Initial Public Offerings

In 2020, ICBC Securities has acted as bookrunner in the public offering consortiums of Kervan Gıda and Arzum Electrical Home Appliances companies, whose total offering size approached TL 726 million. With the public offering, the shares of the companies were quoted on the Borsa Istanbul.

These public offerings being the largest public offerings in 2020, allowing their investors to record a significant increase in their value after the public offering.



TL 6 billion

The number of customers in over-the-counter transactions increased by approximately 29% while ICBC Securities' trading volume in over-the-counter markets reached TL 6 billion.

78%

Trading volume in digital brokerage channels accounted for 78% of all the Company's transactions, while 57% of commission revenues were provided through digital channels.



Chinese Yuan Market Activities

As a result of recent developments and globalization, interest in the Chinese Yuan has increased in global markets, and demand for Chinese Yuan/Turkish Lira futures contracts has also increased.

In the Borsa Istanbul Futures and Options Market, the number of transactions in CNHTRY Futures contracts decreased by 75%, while ICBC Securities reached a trading volume of more than 50 million Yuan with 30 investment institutions acting as a single market maker.

OTC Market

The Treasury and Trading Department continued the development of intermediary services in over-the-counter markets in 2020. While the variety of products and the number of investors increased, the trading volume also increased noticeably, while maintaining profitability. The number of customers in over-the-counter transactions increased by approximately 29% while ICBC Securities' trading volume in over-the-counter markets reached TL 6 billion.

As a result of recent developments and globalization, interest in the Chinese Yuan has increased in global markets, and demand for Chinese Yuan/Turkish Lira futures contracts has also increased.

Increased activity on digital channels

ICBC Securities has prioritized derivatives and share trading in the digital field in 2020, thanks to the investments in IT which it has undertaken over the past three years.

Trading volume in digital brokerage channels accounted for 78% of all the Company's transactions, while 57% of commission revenues were provided through digital channels. The volume of transactions carried out through ICBC Securities' mobile application increased by 253% in 2020.

During the same period, ICBC Securities' trading volume increased by 270% to reach TL 78 billion, and its market share increased by 28% to 0.59%.

Assessment Of The Bank's Activities in the Year 2020

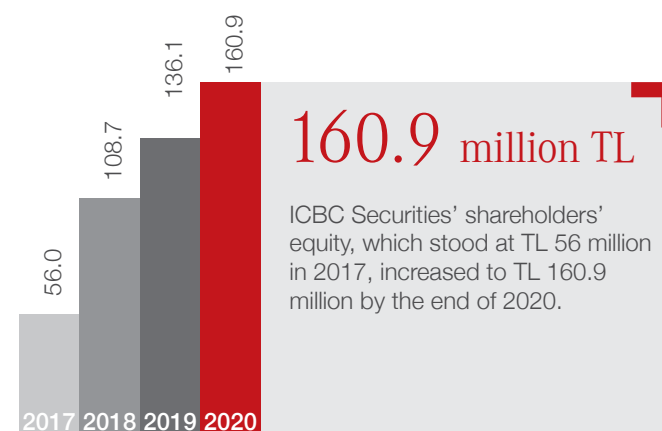
Looking ahead to 2021

Investment banking services are expected to increasingly be in demand in 2021. In this context, ICBC Securities will continue to lead its competitors and provide advisory services and funding to sectors which play an important role in the Turkish economy.

Turkey is expected to play an increasing role in the global supply chain and attract an increasing proportion of direct investment and portfolio investment within this framework.

Within the framework of the Belt and Road Initiative, ICBC Investment Banking Group will develop its advisory service on acquisitions and mergers using ICBC's large global network to properly fulfill the mission of a bridge between Turkey and China and the task of a regional center. It will also provide services to leading companies on an increasing scale by integrating capital markets with traditional financing tools.

In order to serve the risk protection needs of its individual and corporate customers more effectively, the Company will diversify its over-the-counter market products by adding commodities and various currencies, and increase the volume and service quality. ICBC Securities' shareholders' equity, which stood at TL 56 million in 2017, increased to TL 160.9 million by the end of 2020.

ICBC Securities' Shareholders' Equity Development
(TL million)**RETAIL BANKING**

ICBC Turkey Retail Banking has been serving its customers for more than 30 years. Retail Banking has been working under the guidance of ICBC Group's policies and strategies for the last 5 years. This strategy is basically based on the principle of creating long-term plans and achieving goals by implementing them.

Under the guidance of ICBC's "first personal finance bank" strategy, ICBC Turkey has identified strengthening its customer base, increasing deposit size and profitability, and introducing innovative technological financial products to the Turkish market as its main goals and has achieved significant gains.

While ICBC Turkey strengthened its position in the sector with CHINEX and WeChat Pay, it also completed the Daily Term Deposit project and presented it to its customers.

Retail Banking has gained rapid momentum with the support of ICBC's clout in the field of financial technologies. In this context, CHINEX was successfully implemented in 2019 followed by WeChat Pay project in 2020 together with a strategy where payment services will continue to be of critical importance. The Bank continues to work on launching new projects.

In addition to all these developments, many new applications, products and services were brought into use within the scope of the transformation process in the 5-year period. Highlights from the work in this scope are listed below:

- The evaluation methodology regarding deposit performance has been revised and customer expectations have been met with the Daily deposit product,
- The SME segment started to be managed with improvements to the customer portfolio,
- Within the scope of strategic cooperation with ICBC Securities, a new working methodology has been implemented with investment products from experts starting to be offered directly to the customer,
- The Bank has been a pioneer in the Citizenship application management process and in this context, applications from many foreign customers, especially Chinese customers, have been received.

CHINEX

Money Transfer from Turkey to
All Banks in China

**2020 achievements**

Retail Banking has evolved despite the negative effects of the pandemic, with advancements in the number of active customers, deposit volumes and profitability, which are the most critical targets set out in the three-year strategy. In the 2018-2020 period;

- The number of active customers increased by 52%.
- Deposit volumes increased by 214% to reach TL 6.5 billion.
- In terms of profitability, ICBC Turkey Retail Banking became a profitable business line by 2020.

While ICBC Turkey strengthened its position in the sector with CHINEX and WeChat Pay, it also completed the Daily Term Deposit project and presented it to its customers.

At the end of 2020, when compared to the end of 2019,;

- Total retail deposit volume increased by 47%,
- The number of active customers increased by 6%,
- The number of SME customers increased by 51%,
- The number of mobile branch customers increased by 26%.

The Bank's Retail Banking activities supported small and medium-sized businesses and individual customers in the face of the negative effects of the pandemic. Loan applications from customers were evaluated in line with the credit risk management procedures applied by ICBC Turkey and requests to defer credit and credit card debt were met. While the risk balance was maintained at a certain level, the non-performing loan balance was kept steady in this period thanks to the strict monitoring carried out by the relevant teams and branches. This approach played a critical role in the success achieved in the loan ratio.

52%

The number of active customers increased by 52%.

TL 6,5 billion

Deposit volumes increased by 214% to reach TL 6.5 billion.

47%

Total retail deposit volume increased by 47%.

6%

The number of active customers increased by 6%.

Retail Banking focused on taking the necessary actions and ensuring business continuity in line with the pandemic conditions in 2020.

Pandemic strategy

Retail Banking focused on taking the necessary actions and ensuring business continuity in line with the pandemic conditions in 2020. Compliance with the legislative changes and the new market conditions set out by the authorities during the pandemic period, continuing to provide good and high-quality services to customers and ensuring business continuity were the top priorities. The main points related to this process are set out below;

- Setting working hours,
- Directing customers to use online financial services,
- Increasing POS contactless payment and ATM withdrawal limits,
- Lowering the minimum credit card repayment rate,
- Acceptance of applications for late repayment of loans and credit cards of SME and individual customers.
- Issuing operational guidelines for customers to provide transaction instructions to customers to meet their business needs, and addressing customer complaints appropriately,
- Allowing instructions to be received by mobile phone, in an effort to prevent any adverse effect on customer service quality resulting from the pandemic conditions,
- Guidance to branches on terms of service in pandemic conditions.

WeChat Pay Project

The success of WeChat Pay, one of the largest wallet applications in the world, enables people to shop as if they were in their home market.

Starting with the signature and product promotion ceremony held in July, WeChat application was first put into use at Unifree Duty Free in Istanbul Airport.

Despite the pandemic conditions where airline transportation almost ground to a halt in the world, WeChat Pay produced pleasing figures in terms of both member merchant gain and turnover.

ICBC Turkey, which is leading the way in bringing one of the largest new generation payment systems to the Turkish market, believes that the future is the transition to a cashless society. The innovative approach launched with WeChat Pay will continue with new investments.

Customer Service Development Program

ICBC Turkey launched its Customer Service Development Program at the end of January 2020 to improve the level of customer service quality. First of all, all branches and departments shared their suggestions and requests to improve customer service through the internal survey.

The digitalization of internal operations and customer services has been determined as the common priority of all branches, and many measures were put in place in 2020.

- Customer Service Requests are focused on accelerating internal operational workflows to minimize the need to come to the branch, especially during the pandemic conditions.
- The Mobile Payment Innovation Working Group was initiated by the senior management to focus on new value-added digital payment solutions for individuals. The hot topic of this working group for 2020 was the domestic QR Code project, with preparations for other innovative projects beginning as well.
- Preparations have been made for the Contactless Card, Precious Metal Account and Remote Customer Acquisition projects to be commissioned in 2021.
- Card Business Service Improvements focused on increasing the number of cards by improving internal operation and customer service.

Looking ahead to 2021

In the pandemic conditions experienced in 2020, the importance of digitalization has never been greater. The effects of the pandemic are expected to continue, especially in the first half of 2021, followed by a recovery. In this process, digitalization and the trend towards meeting financial needs with less contact are expected to continue.

The goal of ICBC’s Turkey Retail Banking in 2021 is to maintain its momentum in terms of adapting to the new world and meeting customer expectations and accelerating digital transformation.

The 2021 strategy is based on four main areas;

- Growth: To expand the customer base, expand assets and encourage branch development,
- Innovation: Focusing on the rapid digitalization of sales processes and introducing QR code payments,
- Quality: Ensuring healthy development in the individual and SME segments while enhancing the customer experience and improving satisfaction,
- Flexibility: Optimizing and simplifying processes and structures in order to quickly respond to market and regulatory changes.

DIGITAL BANKING

The importance of digital transformation

As a result of the right investments and predictive moves in recent years, ICBC Turkey was able to continue to provide an uninterrupted and high-quality service to its customers from all service channels under the pandemic conditions of 2020.

The campaign, which has been ongoing for two years and offers mobile branch customers the opportunity to withdraw money from all domestic ATMs free of charge, was expanded in 2020 and the Bank made a difference in the sector by also offering deposit money transactions free of charge.

New features added to the mobile branch and applications such as receiving security-confirmed transaction orders through the telephone branch to reduce the negative effects of the pandemic enabled more users to receive services over digital channels.

First health, then quality service

Measures have been taken to make contact points safer to protect the health of customers.

Money transfer transactions are offered free of charge through all digital channels. In order to reduce the need for branches, the application of accepting wet signed instructions through digital channels has been implemented and ATM withdrawal limits have been raised to reduce withdrawals from branches. The campaign, which allows the customers of the Mobile Branch to withdraw money from any ATM of their choice for free, was further expanded, and deposits money transactions were also offered free of charge. Thanks to this unique campaign, customers of the ICBC Turkey mobile branch have the opportunity to use more than 55,000 ATMs in Turkey for free.

8 in every 10 transactions are digital

In 2020, 8 in every 10 transactions carried out by ICBC Turkey customers were conducted through digital channels. This ratio is an important indicator of both changing customer preferences and the power of ICBC Turkey in digital channels.

The ICBC Turkey Mobile Branch was the preferred choice for more customers with its user-oriented and simple design. The number of users increased by 24% in 2020 to reach the highest level to date.

The number one in Customer Centricity

ICBC Turkey evaluates and responds to all messages from its customers with great care within the framework of its customer-oriented perspective.

The Customer Interaction Management Team, which sees each customer message as an opportunity to develop, identifies issues which may negatively affect the customer experience, identifies the root causes so the situation does not recur, offers solutions and follows each stage until a permanent solution is reached.

If unexpected failures occur and solutions are not considered possible within a short period of time, the affected customers are identified and informed without delay.

According to the third quarter figures published by the Banks Association of Turkey for 2020, ICBC Turkey was ranked as the fifth Bank among 23 banks to receive the lowest number of customer complaints, the fourth fastest to respond to requests, and ranked first among the banks when it came to finalizing requests in favor of their customers.

Looking ahead to 2021

In 2021, ICBC Turkey plans to increase the variety of transactions offered through digital channels, the ratio of transactions carried out through these channels, and in parallel with these steps, the satisfaction of its customers.



FINANCIAL TECHNOLOGY DEPARTMENT

A strong contribution to the Bank’s strategy and priorities

The Financial Technologies Department develops a work plan based on the Information Technology (IT) strategy plan every year in line with the Bank’s strategy plan and priorities. Work plans, the IT budget and performance evaluation are associated with the planning and execution of tactical investments and correspond to the relevant strategic objectives of the Financial Technology Department.

The main objective of the plan is to ensure the security, confidentiality, integrity and accessibility of ICBC Turkey’s information assets, increase its operational efficiency, support its IT governance design and help IT personnel create effective processes. In addition, internal and external audits are coordinated in accordance with regulatory requests and requests from the Head Office.

Strategic objectives

In 2020, the Bank’s fin-tech line closely focused on the development strategy and ICBC Turkey’s general requirements, adhering to the technology-oriented, innovation based and reinforcement development concept and safe production basis. The Financial Technologies Department has also accelerated the optimization and setup of a production operation and maintenance system suitable for future developments.

The 2020 work plan was focused on three strategic goals. These were;

- Improve Communication and Sharing of Services and Information
- Protect the Mission
- Conducting Advanced Studies to Transform Service Delivery

The Financial Technology Department has carried out activities in two main areas in 2020:

- Information and Cyber Security Management
- Work on IT Governance, Risk and Project Management.

The Financial Technology Department has carried out the necessary assessments for system or application access requests. In 2020, application security assessments were performed for software development or application changes, all of which were moved to the production environment.

In addition to regular activities, the Financial Technologies Department has also worked on a number of different IT projects in line with the IT project portfolio and strategy. The Department has carried out activities related to the provision of IT governance, and these activities mainly include regular IT risk management, IT project management and IT strategy management.

With the onset of the pandemic, the Financial Technology Department faced a high risk associated with application developers’ need for remote access to the production environment from late March 2020. While the IT Project Portfolio has developed a project which aims to provide modern, flexible and secure remote access to the Bank Network, the Financial

The Financial Technology Department develops a work plan based on the Information Technology (IT) strategy plan every year in line with the Bank’s strategy plan and priorities.

Technology Department has created a project by planning an interim action to fully control risk, providing a new development environment which can be accessed from the remote network and isolated from the production environment.

Highlights from projects

In 2020, the Financial Technology Department’s resources were deployed on planned operations such as information and cybersecurity checks, application security assessments, IT risk activities and regular or irregular reporting to internal or external parties. In addition, the department attended to every work item throughout 2020.

The working plan for 2020 included the following key objectives. Each covered one or more small or large projects.

- Strengthening Security
 - Improving the flexibility and availability of information systems by providing and using a centralized computing environment; it is imperative all of the Bank’s information must be processed and well protected. This article covers multiple sub-tasks.
 - Redesign of desktop and mobile computers
 - Improving usability of access management and service desk software
 - Providing a secure remote access solution
- Improvement of Communication Channels
 - Rollout of the Sametime enterprise instant messaging software: There is no specific project for this tactical plan. However, the setup of the chat app for pilot users has been completed; its full rollout was scheduled to take place in 2020, but was delayed due to the pandemic.
- Improving IT governance level
- Compliance-Related Projects
- Launching New FinTech Solutions
 - Coordination with Head Office to design the FOVA project plan.
 - Realization of WeChat Payment Service
 - Providing New Payment Methods

The critical importance of information and data security

Strengthening Information Security is an important working priority to ensure that all information processed by the Bank is well protected. This covers multiple subtasks such as the following projects:

- Improving data and information security
- Improving the response process in dealing with information and cyber security incidents
- Strengthening the information system security configuration
- Increasing the effectiveness of security products

Looking ahead to 2021

The global pandemic has transformed banking, as well as many other industries. Banking transactions are one of the most common areas of digitalization. The importance of the work carried out in digitalization over the years has become crystal clear during the pandemic.

Customers have started to choose digital channels over physical channels. These developments will pave the way for innovative ideas and new initiatives in the FinTech ecosystem in Turkey in the upcoming period, and it will become crucial for existing structures to develop innovative products and provide services which allow consumers to benefit from competitive conditions.

ICBC Turkey is a stakeholder of the ICBC digital transformation strategy initiated by the ICBC Head Office. In this vein, we will keep continue to focus on digital transformation in order to effectively integrate rapidly changing and transforming financial ecosystems across the industry.

While technology is used as an important component in ICBC Turkey’s business activities, issues related to laws and regulations must be managed adequately within the scope of risk and compliance management.

As a high priority strategic goal, the Bank attaches priority to information and data security. In addition, the measures taken to ensure compliance with the new regulations published will also have an important place on next year’s agenda.

Strengthening Information Security is an important working priority to ensure that all information processed by the Bank is well protected.



Assessment Of The Bank's Activities in the Year 2020

CREDIT AND INVESTMENT MANAGEMENT**Effective management of non-performing loans**

The measures taken by the BRSA and the legislative changes made in 2020 in response to the pandemic conditions were closely followed and implemented by ICBC Turkey.

Despite the deterioration in the economy due to the pandemic and the cash shortage in the market, a high rate of collection from non-performing loans (NPL) was achieved through agreements or protocols.

As a result of effective management and follow-up processes, approximately 73% of the loans classified as non-performing loans at the beginning of the year were collected in 2020.

One customer risk with the highest amount of NPL risk was closed with a cash collection of TL 117,500,000 in March 2020. After this collection, the Bank's non-performing loan ratio, which had stood at 0.80%, decreased to 0.3%.

In 2020, liquidation and restructuring plans were determined for each customer in the Potential Risky Customers list, and these companies were closely monitored. During the year, a total of TL 48,352,411 was collected from the cash and non-cash loan accounts of these customers.

During the pandemic period...

Although the number of personnel was minimized during the pandemic process, monitoring activities were carried out effectively and completely. Monitoring reports were prepared regularly on a daily basis and submitted to the senior management. Self-inspection reports of all branches have been completed.

Post-loan management reports on project finance loans made available by ICBC Turkey, the Bookkeeping Center and / or other ICBC organizations were carefully followed up and evaluated. Relevant Departments were warned to take measures in advance where any problems were detected.

The targets for the ratio and amount of NPL set for 2020 by the Head Office were achieved. The NPL amount at the end of the year stood at TL 45,581,002, while the NPL ratio stood at 0.32%.

In 2020, policies and documents regarding credit management were prepared and / or updated regularly.

Looking ahead to 2021

The measures taken by the BRSA to mitigate the effects of the pandemic are expected to be extended in 2021. The legal follow-up period is expected to remain at 180 days.

Some customers who have suffered a deterioration in their cash flows due to the economic conditions and the effects of the pandemic and who have experienced difficulty in payment are expected to be transferred to NPL accounts upon completion of the relevant period in 2021, and thus there may be an increase in the NPL amount and ratio.

73%

As a result of effective management and follow-up processes, approximately 73% of the loans classified as non-performing loans at the beginning of the year were collected in 2020.

In 2021;

- Being attentive to potential risk management and ensuring monitoring of key customers,
- Closely monitoring the current payment plans of high-value loans and various project loans and evaluating restructuring requests,
- Establishing a credit adequacy management system which will increase the efficiency of credit risk management. Developing collateral, operations management, bookkeeping and project loan management to meet the international strategic approach and credit risk management requirements of the head office, improving systems and methods, and organizing credit management training across the Bank,
- Improvement of credit monitoring and data collection system and greater use of statistical analysis. Timely risk warnings to be provided to relevant customers and sectors in accordance with the monitoring conditions.
- In 2021, steps will be taken to ensure that the training needs of department personnel are determined and met to support the development of employees, as well as the training needs of the branch employees in cooperation with the Credit Allocation Department on loans.

In 2021, policies and documents regarding credit management will be prepared and / or updated on a regular basis. In particular, regulations and workflows related to bookkeeping and project credit management will be created, and implementation guides prepared

OPERATIONS MANAGEMENT DEPARTMENT AND OPERATIONS CENTER**2020 strategies**

Operations Management Department aims to provide a basic platform for the entire Bank for the operations of all services and products which adapt to the development and innovation needs of ICBC Turkey in 2020 and perform safe, stable and efficient work in the long term.

During the pandemic outbreak, measures were put in place in accordance with the different operational service requirements at the Head Office and the branches.

In this context, different working models have been developed which cover various emergency measures in a comprehensive and flexible manner, focusing on minimizing the number of employees which have to be present in the office and the number of procedures and working hours in the office, taking account of the different personnel, system applications and business process situations in the Head Office Operations Center and branch operation units.

In parallel with the main effects of the pandemic on operations, an annual self-audit of the operational line of work was carried out based on critical procedures and points found to be of high risk during this unique period to ensure occupational safety.

During the pandemic, central transaction quality monitoring and feedback of branches were provided, strengthening the control of operational risks; daily operational risk control tasks such as fraud risk monitoring and feedback on jobs received through e-channels (mail and fax), the delivery procedure of branches, cash counting control and confirmation were performed.

The Bank's business development policy is carefully followed, focusing on channel creation, process customization and system optimization in a head-to-end perspective, with extensive support provided to ICBC Turkey's product and business innovation in areas such as

- the first high-volume RMB trade financing transaction under the Sino-Turkish currency swap agreement,
- a special research analysis and report aimed at developing RMB business,
- the first successful implementation of the syndicated loan management bank role,
- the first investment transaction in China's interbank bond market,
- implementation of the WeChat payment system.

About 2021

Operations Management Department and Operations Center also aims to improve business continuity management in order to ensure ICBC Turkey's safe and stable operation, to cooperate fully with the Bank's business and product development policy, to formulate basic regulations regarding operations management and to standardize the management of clearing transactions in order to improve all business operations management in 2021.

The “Reform and Development” approach, which focuses on efficiency and fairness, is implemented under the leadership of the ICBC Turkey Human Resources Department.

HUMAN RESOURCES

In the journey of transforming ICBC Turkey into a global and leading bank with high profitability, a strategy of “creating a bank which employs the most competent human resources” is implemented. The Bank aims to build a business environment which will allow the Bank to build its performance and prestige together with the contribution of all personnel. Focusing on the core competencies of employees, taking into account the current conditions of the Turkish market, the “Reform and Development” approach, which focuses on efficiency and fairness, is implemented under the leadership of the ICBC Human Resources Department. ICBC Turkey decides its annual priorities with an approach that prioritizes efficiency and fairness in the field of human resources.

In order to lead comprehensive development in HR Management, the Human Resources Department works under the leadership of ICBC Turkey in coordination with the departments, centers and branches in following the Bank's business goals and strategies. In this context, the Department focuses on reforming and improving the organizational structure, employee development, salary ratings, performance premiums, career paths and training.

The Human Resources team focused on the evaluation of wage policy and personnel management within the framework of the HR strategies and priorities in 2020.

ICBC Turkey's goal is to provide its employees with a working environment which promotes comprehensive development

ICBC Turkey believes that employees will achieve their goals through an HR structure in which they adopt the goal of building their future in a leading bank. It is also believed that the training offered and the promotion criteria for everyone who starts work at ICBC Turkey should be determined with this understanding. The Bank aims to create a working environment where its employees can demonstrate their energy and creativity and showcase their competence.

The Bank primarily implements a standard salary rating system associated with salary payments and the HR project, which the HR team strictly follows and develops, which encourages improvement to per capita output and improved productivity.

Secondly, ICBC Turkey has adopted the principle of working with highly motivated and loyal employees with effective and human-oriented human resources practices within the framework of its personnel management policy and working from the point of view that everyone should be the “leader of their jobs”.

Assessment Of The Bank’s Activities in the Year 2020

Social rights and benefits at ICBC Turkey

ICBC Turkey aims to create a sustainable environment where employees can demonstrate their talents, which supports employee-oriented practices and adopts the principles of having highly motivated and loyal employees.

With the aim of ensuring a HR structure created by employees who are loyal to their jobs, ICBC Turkey offers social rights and rewards for its employees to encourage high motivation.

- All of the personnel receive private health insurance and life insurance. The amount determined by the Senior Management in order to support the private health insurance of family members has been paid to employees as an additional payment since 2017.
- Personnel working at Bank’s branches receive meal cards provided by the Bank’s contracted supplier. The daily meal card allowance was updated in 2020 with a 14% increase. In addition, annual updates are planned in line with inflation in the food sector.
- The meal allowance for Head Office employees using the Head Office cafeteria is updated annually in accordance with the rate of inflation in the food sector.
- All personnel receive a Transportation allowance.
- Clothing costs are provided to Security Personnel.
- All personnel receive birthday gift cards.
- All internal instructors receive an allowance in lieu of their training hours.
- Employees in the Internal Control and Compliance Department and Internal Audit Department receive a daily allowance in accordance with BRSA regulations.
- A cash indemnity is paid to the teller personnel who produce receipts at the branches.
- Marketing-oriented departments, centers and the branches benefit from an incentive premium if they reach the target set in the relevant quarter in the Bank and business line.
- The Retail Banking Department measures the individual sales success of the retail branches with its active customer campaign and rewards success.

ICBC Turkey aims to create a sustainable environment where employees can demonstrate their talents, which supports employee-oriented practices and adopts the principles of having highly motivated and loyal employees.

Pandemic Social Support

- In accordance with the regulations announced by the Turkish Government, a daily net payment of TL 100 was made to those working from the office for 4 months, in view of the risks they were taking. Bank entry and exit system records are taken as basis in this context.
- Within the scope of ICBC’s policy of supporting its affiliates, a pandemic allowance was provided with support for employees’ purchases of disinfected and kitchen-related products.
- A doctor and two nurses served all employees at the Head Office, every day of the week.
- Hygiene and disinfectant products were distributed to all employees.
- ICBC Turkey, with the support of doctors, has been one of the leading banks to provide testing to all suspicious and positive cases.

Awards

- Personnel at In ICBC Turkey receive rewards following 5, 10, 15, 20, 25 and 30 years of service at the Bank, and in line with the regulation, gold is provided for those who have served at the Bank for 15 years or more.
- The CEO Bonus payment is distributed to personnel at the position of manager or below. In 2020, 16 employees, including 8 employees from A-rated departments and the headquarters, and 8 employees from branches, were rewarded a plaque and a TL10,000 net cash reward.
- Supporting young people and their ideas is of tremendous importance in the ICBC Corporate Culture. The progress achieved with the ideas of young employees raised under the ICBC culture is considered extremely valuable. In 2020, 13 employees were awarded the ‘outstanding young employee of ICBC Turkey’ prize.
- A Story Event was organized to support the ICBC Corporate Culture, and the winners were awarded.
- The ICBC Turkey Strategy Document was published for the entire Bank; after the competitions were held, the names of the winners were announced with a reward payment for the employees to achieve the highest score.

Projects to improve the total value proposition offered to employees

ICBC implements the “Best Talent Bank” strategy to create a workplace which will embrace all of its employees. ICBC Turkey builds the Employee Value Proposition (EVP) at the point of offering employees in line with the value they add to the organization. The benefits and awards offered to employees in return for the skills and talents they have brought to the Bank consist of bonuses, insurance with promotions and benefits, allowances, paid leave and career training, in-house training which will support their skills and development, evaluations and feedback.

Within the framework of ICBC Turkey’s EVP policy, the Human Resources Department aims to improve the total wage management of the departments, centers and the branches, to associate the Bank’s general pay levels with performance, and to increase the return generated by human capital.

The Human Resources Department also attaches importance to expanding the vision of personnel selection and employment, accelerating the training of young staff, ensuring responsible and energetic employees play a role in the departments, centers and branches, and offering employees vertical career paths as well as horizontal career progression.

HR Improvement Project

Under the guidance of the Management Committee, the Human Resources Department focused on evaluating the remuneration policy and standard salary rating system as part of the HR Development Project in 2019. In 2020, Human Resources initiated the development of a new generation human resources system. The new system will improve the transparency of the management process will enable the departments, centers and branches which are business partners of the Human Resources Department to work much more closely and effectively.

The Human Resources Department’s Wages Policy was updated in 2020; the annual increase was determined as 7% for the Bank’s basic salary budget and 24% for the flexible salary budget, and an increase of 14% was applied in April 2020.

The dynamic and technical ICBC Turkey Remuneration Management and Regulation Implementation Instruction, which sets out support for qualified employees according to their performance on an annual basis, is a reflection of the Bank’s “produce more, earn more” policy. This application basically envisages the motivation of the employees.

In the second phase of the project, all employees were positioned correctly in the new HR software program, while in the third phase, the Personal Goal Agreement was put in place. In 2021, the performance results will be evaluated and salary adjustments, promotions, bonuses and changes in position will be clarified with a lean approach, depending on employees’ achievement of their targets.

Training and development activities

In 2020, ICBC Turkey provided training programs for its employees through conferences and seminars organized by internal instructors, professional training companies and the TBB. A total of 82 training programs were conducted during the year, including in-house, external and online training programs, in which a total of 7,878 people participated. In this context, online training programs on 15 different topics were provided along with training on 67 different topics with the support of internal and external instructors. The average number of training sessions attended per employee in ICBC Turkey in 2020 was 10.6.

The average number of training sessions attended per employee in ICBC Turkey in 2020 was 10.6.

ICBC TURKEY		ICBC TURKEY AND ICBC SECURITIES	
Total number of employees 726	Number of employees at branches 356 Number of employees at Head Office 370	Total number of employees 826	Number of employees at branches 390 Number of employees at Head Office 436
Women 385 (53%)	Men 341 (47%)	Women 430 (53%)	Men 396 (47%)
Average age 38,60 years		Average age 39,63 years	
Average seniority 7.85 years	Branch average seniority 9.50 years	Average seniority 11.27 years	Branch average seniority 12.99 years

Assessment Of The Bank’s Activities in the Year 2020

ICBC TURKEY		ICBC TURKEY and (ICBC SECURITIES AND INVESTMENT BANKING)	
Educational Profile		Educational Profile	
	%		%
HIGH SCHOOL	9.9	HIGH SCHOOL	9.6
2-YEARS COLLEGE	6.6	2-YEARS COLLEGE	6.1
UNDERGRADUATE	71.5	UNDERGRADUATE	67.7
GRADUATE	10.9	GRADUATE	15.3
PHD	0.3	PHD	0.4
OTHERS	0.8	OTHERS	0.9
TOTAL	100	TOTAL	100

About 2021
In 2021, within the scope of the Human Resources Department’s “Reform and Development” approach, the Department plans to expand the vision of selecting personnel, training young staff and creating more space for competent, responsible and energetic staff to take part in departments and branches.

Dealing with the effects of the pandemic...
Based on the prediction that the pandemic will continue to affect economic conditions in 2021, the health and satisfaction of our employees will remain the first priority for ICBC Turkey. The Human Resources team will continue to support employees under the control of the Pandemic Prevention Committee.

The focus will be on the psychological health of employees, laboratory and testing facilities, additional allowances and various training programs to be offered to raise awareness of the pandemic among employees, to support staff motivation and to increase work efficiency.

In personnel management...
The target for the number of employees, as set out in ICBC Turkey’s 3-years strategic plan, will be closely monitored. In this vein, emphasis will be placed on improving promotion methods developed for long-term needs and evaluating the talent which will contribute significantly to the Bank.

The required number of personnel for each department and branch will be determined, recruitment and transfer rules will be established and an optimization plan in the personnel structure will be developed. Detailed job descriptions will be prepared to refine job responsibilities according to the department and team responsibilities.

The focus will be on the psychological health of employees, laboratory and testing facilities, additional allowances and various training programs to be offered to raise awareness of the pandemic among employees, to support staff motivation and to increase work efficiency.

In remuneration activities...
The second salary adjustment will be applied in April in line with the market median, and the decisions to be taken under the supervision of the management committee and the ICBC Head Office for employee value will be followed by the HR team.

Target “Performance Indicators” will be adopted by improving the new HR system, adhering to the task orientation in performance. Agreements setting out targets will be entered into between individuals and managers, and the established, more target-oriented performance bonus system will be optimized.

Steps will be taken to ensure coordination with relevant departments to simplify the incentive system and ensure that performance and incentive payments are paid on time by complying with the regulations.

A compensation and allowance system which will contribute to employee motivation will be put into use.

In the HR Project...
In 2020, the decision was taken to work with a specialist consultancy firm in line with the goal of using technology more intensively in HR systems and reducing the manual workload. Adapting the system to the Bank’s needs will be the biggest project of 2021. Employees connecting to the system will be able to use HR software programs more effectively.

Share Capital and Shareholding Structure

Shareholding structure of our Bank as of the dates between December 31st 2019 and December 31st 2020, are specified below.

Trade Name of the Shareholder - 2019	Shareholding Amount (in full TL)	Share (%)
Industrial and Commercial Bank of China Limited* (ICBC)	798,428,227	92.84
Public	61,571,773	7.16
Grand Total	860,000,000	100.00
Trade Name of the Shareholder - 2020	Shareholding Amount (in full TL)	Share (%)
Industrial and Commercial Bank of China Limited* (ICBC)	798,428,227	92.84
Public	61,571,773	7.16
Grand Total	860,000,000	100.00

* The company named Industrial and Commercial Bank of China Limited, is the legal entity shareholder of the Bank holding qualified shares.

There is no share of our Bank which has been acquired by it within the scope of article 379 of the Turkish Commercial Code no.6102.

Shares Held by the Managers
According to the share book records regarding the shareholding structure of the Bank, there is no share held by the Board Members, General Manager, Deputy and Assistant General Managers

The share capital of the Bank amounts to 860,000,000- Turkish Liras. This share capital is divided into 8,600,000,000 shares, each with a nominal value of 10 (ten) Kuruş. Shares of the Bank are traded at Borsa İstanbul A.Ş. (Stock Exchange) and are listed on the Stock Exchange, since the date of May 23rd 1990.

The Subsidiaries and the Associates

Company	Affiliates	Field of Activities	Share (%)
Finance Sector	ICBC Turkey Yatırım Menkul Değerler A.Ş.	Investment Banking	99.998

ICBC Securities, a subsidiary of ICBC Turkey Bank A.Ş was incorporated in 1996 in İstanbul. Its paid-in capital is 76.000.000.-TL. ICBC Securities provides a regional platform for wide range of investment banking services including M&A advisory, debt capital markets, equity capital markets, project finance and syndicated loans as well as securities brokerage, over the counter financial products and cross currency and interest rate hedging solutions to sovereign institutions, corporate and retail customers.

ICBC Securities offers full range of brokerage services through 21 branches across Turkey with 21 years of expertise to local clients as well as international institutional clients through strategic alliances with ICBC Group investment banks based in London and Hong Kong.

ICBC Securities plays an important role in financing and refinancing of large infrastructure, energy investments as well as M&A financing in Turkey and its region. The Company is active in coordination and book-running of syndications and bond issuances for sovereign, financial and corporate institutions.

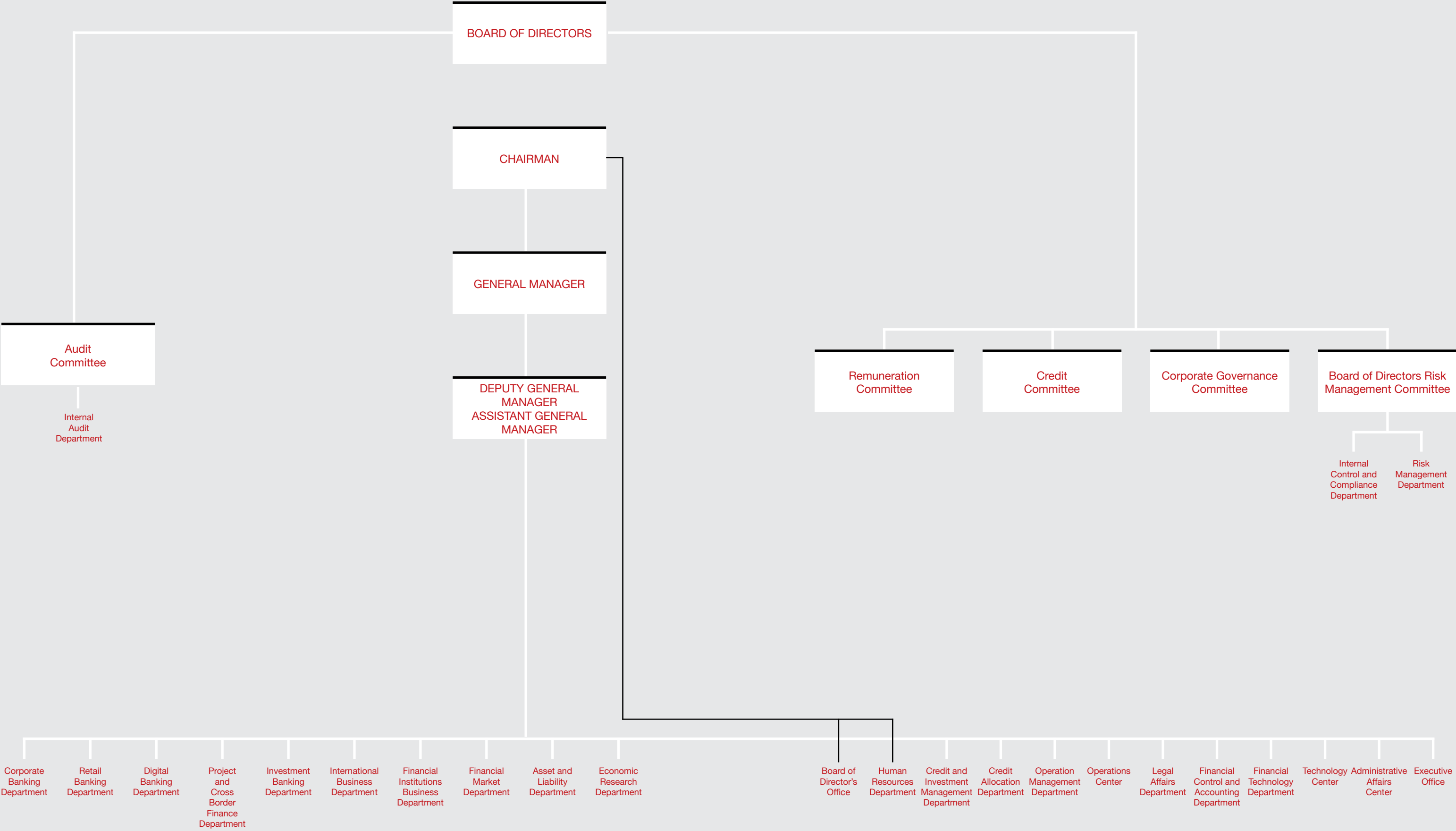
ICBC Securities provides research and sales reports for international clients along with corporate road shows for public companies. ICBC Securities is appointed as market maker for Yuan / TL future contracts in Borsa İstanbul.

ICBC Securities is ideally placed as a regional investment banking management platform to serve sovereign, financial institution, and corporate clients with unparalleled financing power and ability to create innovative structures using ICBC’s global capabilities, strong overseas network composed of various ICBC investment banks and commercial banking centers.

Through its subsidiary ICBC Turkey Asset Management company, alternative investment instruments are provided with different risk and return categories and discretionary asset management services to corporate and retail clients besides pension funds.

ICBC Securities is licensed as a Broadly Authorised Securities company by Capital Markets Board on January 1st 2016 together with enlarging its scope of activities into investment banking.

Organizational Structure



Section I

Section II

Section III

Section IV

Information On the Privileged Shares and the Voting Rights

According to article 35 of the Articles of Association of our Bank, of the 5 members of the Board of Directors (excluding the General Manager); 3 members shall be elected by the General Assembly among the candidates to be nominated by Group (A) shareholders, provided that 1 of them holds the independent member qualifications specified in the Corporate Governance principles of the Capital Markets Board and 2 members shall be elected by the General Assembly among the candidates to be nominated by Group (B) shareholders, provided that 1 of them holds the independent member qualifications specified in the Corporate Governance principles of the Capital Markets Board.

The table which shows group (A) and (B) shares within the scope of the shareholding structure of our Bank, is given below.

According to article 19 of the Articles of Association of our Bank upon written demand of the shareholders holding at least one twentieth of the Bank's share capital, indicating the obligatory reasons and the agenda; the Board of Directors shall be obliged

to invite the General Assembly for a meeting, or if a General Assembly meeting is already scheduled, to include the articles, they demand to be discussed, in the agenda. The shareholders may, via notary public, request an item to the agenda of the General Assembly Meeting be added. The request for an additional agenda item should be submitted to the Board of Directors prior to depositing the registration fee of the Turkish Trade Registry Gazette with respect to convening a General Assembly. If the request of these shareholders pertaining to the convention of a General Assembly Meeting or the addition of an item to the agenda is rejected by the Board of Directors, or if an affirmative reply is not given within seven work days, the commercial court of first instance that has jurisdiction over the address of the headquarters of the Bank may resolve upon the convention of a General Assembly meeting upon an application by the same shareholders.

At the Ordinary and Extraordinary General Assembly meetings of our Bank, shareholders or their proxies shall each have one voting right and there shall not be any privilege with regards to votes.

Name / Trade Name of the Shareholder	Nominal Shareholding Group A (TL)	Nominal Shareholding Group B (TL)	Total Nominal Share Capital (TL)	% Total Share Rate	% Group A Shares	% Group B Shares
Industrial and Commercial Bank of China Limited (ICBC)*	540,428,227	258,000,000	798,428,227	92.84	89.77	100
Other (Public)	61,571,773	None	61,571,773	7.16	10.23	None
TOTAL	602,000,000	258,000,000	860,000,000	100.00	100.00	100.00

*The company named Industrial and Commercial Bank of China Limited is the legal entity shareholder of the Bank qualified shares.



Other General Informations

INFORMATION ABOUT AMENDMENTS IN THE ARTICLES OF ASSOCIATION, THE SPECIAL AUDIT AND THE PUBLIC AUDITS AND MATERIAL LAWSUITS BROUGHT AGAINST THE BANK

CHANGES IN THE ARTICLES OF ASSOCIATION

No changes were made in Bank's Articles of Association in 2020.

INFORMATION RELATED TO THE MATERIAL LAWSUITS BROUGHT AGAINST THE BANK DURING THE YEAR 2020 AND THEIR POTENTIAL OUTCOMES

There is no significant lawsuit file, commenced against our Bank during the year 2020.

THE SPECIAL AUDIT AND THE PUBLIC AUDITS

INFORMATION RELATED TO THE SPECIAL AUDIT AND THE PUBLIC AUDIT CONDUCTED IN THE YEAR 2020

Saving Deposit Insurance Fund (TMSF) premium and Financial Structure audit studies have been conducted by Banking Regulation and Supervision Agency (BRSA).

The audit work initiated by the Central Bank (CBRT) on Required Reserves has been ongoing.

Bank Information Systems, Banking Processes and audit for the financial statements have been conducted by the independent audit firm, KPMG.

RESEARCH AND DEVELOPMENT PRACTICES

ICBC Turkey does not have any subsidiary or affiliate company related to R&D or technology center. ICBC Turkey evaluates its qualified products that will improve basic infrastructure, operations, services and internet financing from the point of view of ICBC Center by taking into account specific conditions and peculiar to market. With the help of the Central Office's technology platforms, the integration of regional network resources has been accelerated with an innovative approach.

ICBC Turkey has formed its fundamental needs of integration lagged behind 5 years. It has determined its innovation strategies and new trends offered by FinTech in order to increase the efficiency of its activities and the quality of service. ICBC Turkey offers its products to its customers in a wide range with innovative approaches in order to diversify the product range in banking activities. Based on the innovation and development provided by Fintech, ICBC Turkey will step up new expansions in marketing operations.

As the bank continues to optimize the functions of its online banking and ATM network, it will focus on mobile applications and create new areas where it can be stronger in competition. With the awareness that optimization of access channels will increase the Bank's sufficiency to create value, it will focus on the adaptation of digital platforms by prioritizing customer needs. Providing financing solutions and ensuring customer satisfaction are among the top priorities of the Bank. Banks, contactless feature quickly changed in the period of digital transformation, while continuing to develop mobile banking functions and QR code applications, We Chat Pay and Chinex projects have been actualised and have been integrated in Turkey.

Thanks to our prudent approach to "Risk Prevention and Control" and "the Steady Management" of our operations, Bank will continue to efficiently carry out its operations and management with sustainable practices by optimizing its IT-led processes and systems.



Board of Directors and Top Management

Names and Surnames, Terms of Office, Responsibility Areas, Educational Background and Professional Experience of the Chairman and Board Members, General Manager, Deputy/Assistant General Managers, Audit Committee Members and Department Officers within the Scope of the Internal Systems

Chairman and Board Members

Name-Surname	Position	Date of Commencement to Work	Educational Status	Banking or Management Experience	Areas of Responsibility	Whether He/She is an Independent Member of the Board of Directors
Xiangyang Gao	Chairman	22.05.2015	Undergraduate Degree Abroad, Graduate Degree Abroad	23	Executive Board Member, Chairman of the Credit Committee, Chairman of Risk Management Committee of BoD	Not an Independent Member
Shaoxiong Xie	Board Member-General Manager	29.11.2018	Undergraduate Degree Abroad, Graduate Degree Abroad	29	Vice Chairman of the Credit Committee, Member of Risk Management Committee of BoD	Not an Independent Member
Peiguo Liu	Board Member	02.01.2017	Undergraduate Degree Abroad, Graduate Degree Abroad	24	Chairman of the Audit Committee, Member of the Credit Committee, Member of Risk Management Committee of BoD	Independent Member
Jianfeng Zheng	Board Member	22.5.2015	Undergraduate Degree Abroad, Graduate Degree Abroad	23	Member of the Corporate Governance Committee, Member of the Remuneration Committee, Alternate Member of the Credit Committee, Member of Risk Management Committee of BoD	Not an Independent Member
Ying Wang	Independent Board Member	22.05.2015	Undergraduate Degree Abroad, Graduate Degree Abroad	28	Member of the Audit Committee, Chairman of the Remuneration Committee, Alternate Member of the Credit Committee, Member of Risk Management Committee of BoD	Independent Member
Serhat Yanik	Independent Board Member*	24.02.2020	Professor	30	Chairman of the Corporate Governance Committee*	Independent Member

* Mr. Mehmet Hilmi Güler, who was the Independent member of the Board of Directors and Chairman of the Corporate Governance Committee, resigned from his duties as of October 25th 2019. As of February 24th 2020 Mr. Serhat Yanik has been appointed as an Independent Board member and as an Chairman of the Corporate Governance Committee with the resolution of the Board of Directors.

General Manager and Deputy/Assistant General Managers

Name-Surname	Position	Date of Commencement to Work	Educational Status	Banking or Management Experience	Areas of Responsibility
Shaoxiong Xie ^(*)	Board Member/General Manager	29.11.2018	Undergraduate Degree Abroad, Graduate Degree Abroad	29	Vice Chairman of the Credit Committee, BoD of the RM Committee Member, Retail Banking, Investment Banking, Credit and Investment Banking and Executive Office Secretarial
Jinhong Li	Deputy General Manager	25.07.2018	Undergraduate Degree Abroad, Graduate Degree Abroad	22	Credit Allocation Department, Legal Department, Operations Management and Center Departments
Hüseyin H. İmece ^(***)	Deputy General Manager	02.11.2007	Domestic Undergraduate Degree - Boğaziçi University, Department of Economics	30	Asset and Liability Department, Economic Research Department, Financial Control and Accounting Department
Kadir Karakurum ^(***)	Deputy General Manager	09.01.2017	Domestic Undergraduate Degree - METU - Faculty of Architecture Domestic Graduate Degree - METU - Social Sciences Institute Department	19	Digital Banking Department, Financial Technology Department, Technology Center, Administrative Affairs Center, Executive Office Public Relations and Advertisement Unit
D. Halit Döver	Assistant General Manager	04.01.2005	Domestic Undergraduate Degree - İstanbul Technical University Mining Engineering Domestic Graduate Degree - İstanbul Technical University	27	International Business Department, Financial Institutions Business Department, Financial Market Department, Corporate Banking Department and Project and Cross Border Finance Department

^(*) The Retail Banking Department, Investment Banking Department, Credit and Investment Management Department and the Executive Office Secretariat have been directly centralised at our Bank's Board Member and General Manager Mr. Shaoxiong XIE in line with the Board resolution taken as of April 16th 2020.
^(**) Mr. Yubao Chen, who was the Deputy of General Manager and Assistant General Manager, resigned from his duties as of January 31st 2020.
^(***) Mr. Bozok Evrenesoğlu, who was the Asistant Manager of our Bank, left his position as of April 30th 2020
^(****) Mr. Hüseyin İmece and Mr. Kadir Karakurum have been decided to be assigned as Deputy Manager in order to deputize General Manager duties in case of the absence of the General Manager by the Board resolution as of July 3rd 2020.

Managing Directors of the Units within the Scope of Internal Systems

Name-Surname	Position	Date of Commencement to Work	Educational Status	Banking or Management Experience	Areas of Responsibility
Selçuk İçten	Managing Director of the Internal Audit	06.04.2020	Domestic Undergraduate Degree	24	Internal Audit
Gürdoğan Yurtsever	Managing Director of the Internal Control and Compliance Department	01.09.2003	Domestic Graduate Degree	25	Internal Control and Compliance
Berrin Gencal	Managing Director of the Risk Management Department	01.02.2009	Domestic Graduate Degree	27	Risk Management

PROFILES

Profiles of the Chairman and Board Members, General Manager, Deputy/ Assistant General Managers, Audit Committee Members and the Managing Directors of the Units within the Scope of the Internal Systems



Xiangyang Gao
Chairman

Mr. Xiangyang Gao graduated from Beijing University International Finance Undergraduate Program in 1997 and from Beijing University Business Administration Graduate Program (MBA) in 2004. Mr. Xiangyang Gao has started to work at Industrial and Commercial Bank of China Limited (ICBC) in 1997 and he worked, respectively, as a Clerk at the Headquarters Banking Transactions Department between July 1997-September 1997, Senior Manager at the Headquarters Human Resources Department between July 1997-October 2001, Senior Manager at Luwan District Branch and Fuxing Road Sub-Branch (Shanghai) between August 2000-May 2001, Senior Manager at the Headquarters International Trade Department between October 2001-August 2008, Chairman at Ningde City Branch between August 2010-February 2014, Vice Chairman at ICBC Fujian Branch between December 2011-May 2015. Mr. Xiangyang Gao has been appointed as the General Manager of ICBC Turkey on the date of May 22nd 2015 and pursued his duty until July 24th 2018. Currently, he is the Chairman of the BoD, Credit Committee and Risk Management Committee of BoD as well as he is responsible for executing his duties in BoD Office and Human Resources Department. Furthermore, he has been appointed as a Member of the Board of Directors at ICBC Turkey Yatırım Menkul Değerler A.Ş., an affiliate of ICBC Turkey, started on May 22nd 2015 and he served until March of 2020 as the Chairman of the Board of Directors of ICBC Yatırım.



Shaoxiong Xie
Board Member/ General Manager

Mr. Shaoxiong Xie graduated from Xiamen University Department of Finance/School of Economy in 1990 and received his Master's Degree in Business Administration (EMBA) from Hunan University in 2010. Mr. Xie started to work at Industrial and Commercial Bank of China Limited (ICBC) in 1990 and worked respectively as Customer Manager/Branch Manager in ICBC Hunan Branch between September 1990-November 2010, as Deputy General Manager in ICBC Malaysia between December 2010 - December 2016 and as an expert in ICBC Hunan Branch between January 2017-October 2018. Mr. Xie has been appointed as General Manager of ICBC Turkey on November 29th 2018 and he has also been serving as Board Member and Vice President of Credit Committee and Member of Risk Management Committee of BoD. In March 2020, Mr. Shaoxiong XIE has been appointed as Board Chairman of ICBC Turkey Yatırım Menkul Değerler A.Ş., a subsidiary of ICBC Turkey. The Retail Banking Department, Investment Banking Department, Credit and Investment Management Department and the Executive Office Secretaria have been directly centralised at our Bank's Board Member and General Manager Mr. Shaoxiong XIE in line with the Board resolution taken as of April 16th 2020.



Peiguo Liu
Board Member

Mr. Peiguo Liu graduated from Shandong University of Finance and Economics-Investment Economics Management Program in 1996 and received a master's degree from Beijing University of Technology- MBA Program in 2005. He joined ICBC in 1998. Mr. Liu served in several positions including Asset Management Department, Asset Risk Management-Monitoring and Inspection Department, Risk Reporting Department, Operational Risk Measurement Management Department. Then he came to Turkey as the member of the Tekstil Bankasi Project Team, then he appointed as the Coordinator of General Secretariat in ICBC Turkey. He has served as a Member of the Board of Directors since January 2nd 2017, presently he also serves as a Member of the Credit Committee and Member of Risk Management Committee of BoD. Mr. Liu has been appointed as President of the Audit Committee on July 24th 2018. Currently, Mr. Liu is also sustaining his duty as Board Member at ICBC Yatırım Menkul Değerler A.Ş.



Jianfeng Zheng
Board Member

Mr. Jianfeng Zheng graduated from Tianjin University Industrial Business Administration Undergraduate Program in 1988, from Tianjin University Industrial Business Administration Graduate Program in 1991 and from England York University Finance Graduate Program in 2006. He worked, respectively, as the Vice Chairman of the Operations Evaluation and Market and Industry Analysis Department Unit at the State Development Bank Headquarters between 1998-2000, as the Vice Chairman of the Bank of China Agricultural Department Audit Board Unit at the Basic State Council State Financial Institutions Audit Boards (Under the Central Financial Business Committee) between 2000-2002. Mr. Zheng has started to work as Industrial and Commercial Bank of China Limited (ICBC) in 2002 and he worked, respectively, as Unit Chief at the Office of Board of Supervisor, Audit Board Surveillance Commissar, Deputy General Manager of the Office of Board of Supervisor. Since 2014, he works as a Senior Specialist at the Strategic Management and Investor Relations Department at ICBC Headquarters and he continues to serve as non-executive member of the Board of Directors and non-executive supervisor at some ICBC Group companies. Mr. Zheng has been elected as Board Member on the date of May 22nd 2015 and at the same time, he has been serving as BoD Risk Management Committee Member, Corporate Governance Committee and Remuneration Member and Credit Committee Alternate Member.



Ying Wang
Independent Board Member

Ms. Wang graduated from Liaoning University in 1986 in the area of International Finance programme and she has graduated from Shaanxi Finance Institute in 1989 and received a Master's degree in Economics. Ms. Wang joined ICBC in 1989. She served in several positions including Deputy Chief of Division of International Business Department, Chief of division of Audit and Supervision Bureau, Internal Audit Bureau, Manager of Audit Department of ICBC Sydney Branch. She was appointed as Senior Specialist of the Strategic Management and Investor Relations Department ICBC Head Quarters. Ms. Wang has served as an Independent Member of the Board of Directors of ICBC Turkey on May 22nd 2015, presently she has also been serving as a Audit Committee Member, BoD Risk Management Committee Member, the Chairman of the Remuneration Committee and Credit Committee Alternate Member



Serhat Yanik
Independent Board Member

Mr. Serhat Yanik, who graduated from the Public Administration Department of the Faculty of Political Sciences of Istanbul University in 1991, completed his master's degree at the Business Administration Department of the same university in 1994 and the doctorate program at the Business Administration Department in 2000. Mr. Yanik, started his career at the Ministry of Finance in 1991, respectively served as Research Assistant in 1992 and as Assistant Professor in 2001 at the same university. Mr. Yanik, also served as Associate Professor between 2007 and 2016 and he has been now carrying out his duties as Professor at Istanbul University since 2016. Mr. Yanik, who currently active role in carrying out his duties as the Board Member at the Head of Crowdfunding Center, as the Board Member in the Head of the Department of Accounting and Finance of Business Administration at the Faculty of Political Science of Istanbul University, as the Board member at Expert Accountants' Association of Turkey and as the Board member at the Institute of Internal Auditing respectively in Turkey as well as he has also been giving lectures and trainings such as Accounting, Finance, Auditing, Insurance and Banking areas in various universities and institutions. Having published various national and international publications and articles, Mr. Yanik involved in many scientific research projects and activities around the world. Mr. Serhat Yanik served as an Independent Board Member at Garanti Factoring A.Ş. between 2012 and 2019 years as well as he served as an Independent Board Member at Güneş Sigorta A.Ş. between 2019 and 2020 respectively. Mr. Yanik has started to serve as Independent Board Member in ICBC Turkey Bank A.Ş. as of February 24 2020. He also has Certified Public Accountant and Independent Auditor's Certificate issued by the Public Oversight and Accounting and Auditing Standards Authority.

[†] Mr. Serhat Yanik has been appointed as an Independent Board member at Türkiye Sigorta Anonim Şirketi as of February 02nd 2021.

Top Management

**Jinhong Li**

Deputy General Manager
Credit Allocation Department / Legal Department/ Operation Management and Operation Center

Ms. Jinhong Li graduated from Guangxi Normal University Political and Economics Faculty-Department of Law in 1995 and Guangxi Normal University Master of Philosophy programme in 1998. Mrs. Li started to work at Industrial and Commercial Bank of China Limited (ICBC) Nanning Branch in 1998 and worked respectively as staff between July 1998-May 1999 in Nanning Branch Law Department, as manager between June 1999-December 2005 in Guangxi Branch Law Department, as Deputy General Manager between January 2006-June 2013 in Guangxi Branch Law Department, as General Manager between July 2013-April 2015 in Guangxi Branch Law Department and as Deputy General Manager between May 2015-April 2018 in Nanning Branch. Mrs. Li has been appointed as Deputy General Manager and Assistant General Manager in charge of Operations and Legal departments on July 25th 2018. Ms. Li currently responsible for Operations and Legal Departments has been appointed as Deputy General Manager responsible for Financial Affairs, Legal and Operations departments as of December 4th 2018. Credit Allocation Department, Legal Department, Operation Management and Operation Center have been directly centralised to Mrs. Jinhong LI in line with the Board resolution taken as of April 16th 2020.

**Hüseyin H. İmece**

Deputy General Manager
Asset and Liability Department/ Economic Research Department/ Financial Control and Accounting Department

Mr. Hüseyin İmece graduated from Boğaziçi University in 1990 and started his professional career the same year at Yapı ve Kredi Bankası, where he was promoted to Assistant General Manager in charge of Treasury in 1999. He also undertook the management of the Bank's Financial Institutions and Investor Relations department. In the same period, Mr. İmece acted as an Executive Board Member in the same Bank's local Portfolio Management, Leasing, Factoring and Real Estate Investment Trust subsidiaries, as well as foreign subsidiaries in Germany, Netherlands, Russia and Ireland. He served as member at the Bank's Asset-Liability Committee, as well as Technology, HR and Commercial Committees. He played a leading role in the Bank's merger with Koçbank. He joined Tekstilbank in 2007 as AGM in charge of Treasury, where he oversaw physical, functional and procedural changes in the department, as well as establishment of Investor Relations department. In 2014, he played an active leading role in the Bank's sale to ICBC, one of world's most prominent bank and the takeover has been successfully completed in 2015. Continuing at the same capacity after ICBC's takeover, he contributed significantly to the orientation and integration process and worked on issues such as asset quality, profitability, risk and capital management. He still serves as a member of ICBC Turkey's Executive Management. Asset and Liability Department, Economic Research Department and Financial Control and Accounting Department have been directly centralized to Mr. Hüseyin in line with the Board resolution taken as of April 16th 2020. Mr. Hüseyin İmece has been decided to be assigned as Deputy General Manager in order to deputize General Manager duties in case of the absence of the General Manager by the Board resolution as of July 3rd 2020.

**Kadir Karakurum**

Deputy General Manager
Digital Banking Department / Financial Technology Department and Technology Center / Financial Affairs Center / Executive Office Public Relations and Advertisement Unit

Mr. Kadir Karakurum graduated from the Middle East Technical University Faculty of Architecture in 1993 and he had his graduate degree at the same university, Faculty of Economics and Business Administration, Business Administration Department. Between 1992-2012, he served at various positions at the private sector companies and banks and in February 2014, he started to work at ICBC Turkey as the Head of Individual Sales and Marketing Department and as of January 9th 2017, he has been appointed as the Assistant General Manager in charge of Retail Banking. Digital Banking Department, Financial Technology Department and Technology Center, Financial Affairs Center and Executive Office Public Relations and Advertisement Unit have been directly centralized to Mr. Kadir in line with the Board resolution taken as of April 16th 2020. Mr. Kadir Karakurum has been decided to be assigned as Deputy General Manager in order to deputize General Manager duties in case of the absence of the General Manager by the Board resolution as of July 3rd 2020.

**D. Halit Döver**

Assistant General Manager
International Business Department / Financial Institutions Business Department / Financial Market Department / Corporate Banking Department / Project and Cross Border Finance Department

Mr. Halit Döver, graduated from Istanbul Technical University of Mining Engineering in 1988 and obtained his post-graduate degree from the same university. Between 1990 and 1993, he worked as a certified engineer in different companies in South Africa and started his banking career as Manager and Director in the Correspondent Relations and International Marketing Department at Pamukbank in 1993. He started working for ICBC Turkey as Head of the International Relations Department in 2000 and was appointed as Assistant General Manager responsible for the International Business Group in 2005. He also served as Customer Relations Coordination Officer from 2015 to 2017. International Business Department, Financial Institutions Business Department, Financial Market Department, Corporate Banking Department have been directly centralized to Mr. Halit Döver in line with the Board Resolution taken as of April 16th 2020. In addition, Project and Cross Border Finance Department has been directly centralized to Mr. Halit Döver in line with the Board Resolution taken as of December 15th 2020.

MANAGERS OF THE UNITS WITHIN THE
SCOPE OF INTERNAL SYSTEMS



Oraj Özel
Board Member/ General Manager
(ICBC Turkey Yatırım Menkul Değerler A.Ş.)

Mr. Oraj Özel is presently Board Member and CEO of ICBC Securities. Mr. Özel was one of the first floor brokers at the Istanbul Stock Exchange founded in 1987. Mr. Özel worked in senior management of major Turkish banks and securities firms until he joined ICBC Turkey (then Tekstilbank) group in April 2007 as Board member and General Manager of ICBC Securities. During his career, Mr. Özel introduced several new products to Turkish Capital Markets such as first equity research, first mutual fund, first bond issue by a state owned enterprise, first asset backed security issue. Mr. Özel is awarded a level 3 licenses from Capital Markets Board of Turkey and holds a BS Degree in Economics from Middle East Technical University at Ankara.

Selçuk İçten
Managing Director of the Internal Audit Department

Mr. Selçuk İçten graduated from Marmara University Department of Public Administration in 1994 and started his banking career as a Assistant Auditor in 1997 and he has started to work at ICBC Turkey Bank A.Ş. as Auditor in 2000 and since March 2000, he continues to serve as auditor, Main Branch Operation Manager, Operation Department Manager, Central Operations Foreign Trade Department Manager, Central Operations Foreign Trade and Credit Department Manager, Internal Audit Department Manager, Operations Group Coordinator, Operation Management Department Managing Director and again Managing Director of Internal Audit Department since April 2020. Mr. Selçuk İçten has an experience of approximately 24 years in the fields of Internal Audit and Operations Management.

Gürdoğan Yurtsever
Managing Director of Internal Control and Compliance
Department

Gürdoğan Yurtsever graduated from Istanbul University Faculty of Political Sciences in 1991 and obtained his master's degree from the same school in 2002. He started working as an assistant auditor in the Board of Auditors of a bank in 1995. He joined our Bank as an auditor in 1998. Subsequently, he worked as an assistant manager in the Credit Control Department and Internal Control Center. He was appointed as the Head of Internal Control Department in 2003, also he was appointed as the Head of Internal Control and Compliance Department in 2008. He was started working as the Managing Director of Internal Control and Compliance Department in April 2019. Mr. Yurtsever also has been serving as Chief Compliance Officer since 2008 as well. He has Certified Public Accountant (CPA), Independent Auditor (IA), Certified Fraud Examiner (CFE), Certification in Risk Management Assurance (CRMA), Capital Markets Level 3 License, Capital Markets Derivative License, Capital Markets Credit Rating License, Capital Markets Corporate Governance Rating License and certificates. He has Chairman of the Board of the Compliance Association, Chairman of the Supervisory Board of the Futurist Association and Chief Editor of the Internal Audit Journal. He has also published a lot of articles related to topics such as economy, finance, banking, internal control, internal audit, compliance, corporate governance, audit committee and ethics. He has published five books, two out of which are published by Banks of Association of Turkey (BAT).

Berrin Gencal
Managing Director of the Risk Management Department

Berrin Gencal graduated from ITU Faculty of Business Administration, Department of Management Engineering in 1990. After graduating from Bosphorus University, Department of Economics in 1993, she began her career in the Treasury Department of ICBC Turkey Bank A.Ş. since February 2009, she has been in charge of the Managing Director of Risk Management Department.

The Structure, Formation and Activity Principles of the Board

The Structure And Formation Of The Board
The Bank is managed and represented by the Board of Directors. The Members of the Board of Directors and their number are determined at the General Meeting. According to the Articles of Association of the Bank, the Board of Directors is consisted of 6 members including the General Manager. Term of office of the members elected for the Board of Directors is maximum three years, except for the General Manager.

According to the 23rd article of the Banking Law; excluding Mr. Shaoxiong Xie, the General Manager, who is the natural member of the Board of Directors and Mr. Xiangyang Gao, Executive Board member, the board members are not involved in the administrative structure, do not take part in the daily business flow or the ordinary activities of the bank and do not have operational duties.

Ms. Ying Wang were elected as independent board members for three years at the March 30th 2018 dated Ordinary General Assembly Meeting. Mr. Mehmet Hilmi Güler, Independent Board Member and Chairman of Corporate Governance Committee, resigned from his duties on 25.10.2019. With the decision of our Bank's Board of Directors dated 24.02.2020, Mr. Serhat YANIK has been appointed as an Independent Board Member and Head of the Corporate Governance Committee at our bank and this decision submitted to the approval of those present at the first Ordinary General Assembly meeting held in 2020 in accordance with Article 363 of the Turkish Commercial Code in order to fulfill his duties until the end of his predecessor's term of office.

According to the Capital Markets Board's Corporate Governance Principles, the number of independent board members for banks has been determined to be at least three. As the members of the board of directors appointed for the audit committee membership are deemed as independent board members within the scope of these principles, Mr. Peiguo Liu is currently an Independent Board Member of the Bank, who elected as the Chairman of the Audit Committee. As Mr. Peiguo Liu assigned for the Audit Committee Membership within the structuring of the Board of Directors of the Bank is considered directly the Independent Member of the Board of Directors according to the 3rd item of the 6th Article of the Corporate Governance Communiqué number II-17.1.

Activity Principles of the Board
The Board of Directors meet any time the Bank business requires. The Board of Directors is invited to the meeting by the Chairman or the Deputy Chairman if he is absent. Each of the members has the right to request invitation of the Board of Directors and include to the agenda the matters they wish to discuss. The meetings are held within the framework of the agenda distributed to the members by the Chairman beforehand.

For the delegation of management; the Board of Directors of the Bank is authorized to delegate the management authority completely or partially to one or more Members of the Board of Directors or to third parties by an internal directive which shall be prepared according to the 367th article of the Turkish Commercial Code. Within this scope, an Internal Directive has been put into force by the Board of Directors with the resolution dated January 16th 2017 according to Article 367 and 371 of the TCC and Article 44 of the Articles of Association. The Internal Directive was registered on March 8th 2017 and announced in the Trade Registry Gazette on March 13th 2017. Internal Directive was revised by 31.05.2019 dated and 1580/03 numbered Board Resolution and was registered on 31.07.2019 and announced in 9884 numbered and dated 06.09.2019 Trade Registry Gazette.

The Board of Directors may meet with the majority of the full number of the members. Decisions of the Board of Directors may be taken as a result of the physically attended meeting with the majority of the members present at the meeting as well as by the written approval of the other members upon written proposal of one of the members according to the 4th sub-clause of the 390th article of the Turkish Commercial Code numbered 6102. Board resolutions were taken unanimously in 2020. Number of meetings of the Members of the Board of Directors, their attendance status to the meetings are included in the "Management and Corporate Governance Practices" section of the activity report.

Financial Rights

According to the 48th article of the Articles of Association of the Bank, salaries to be paid to the members of the Board of Directors are determined and set by the general meeting. Salaries of the members of the Board of Directors are announced to the public through the general meeting minutes published at KAP and internet site of the Bank.

The Bank's current Remuneration Policy is submitted for the shareholders' information with a separate agenda item at the ordinary general meeting held on March 27th 2020 and published on KAP and the website of the Bank.

According to the principle number 4.6.5 of the "Corporate Governance Principles" set forth in the Corporate Governance Communiqué annex number II-17.1 published in the Official Gazette dated January 3rd 2014 with number 28871 and put into effect by CMB, salaries given and fringe benefits provided for the members of the Board of Directors and the executives should be announced to public through the activity report. However, the declaration shall be made as the total of the financial rights provided for the members of the Board of Directors, General Manager and Deputy/ Assistant Managers not on person basis. Allowances paid to the members of the Board of Directors and the assistant General Manager, health/life insurance expenses, travel, accommodations and representing expenses and other various expenses are summarized below.

Thousand TL	31.12.2019	31.12.2020
Allowances and Insurances	25,282	14,815
Other Expenses	6,005	729
Total Expenses	31,287	15,544

Independency Declarations

Independent Board Member's Independency Declaration

The declarations of independence of the Independent Board members Mrs. Ying Wang and Mr. Serhat Yanik are given below.

Within the scope of the articles of association of ICBC Turkey Bank A.Ş. and the Corporate Governance Principles set out in the Communiqué of Corporate Governance (Serial No.II-17.1) issued by the Capital Markets Board, I hereby declare that I am a candidate to be an “independent member” of the Boards of Directors of ICBC Turkey Bank A.Ş. and within this context, I further declare that;

- a) within the last five years, there have been no employment relationship requiring to assume material duties and responsibilities in the capacity of a manager between myself, my spouse and my next of kin and relatives by blood and marriage up to second degree and the Company, partnerships and the shareholders holding the control of or possessing substantial impact on the Company and the legal persons who are substantially controlled by such shareholders, I do not hold, alone or jointly, more than 5% of the share capital or voting rights or privileged shares of the Company nor do I have any material commercial relationship with the Company,
- b) within the last five years, I have not been a shareholder (more than 5%), an employee or a member of the board of director requiring to assume material duties and responsibilities in the capacity of a manager of any company from or to whom the Company purchases or sells services or products in substantial amounts within the framework of the agreements entered into, primarily auditing (including tax audit, legal audit, internal audit), rating of and providing consultancy to the Company during the period in which such services and products were being purchased or sold,
- c) I possess the vocational education, knowledge and experience necessary to perform the duties I would be assuming as an independent member of the Board of Directors,
- d) provided that it is applicable to the legislation I am bound with, I have not and, upon my appointment as an independent member of the Board of Directors, shall not work for any state institutions and organizations as full time employee, except for being a faculty member,
- e) I possess strong ethical standards, occupational reputation and experience in order to positively contribute to the activities of the Company, be neutral to any conflicts of interests among the Company and its shareholders and freely decide by considering the rights of the beneficiaries,
- f) I shall devote enough time to follow the operational activities of the Company and completely fulfill the responsibilities I would be assuming,
- g) I haven't been a member of the Board of Directors of the Company for more than six years within the last ten years,
- h) I have not been an independent member of the Board of Directors of the Company or no more than three of the companies that are controlled by the controlling shareholders of the Company and that of no more than total of five publicly trading companies,
- i) I have not been registered for and on behalf of any legal person who has been appointed as a member of the board of directors.

Ying Wang

Independent Board Member's Independency Declaration

Within the scope of the articles of association of ICBC Turkey Bank A.Ş. and the Corporate Governance Principles set out in the Communiqué of Corporate Governance (Serial No.II-17.1) issued by the Capital Markets Board, I hereby declare that I am a candidate to be an “independent member” of the Boards of Directors of ICBC Turkey Bank A.Ş. and within this context, I further declare that;

- a) within the last five years, there have been no employment relationship requiring to assume material duties and responsibilities in the capacity of a manager between myself, my spouse and my next of kin and relatives by blood and marriage up to second degree and the Company, partnerships and the shareholders holding the control of or possessing substantial impact on the Company and the legal persons who are substantially controlled by such shareholders, I do not hold, alone or jointly, more than 5% of the share capital or voting rights or privileged shares of the Company nor do I have any material commercial relationship with the Company,
- b) within the last five years, I have not been a shareholder (more than 5%), an employee or a member of the board of director requiring to assume material duties and responsibilities in the capacity of a manager of any company from or to whom the Company purchases or sells services or products in substantial amounts within the framework of the agreements entered into, primarily auditing (including tax audit, legal audit, internal audit), rating of and providing consultancy to the Company during the period in which such services and products were being purchased or sold,
- c) I possess the vocational education, knowledge and experience necessary to perform the duties I would be assuming as an independent member of the Board of Directors,
- d) provided that it is applicable to the legislation I am bound with, I have not and, upon my appointment as an independent member of the Board of Directors, shall not work for any state institutions and organizations as full time employee, except for being a faculty member,
- e) pursuant to the Income Tax Law (ITL) dated December 31st 1960 and numbered 193, I am deemed to a resident in Turkey,
- f) I possess strong ethical standards, occupational reputation and experience in order to positively contribute to the activities of the Company, be neutral to any conflicts of interests among the Company and its shareholders and freely decide by considering the rights of the beneficiaries,
- g) I shall devote enough time to follow the operational activities of the Company and completely fulfill the responsibilities I would be assuming,
- h) I haven't been a member of the board of directors of the Company for more than six years within the last ten years,
- i) I have not been an independent member of the board of directors of the Company or no more than three of the companies that are controlled by the controlling shareholders of the Company and that of no more than total of five publicly trading companies,
- j) I have not been registered for and on behalf of any legal person who has been appointed as a member of the board of directors.

Serhat YANIK

Committees

INFORMATION REGARDING THE COMMITTEES ESTABLISHED WITHIN THE BODY OF THE BOARD OF DIRECTORS

Several committees have been formed in order to help the Board of Director in performing their duties under their responsibility more efficiently and these committees are given special responsibilities in certain areas. Information regarding the committees operating under the Board of Directors is provided below:

AUDIT COMMITTEE

Member	Duty at the Committee	Definition of the Member
Peiguo Liu	Chairman	Independent Board Member ⁽¹⁾
Ying Wang	Member	Independent Board Member

⁽¹⁾ Members of the audit committee of banks are considered as independent members within the scope of “Corporate Governance Communiqué” no. II-17.1, issued by the Capital Markets Board.

Within the framework of article 24 of the Banking Law numbered 5411 that requires formation of an audit committee, the Board of the Directors of the Bank appointed two non-executive members of the board, who possessed the conditions stated in the prevailing legislation, in order to perform the auditing and monitoring activities, as the members of the “Bank’s Audit Committee”, on October 30th 2006. The Bank’s Board of Inspections, Internal Control Centre and Compliance Department and the Risk Management Department operate under supervision of the Audit Committee. Audit Committee meets four times a year with the units operating under its supervision, by participation of other related departments at the Head Office. Audit Committee informs the Board of Directors regularly in every three months, regarding its activities.

Following are the main activities of the Audit Committee and the principles of authorities and responsibilities thereof, all of which are published under the title “Committees” in the section named “Investor Relations” on our website.

Audit Committee

- Monitors the efficiency and sufficiency of the Bank’s internal systems, whether these systems and the accounting and reporting systems operate within the framework of the related legislation and the policies of the Bank and the integrity of the information produced,
- Performs the necessary preliminary evaluations regarding election of the independent audit firms, rating companies and the institutions providing appraisal and support services and regularly monitors the activities of these institutions that are assigned by the Board of Director
- Ensures that the internal audit functions of the partnerships that are included in the consolidation conducted coordinately within the scope of the related legislation,
- Submits reports and provides opinions and proposals to the Board of Directors regarding the internal systems and the operations, activities of the departments and the related policies and regulations falling under the scope of these systems,
- Evaluates the information and the reports regarding the activities provided by the departments falling under the scope of these systems and the independent audit firms,
- Prepares the financial reports of the Bank in compliance with the related legislations, regulations and the standards,
- Requests information, documents or reports from all of the departments of the Bank, contracted institutions providing support services and independent audit firms, if necessary and receives consultancy services from persons, who are specialized in their fields of activity, provided that this is subject to the approval of the Board of Directors,
- Fulfills their responsibilities given by the prevailing legislations and the duties assigned to them by the Board of Directors within this framework,
- Notifies or reports the results of its activities and the measures need to be taken in order for the Bank’s activities to be conducted sustainably and safely within the framework of the related legislation and the policies of the Bank and its findings, opinions and proposals related to the other issues which it deems material.

Declarations stating the qualifications of the Members of the Audit Committee of the Bank within the scope of the Article 24 of the Banking Law no.5411 and the Regulation on Internal Systems, issued by the Banking Regulation and Supervision Agency, are as follows:

TO THE BANKING REGULATION AND SUPERVISION AGENCY

1. Within the last two years prior to my being appointed as the member of the audit committee, I declare that neither myself nor my spouse or my children;
 - a) have been a shareholder or employee of any institution providing independent audit, rating, appraisal or support services to ICBC Turkey Bank Anonim Sirketi or any of its partnerships that are included in the consolidation, have participated in the independent audit, rating or appraisal processes of the bank or any of its partnerships included in the consolidation,
 - b) have been a shareholder or employee of any institutions providing consultancy and support services to ICBC Turkey Bank Anonim Sirketi or any of its partnerships that are included in the consolidation nor have provided such services thereto,
 - c) hold any qualified shares of ICBC Turkey Bank Anonim Sirketi or any of its partnerships that are included in the consolidation,
2. is the spouse or next of kin and relative by blood and marriage up to second degree (including this degree) of the majority shareholder or the General Manager of ICBC Turkey Bank Anonim Sirketi have served in any of the banks’ audit committee for more than nine years regularly or in intervals, have received any income, whether as fee or anything similar under any name whatsoever, from ICBC Turkey Bank Anonim Sirketi or any of its partnerships that are included in the consolidation based on their profitability, except for the payments made all of the employees in accordance with provisions of their articles of association or general assembly resolutions,
3. neither my spouse nor my children has been General Manager, Assistant General Manager or in an equivalent position of ICBC Turkey Bank Anonim Sirketi or any of its partnerships that are included in the consolidation,
4. have directly managed any the executive units of ICBC Turkey Bank Anonim Sirketi within the last two years,
5. have worked in any units of ICBC Turkey Bank Anonim Sirketi or any of its partnerships that are included in the consolidation, except for the internal audit, internal control, risk management, financial control and accounting units.
6. Not having duty in another commercial institution other than the below-mentioned ones;
 - a) Partnerships subject to ICBC Turkey Bank A.Ş.’s consolidated audit on condition to be limited with the duty of board membership
 - b) Domestic or abroad legal entity partnerships having direct or indirect shares in ICBC Turkey Bank A.Ş.
 - c) Domestic or abroad credit institutions and financial institutions which are directly or indirectly jointly or alone controlled by natural person partners of ICBC Turkey Bank A.Ş. stated in sub-paragraph (b) or in which they are participating with unlimited responsibility

Peiguo Liu
Chairman of Audit Committee

1. Within the last two years prior to my being appointed as the member of the audit committee, I declare that neither myself nor my spouse or my children;

a) have been a shareholder or employee of any institution providing independent audit, rating, appraisal or support services to ICBC Turkey Bank Anonim Sirketi or any of its partnerships that are included in the consolidation, have participated in the independent audit, rating or appraisal processes of the bank or any of its partnerships included in the consolidation,

b) have been a shareholder or employee of any institutions providing consultancy and support services to ICBC Turkey Bank Anonim Sirketi or any of its partnerships that are included in the consolidation nor have provided such services thereto,

c) hold any qualified shares of ICBC Turkey Bank Anonim Sirketi or any of its partnerships that are included in the consolidation,

2. is the spouse or next of kin and relative by blood and marriage up to second degree (including this degree) of the majority shareholder or the General Manager of ICBC Turkey Bank Anonim Sirketi have served in any of the banks' audit committee for more than nine years regularly or in intervals, have received any income, whether as fee or anything similar under any name whatsoever, from ICBC Turkey Bank Anonim Sirketi or any of its partnerships that are included in the consolidation based on their profitability, except for the payments made all of the employees in accordance with provisions of their articles of association or general assembly resolutions,

3. neither my spouse nor my children has been General Manager, Assistant General Manager or in an equivalent position of ICBC Turkey Bank Anonim Sirketi or any of its partnerships that are included in the consolidation,

4. have directly managed any the executive units of ICBC Turkey Bank Anonim Sirketi within the last two years,

5. have worked in any units of ICBC Turkey Bank Anonim Sirketi or any of its partnerships that are included in the consolidation, except for the internal audit, internal control, risk management, financial control and accounting units.

6. Not having duty in another commercial institution other than the below-mentioned ones;

a) Partnerships subject to ICBC Turkey Bank A.Ş.'s consolidated audit on condition to be limited with the duty of board membership

b) Domestic or abroad legal entity partnerships having direct or indirect shares in ICBC Turkey Bank A.Ş.

c) Domestic or abroad credit institutions and financial institutions which are directly or indirectly jointly or alone controlled by natural person partners of ICBC Turkey Bank A.Ş. stated in sub-paragraph (b) or in which they are participating with unlimited responsibility

Ying Wang
Audit Committee Member

CREDIT COMMITTEE

Features of the members of the Credit Committee, are shown in the following table.

Member	Duty at the Committee	Definition of the Member
Xiangyang Gao	Chairman	Chairman of the Board of Directors
Shaoxiong Xie	Vice Chairman	Board Member-General Manager
Peiguo Liu	Member	Board Member
Jianfeng Zheng	Alternate Member	Board Member
Ying Wang	Alternate Member	Independent Board Member

By the resolution of the Bank's Board of Directors dated May 22nd 2015 and with number 1324/01, it has been resolved to form a Credit Committee consisting of three persons, namely two members of the Board of Directors and the General Manager of our Bank, in order to perform the duties relating to credits to be assigned by the Board of Directors, within the scope of the Banking Law no.5411 and the Regulation on Banks Credit Transactions which has been published in the Official Gazette dated November 1st 2006 and issue no.26333 and has come to effect accordingly. Duties of the Credit Committee are; to take credit decision within the scope of its powers and to take the decisions relating to other works designated by the Board of Directors. Credit Committee conducts its activities within the framework of the Credit Committee Regulation, which has been adopted by the Board of Directors resolution dated August 23rd 2017 and numbered 1451/02.

CORPORATE GOVERNANCE COMMITTEE

Features of the members of the Corporate Governance Committee, are shown in the following table.

Member	Duty at the Committee	Definition of the Member
Serhat Yanik ⁽¹⁾	Chairman	Independent Board Member
Zheng Jianfeng	Member	Board Member
Levent İscan	Member	BoD Office Director (Capital Markets Activities Level 3 Licence and Corporate Governance Rating Licence)

⁽¹⁾ Mr. Hilmi Güler, who was the Independent Board Member and Chairman of the Corporate Governance Committee, resigned from his duties as of October 25th 2019. As of February 24th 2020, Mr. Serhat Yanik has been appointed as an Chairman of the Corporate Governance Committee with the resolution of the Board of Directors.

By the resolution of the Bank's Board of Directors dated February 4th 2005 and number 758/1, the “Corporate Governance Committee” has been formed in order to monitor the compliance with the corporate governance principles, to conduct improvement activities in this regard and to submit proposals to the Board of Directors, to coordinate activities of the Shareholder Relationships and the Secretariat of the Board of Directors. Within the scope of the Article 4.5.1 of the “Communiqué on the Determination and Application of the Corporate Governance Principles” Serial:IV No:56 issued by the Capital Markets Board, entered into force and effect at a later time; the Corporate Governance Committee has been additionally authorized by the Bank's Board of Directors' resolution dated March 20th 2012 and number 1165/01, to perform functions as a “Nomination Committee” as well. Main duties and powers of the Corporate Governance Committee, are; to monitoring whether the Bank complies with the corporate governance principles, to conduct improvement activities in this regard and to present proposals to the Board of Directors; if the corporate governance principles are not implemented, shall determine the reason thereof and the conflicts of interest that occur due to failure to implement them and to ensure formation of necessary policies for this purpose. It shall evaluate the proposals for independent membership of the Board of Directors, including also the management and shareholders, taking into consideration whether a candidate bears independency criteria and shall explain its evaluation in this regard in a report and shall present it for approval of the Board of Directors. In order to comply with article 11 of the Corporate Governance Communiqué no.II-17.1, published in the Official Gazette dated January 3rd 2014 and has come into effect accordingly, by the resolution of the Board of Directors of the Bank dated June 30th 2014 and no.1276/01, Manager of the Shareholder Relations and the Board of Directors Secretariat Unit has been appointed as a member of the Corporate Governance Committee. The committee convenes whenever required by the business of the Bank, not be less than once a year.

REMUNERATION COMMITTEE

Features of the members of the Remuneration Committee, are shown in the following table.

Member	Duty at the Committee	Definition of the Member
Ying Wang	Chairman	Independent Board Member
Jianfeng Zheng	Member	Board Member

Pursuant to the “Regulation on Corporate Governance Principles of Banks” of the Banking Resolution and Supervision Agency and by the resolution of the Bank’s Board of Directors dated July 11th 2011, a “Remuneration Committee” has been formed in order to monitor and supervise the remuneration practices on behalf of the Board of Directors. The Committee shall evaluate the remuneration policy and implementations thereof within the framework of the risk management and prepare and submit a report regarding its recommendations in relation thereto, to the Board of Directors, on an annual basis.

BOARD OF DIRECTORS RISK MANAGEMENT COMMITTEE

The qualifications of the members of the Board of Directors Risk Management Committee are shown in the table below.

Member	Duty at the Committee	Definition of the Member
Xiangyang Gao	Chairman	Chairman
Shaoxiong Xie	Member	Board Member - General Manager
Peiguo Liu	Member	Board Member
Jianfeng Zheng	Member	Board Member
Ying Wang	Member	Independent Board Member

With the resolution of the Board of Director dated January 30th 2019; A Board of Directors Risk Management Committee has been established so as to assist the Board of Directors in reviewing and determining the Bank’s risk strategy, risk appetite, risk management policy, risk management procedures and internal control process and assisting the Board of Directors in supervising and evaluating the risk management activities of the related senior managers and risk management departments.

The Committee carries out its activities within the framework of the Board of Directors Risk Management Committee Regulation, which was put into action by the Board of Directors’ resolution dated October 23rd 2019 and numbered 1605/01.

Management Committee

With the resolution of the Board of Director dated January 30th 2019; A Management Committee has been established to help improving the Bank’s management structure, management standards and effectiveness, and to take decisions on important issues, to regulate operating rules and operating procedures for the regulation of important projects and the use of large amounts of funds. Management Committee consists of Chairman, General Manager and other senior management executives.

The Chairman of the Committee duty is fulfilled by Xiangyang GAO, who is Chairman of the Board of Directors. The Chairman's Assistant of the Committee duty is fulfilled by Shaoxiong Xie, who is Board Member and General Manager. The Committee carries out its activities within the framework of the working rules by the Board of Directors resolution dated January 30th 2019.

Assets and Liabilities Committee (ALCO)

Assets and Liabilities Committee is the committee where the volume and cost/return of the balance sheet items of the Bank, economic developments affecting these items are evaluated; strategies regarding the management of the balance sheet are determined and the topics related to the ways to increase the Bank’s performance are discussed. This Committee convenes once every two weeks under the chairmanship of the General Manager. Deputy/Assistant Managers and the Heads of all Departments in charge of banking transactions shall participate in the meeting.

Risk Management Committee

As an element of corporate governance, Risk Management Committee ensures the bank to achieve effective risk management, according to Bank’s risk strategy and policies. Risk Management Committee shall act as a decision-making organization as well as control and monitoring mechanism on all significant matters related to enterprise risk management. Committee is presided by the General Manager.

INFORMATION REGARDING THE ATTENDANCE BY THE BOARD OF DIRECTORS AND THE COMMITTEE MEMBERS TO THE RELATED MEETINGS DURING THE ACCOUNTING PERIOD

Timing, place and method of the Board of Directors Meeting shall be subject to the provisions of the Turkish Commercial Code and the Bank’s Articles of Association. Board of Directors shall convene as frequently as the businesses of the Bank necessitates. Participating in the meetings in person or through electronic environment is possible. Board of Directors is called for meeting by the Chairman of the Board of Director and in his/her absence by the Vice President of the Board of Directors. Each Board Member may request in writing from the Chairman of the Board that the Board of Directors be convened. Board of Directors consists of 6 members, including the General Manager. Calling procedure of the Board of Directors Meeting is subject to provisions of the Turkish Commercial Code and the Bank’s Article of Associations. The quorum for the Board of Directors meeting is the presence of majority of the members. Resolutions of the Board of Directors may be passed by the votes of the majority of the members present in person at the meeting as well as, pursuant to article 40 of the Articles of Association of our Bank and paragraph 4 of article 390 of the Turkish Commercial Code with number 6102, with the method by which a written proposal of one of the members is approved in writing by the other members.

The Board of Directors convened with all of the members being present in person, 4 times and passed 34 resolutions in 2020. Pursuant to article 40 of the Articles of Association of our Bank and the paragraph 4 of article 390 of the Turkish Commercial Code, by circular Board of Directors has taken 324 resolutions.

In 2020, the Audit Committee convened with the members being present in person, 4 times and passed 26 resolutions; passed 19 resolutions by circulation. In 2020, the Credit Committee convened to examine the credit files within the scope of its powers and passed 110 resolutions.

In 2020, the Corporate Governance Committee passed 3 decisions; and the Remuneration Committee passed 4 decisions.

In 2020, the Board of Directors Risk Management Committee held its meeting four times and has been taken 4 resolution in the Committee meeting. In addition, 2 decision has been taken by 1 circular.

ORDINARY GENERAL ASSEMBLY HELD IN 2020

General Assembly Meetings are held within the framework of the Banking Law, the Turkish Commercial Code and the Capital Markets Law.

In 2020, including ordinary electronic General Meeting, to which physical or electronic attendance is possible, was held. The ordinary general meeting was held on March 27th 2020 with the quorum of 92.84%. The Ordinary General Assembly meeting held in 2020 was successfully completed within its period.

Regulations on General Meetings of shareholders set forth in “The Articles of Association of ICBC Turkey Bank A.Ş.” which take place in the Bank’s internet site open to public and in the “Internal Regulations on the Working Principles and Procedures of the General Meeting”.

The Bank makes the invitation to the General Assembly meeting at least three weeks before the meeting, excluding the announcement and meeting dates. Calls/invitations and announcements for the General Meeting are published in the Turkish Trade Registry Gazette, a newspaper published in Istanbul where the registered address of the Bank is, at Merkezi Kayıt Kuruluşu A.Ş. (MKK) (Central Securities Depository Institution), at Electronic General Meeting System (EGMS), on e-YÖNET- Corporate Governance and Investor Relations Portal, on Public Disclosure Platform (KAP) and on the Bank’s corporate internet site. Besides, as from the date of announcement, agenda, a sample of power of attorney, activity report, the Articles of Association of the Bank, financial tables and footnotes, independent audit reports, the old and new versions of the amendments along with the related resolution of the Board of Directors in case there is an amendment in the Articles of Association, in case there is dismissal, change or election of the Members of the Board of Directors among the items of the agenda, reasons for dismissal and change, information on the member and independent member nominees specified in the Corporate Governance Principles, and other documents related to the agenda are available at the General Management of the Bank and on our corporate internet site for the review of the shareholders. Documents related to the agenda items are published in EGMS separately.

According to the provisions of the Articles of Association of the Bank, it is possible to vote by proxy. According to the 28th article of our Articles of Association, the shareholders may personally attend the General Meetings as well as being presented at these meetings by a proxy they choose among the shareholders or from outside. Provisions of the 29th article of the Capital Markets Law are applied in the invitation of the shareholders. General Meeting minutes are always available for the shareholders on our Bank’s internet site and at E-Company information portal which is accessible also from our Bank’s internet site with the Electronic General Meeting System, within the scope of the related provisions of the Turkish Commercial Code, and which is specialized for Information public services and the infrastructure of it is provided by the Central Securities Depository.

All shareholders have the right to declare opinions on the subjects related to the agenda and ask questions at the General Meetings. Suggestions given in relation with the agenda are resulted by voting in compliance with the legal procedure.

In 2020, there hasn’t been any operation which majority Yes votes of the independent members of the Board of Directors are required for deciding at the Board of Directors or its decision is left to the General Meeting for No votes given.

In line with the Bank’s Donation and Aid Policy approved in the ordinary General Meeting of our Bank held on March 31st 2014, information on that there hasn’t been any change in the policy and donations and aids made in 2019 are given to the shareholders at the ordinary General Meeting held on March 27th 2020, with a separate agenda item.

At the Ordinary General Meeting held on March 27th 2020, the shareholders are informed about that there has been no significant transaction which may cause an interest conflict between the shareholders holding the management control, the members of the board of directors, managers having administrative responsibility and their spouses and blood relatives and relatives by marriage up to second degree and the Bank or the subsidiaries.

ABOUT DIVIDEND RIGHT

In the Articles of Association of the Bank, there is no provision regulating privilege in participating profit share. Profit Distribution is carried out within the framework of the provisions of the Articles of Association. Each shareholder has the right to get profit share over the distributed profit share in his share rate.

Suggestion of the Board of Directors of our Bank on Profit Distribution is proposed to the General Assembly Meeting and to the information of the shareholders by the activity report before the General Assembly Meeting every year and decided by discussing at the General Meeting. At the ordinary General Meeting of the Bank dated March 27th 2020, it is decided “2019 annual net profit in the amount of 40.869.412,43 TL which constitutes the after tax balance sheet profit of ICBC Turkey Bank A.Ş. for the year 2019, legal reserves in the amount of 2.043.470,62 TL at the rate of 5% be set aside according to the article 519/1 of the Turkish Commercial Code, the amount of 696.761,71 TL previously booked under fixed asset sales account to be hold under a specil fund in shareholders’ equity according to the Corporate Tax Law 5/1-e item and then that all of the remaining profit amount of 38.129.180,91 TL be transferred to the extraordinary legal reserves and the Board of Directors be authorized regarding the utilization of the legal reserves.

The Profit Distribution Policy of the Bank is approved at the ordinary General Meeting held on March 27th 2020. This policy is published in the Bank’s corporate internet site and in the activity report as “Regarding our Bank’s target-directed growth in the sector and under the light of investment and financial needs, within the framework of the Banking Law, the Turkish Commercial Code and the Capital Markets Law and related legal legislation and the provisions of our Articles of Association, a basic profit distribution policy based on saving profits in the extraordinary reserves for the finance of growth by holding profits in the body and distributing as shares in free capital increases from internal sources is adopted. This policy shall be evaluated every year by considering regulations of the Capital Markets Board on profit distribution and liquidity status of our Bank.”



ICBC Turkey 2020 Ordinary General Assembly Meeting Agenda

ICBC TURKEY BANK A.Ş.
DATED MARCH 25TH 2021 ORDINARY GENERAL ASSEMBLY MEETING AGENDA

ICBC TURKEY 2020 ORDINARY GENERAL ASSEMBLY MEETING AGENDA

1. Opening and formation of the meeting presidency,
2. Authorization of the Meeting Presidency to sign the minutes of the Ordinary General Meeting of Shareholders,
3. Reading and discussion of the Board of Directors’ 2020 Annual Activity Report and Independent Audit Report Summary,
4. Reading, discussion and approval of the 2020 financial statements,
5. Release of the board members,
6. Discussion on dividend distribution for the year 2020 according to the Board of Directors’s proposal,
7. Discussion and approval of the 2021 Dividend Distribution Policy,
8. Election of the members of the Board of Directors and determination of terms of office,
9. Determination of the remuneration of the board members,
10. Election of the Independent Auditor in accordance with the Article 399 of Turkish Commercial Code,
11. Informing the shareholders about the donations made in 2020,
12. Determination of an upper limit for the donations to be made in 2021 in accordance with Banking legislation and Capital Markets Board’s regulations,
13. Informing the shareholders about the Remuneration Policy,
14. Informing the shareholders regarding CMB’s Corporate Governance Principles, clause 1.3.6.
15. Granting permission to members of the Board of Directors to perform the transactions stated in Articles 395 and 396 of the Turkish Commercial Code, without prejudice to the provisions of the Banking Law No. 5411.

Summary Board of Directors Annual Report

Asset size of our Bank was up by 37% in 2020, increasing from TL 18.2 billion in 2019 year-end to TL 24.9 billion. Credits increased by 56% to TL 14.1 billion when compared with 2019 year-end. Securities of the Bank increased by 19% from 2019 year end to reach TL 5.6 billion.

Operating income of ICBC Turkey has reached to TL 777 million. Our Bank achieved a net profit level of TL 58 million at year-end 2020. Because of restricted growth interest income decreased 11%, net fees and commission income increased 42%.

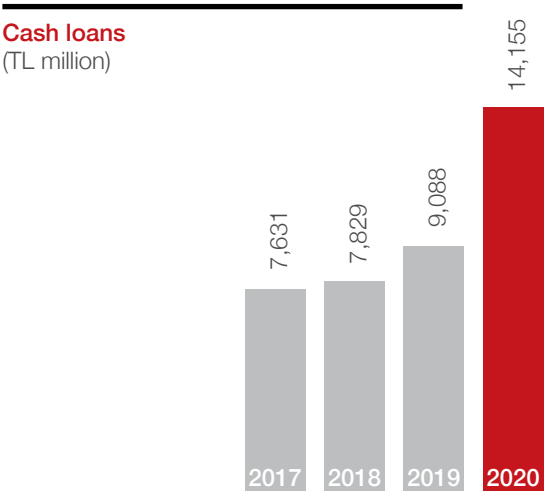
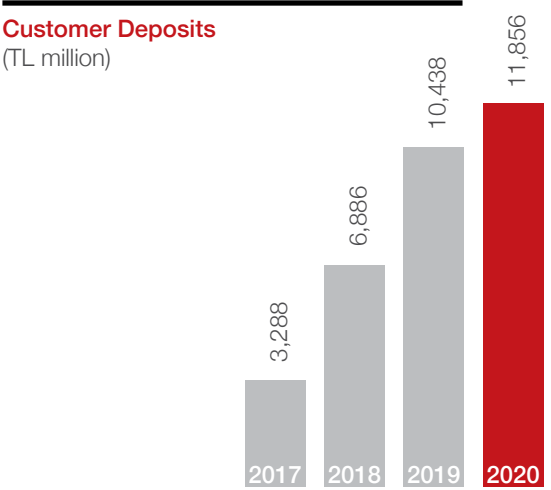
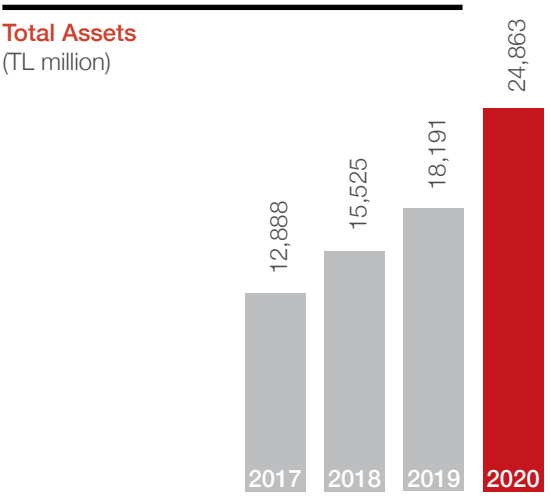
As of 2020 year end, based on unconsolidated financial statements of ICBC Turkey prepared in accordance with the regulations of BRSA;

- Asset size reached TL 24.9 billion,
- Total cash loans were TL 14.1 billion (Including the loans which are classified as Financial Assets at Fair Value Through Other Comprehensive Income) and constituted 57% of the Bank's balance sheet,
- Consumer loans (excluding credit cards) constituted 3,8% of the total cash loans and has decreased by 12% compared to that of the previous year,
- Total customer deposits were TL 11.9 billion, up by 14% compared to that of 2019 and constituted 48% of the Bank's total liabilities,
- Shareholders’ equity increased by 4.4% compared to that of the previous year-end,
- Net profit for 2020 was TL 58 million,
- Return on assets and return on equity are 0.3%, and 4,4%, respectively,
- Capital adequacy ratio has been 19.48% (2019: 18.6%).

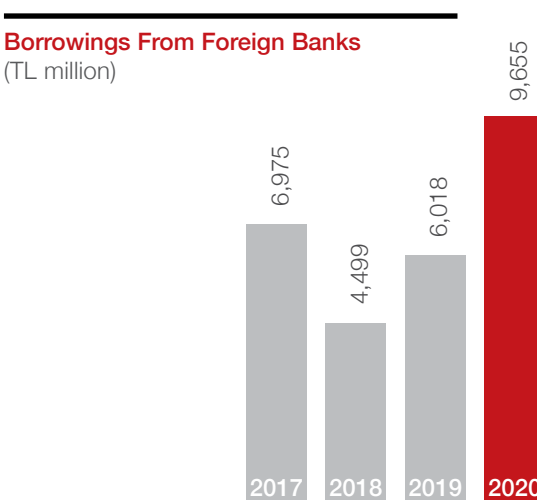
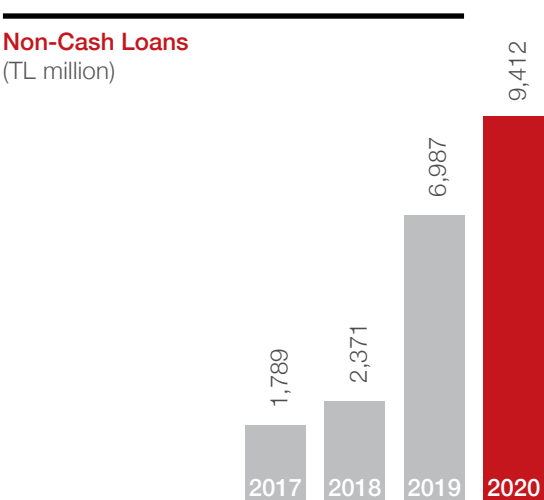
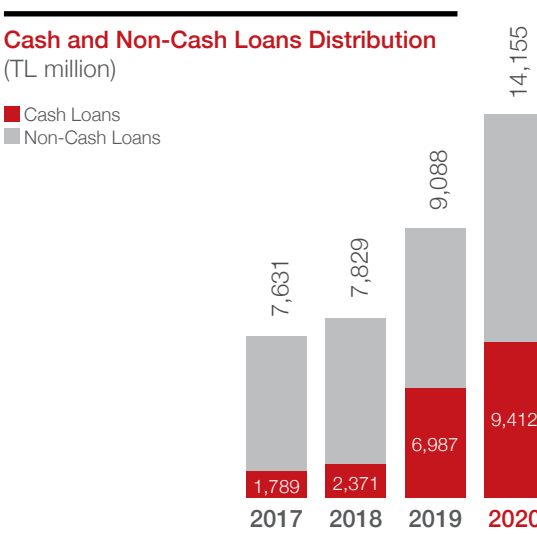
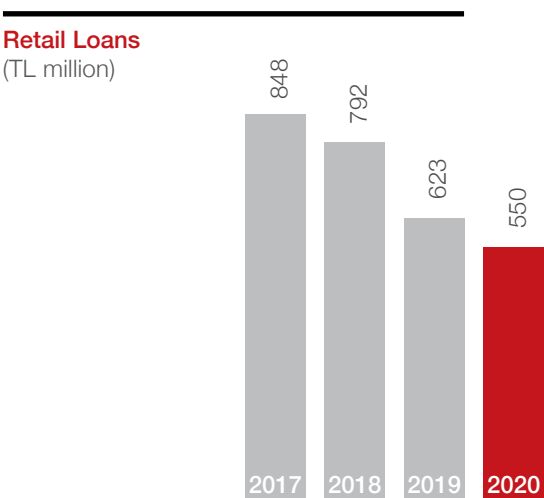
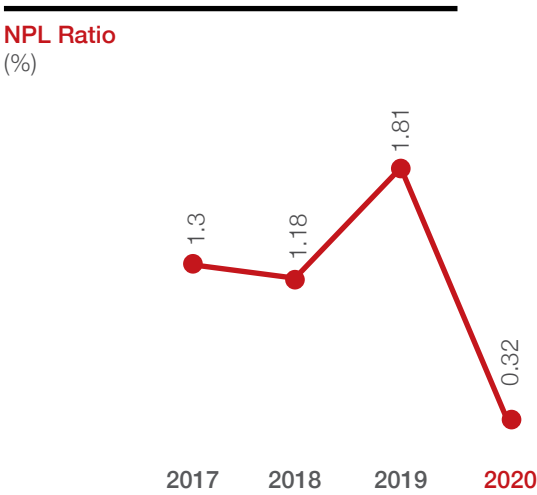
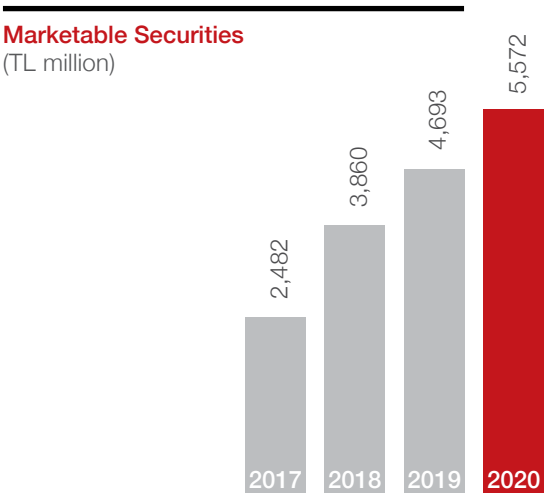
We have closely monitored the activities of the Audit Committee, Corporate Governance Committee and Remuneration Committee during the year and observed that the committees have worked effectively.

Your Sincerely,

Board of Directors



* Including the loans which are classified as Financial Assets at Fair Value Through Other Comprehensive Income by 2020.



ICBC Turkey Bank A.Ş. 2020 Profit Distribution Policy and Proposal for Profit Distribution for the Year of 2020

ICBC Turkey Bank A.Ş. Profit Distribution Policy

Considering the growth of the Bank in line with its targets within the sector, in light of the investment and financing needs and within the framework of the Banking Law, Turkish Commercial Code and the Capital Markets Law and related legislation and the provisions of its Articles of Association, the Bank adopted a basic dividend policy by which the profits are to be retained within the Bank in extraordinary reserves in order to finance its growth and be distributed as shares in capital increases by bonus issue.

This policy shall be reviewed annually based on the regulations of the Capital Markets Board regarding the dividend distribution and the Bank's liquidity position.

Proposal for Profit Distribution for the Year of 2020

In the meeting of the Board of Directors of our Bank held on the date of February 24th 2021 it has been resolved to propose to the General Assembly that, 2020 annual net profit in the amount of 58.048.465,27 TL (after tax) and restricting legal reserves in the amount of 2.902.423,26 TL at the rate of 5% be set aside according to article 519/1 of the Turkish Commercial Code and that all of the remaining profit amount of 55.146.042,01 TL be transferred to extraordinary legal reserves and authorization of the Board of Directors regarding for the use of the legal reserves.

Risk Groups, Support Services and Information About Non-Competition Activities

Informations Regarding the Transactions Made by the board members with the Bank for Themselves or on behalf of another Person within the framework of the Permissions Given by the Board of Directors of the Bank and the Activities within the Scope of Non-Competition

Permissions specified in articles 395 and 396 of the Turkish Commercial Code regarding prohibition of making transaction with the company and non-competition, have been given by the General Assembly to the members of our Board of Directors, provided that the transactions conducted in this context should be out of the scope of those prohibited by the Banking Law no.5411. No any situation out of the framework set by related rules and regulations, has been encountered.

Informations Regarding the Transactions Conducted by the Bank with the Risk Group that the Bank is Involved in

The relationship between the Bank and the risk group to which it belongs includes all types of banking transactions conducted in compliance with the Banking Law and within the framework of the normal bank-customer relationships and based on the market conditions. Explanations regarding such transactions are stated in the footnote VII. of the Section 5 of the Independent Audit Report, Unconsolidated Financial Statements as of December 31st 2020 and the Related Explanations and Footnotes Prepared to be Disclosed to the Public.

INFORMATIONs REGARDING THE INSTITUTIONS FROM WHICH THE BANK RECEIVES SUPPORT SERVICES

Information regarding the institutions from which the Bank obtains support services and their authorizations and services received are specified below.

- 1.Cheque printing and coding services that are provided as a part of the our ongoing collaboration with “**Güzel Sanatlar Çek Basım Limited Şirketi**”,
- 2.Services of procuration of operations of establishing a lien on behalf of the bank that are provided as a part of our ongoing collaboration with “**FU Gayrimenkul Yatırım Danışmanlık A.Ş.**”,
- 3.Services of procuration of operations of establishing a lien on behalf of the bank that are provided as a part of our ongoing collaboration with “**İpoteka Gayrimenkul Yatırım Danışmanlık A.Ş.**”,
- 4.Services that concern the Swift Alliance maintenance contract and Emergency Center service office services; Swift service office main connection contract; sales and service contract for Paygate products, which are provided as a part of our ongoing collaboration with “**Fineksus Bilişim Çözümleri Ticaret A.Ş.**”,
- 5.Services of technical maintenance and licensing of Call Center System that are provided as a part of ongoing collaboration with “**Asseco See Teknoloji A.Ş.**”,
6. Card printing (customization) services that are provided as a part of the our ongoing collaboration with “**E-Kart Elektronik Kart Sistemleri Sanayi ve Ticaret A.Ş.**”,
- 7.Services of folding and enveloping printed credit card bank statements of our bank customers, which are provided as a part of the our ongoing collaboration with “**Printkom Doküman Baskı ve Bilgi İşlem Hizmetleri Limited Şirketi**”,
8. Cash carrying services that are provided as a part of the our ongoing collaboration with “**Loomis Güvenlik Hizmetleri A.Ş.**”,
9. Services of card payment systems, software renting and resource allocation software development that are provided as a part of the our ongoing collaboration with “**Banksoft Bilişim Bilgisayar Hizmetleri Limited Şirketi**”,
10. Loan promotion and sales services that are provided as a part of the our ongoing collaboration with “**Konut Kredisi Com Tr Danışmanlık A.Ş.**”,
11. User Technology support services provided by “**Treo Bilgi Teknolojileri Limited Şirketi**”,
12. Marketing services that are provided as a part of our ongoing collaboration with “**Hangisi İnternet ve Bilgi Hizmetleri A.Ş.**”,
13. Mobile Banking Software Services that are provided as a part of our ongoing collaboration with “**Magis Teknoloji A.Ş.**”,
14. Web Page design services that are provided as a part of our ongoing collaboration with “**Luckyeye Bilgisayar Tanıtım Hizmetleri Yayıncılık ve Tic. A.Ş.**”,
15. Archive services that are provided as a part of our ongoing collaboration with “**Iron Mountain Arşivleme Hizmetleri A.Ş.**”,
16. Security Services that are provided as a part of collaboration with “**G4S Güvenlik Hizmetleri A.Ş.**”,
17. Support services in the preparation of ICAAP report provided by “**Merit Risk Yönetimi ve Danışmanlık Hiz. Tic. Ltd. Şti.**”

Human Resources Practices

JOB APPLICATIONS AND RECRUITMENT PRACTICES

Job Applications

Job applications to ICBC Turkey are made through www.kariyer.net. Incoming applications are evaluated according to their suitability for open positions.

Job applications, expansion of Human Resources Management’s vision of selecting and employing personnel; Accelerating the education and training process of young staff, bringing competent, responsible and energetic staff to the management of the departments, centers and branches of the Bank prioritizes creating more space for them and offers horizontal career opportunities.

The Bank accepts job applications through the website <https://tr.linkedin.com> and www.kariyer.net for market recruitment in line with the above-mentioned purpose.

Recruitment Practices

In determining open positions in ICBC Turkey; norm staff, current business volume, organizational chart, changes in personnel structure and forward planning are taken into consideration.

Efforts are made to recruit vacancies primarily from within the Bank’s organization. In case of recruitment from outside, a proposal is made to the candidate who is found suitable as a result of the interviews and reference researches with the Human Resources and the relevant Department Executive Director.

After completing the necessary documents of the personnel, the actual start of work is realized.

In ICBC Turkey, according to the annual workforce planning, experienced and inexperienced personnel are employed for the required positions.

As a result of the evaluation of the applications made from the relevant career websites, job offers are sent to the candidates who pass the exam and interview stages.

As a result of interviews to be made with the participation of candidates, relevant department managers and the Human Resources Department, the recruitment of experienced personnel is made according to the requirements of the job. An English interview is also carried out within the scope of recruiting experienced staff and depending on the nature of the job.

English, general skills and personality tests are applied in the recruitment of inexperienced personnel, depending on the interview process and the nature of the relevant position.

ICBC Turkey also uses mass recruitment programs to recruit inexperienced personnel

MT Program

MT program is carried out in line with the Bank’s strategies and sector conditions in order to train future managers within ICBC Turkey. In this program, where inexperienced candidates are evaluated, candidates start working after 1 month of basic banking training and 6 months of rotation programs.

Candidates who apply for open positions during the MT recruitment process

- 4-year Economics, Business, Law, Public Finance, Labor Economics, International Relations, English or American Language and Literature, Having completed undergraduate education in Public Administration, Econometrics, Banking,
- Expected to have English speaking and writing skills

In addition, the completion of the military service obligation or postponement of at least 2 years is the main criterion for the examination invitation for male candidates. Candidates who succeed in the exams, have strong self-expression and communication skills in collective and individual interview stages, and have analytical thinking competence are employed in the relevant units of the Bank, where they need to recruit new staff.

Under the pandemic conditions of 2020, 20 MT, taken to ICBC Turkey, completed their exams and trainings on the online platform.

Basic Banking Group (Box Office Specialist)

This mass recruitment module is intended for the operation personnel needs of branches. Exams are given to candidates determined according to the needs; Candidates who are successful in exams and interviews are appointed to relevant positions in ICBC Turkey branches after the Basic Banking Training is completed.

Promotion Practices

As a result of the evaluations made within the scope of promotion rules determined in ICBC Turkey, which aims to be more fair and transparent in order to create career opportunities for all its employees, suitable employees are entitled to be promoted.

Two different ways are followed in this process. The first method is the Open Competition. After the Human Resources Open Competition has published the conditions for participation, employees who meet the requirements can apply to participate in the competition. The candidate is determined by the Management Committee after the competition. In the last two years, promotions for director position in ICBC Turkey have been carried out in this way.

The second method is mainly used for Senior Management and six titles. The rules in the application instructions become valid after they are approved by the senior management, and the decision on promotions is announced to the employees.

ICBC Turkey Human Resources Profile

The total number of employees at ICBC Turkey is 726 as of December 31, 2020. In the same period, the number of employees of 39 branches of the Bank was 356 and the number of employees at the Head Office was 370. The average seniority calculated in 2020 is 9.5 years and the average age of the Bank personnel is 38.6.

71.5% of the bank personnel have a bachelor's degree, 10.9% a master's degree and 0.3% a doctorate degree.

EDUCATIONAL PRACTICES

Training and Development Activities

In 2020, ICBC Turkey provided training programs to its employees through conferences and seminars organized by internal trainers, vocational training companies and TBB.

A total of 82 trainings, including internal, external and online training programs, were held during the year and 7,878 people participated.

In this context, online training programs on 15 different subjects and training on 67 different subjects were provided with the support of internal and external trainers.

Training Activities

Renewal and development are indispensable elements of modern banking. ICBC Turkey takes these elements as a basis and reinforces it with a learning organization approach. Education is among those with the highest priority in the Bank, which aims to develop its employees and the whole environment within the scope of the constantly developing system.

ICBC Turkey's education vision is based on a long-term career planning perspective. Training programs that employees will attend according to their qualifications and competencies are implemented by setting targets from the date they start their banking career. For young employees participating in the ICBC Turkey organization; On the job, orientation and long-term development trainings are provided. Other employees who continue to work in the field of expertise and work in the Bank complete management and expertise programs according to the determined career planning.

ICBC Turkey's training programs; It includes Career Training Programs, Personal Development Training Programs, Manager Development Training Programs, MT and Basic Banking Training Programs. Advanced training courses are offered by instructors from leading private training companies and the Bank's in-house trainers.

Human Resources changed the type of training during the pandemic process and continued to strengthen business training. In this process, cooperation with online training companies was strengthened, online training plans were created and suitable conditions for online training were provided for each business line. The Bank also provided motivation, awareness and distance working trainings to its employees during the pandemic process with the aim of individual support.

Human Resources Practices

Remuneration Committee and Practices in 2020

With the decision of the Board of Directors of ICBC Turkey on 11 July 2011, a "Remuneration Committee" has been established for monitoring and auditing of remuneration practices on behalf of the Board of Directors. Mr. Jianfeng Zheng and Mrs. Ying Wang, who do not have executive duties in the Bank, were appointed as members of the "Remuneration Committee" with the Board of Directors decision dated May 22, 2015. Mrs. Ying Wang was elected chairman of the committee and continues to serve.

The Remuneration Committee carried out its activities between 01.01.2020 and 31.12.2020 in accordance with the Bank's corporate governance principles.

Human Resources Remuneration Policy has been updated; As of April 2020, the bank's basic salary budget was increased by 7% and the flexible salary budget by 24%, resulting in an income increase of 14%.

The "ICBC Turkey Remuneration Management and Regulation Application Instruction", which was created as a dynamic technical system that will support qualified employees and entered into force with the approval of the senior management, the awards they collect to motivate the employees with the performance that guides the performance of the bank and increases the band according to the year's base performance "Do more, It aims to support the "get more" policy.

After the second phase of the project, all employees were placed in the right position with the new HR software program, and the third phase Human Resources infrastructure program and the "Personal Target Agreement" application based on personnel development was initiated. With the given targets, Annual performance results in 2021 will be an important factor for salary adjustment, promotion, bonus allocation and position transfer, and the whole system will be supported by the given and realized targets and the target-based simplified additional incentive system.

ICBC Turkey Human Resources Policy

The Bank's Human Resources Policy is published on our website under the title of "Policies". This policy has come into effect with the decision of the Board of Directors.

Within the framework of these published policies, Human Resources carries out the "Most Talented Bank" strategy in order to make ICBC a global, leading bank with the best profitability and to build a good workplace for all personnel to work with performance and prestige and grow the Bank.

Humans need to focus on corporate philosophy, under the leadership of Turkey's current situation and the main shareholder of the HR department, "Reform and Improvement of" the scope and efficiency of justice is the main objective to support the workers in the foreground holding.

The human resources policy increases the productivity and happiness of the employees by using compensation, performance evaluation, career planning, training and similar human resources tools in line with the Bank's goals and strategies. With this understanding, it is aimed to create an appropriate workplace environment that will enable employees to reveal their energy and creativity and to discover their talents.

ICBC Turkey Human Resources works in coordination with departments, centers and branches under the leadership of the management committee, mainly by following the business objectives and strategies of the Bank in order to lead a comprehensive improvement in HR management.

The focus is on reforms and improvements in the organizational structure, employee development, salary rating, performance bonus, career path and training programs support employees. The Bank has a standard salary rating system established with the application of salary payments and the HR project closely followed and developed by the HR team in order to improve per capita productivity and increase management efficiency. In addition, various premium payments are made in parallel with the contributions and success of the employees to the Bank.

ICBC Turkey has adopted the principle of maintaining a human resource consisting of highly motivated and loyal employees with effective and human-oriented human resources practices in line with its personnel management policy and that everyone should be the "Leader of their Business".

For operational processes, the job descriptions, authorities and responsibilities of the Bank personnel are determined according to each title and position. General human resources policies applied for the Bank's best performance are based on the principles summarized below. These principles are published in the Bank's intranet environment and on its website.

CODE OF ETHICS AND SOCIAL RESPONSIBILITY

Ethical Rules

ICBC Turkey, in our corporate management approach, Turkey Banks Union published by the “Code of Ethics” of the already adopted and implemented.

The attitudes and behaviors of employees at all levels and the ethical principles aiming to regulate their relations with individuals and organizations within and outside the Bank are explained under the heading “Our Bank’s Ethical Principles” in Article 5 of the Personnel Regulation, which entered into force with the decision of the Board of ICBC Turkey on 09.12.2002. These rules have been announced to the public through the website within the framework of the “Information Policy” of the Bank. All employees are informed about ethical principles. All personnel working in our bank are asked to act in accordance with ethical principles and their signed statements are received in this regard. Turkey ICBC Corporate Governance Committee with the recommendation issued by the Banks Association of Turkey “Code of Ethics” was updated and published on the website.

Social responsibility

In all of its applications and investments, ICBC Turkey pays attention to the corporate image, benefit and profitability as well as social benefit and to support social and cultural activities in the light of the principles of respect for the environment. The issues of developing the banking sector and maintaining the trust in the sector are observed, and contributes to the healthy development of the society by complying with the regulations regarding consumer and public health.

Within the scope of social responsibility; All crimes such as extortion, bribery, all kinds of corruption, money laundering and terrorist financing, and illegal betting and gambling are all struggled.

Donations and Social Responsibility Projects

Information Related to the Donations and the Disbursements Made within the Scope of Corporate Social Responsibility Projects in the Year 2020

List of donation(s) made by the Bank to various institutions as of the date of December 31st 2020, is given below:

Donee Institution (full amount)	Amount (TL)
Türk Eğitim Vakfı (Turkish Education Foundation)	1,150
Aile Çalışma ve Sosyal Hizmetler Bakanlığı Milli Dayanışma Kampanyası (Ministry of Family, Labour and Social Services) National Solidarity Campaign	737,500
China – Hospital	519,440
*ICBC Turkey Yatırım Menkul Değerler A.Ş. (Türk Eğitim Vakfı)	600
Total	1,258,690

*Donation made by our subsidiary company.

Social Responsibility Projects

As an cross-continet and important local bank, ICBC Turkey always attach great importance to social responsibility under the leadership of ICBC Group and committee crew for pandemic prevention and control. ICBC Turkey actively join all kinds of business related with social responsibilty and regard it as a significant part in improving our “soft power”. In 2020, facing sever COVID-19 impact, ICBC Turkey actively and firmly support Turkish and Chinese people to fight against the pandemic while keep focus on other social response projects.

1. Support Turkey and China in pandemic prevention and control

ICBC Turkey established Pandemic Prevention and Control Leading Team on 23rd January 2020 to gradually lead the pandemic prevention. We contact related companies to buy all kinds of pandemic prevention equipment, including masks, disinfectant, prevention clothes and distribute to all employees and their families to help to protect themselves. Hold 11 lessons related with pandemic prevention to employees and their families.

To support Turkey and China together for the pandemic prevention and under control of negative effects of pandemic, ICBC Turkey has donated around 737.500.-TL to the Ministry of Family, Labour and Social Services of the Republic of Turkey which organized solidarity campaign by the ministry of Turkey as well as Bank has donated by 519.440.-TL to the health center in China. Bank also made aid and supported to General Chamber of Commerce of Chinese Enterprises in Istanbul/ Turkey by sending masks and other items in order to encourage the people to fight against the pandemic.

Besides, in the time that the world is lacking of masks, ICBC Turkey help Turkish local company to establish business relationship with Chinese medical equipment company to endorse masks, which is an assure for local market to keep stable.

2. Support in local infrastructure development and financial stability

ICBC Turkey actively joins important projects related with infrastructure, energy and other projects which can improve people’s living standard like Thermal power station, Ports, Subways, Strategic oil and gas pipeline. ICBC Turkey offers inter-bank loan to local banks to support the finance stable. During the pandemic, while all around in a hard situtation ICBC Turkey also increases its invest in health, retail part which are important with people’s living condition. We connected to “Turkey Health Reform 2.0 Project” and offer financing help in two local city hospitals who have totally 2393 beds, including 714 ICUs (Intensive Care Units). They contribute a lot in helping fighting against the pandemic.

3. Strictly follow all the local regulations and support in social stability

Based on the requirements and local laws, ICBC Turkey strictly follows all local regulations. We offer good working conditions to all employees, hire disabled employees, help employees with difficulties and initial internal donations.

Corporate Governance Principles Compliance Report

ICBC Turkey Bank A.Ş.

2020 Corporate Governance Principles Compliance Report

Corporate Governance Principles Compliance Declaration

ICBC Turkey Bank A.Ş. ("ICBC Turkey" or the "Bank") is subject to provisions relevant to Corporate Governance Principles stipulated for banks in Banking and Capital Market legislation. Within this scope, ICBC Turkey, adopted a management method based on caution, stability and trust.

The Bank is in compliance with compulsory principles among the Corporate Governance Principles taking place in the Corporate Governance Communiqué and Banking Regulation and Supervision Agency (BRSA) Regulation on Corporate Governance Principles of the Bank.

According to Capital Markets Board's resolution dated 10.01.2019 and numbered 2/49 Corporate Governance Compliance Reporting has been done by Compliance and Corporate Governance Information forms on Public Disclosure Platform. The bank has disclosed its CRF and CGIFs within the framework of its compliance principles on the link of www.kap.gov.tr on 27.02.2020 as well as disclosed in the Annual Report.

In accordance with the new Corporate Governance Reporting frame accepted by CMB's dated 10.01.2019 resolution; Corporate Governance Information Form gives information about shareholders, General Assembly, voting rights, minority rights, dividend rights, public disclosure and transparency, stakeholders and Board.

The principles which are not obligatory and only advisory are disclosed by Compliance Form according to apply or explain principle. The principles that are still not complied with has been mentioned below.

There hasn't been any conflict of interest arising from these not applied principles.

- For the principle number 1.5.2., minority rights are not granted to those holding less than one twentieth of the capital with the Articles of Association of the Bank.
- For the principle number 3.1.2., no written indemnity policy is issued for the bank employees. All applications relevant to the Bank employees are subject to Labor Law and other relevant legislations, and as contradictory provisions are not set forth in in-Bank regulations, a separate indemnity policy is not issued.
- For the principle number 4.2.8., against the damages the Members of the Board of Directors may cause in the Company during their duties, they are not insured with a value exceeding 25% of the company capital. However, there is a Financial Corporations Management Liability Insurance for the members of the board of directors of our Bank with a lower value and the policy period is between 01.09.2020 – 01.09.2021.
- According to the principle number 4.3.9., no target rate or target time is specified for the female member rate in the Board of Directors and there is 1 female member in the Board of Directors of our Bank.
- According to the principle number 4.4.7., due to the business experiences and sectorial experiences of the Members of the Board of Directors having significant contribution to the Board of Directors, they are not restricted in taking part in duties other than the Bank. While duties of some members continue in in-group companies, some members take office only at our Bank. The members allocate sufficient time for the Bank.
- According to the principle number 4.5.5., as the number of our members of the Board of Directors is limited, assignment at the committees is carried out by considering knowledge and experiences of the Members of the Board of Directors, in line with the relevant legislation, and one Member of the Board of Directors may be assigned in more than one committee.
- According to the principle number 4.6.5., salaries paid to and fringe benefits provided for the Members of the Board of Directors and the executives are announced to public through the annual activity report. However, the explanation made is in a way to separate the Board of Directors and the executives, not on person basis.

As announced earlier, in order to increase the depth of the shares, changes has been made in the Equity Market regarding the market segment structure, trading principles, market segment change-over criteria and listing requirements within the scope of Borsa İstanbul A.Ş. Board of Directors' decision dated 9/10/2020 and Capital Markets Board's (CMB) decision dated 9/14/2020. These changes were announced with the announcement dated 9/17/2020 and numbered 2020/58 and entered into force as of 10/1/2020.

Within this framework, an evaluation has been made to determine the market where our Bank's shares will be traded in the upcoming period. According to the results of this evaluation, our Bank's shares will be traded in the "SUB-MARKET" in Borsa İstanbul.

According to the announcement in CMB Bulletin dated January 21 2021 and with number 2021/4, in the grouping determined as a result of the evaluation made by CMB, our Bank has taken place in the Second Group companies. Within this scope, exceptions/ exemptions in the practice of the Corporate Governance Principles of the companies in the second group is applicable also for our Bank.

Within this scope;
It is stated in the 3rd item of the 6th article of the Communiqué on exceptions independent member of the board of directors for the banks is in discretion of the bank provided that the number of these members should not be less than three and the members of the board of directors assigned for the audit committee membership within the structuring of the Board of Directors of the banks shall be considered as the independent member of the Board of Directors within the framework of this Communiqué. Besides, it is stated that qualifications determined in the Corporate Governance Principle number 4.3.6. shall not be looked for in the audit committee members of the banks and Principles number 4.3.7. and 4.3.8. on selecting these members shall not be applied. Again in the same Communiqué; it is ensured that qualifications determined in the Principle number 4.3.6. shall be looked for any way for the independent members of the board of directors who shall not take place in the audit committee, and shall be looked for only one member in case all of the independent members of the board of directors take place in the audit committee, and Principles number 4.3.7. and 4.3.8. on selecting these independent members shall be applied.

- As the Bank is in the second group companies, we are exempted from;
- The Principle number 4.3.7. of Communiqué as "...the Board of Directors prepares the nominee list of the independent member within the framework of the report of the nominating committee and sends to the Capital Markets Board at least 60 days before the General Meeting along with the related report of the nominating committee and the decision of the Board of Directors",
 - The Principle number 4.3.8. of Communiqué as "in case independent membership is vacant, the Board of Directors send the nominee list determined within the framework of the report of the nominating committee to the Capital Markets Board within 30 days".

According to the announcement in CMB Bulletin dated January 21 2021 and with number 2021/4, in the grouping determined as a result of the evaluation made by CMB, our Bank has taken place in the Second Group companies. According to the provision 11th article of the Communiqué, manager of the investor relations department shall have a "Capital Market Activities Level 3 Licence" and "Corporate Governance Rating License". The Manager of the Unit of the Shareholder Relations and Board Secretariat performing duty within this scope at our Bank holds Capital Market Activities Level 3 Licence and Corporate Governance Rating Licence.

Within the scope of Banking and Capital Market legislation, the Audit Committee is established on October 30th 2006, the Corporate Governance Committee is established on March 30th 2005, and Remuneration Committee is established on July 11th 2011. Within the year of 2012, considering the structuring of the Board of Directors and duties our independent members have undertaken in the committees they take part, it is decided the "Nominating Committee" not to be constituted separately and duties of this committee to be performed by the Corporate Governance Committee". The activities of the committees are detail explained in "Information Regarding the Committees Established Within the Body of the Board of Directors" part.

GOVERNANCE COMPLIANCE REPORT

Corporate Governance Compliance Report	Company Compliance Status				Explanation
	Yes	Partial	No	Exempted	Not Applicable
1.1. FACILITATING THE EXERCISE OF SHAREHOLDER RIGHTS					
1.1.2 – Up-to-date information and disclosures which may affect the exercise of shareholder rights are available to investors at the corporate website.	X				
1.2. RIGHT TO OBTAIN AND REVIEW INFORMATION					
1.2.1- Management did not enter into any transaction that would complicate the conduct of special audit.	X				
1.3. GENERAL ASSEMBLY					
1.3.2 - The company ensures the clarity the General Assembly agenda, and that an item on the agenda does not cover multiple topics.	X				
1.3.7 – Insiders with privileged information have informed the board of directors about transactions conducted on their behalf within the scope of the company's activities in order for these transactions to be presented at the General Shareholders' Meeting.					X
1.3.8 – Members of the board of director who are concerned with specific agenda items, auditors, and other related persons, as well as the officers who are responsible for the preparation of the financial statements were present at the General Shareholders' Meeting.	X				
1.3.10- The agenda of the General Shareholders' Meeting included a separate item detailing the amounts and beneficiaries of all donations and contributions.	X				
1.3.11 – The General Shareholders' Meeting was held open to the public, including stakeholders, without having the right to speak.		X			As specified in the Article of Association, General Assembly Meeting was open to all shareholders. However, It was closed to media and public. The minutes of the General Assembly Meeting has been submitted to all stakeholders via PDP and website by the Bank.

1.4. VOTING RIGHTS

1.4.1 – There is no restriction preventing shareholders from exercising their shareholder rights.	X		
1.4.2- The company does not have shares that carry privileged voting rights.	X		
1.4.3 – The company withholds from exercising its voting rights at the General Shareholders' Meeting of any company with which it has cross-ownership, in case such cross-ownership provides management control.		X	There is no mutual shareholding relationship in the structure of the Bank's capital.

1.5. MINORITY RIGHTS

1.5.1- The company pays maximum diligence to the exercise of minority rights.	X		
1.5.2- The Articles of Association extend the use of minority rights to those who own less than one twentieth of the outstanding shares, and expand the scope of the minority rights.		X	Bank adopted its rates strictly which is outlooked for the public-held company in the regulation and minority rights has been determined according to Article 19 of the Bank's Article of Association at a rate of 1/20 at capital.

1.6. DIVIDEND RIGHT

1.6.1 – The dividend policy approved by the General Shareholders' Meeting is posted on the company website.	X		
1.6.2 – The dividend distribution policy comprises the minimum information to ensure that the shareholders can have an opinion on the procedure and principles of dividend distributions in the future.	X		
1.6.3 - The reasons for retaining earnings, and their allocations, are stated in the relevant agenda item.	X		
1.6.4 – The board reviewed whether the dividend policy balances the benefits of the shareholders and those of the company.	X		

1.7. TRANSFER OF SHARES

1.7.1 – There are no restrictions preventing shares from being transferred.	X		
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2.1. CORPORATE WEBSITE

2.1.1 – The company website includes all elements listed in Corporate Governance Principle	X		
2.1.2- The shareholding structure (names, privileges, number, ratio of shares, and beneficial owners of more than 5% of the issued share capital) is updated on the website at least every 6 months.		X	There is no shareholder who has more than 5% of the paid-in capital.
2.1.4 – The company website is prepared in other selected foreign languages, in a way to present exactly the same information with the Turkish content.		X	Our Bank's website is arranged in English format as well as the majority of Turkish contents are also available in English version.

2.2. ANNUAL REPORT

2.2.1 – The board of directors ensures that the annual report represents a true and complete view of the company's activities.	X		
2.2.2 – The annual report includes all elements listed in Corporate Governance Principle 2.2.2.	X		

3.1. CORPORATION'S POLICY ON STAKEHOLDERS

3.1.1- The rights of the stakeholders are protected pursuant to the relevant regulations, contracts and within the framework of bona fides principles.	X		
3.1.3 – Policies or procedures addressing stakeholders' rights are published on the company's website		X	No specific policy has been generated for stakeholders. Stakeholders' rights are protected within the framework of general regulations, contracts and goodwill rules.
3.1.4 – A whistleblowing programme is in place for reporting legal and ethical issues.	X		
3.1.5 - The company addresses conflicts of interest among stakeholders in a balanced manner.	X		

3.2. SUPPORTING THE PARTICIPATION OF THE STAKEHOLDERS IN THE CORPORATION'S MANAGEMENT

3.2.1 – The Articles of Association, or the internal reguations (terms of reference/ manuals), regulate the participation of employees in management.		X	Among the employees, mid-level and senior managers participate in decision-making mechanisms through in-bank committees.
3.2.2 – Survey/other research techniques, consultation, interviews, observation method etc. Were conducted to obtain opinions from stakeholders on decision that significantly affect them.		X	Employees 'opinions and suggestions are also evaluated through surveys in decision processes that have important consequences. Suggestions and complaints are provided through relevant channels such as "Write to Us" and info@icbc.com.tr in order to assess employees, and stakeholders' requests. Communication channels are kept open for other stakeholders (suppliers, business partners, etc.) and still working on the surveys have been evaluated.

3.3. HUMAN RESOURCES POLICY

3.3.1 – The company has adopted an employment policy ensuring equal opportunities, and a succession plan for all key managerial positions.		x	The bank has an employment policy ensuring equal opportunity, succession plan works have been going on.
3.3.2 – Recruitment criteria are documented.	X		
3.3.3 – The company has a policy on human resources development, and organises trainings for employees.	X		
3.3.4 – Meetings have been organised to inform employees on the financial status of the company, remuneration, career planning, education and health.	X		
3.3.5 – Employees, or their representatives, were notified of decisions impacting them. The opinion of the related trade unions was also taken.		X	Employees are notified directly, However, there is no governing body like the union.

3.3.6 – Job descriptions and performance criteria have been prepared for all employees, announced to them and take into account to determine employee remuneration.	X	
3.3.7 – Measures (procedures, trainings, raising awareness, goals, monitoring, complaint mechanisms) have been taken to prevent discrimination, and to protect employees against any physical, mental, and emotional mistreatment.	X	
3.3.8 – The company ensures freedom of association and supports the right for collective bargaining.		X
3.3.9 – A safe working environment for employees in maintained.	X	
3.4. RELATIONS WITH CUSTOMERS AND SUPPLIERS		
3.4.1- The company measured its customer satisfaction, and operated to ensure full customer satisfaction.	X	
3.4.2 – Customers are notified of any delays in handling their requests.	X	
3.4.3 – The company complied with the quality standarts with respect to its products and services.	X	
3.4.4 – The company has in place adequate controls to protect the confidentiality of sensitive information and business secrets of its customers and suppliers.	X	
3.5. ETHICAL RULES AND SOCIAL RESPONSIBILITY		
3.5.1 – The board of the corporation has adopted a code of ethics, disclosed on the corporate website.	X	
3.5.2- The company has been mindful of its social responsibility and has adopted measures to prevent corruption and bribery.	X	
4.1. ROLE OF THE BOARD OF DIRECTORS		
4.1.1- The board of directors has ensured strategy and risks do not threaten the long-term interests of the company, and that effective risk management is in place.	X	
4.1.2-The agenda and minutes of board meetings indicate that the board of directors discussed and approved strategy, ensured resources were adequately allocated, and monitored company and management performance.	X	
4.2. ACTIVITIES OF THE BOARD OF DIRECTORS		
4.2.1- The board of directors documented its meetings and reported its activities to the shareholders.	X	

4.2.2- Duties and authorities of the members of the board of directors are disclosed in the annual report.	X		
4.2.3 – The board has ensured the company has an internal control framework adequate for its activities, size and complexity.	X		
4.2.4- Information on the functioning and effectiveness of the internal control system is provided in the annual report.	X		
4.2.5 – The roles of the Chairman and Chief Executive Officer are seperated and defined.	X		
4.2.7- The board of directors ensures that the Investor Relations department and the corporate governance committee work effectively. The board works closely with them when communicating and settling disputes with shareholders.	X		
4.2.8 – The company has subscribed to a Directors and Officers liability insurance covering more than 25% of the capital.		X	The Bank's paid-in capital is 860 Million.- TL and due to the defects of the Board members during their duties, they are insured with a limit of 10 Million USD under the responsibility insurance policy against the risk of loss.
4.3. STRUCTURE OF THE BOARD OF DIRECTORS			
4.3.9- The board of directors has approved the policy on its own composition, setting a minimal target of 25% for female directors. The board annually evaluates its composition and nominates directors so as to be compliant with the policy.		X	There is no policy for the women membership in the Board of Director. There is consisted in 1 woman Board member out of 6 Board Members. Woman members is at a rate of %17.
4.3.10 - At least one member of the audit committee has 5 years of experience in audit/accounting and finance.	X		

4.4. BOARD MEETING PROCEDURES		
4.4.1 – Each board member attended the majority of the board meeting in person.	X	Our board members of Chinese nationality non-resident in Turkey due to the pandemic could not physically attend the meetings. After the pandemic, Our Bank is planning to provide them to participate the meetings through the “Electronic Board of Directors System” produced by MKK A.Ş.
4.4.2 - The board has formally approved a minimum time by which information and documents relevant to the agenda items should be supplied to all board members.	X	
4.4.3 – The opinions of the board members that could not attend the meeting, but did submit their opinion in written format, were presented to other members.		X
4.4.4 - Each member of the board has one vote.	X	
4.4.5 - The board has a charter/written internal rules defining the meeting procedures of the board.	X	
4.4.6 -Board minutes document that all items on the agenda are discussed, and board resolutions include director’s dissenting opinions if any.	X	
4.4.7 – There are limits to external commitments of board members. Shareholders are informed of board member’s external commitments at the General Shareholders’ Meeting.	X	There is no restriction for the Board members to have duties outside of the Bank. Duties held by the Board members out of the bank is included in the Annual Report submitted to the General Assembly.
4.5. BOARD COMMITTEES		
4.5.5 - Board members serve in only one of the Board’s committees.	X	Due to the limited number of members of the Bank’s Board of Director, committees are appointed in accordance with the relevant legislation by taking into consideration the knowledge and experiance of the board members and one board member may serve in more than one committee.

4.5.6- Committees have invited persons to the meetings as deemed necessary to obtain their views.	X	
4.5.7 - If external consultancy services are used, the independence of the provider is stated in the annual report		X Committee didn’t need to receive external consultancy services until today.
4.5.8 - Minutes of all committee meetings are kept and reported to board members.	X	
4.6. FINANCIAL RIGHTS		
4.6.1 – The board of directors has conducted a board performance evaluation to review whether it has discharged all its responsibilities effectively.		X In 2020, no specific study was conducted at the Board level for performance evaluation.
4.6.4 – The company did not extend any loans to its board directors and executives, nor extended their lending period or enhanced the amount of those loans, or improve conditions thereon, and did not extend loans under a personal credit title by third parties or provided guarantees such as surety in favor of them.		X The loans to be grantedto the members of the Board of Directors and employees are subject to restrictions set forth in Article 50 of the Banking Regulation. No other loans are granted to the members of the Board of Directors or employees.
4.6.5 - The individual remuneration of board members and executives is disclosed in the annual report.		X Annual salaries paid to the members of the Board of Directors and Top Management has been disclosed in the Annual Report totally.
CORPORATE GOVERNANCE INFORMATION FORM		
1. SHAREHOLDERS		
1.1. Facilitating the Exercise of Shareholders Rights		
The number of investor meetings (conference, seminar/ etc.) organised by the company during the year	None	
1.2. Right to Obtain and Examine Information		
The number of special audit request(s)	None	
The number of special audit requests that were accepted at the General Shareholders’ Meeting	None	
1.3. General Assembly		
Link to the PDP announcement that demonstrates the information requested by Principle 1.3.1. (a-d)	https://www.kap.org.tr/Bildirim/822312	

Whether the company provides materials for the General Shareholders’ Meeting in English and Turkish at the same time	The documents related to the General Asembly Meeting are presented on the Bank’s website both in Turkish and English. Related web site Turkish version: https://www.icbc.com.tr/tr/yatirimci-iliskileri/akordeon-pdf-liste/Olagan-Genel-Kurul-Toplantilari/149/0/0 , Related web site English version: https://www.icbc.com.tr/en/investor-relations/pdf-list/Ordinary-General-Meetings/329/0/0
The links to the PDP announcements associated with the transactions that are not approved by the majority of independent directors or by unanimous votes of present board members in the context of Principle 1.3.9	None
The links to the PDP announcements associated with related party transactions in the context of Article 9 of the Communiqué on Corporate Governance (II-17.1)	None.
The links to the PDP announcements associated with common and continuous transactions in the context of Article 10 of the Communiqué on Corporate Governance (II-17.1)	None.
The name of the section on the corporate website that demonstrates the donation policy of the company	https://www.icbc.com.tr/tr/images/pdf/Bagis_ve_Yardim_Politikasi_2017.pdf Related Web Site in English version https://www.icbc.com.tr/en/images/pdf/Donation-and-Contribution-Policy.pdf
The relevant link to the PDP with minute of the General Shareholders’ Meeting where the donation policy has been approved	https://www.kap.org.tr/tr/Bildirim/832826
The number of the provisions of the articles of association that discuss the participation of stakeholders to the General Shareholders’ Meeting	None.
Identified stakeholder groups that participated in the General Shareholders’ Meeting, if any	Some stakeholders such as Independent Auditor and employees attended the General Assembly Meeting within the knowledge of our Bank as observer.

1.4. Voting Rights

Whether the shares of the company have differential voting rights	No
In case that there are voting privileges, indicate the owner and percentage of the voting majority of shares	There are no voting privileges but there are privileges in the structure of the Board of Director, in the election of the member of Board and in the election of liquidator. 860.000.000.-TL of our total capital, which is 602.000.000.-TL consist of A Group shares and 258.000.000.-TL B Group shares.
The percentage of ownership of the largest shareholder	92,84%

1.5. Minority Rights

Whether the scope of minority rights enlarged (in terms of content or the ratio) in the articles of the association	No
If yes, specify the relevant provision of the articles of association	There is no provision of the Article of Association.

1.6. Dividend Right	
The name of the section on the corporate website that describes the dividend distribution policy	https://www.icbc.com.tr/tr/images/pdf/28022020ICBCTurkey-Bank2020Y%C4%B1%C4%B1KarDa%C4%9F%C4%B1t%C4%B-1mPolitikas%C4%B1.pdf
Minutes of the relevant agenda item in case the board of directors proposed to the general assembly not to distribute dividends, the reason for such proposal and information as to use of the dividend	Prepared by the Board, the proposal for the distribution of the Banks’ Commercial profit for the year 2019 was submitted to the approval of the Ordinary General Assembly held on 27.03.2020 and approved by majority vote. The information provided to the shareholders regarding the undistributed part of 2019 profit is provided in article 7 of the following link. https://www.icbc.com.tr/tr/images/pdf/27032020_GenelKurulToplant%C4%B1Tutanagi.pdf
PDP link to the related general shareholder meeting minutes in case the board of directors proposed to the General Assembly not to distribute dividends	https://www.kap.org.tr/tr/Bildirim/832826

General Assembly Meetings

General Meeting Date	The number of information requests received by the company regarding the clarification of the agenda of the General Shareholders’ Meeting	Shareholder participation rate to the General Shareholders’ Meeting	Percentage of shares directly present at the GSM	Percentage of shares represented by proxy	Specify the name of the page of the corporate website that contains the General Shareholders’ Meeting minutes, and also indicates for each resolution the voting levels for or against	Specify the name of the page of the corporate website that contains all questions asked in the general assembly meeting and all responses to them	The number of the relevant item or paragraph of General Shareholders’ Meeting minutes in relation to related party transactions	The number of declarations by insiders received by the board of directors	The link to the related PDP general shareholder meeting notification
27.03.2020	0	% 92,84	-	% 92,84	Investor Relations / General Assembly/ Ordinary General Assembly Meeting	No Addressed Question	There is no agenda about related parties	216	https://www.kap.org.tr/tr/Bildirim/832826

2. DISCLOSURES AND TRANSPARENCY

2.1. Corporate Website

Specify the name of the sections of the website providing the information requested by the Principle 2.1.1	Turkish Web Site: Home Page > Investor Relations English Web Site: Home Page > Investor Relations
If applicable, specify the name of the sections of the website providing the list of shareholders (ultimate beneficiaries) who directly or indirectly own more than 5% of the shares.	Turkish Web Site: https://www.icbc.com.tr/tr/yatirimci-iliskileri/detay/Ortaklik-Yapisi/129/113/0 English Web Site: https://www.icbc.com.tr/en/investor-relations/detail/Shareholding-Structure/317/852/0
List of languages for which the website is available	Turkish and English

2.2. Annual Report

The page numbers and/or name of the sections in the Annual Report that demonstrate the information requested by principle 2.2.2.	
a) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the duties of the members of the board of directors and executives conducted out of the company and declarations on independence of board members.	2020 Annual Report –Section II Management and Corporate Governance Practise> 2020 Corporate Governance Compliance Principles > Duties Held By Board Members out of the bank 2020 Annual Report –Section II Management and Corporate Governance Practise > Board Members Declaration of Independence.
b) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on committees formed within the board structure.	2020 Annual Report –Section II Management and Corporate Governance Practise > Committees
c) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the number of board meetings in a year and the attendance of the members to these meetings.	2020 Annual Report –Section II Management and Corporate Governance Practise > Information Regarding The Attendance By The Board of Directors and The Committee Members To The Related Meetings During The Accounting Period
ç) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on amendments in the legislation which may significantly affect the activities of the corporation.	In 2020, there weren't any important legislative changes that could significantly affect the Bank's operations.
d) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on significant lawsuits filed against the corporation and the possible results thereof	2020 Annual Report Section I- General Information> Information Related to the Material Lawsuits Brought Against The Bank During the Year 2019 and Their Potential Outcomes
e) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the conflicts of interest of the corporation among the institutions that it purchases services on matters such as investment consulting and rating and the measures taken by the corporation in order to avoid from these conflicts of interest	None
f) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the cross ownership subsidiaries that the direct contribution to the capital exceeds 5%	There is no mutual shareholding relationship in the structure of the Bank's capital.
g) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on social rights and professional training of the employees and activities of corporate social responsibility in respect of the corporate activities that arises social and environmental results	2020 Annual Report Section II- Management and Corporate Governance Practise> Human Resources Practises> Recruitment Practices and Ethic Rules with Social Responsibility

3. STAKEHOLDERS

3.1. Corporation's Policy on Stakeholders	
The name of the section on the corporate website that demonstrates the employee remedy or severance policy	There is no severance policy for Bank's employees. All implementations for the Bank's employees depend on labour law legislation and other relevant regulations. As there is no inconsistency in the internal regulations of the Bank, no severance pay policy has been issued.
The number of definitive convictions the company was subject to in relation to breach of employee rights	4
The position of the person responsible for the alert mechanism (i.e. whistleblowing mechanism)	Head of Internal Audit
The contact detail of the company alert mechanism.	ihbar@icbc.com.tr
3.2. Supporting the Participation of the Stakeholders in the Corporation's Management	
Name of the section on the corporate website that demonstrates the internal regulation addressing the participation of employees on management bodies.	There is no written internal regulation. In all projects carried out within the scope of the Bank's strategic priorities, support is received from the employees, and mid and senior managers are encouraged to make evaluation and participate in decision processes through committees.
Corporate bodies where employees are actually represented	Mid and senior managers among the employees can participate in decision-making mechanisms through committees. In addition, employees at all levels can convey their suggestions, comments, opinions and ideas through the "Suggestion System" on the Bank's intranet portal in order to ensure that employees take an active role in decision-making mechanisms and benefit from their innovative ideas.
3.3. Human Resources Policy	
The role of the board on developing and ensuring that the company has a succession plan for the key management positions	In our bank, the backup plan is made for our senior managers, and the promotion processes are initiated at the beginning of each year. Employees who meet the criteria and complete their seniority are evaluated every quarter. The appointment of the General Manager, Deputy and Assistant General Manager are carried out by the decision of the Board of Directors.
The name of the section on the corporate website that demonstrates the human resource policy covering equal opportunities and hiring principles. Also provide a summary of relevant parts of the human resource policy.	Summary of Human Resources Policy under the Policies in the Investor Relations section of the Bank's corporate website www.icbc.com.tr. The Bank's objective and strategy is to increase employees efficiency and hapiness by using salary system, performance evaluation, career planning and developing, training and similar motivational tools and to create a suitable working environment that will reveal the creativity of our employees through these methods. The Human Resources Department carries out its activities in all matters that concern and cover its employees, regardless of race, gender, nationality, age, religion, political opinion, physical disability, and the principle of respecting private life and all citizenship rights, regardless of all privileges. With this understanding, the ultimate goal of the policy is to reveal the energies and creativity of the employees and to create a business environment conducive to displaying their talents. Issues regarding equal opportunities are included in the Personnel Regulations and are not disclosed on the corporate website.
Whether the company provides an employee stock ownership programme	There is no employee stock ownership programme.

Corporate Governance Principles Compliance Report

The name of the section on the corporate website that demonstrates the human resource policy covering discrimination and mistreatments and the measures to prevent them. Also provide a summary of relevant parts of the human resource policy.	<p>Turkish Web Site: Yatırımcı İlişkileri > Kurumsal Yönetim > Politikalar > ICBC Turkey İnsan Kaynakları Politikası</p> <p>English Web Site: Investor Relations > Corporate Governance > Policies > Human Resources Policies</p> <p>Human Resources Policy is published on the Corporate website. In addition, in the Personnel Regulation published within the Bank, equality of opportunity is taken as a basis in recruitment and career planning, and in accordance with our human resources policy, no discrimination is made among our employees for any reason, and all our personnel are treated within the framework of the principle of equal treatment. The criteria for recruitment are determined in writing and these criteria are followed.</p> <p>The Bank takes utmost care to act fairly in all rights provided to employees. Training programs are carried out to increase the knowledge, skills and competencies of the employees, and in this direction, training policies are created according to the needs and objectives. Regular informative meetings are held with employees on matters such as the bank's financial status, wages, career, education and health, and sharing informations each other. Job descriptions and distribution of duties and performance and reward criteria are regularly informed to the all employees. Efficiency is taken as a basis in determining the wages and other benefits given to employees in line with the policy.</p> <p>The Bank's Human Resources policy is based on the principle of comprehensive opportunities and principle of equal opportunities in order to enhance occupational safety and personal development of the employee professionally. The Bank takes precautions against racial, religious, and gender discrimination among its employees and against physical, mental and mistreatment in the Bank's internal environment.</p>
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The number of definitive convictions the company is subject to in relation to health and safety measures

3.5. Ethical Rules and Social Responsibility

The name of the section on the corporate website that demonstrates the code of ethics	Home Page>Investor Relations> Banking Ethic Rules
The name of the section on the company website that demonstrates the corporate social responsibility report. If such a report does not exist, provide the information about any measures taken on environmental, social and corporate governance issues.	Home Page> Investor Relations>Financial Informations> 4. Quarter Annual Report

Any measures combating any kind of corruption including embezzlement and bribery	On-site and remote inspection and control activities carried out by Internal Audit and Internal Control and Compliance Department; utmost care is taken in prominent measures taken within the scope of combating all kinds of anti-corruption, including embezzlement and bribery, and necessary mechanisms have been set up to evaluate complaints that may arise in this direction.In addition, personnel are informed about these issues and their awareness is expanded during the trainings aimed at combating Laundering Proceeds of Crime and Financing of Terrorism. In our Bank, scenario-based AML (laundering- money detection) program is used; The warnings generated by the said program are examined and the transactions related to the warning are examined within the scope of monitoring and control activities aimed at preventing money laundering and financing of terrorism. When necessary, the branches or units are contacted to obtain detailed information about the nature of the transactions, the customer's risk profile, and the funding sources on which the transactions are based on. Transactions that cause suspicion that corruption may be related to all kinds of corruption including embezzlement and bribery are reported to MASAK by filling in the Suspicious Transaction Notification Form.
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4. BOARD OF DIRECTORS-I	
4.2. Activity of the Board of Directors	Explanations
Date of the last board evaluation conducted	21.02.2019
Whether the board evaluation was externally facilitated	No
Whether all board members released from their duties at the GSM	Yes
Name(s) of the board member(s) with specific delegated duties and authorities, and descriptions of such duties	Xiangyang Gao- Chairman, Executive Member (In charge of Human Resources, BoD Office)
Number of reports presented by internal auditors to the audit committee or any relevant committee to the board	22
Number of reports presented by internal auditors to the audit committee or any relevant committee to the board	2020 Annual Report Section III - Assessment of Operation of Internal Control, Internal Audit and Risk Management Systems By The Audit Committee
Name of the Chairman	Xiangyang Gao
Name of the CEO	Shaoxiong Xie
If the CEO and Chair functions are combined: provide the link to the relevant PDP announcement providing the rationale for such combined roles	The chairman and the General Manager are different persons.
Link to the PDP notification stating that any damage that may be caused by the members of the board of directors during the discharge of their duties is insured for an amount exceeding 25% of the company's capital	Damages that may be caused by the members of the board of directors during the discharge of their duties have been insured under the liability insurance policy within the limit of USD 10 million. However, as stated in the Corporate Governance Principles Communiqué, the amount of insurance is not determined in excess of 25% of the Bank's capital and the issue is not disclosed in the PDP.
The name of the section on the corporate website that demonstrates current diversity policy targeting women directors	There is no policy for the women membership of the Board of Director.
The number and ratio of female directors within the Board of Directors	There is consisted in 1 woman Board member out of 6 Board Members. Woman members is at a rate of %17.

Composition of Board of Directors

Name, Surname of Board Member	The First Election Date To Board	Whether Executive Director Or Not	Whether Independent Director Or Not	Link to PDP Notification That Includes The Independency Declaration	Whether the Independent Director Considered By The Nomination Committee	Whether She/He is the Director Who Ceased to Satisfy The Independence or Not	Whether The Director Has At Least 5 Years' Experience On Audit, Accounting And/Or Finance Or Not
XIANGYANG GAO	22.05.2015	Executive	Not	-	No	No	Yes
JIANFENG ZHENG	22.05.2015	Non- Executive	Not	-	No	No	Yes
YING WANG	22.05.2015	Non- Executive	Independent Member	https://www.kap.org.tr/tr/Bildirim/741509	Yes	No	Yes
PEIGUO LIU	02.01.2017	Non- Executive	Independent Member	-	No	No	Yes
SHAOXIONG XIE	29.11.2018	Executive	Not	-	No	No	Yes
SERHAT YANIK	24.02.2020	Non- Executive	Independent Member	https://www.kap.org.tr/tr/Bildirim/832826	Yes	Hayır	Evet

4. BOARD OF DIRECTORS-II

4.4. Meeting Procedures of the Board of Directors

Number of physical board meetings in the reporting period (meetings in person)	4
Director average attendance rate at board meetings	Physical %67, Circular % 100
Whether the board uses an electronic portal to support its work or not	Yes. E-YKS portal was obtained from Central Securities Depository of Turkey. Due to the fact that there are Board members residing in China, case studies are carried out with MKK on the portal.
Number of minimum days ahead of the board meeting to provide information to directors, as per the board charter	Within the scope of our Bank's principles, information and related documents are submitted to the members at least 12 working days before the meeting.
The name of the section on the corporate website that demonstrates information about the board charter	Home Page> Investor Relations> Articles of Association
Number of maximum external commitments for board members as per the policy covering the number of external duties held by directors	There is no restriction for the Board members to have external duties outside the Bank. Duties held outside of the bank by the Board members are included in the Annual Report submitted to the General Assembly.

4.5. Board Committees

Page numbers or section names of the annual report where information about the board committees are presented.	2020 Annual Report Section II- Management and Corporate Governance Practice / Information Regarding the Committees Established within the Body of the Board of Directors
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	https://www.kap.org.tr/tr/Bildirim/795100 https://www.kap.org.tr/tr/Bildirim/697417 , https://www.kap.org.tr/tr/Bildirim/672968 https://www.kap.org.tr/tr/Bildirim/821196 https://www.kap.org.tr/tr/Bildirim/852426
Link(s) to the PDP announcement(s) with the board committee charters	Committee Working Principles/ Related Web-Site; https://www.icbc.com.tr/tr/yatirimci-iliskileri/pdf-liste/Komiteler/145/0/0
	There is no PDP link to have been disclosed to the public relevant to working principles.The responsibilities of the committees are explained in Section II of the Annual Report - Management and Corporate Governance Practices / Information Regarding the Committees Established within the Body of the Board of Directors.

Composition of Board Committees-I

Names Of The Board Committees	Name Of Committees Defined As “Other” In The First Column	Name-Surname of Committee Members	Whether Committee Chairman Or Not	Whether Board Member Or Not
Audit Committee		Peiguo LIU	Yes	Board Member
Audit Committee		Ying WANG	No	Board Member
Corporate Governance Committee		Serhat YANIK	Evet	Board Member
Corporate Governance Committee		Jianfeng ZHENG	No	Board Member
Corporate Governance Committee		Levent İŞCAN	No	No member of Board
Remuneration Committee		Ying WANG	Yes	Board Member
Remuneration Committee		Jianfeng ZHENG	No	Board Member
Other	Credit Committee	Xiangyang GAO	Yes	Board Member
Other	Credit Committee	Shaoxiong XIE	No	Board Member
Other	Credit Committee	Peiguo LIU	No	Board Member
Other	Board - Risk Management Committee	Xiangyang GAO	Yes	Board Member
Other	Board - Risk Management Committee	Shaoxiong XIE	No	Board Member
Other	Board - Risk Management Committee	Peiguo LIU	No	Board Member
Other	Board - Risk Management Committee	Ying WANG	No	Board Member
Other	Board - Risk Management Committee	Jianfeng ZHENG	No	Board Member

4. BOARD OF DIRECTORS-III	
4.5. Board Committees-II	
Specify where the activities of the audit committee are presented in your annual report or website (Page number or section name in the annual report/website)	2020 Annual Report Section II- Management and Corporate Governance Practices- Information Regarding the Committees Established within the Body of the Board of Directors
Specify where the activities of the corporate governance committee are presented in your annual report or website (Page number or section name in the annual report/website)	2020 Annual Report Section II- Management and Corporate Governance Practices - Information Regarding the Committees Established within the Body of the Board of Directors.
Specify where the activities of the nomination committee are presented in your annual report or website (Page number or section name in the annual report/website)	The functions of the Nomination Committee are performed by the Corporate Governance Committee.
Specify where the activities of the early detection of risk committee are presented in your annual report or website (Page number or section name in the annual report/website)	Within the scope of banking legislation, Credit and Risk Committees 2020 Annual Report Section II Management and Corporate Governance Practices- Information Regarding the Committees Established within the Body of the Board of Directors.
Specify where the activities of the remuneration committee are presented in your annual report or website (Page number or section name in the annual report/website)	2020 Annual Report Section II- Management and Corporate Governance Practices-Information on the Committees Established Within the Board of Directors
4.6. Financial Rights	
Specify where the operational and financial targets and their achievement are presented in your annual report (Page number or section name in the annual report)	2020 Annual Report Section II- Management and Corporate Governance Practices-Summary of the Board of Directors Annual Report
Specify the section of website where remuneration policy for executive and non-executive directors are presented.	Investor Relations-Corporate Governance /Management/ Committees
Specify where the individual remuneration for board members and senior executives are presented in your annual report (Page number or section name in the annual report)	2020 Annual Report Section II Management and Corporate Governance Practices / Corporate Governance Principles Compliance Report Additional Information / -Financial Rights

Composition of Board Committees-II					
Names Of The Board Committees	Name Of Committees Defined As “Other” In The First Column	The Percentage Of Non-executive Directors	The Percentage Of Independent Directors In The Committee	The Number Of Meetings Held In Person	The Number of Reports on its Activities Submitted to the Board
Audit Committee		%100	%100	4	4
Corporate Governance Committee		%67	%33	1	3
Remuneration Committee		%100	%50	1	1
Other	Credit Committee	%33	%33	39	0
Other	Risk Management Committee	%60	%40	4	4

Duties of the Board of Directors Outside of the Bank		
Name / Surname	Positions Assumed at the Bank at the Last 5 Years	Positions Held out of the Bank (Segregated as Within the Group and Out of the Group)
Xiangyang GAO	Chairman of the Board of Directors and Credit Committee (Executive Member), Member of the Board of Directors, General Manager, Chairman of the Credit Committee, Chairman of the Board of Directors and Credit Committee, Member of the Risk Management Committee of the Board of Directors, Vice Chairman of the Credit Committee	
Shaoxiong XIE	General Manager/Member of the Board of Directors, Vice President of Credit Committee, Member of the Risk Management Committee of the Board of Directors	Intra-Group: Chairman of the Board of Directors at ICBC Turkey Yatırım Menkul Değerler A.Ş., an affiliate of the Bank.
Peiguo LIU	Board of Directors Member, Chairman of the Audit Committee Credit Committee Member, Coordinator of the General Secretariat Group, Member of the Risk Management Committee of the Board of Directors	Intra-Group: Member of the Board of Directors at ICBC Turkey Yatırım Menkul Değerler A.Ş., an affiliate of the Bank
Jianfeng ZHENG	Member of the Board of Directors, Member of the Corporate Governance Committee, Member of the Remuneration Committee, Member of the Risk Management Committee of the Board of Directors, Alternate Member of the Credit Committee	Intra-Group: ICBC Group Corporate Strategy and Investor Relations Department Senior Expert, Non-Executive Member of the Board of Directors in ICBC Mexico Ltd., ICBC Macau Ltd. ICBC (Thai) Public Company Ltd., ICBC Credit Suisse Asset Management Co. Ltd. Supervisor
Ying WANG	Independent Member of the Board of Directors, Member of the Audit Committee, Chairman of the Remuneration Committee, Member of the Risk Management Committee of the Board of Directors, Alternate Member of the Credit Committee,	Intra-Group: ICBC Group Corporate Strategy and Investor Relations Department Senior Expert, Non-Executive Member of the Board of Directors in ICBC-AXA Assurance Co. Ltd., ICBC Europe S.A.
Serhat YANIK	Corporate Governance Committee Chairman	İstanbul University Professor Dr. (Academic Member)

ABOUT SUSTAINABILITY PRINCIPLES COMPLIANCE FRAMEWORK

Capital Market Board made amendment for partnerships in the 5th paragraph of the 1st article of the Corporate Governance Communiqué no.II-17.1 on October 2nd 2020 and in the 2021 Annual Reports, it is requested to give place it whether the basic principles determined within the framework of sustainability principles are practised, if not, justify explanations regarding the reason why, and the impacts of environmental and social risk management (“ESG”) due to not fully complying with these principles. Although the implementation of sustainability principles is voluntary, companies are obliged to report whether they are implemented or not with the principle of "Comply or Explain".

We are planning to integrate the generally accepted ESG reporting metrics with global understanding in align with our Bank's structure and strategic goals in order to comply with the principles stated in the Sustainability Principles Compliance

Framework document and to create value for our Bank in the long term. In this context, works will be initiated to establish relevant committees, to determine exact strategies and to formulate policies in order to comply with these principles.

Necessary implementations will be initiated by our Bank so as to comply with the principles under the title of A. General Principles and B. Environmental Principles. Besides, the activities managed by our Bank within the scope of Human Resources Practices and Corporate Governance activities have been contained under the title of Management and Corporate Governance Practices in Part II of the Annual Report.

Main standardizations will be specified in the basis of "Environmental, Social, Corporate Governance" integrated with our Bank's mission, vision and strategies, sustainability report which we plan to disclose it for the upcoming years. Plus, the measurement of the contributions of innovative approaches to be obtained from these methods will be systematized.

Assessment of Operation of the Internal Control, Internal Audit and the Risk Management Systems by the Audit Committee

UNCONSOLIDATED FINANCIAL INFORMATION AND THE ASSESSMENTS RELATED TO THE RISK MANAGEMENT

ASSESSMENT OF OPERATION OF THE INTERNAL CONTROL, INTERNAL AUDIT AND THE RISK MANAGEMENT SYSTEMS BY THE AUDIT COMMITTEE

Developments in recent years showed once again how an important function is risk management in banking. Risk management, which have always been the main function of banking and implemented most effectively at all times, have started to be implemented more differently and delicately in the recent years compared to the previous years due to more technical applications being implemented, risk sensitivity being further considered and the special attention paid to the matter by the local authorities and the support of the legislation.

At our Bank, the framework of the Risk Management has been determined by the Board of Directors and the Risk Management Department and risk committees consisting of the senior executives of the business lines have been assigned to deal with this issue. Together with the parties responsible for the processes, the Risk Management Department is responsible for establishing the risk policies and procedures, computing, analyzing, monitoring and reporting the risks, within the framework of the principles approved by the Board of Directors.

The Internal Audit Board of our Bank has been operating pursuant to the Banking Law numbered 5411 and the Regulation on the Internal Systems of the Banks and the Internal Capital Adequacy Assessment Process issued pursuant to the Banking Law. The purpose of the Board is to ensure our Bank's senior management that the banking operations are being conducted in compliance with the laws and the related legislation and the internal strategies, policies, principles and targets of our Bank and the efficiency and sufficiency of our Bank's internal control and risk management systems. The Board performs its duties independently and objectively directly under supervision of the Board of Directors.

At our Bank, an Internal Control and Compliance Department operating under supervision of the Board of Directors, has been formed in order to design the internal control activities and collaboration. Within the scope of the internal control activities included are the controlling of the operational transactions for the conducting of the activities, communication channels, information technologies and financial reporting and the compliance controls. Regulations as to the requisite of obtaining approvals from the Internal Control and Compliance Department for the new products and transactions and the activities planned to be conducted prior to submitting them to the Board of Directors have been implemented. Within the scope of the legislation on prevention of laundering proceeds of crime and financing of terrorism, a Compliance Program has been initiated in our Bank and the risk management, monitoring and controlling and training activities within the scope of the aforementioned legislation are conducted by the Internal Control and Compliance Department. Our Bank recognizes the importance of the risk management, internal control and inspection functions that are the subject matter of the internal systems and closely monitors the developments in this matter and benefits from the outputs thereof. In this context, assessments and decisions taken at the quarterly Audit Committee meetings made in quarterly periods with the presence of the department heads of the Internal Controls have been submitted to the Board of Directors for their attention and approval.

In the period ahead, as has been so far, our Bank shall continue its decisiveness with regards to the risk oriented approach and closely monitor the internal systems and the implementation results as well as the proposals by the independent auditors and necessary remediation shall be put in place and addressed at the Audit Committee meetings.

Sincerely yours,
Peiguo Liu, Chairman of the Audit Committee



Ying Wang, Member of the Audit Committee



Information Regarding the 2020 Activities of the Internal Control, Internal Audit and the Risk Management Systems

Internal Control and Compliance Department

An internal control system has been established, in compliance with the BRSA regulations and covering all the activities of the branches, Head Office departments and the Bank's affiliates included in the consolidation, in order to protect the Bank's assets, conduct the Bank's activities effectively and efficiently in compliance with the Banking Law and other related legislation, the Bank's internal policies and rules and the general practices of the banking sector, ensure that the accounting and financial reporting systems are secured, integrated and the information is obtained on a timely basis.

The Bank has already established and announced to all of its personnel its strategies and policies regarding the control activities and the measures necessary to maintain the internal control systems effectively within the Bank have been taken by the Board of Directors. In order to achieve the foreseen purpose from the internal control systems, functional segregation of duties have been identified, responsibilities have been allocated, accounting and financial reporting systems, information technologies and internal communication channels have been established to work effectively, business sustainability plan has been prepared, internal control activities have been determined and the work flow charts indicating the controls over the work processes and business steps have been prepared.

Within the scope of the internal control activities included are the controlling of the operational transactions for conducting of the activities, communication channels, information technologies and financial reporting and the compliance controls. Control of the uninterrupted compliance is conducted by the Internal Control and Compliance Department. Regulations as to the requisite of obtaining the Internal Control and Compliance Department's opinion for the new products and transactions and the activities planned to be conducted prior to submitting them to the Board of Directors have been implemented. Internal control activities have been designed as an integral part of the Bank's daily operations. Written policies and the implementation procedures of the internal controls have being developed and all of the Bank's personnel have been and are being informed regarding the policies and implementation procedures related to internal control activities developed for their lines of activities.

In the Bank, an Internal Control Department operating under the Board of Directors was formed in 2001 in accordance with the regulations issued by the Banking Regulation and Supervision Agency (the BRSA) in order to design the internal control activities and collaboration and on March 10th 2008, with the integration of the compliance function, the name of the department was changed to Internal Control and Compliance Department. Legislation Unit has also been operating under the department since April 1st 2011. The department fulfilled its responsibilities to the Board of Directors through the Audit Committee until 05.11.2019. Within the scope of the Enterprise Risk Management Regulation published on 05.11.2019, the department fulfils its responsibilities to the Board of Directors through the Risk Management Committee of Board of Directors.

Internal control systems and activities and how they shall be implemented are designed by the Internal Control and Compliance Department in coordination with the senior managers of the related departments by taken the characteristics of all of the activities that the Bank conducts into account. Within the scope of the legislation on the prevention of laundering proceeds of crime and financing of terrorism, a Compliance Program has been established in our Bank and the risk management, monitoring and controlling and training activities within the scope of the aforementioned legislation are conducted by the Internal Control and Compliance Department. In addition within the department, activities are conducted for following-up of Banking and other relevant legislation, making necessary announcements and notifications to the relevant departments and branches in case of changes in the legislation, researching and answering the questions encountered in the implementation of the legislation.

As of the end of 2020, there are 15 persons working in the Internal Control and Compliance Department, 1 Managing Director, 1 Director, 5 Manager, 4 Assistant Manager, 3 Senior Specialist, 1 Specialist. Internal control and compliance personnel perform their duties in the branches where the operations are conducted, in the Head Office and the affiliates included in the consolidation. There are two units operating under the Internal Control and Compliance Department: Head Office and Branches Control Unit, Legislation and Compliance Unit. Within the scope of branch control activities, regional structures have been set up, hence the Branches are subject to on-site control activities within the scope of the control planning.

The Internal Control and Compliance Department performs both the Head Office and information systems, branches and compliance control studies as an integral part of its daily activities in the form of periodic, spot and on-site controls and prepares reports based on the content of the works performed. In the reports prepared, great importance is attached to the development of the internal control system and the suggestions to enhance the control culture in-bank. Preventive control points are created by focusing on areas that may create high risks in activities. During 2020 operating period, each internal control employee in the branches was given the responsibility of 13 branches in average and within this context, 3 internal control personnel were continuously conducting control activities in the branches; all branches were subjected to on-site control studies on average 1.1 times during the year. Apart from these, control responsables have been identified among the personnel performing operational transactions in some departments and units of the Head Office and in branches, these responsible persons carry out control studies within the scope of the control lists prepared by the Internal Control and Compliance Department and on other necessary issues, and report them to the department within specified periods.

Information Regarding the 2020 Activities of the Internal Control, Internal Audit and the Risk Management Systems

Internal Audit

Internal Audit Department of the Bank has been operating pursuant to the Banking Law no.5411 and the Regulation on the Internal Systems and Assessment of the Internal Capital Adequacy Processes of the Banks issued pursuant to the Banking Law. The purpose of the Board is to ensure the Bank's senior management that the banking operations are being conducted in compliance with the laws and the related legislation and the internal strategies, policies, principles and targets of the Bank and the efficiency and sufficiency of the Bank's internal control and risk management systems. The Board performs its duties independently and objectively, under supervision of the Board of Directors through the Audit Committee.

As of December 31st 2020, the Internal Audit Department consisted of 9 people; 1 Managing Director, 1 Director, 5 Auditors, 1 Senior Consultant and 1 Expat.

Branches, Head Office departments and the Bank's Affiliate(s) and the processes and activities implemented and conducted therein, are included in the annual audit plan based on periodicity and risk management. The Internal Audit Department presents its opinions and recommendations as to the deficiencies and mistakes identified as a result of such audits, utilization of the Bank's resources more effectively and efficiently and limitation of the risks. As a result of the risk assessments, activities of the Internal Audit Department in 2020 have concentrated on the credit risks and operational risks. Among its other responsibilities, the Internal Audit Department is also responsible for coordination of all external audits.

Information technologies systems are inspected based on the adaptation of the methods set out in the "Controlling of the Information Technologies Targets (COBIT)", an international standard in this area and articles within the scope of the "Regulation on Information Systems of Banks and Electronic Banking Services". In order to enhance these types of audits, one auditor within the Internal Audit Department have been assigned to this task and audit of the information technologies systems has been an on-going process.

Internal Audit Department is authorized to investigate and identify whether the personnel working in the Headquarters' Units, branches and the affiliates of the Bank commit any acts that have been determined as crime and fault in the related legislation. These investigations include determination of the degrees of such crime and recommendation of suitable penalties, identification and elimination remedy works of the losses and deficiencies incurred or threatened to incur. Furthermore, investigations continue to be carried out in case of significant personnel wrongdoings or significant wrong implementations as determined by the "Internal Control and Compliance" Department regarding loans transferred to legal proceedings and / or administrative penalties from regulatory authorities.

Auditors submit their reports containing the findings of their audits to the Senior Management and the Audit Committee through the Board, as practicable as possible.

For the auditors to perform their duties with the professional care and attention, all kinds of measures are taken and attention is paid for their professional training activities and personal development.

Risk Management

Information Related to the Risk Management Policies Implemented Based on the Risk Types

Risk management activities are conducted by the Risk Management Committee of Board of Directors that reports directly to the Board of Directors and the Risk Management Department which fulfils its responsibilities against the Board of Directors through said committee and the Risk Management Committee, composed of the senior management and chaired by the General Manager and sub risk management committees chaired by the persons who are responsible for related risks. Risk management sub-committees are; the Market Risk Committee, Credit Risk Committee, Operational Risk Committee. The sub-committees hold meeting to analyze the related risk management works and report to Risk Management Department monthly. The Risk Management Department prepares the enterprise risk management report accordingly.

The division of leading management responsibilities for various risks as follow:

- Risk Management Department is responsible for enterprise risk, market risk and country risk management,
- Credit and Investment Management Department takes the lead in credit risk management,
- Internal Control & Compliance Department takes the lead in operational risk, compliance and AML risk management,
- Asset & Liability Management Department is responsible for liquidity risk, interest rate risk and exchange rate risk management of banking book,
- Executive Office is responsible for reputational risk management,
- Economic Researches Department is responsible for strategic risk management,
- Legal Affairs Department is responsible for legal risk management.

Risk management policies are determined in accordance with the Bank's operations size, quality and complexity and are based on the Bank's past experience and performance. Bank's main risk policies including risk appetite and limits for each risk are credit risk, market risk, operational risk, country risk, interest rate risk, liquidity risk, strategic risk, reputaional risk policies.

The Bank has set out the ICAAP management implementation principles, covering all risks on consolidated basis, consistent with the risk appetite, based on adequate and convenient quantification- assessment methods and processes and with a forward looking perspective, as a part of the Bank's internal governance processes and decision making culture.

ICAAP (Internal Capital Adequacy Assessment Process) is to be under responsibility of the Risk Management Department and it is planned to be revised in annual periods or more frequently, if needed. Risk Policies reflecting the risk taking approach of the Bank, set out the standards and principles applicable throughout the Bank.

Credit Risk Policy, formed to ensure efficient risk management considering asset quality and risk/return balance, includes also the limits relating to credit risk determined in accordance with the risk tolerance.

In risk management, different ratings models are used for corporate and commercial banking, enterprise banking and individual banking segments and credit cards.

Credit performances of the customers are followed by a system, containing early warning signals. Thereby, necessary actions may be taken automatically.

At ICBC Turkey, operational risk management activities are conducted in compliance with local and international regulations in line with Basel II. Operational Risk Policies, Operational Risk Monitoring Rules and Operational Risk Mitigation Principles which have been prepared in this direction, are in force and effect.

Business continuity activities are conducted by the Operational Risk Committee, according to the Bank's Business Continuity Strategy.

Information Regarding the 2020 Activities of the Internal Control, Internal Audit and the Risk Management Systems

At ICBC Turkey, market risk management activities include quantification, monitoring and reporting the risks encountered due to price, exchange rate, interest fluctuations that occur at financial markets and effects of such risks on liquidity. Market Risk Policy sets out the market risk management framework.

To manage market risk, the Bank benefits from the results obtained by it by Basel II advanced quantification techniques, for setting the limits intended to limit the risk. In this context, advance quantification models are used and risk quantifications and daily limits controls are made and various scenario analysis and stress tests are applied.

Results of calculations and analysis made by the Risk Management Department, are reported to related business units and to the senior management in daily, weekly and monthly periods.

Market Risk Management

Market risk refers to the risk of loss that may be incurred due to fluctuations in the value of positions included in trading accounts of the Bank, in interest rates, equity prices and exchange rates.

At our Bank, for market risk management, quantification methods such as the Value at Risk (VaR), stress test and scenario analysis, duration gap and sensitivity analysis are used.

VaR, as quantification of maximum potential loss that may be sustained in the market value of the trading portfolio in hand, in a certain time period; in calculated on daily basis by Historical Simulation, Variation-Co variation and Monte-Carlo Simulation methods for 99% confidence interval and for one day holding period. VaR calculated by internal models is used for market risk management of trading transactions.

In order to manage the market risk encountered due to the positions carried in trading accounts, efficiently and in consistent with the Bank's risk tolerance; risk limits linked to the ratio of VaR to equity capital, are set out. Compliance with the limits is monitored by the Risk Methodology Model Development and Reporting Unit and the VaR results are reported regularly.

By the risk quantification method used, estimated earnings/losses are compared with realised values and thereby, retrospective test is applied and the reliability of the model is monitored. Durability of the share capital against the risks that may occur at the times when fluctuations are at very high level at the market, is measured by stress tests and scenario analysis. In accordance with existing legal regulations, legal capital requirement for market risk is calculated by using standard method and is reported to the BRSA.

Managing the Interest Rate Risk Arising from the Banking Accounts

Interest Rate Risk Arising from the Banking Accounts refers to the risk incurred by the Bank due to inconsistency in maturity periods in its balance sheet. The risk is managed by the Treasury Department within the framework of the strategies set by the Assets and Liabilities Committee, in accordance with the policy approved by the Board of Directors.

To measure the risk; the duration gap reports prepared according to the current values calculated by using the market interest rates on cash flows, of all interest-sensitive assets and liabilities in and out of the balance sheet, on the basis of each transaction; are used. Impact of change in interest rates on the net economic value, is measured by scenario analysis. In the scenario analysis, as a shock scenario, for TL assets-liabilities +%5/-%4, for FX assets-liabilities +%2/-%2 interest shock is applied in accordance with legal regulations and they are reported to the BRSA.

Impact of changes in Exchange rates and interests, on the net balance sheet value, is followed regularly by various scenarios and the impact of change on equity capital, is followed closely.

Liquidity Risk Management

Liquidity risk refers to the risk of inability to fulfil, fully and on time, the obligations due to market conditions and inconsistencies in cash flow which may arise from the Bank's balance sheet structure. Liquidity management is conducted by the Treasury Department within the framework of the strategies set by the Assets and Liabilities Committee, in accordance with the policy approved by the Board of Directors.

The Bank monitors the liquidity risk within the framework of the early warning signals and the actions that may be taken, set out in writing in the Principles on Liquidity Management. Various liquidity ratios are calculated within the framework of the Principles on Liquidity Management and their Management and their development is followed. Scenario analysis is also used within the scope of liquidity management.

Credit Risk Management

Credit risk means the probability of losses that may occur as a result of partial or whole non-fulfilment of the responsibilities under the credit agreements by the customers who have utilized credits.

The Bank manages its credit risk on a portfolio basis by considering the balance of risk and return and the asset quality of the Bank. As a result of the legal share capital need to be allocated for the credit risk being very high due to the weight of the loans in the balance sheet, credit risk management policies are established in such a way as to minimize the foreseeable risks related to the loans and target to interfere, control and take action on a timely basis in order to ensure that the credit process works effectively.

The Bank has adopted concentration limits – degree, sector, product, collateral, size of the risk, currency, maturity –, all determined internally and approved by the Board of Directors in order to keep the structure and the quality of the credit portfolio at a determined level. Monitoring of the credit policy limits and the assessments related to the rating models used are performed by the Risk Management Department. Scenario analyses are also used in managing the credit risk and due precautions are taken without delay, for credit quality in compliance with the risk appetite.

Operational Risk Management

Priority of the Bank in terms of the works performed within the scope of the operational risk management, is the compliance with Basel II in every stage. Additionally, importance is attached to the works intended to make the operational risk awareness as part of the corporate culture as well.

Operational risks are classified and monitored in groups as recommended by Basel II. Data regarding losses are collected by the operational risk loss database.

Operational risks are identified through risk control and self-evaluation works which ensure taking actions for material risks.

Business Continuity Management

With regards to business continuity, the Bank has prepared a Business Continuity and Emergency Plan and Emergency Manual Operations Application Instruction in order to minimize the losses in case the banking activities cannot be conducted during any internal and external emergency situations and in the unexpected circumstances. Emergency tests for critical business processes identified through consolidated business-impact analysis are conducted at the Business Continuity Center. In addition, Emergency Manual Operations Application Instruction, restore, communication network tests, as well as emergency evacuation drills are performed in all branches and headquarters.

Country Risk Management

Country risks that may be exposed to due to international lending and investment activities are monitored periodically in order to take the necessary measures despite the deterioration in the economic, political and social factors that may arise.

Strategic Risk Management

The Bank closely monitors the risks that may arise as a result of wrong business choices or improper implementation of business choices or the failure to analyze and interpret sectoral changes well, and not to make decisions and to act in accordance with the opportunities and threats that may arise from these changes in the future.

Reputational Risk Management

Decreasing trust in the Bank or the potential loss of reputational risk towards the Bank as a result of negative opinions of the parties, such as existing or potential customers, partners, competitors and supervisors, or failure to comply with the current legal regulations, is an important part of all business decisions.

Informations on the Financial Position, Profitability and Solvency of the Bank

FINANCIAL POSITION

As of year-end 2020, the Bank's total asset size reached TL 24.9 billion with an increase of 37% year-on-year. Total loans increased by 56% and accounted for 57% of the total assets. In 2020, non-performing loans ratio was 0.32% (2019: 1.8%). Customer Deposits increased by 14% from last year to TL 11.9 billion.

The share of deposits in total liabilities was 48%. The Bank's total shareholders' equity was TL 1.3 billion as of year-end 2020. Unconsolidated capital adequacy ratio was 19.48%. (2019: 18.64%).

TL Million	2019	%	2020	%	Change (amount)	Change (%)
Assets	18,191	100	24,863	100	6,672	36.68
Current Assets	4,365.3	24.0	5,028.7	20.2	663	15.2
Cash and Cash Equivalents & Central Bank	2,073.5	11.4	3,160.9	12.7	1,087	52.4
Banks and Other Financial Institutions	2,299.7	12.6	1,870	7.5	-430	-18.7
Placements	13,573.3	74.6	19,404	78	5,831	43
Financial Placements	4,693.5	25.8	5,573.1	22.4	880	18.7
Securities Held for Trading ^(*)	1,804.4	9.9	1,182	4.8	-622	-35.3
Securities Held to Maturity	2,889.1	15.9	4,391.1	17.7	1,502	52
Commercial Placements	9,088.1	50	14,154.8	56.9	5,067	55.8
TL Loans	1,943.1	10.7	2,532.5	10.2	589	30.3
FC Loans ^(**)	7,145	39.3	11,622.3	46.7	4,477	62.7
Non-Performing Loans	167.9	0.9	45.6	0.2	-122	-72.8
Provisions	208.3	1.1	323.9	1.3	116	55.5
Fixed Assets	201.2	1.1	193.3	0.8	-8	-3.9
Subsidiaries and Affiliates	76.0	0.4	76.0	0.3	0	0.0
Tangible Assets	117.2	0.6	110.2	0.4	-7	-6
Intangible Assets	8.0	0.0	7.1	0.0	-1	-11.3
Other Assets	51.3	0.3	237.3	1.0	186	362.6

^(*) Including derivative financial assets.

^(**) Including the loans which are classified as Financial Assets at Fair Value Through Other Comprehensive Income.

TL Million	2019	%	2020	%	Change (amount)	Change (%)
Liabilities	18,191	100	24,863	100	6,672	36.68
Deposits ^(*)	10,437.5	57.4	11,856.1	47.7	1,419	13.6
TL Deposits	2,958.6	16.3	1,761.6	7.1	-1,197	-40.5
Demand Deposits	132.0	0.7	142.0	0.6	10	7.6
Time Deposits	2,826.6	15.5	1,619.6	6.5	-1,207	-42.7
FC Deposits	7,478.9	41.1	10,094.5	40.6	2,616	35
Demand Deposits	449.9	2.5	700.1	2.8	250	55.6
Time Deposits	7,029.0	38.6	9,394.4	37.8	2,365	33.7
Money Markets	18.8	0.1	697.7	2.8	679	3,611.2
Bank Deposits	176	1.0	180	0.7	4	2.3
Borrowings	6,020.4	33.1	10,294.4	41.4	4,274	71
Provisions	127.4	0.7	199.7	0.8	72	56.8
Other	150.7	0.8	319.7	1.3	169	112.1
Shareholders' Equity	1,259.8	6.9	1,315.4	5.3	56	4.4
Paid in Capital	860.0	4.7	860.0	3.5	0	0.0
Reserves	399.8	2.2	455.4	1.8	56	13.9
Profit / Loss	40.9	0.2	58	0.2	17	41.8

^(*) Excluding bank deposits.

PROFITABILITY

The Bank's net profit increased compared to that of the previous year and reached TL 58 million. In 2020, the return on assets and return on equity ratios of the Bank were 0.3% (2019: 0.2%) and 4.4% (2019: 3.4%), respectively.

Operating income of ICBC Turkey in 2020 was TL 777 million. Our Bank achieved a net profit level of TL 58 million at year-end 2020. Because of restricted growth interest income decreased 11%, net fees and commission income increased 42%.

Income Statement	2019	2020	Change (amount)	Change (%)
Interest Income	1,272.7	1,128.3	-144.4	-11.3
Interest Expense	889.9	689.9	-200	-22.5
Net Interest Income	382.8	438.4	55.6	14.5
Net Fees and Commission Income	92.5	131	38.5	41.7
Net Trading Profit / Loss	24.8	66	41.3	166.6
Other Operating Income	44.8	141.6	96.8	216
Total Operating Income	544.9	777.1	232.2	42.6
Other Operating Expenses ^(*)	373.0	460.5	87.5	23.4
Provisions for Loans and Other Receivables	89.7	228.7	139	154.9
Profit/Loss Before Tax	82.1	87.9	5.8	7.0
Provision for Taxes	41.3	29.9	-11.4	-27.6
Net Profit/Loss for the Period	40.9	58	17.2	42

^(*) Staff costs are included.

Bank’s Credit Rating Scores and Related Explanations

Fitch Ratings, revised ICBC Turkey’s Long-Term FC IDR and Long-Term LC IDR’s Outlooks as “Stable” on October 13rd 2020. The current rating notes of the Bank has been mentioned below.

Fitch Ratings		
Long term credit rating denominated in TL	BB-	
Long term credit rating denominated in foreign currency	B+	
National long term credit rating	AA(tur)	
Short term credit rating denominated in foreign currency and in TL	B	
Viability rating	b	
Support Rating	4	
Outlook	Stable	

* The “Credit Rating” services provided by Fitch Ratings to ICBC Turkey Bank A.Ş. has been mutually decided to be cancelled and the rating process has been terminated.

Summary of 5-Years Financial Informations Including the Report Period

TL thousand	2016	2017	2018 ¹	2019	2020
Total Assets	8,217,724	12,888,024	15,524,795	18,191,150	24.862.623
Total Deposits ^(*)	2,929,000	3,287,840	6,885,541	10,437,573	11.856.143
Total Loans ^(**)	5,071,404	7,630,620	7,829,445	9,088,109	14.154.863
Shareholders’ Equity	594,507	1,093,724	1,127,994	1,259,775	1.315.427
Net Profit	13,700	42,484	62,069	40,869	58.048

^(*) Excluding bank deposits.
^(**) Including the loans which are classified as Financial Assets at Fair Value Through Other Comprehensive Income.
¹ Due to change in The Uniform Chart of Accounts as of February 1st 2019, financial asset’s as fair value through other comprehensive income, expected loss provisions are recorded under equity. Some adjustments have been made in prior period financial statements through “Communiqué on Amendments to the Communiqué on the Financial Statements and the Related Explanations and Footnotes to be Announced to Public by Banks”.

Other Issues - Explanations Regarding the Post Balance Sheet Events Period

Detailed explanations on the matters occurred after the balance sheet date, are given in the footnote no. 5. of the Section IX. of the “Unconsolidated Financial Statements to be Disclosed to Public for the Reporting Period ended as of December 31st 2020, the Explanations and Footnotes Related Thereto and the Independent Audit Report”.

Turkish version of Unconsolidated Financial Statements of ICBC Turkey for the reporting period ended as of December 31st 2020, Explanations and Footnotes Related Thereto and the Independent Audit Report are available at the Bank’s website at the address of “http://www.icbc.com.tr” under the heading “Investor Relations” / “Financial Information”.

Consolidated Financial Informations

SUMMARY OF 5-YEARS CONSOLIDATED FINANCIAL INFORMATIONS INCLUDING THE REPORT PERIOD

TL Thousand	2016	2017	2018	2019	2020
Total Assets	8.308.619	13.315.560	15.852.490	18.391.481	25.181.183
Total Deposits	2.850.077	3.273.860	6.699.689	9.790.304	11.459.149
Total Loans ^(**)	5.098.106	7.680.821	7.874.592	9.132.429	14.241.068
Shareholders’ Equity	607.007	1.112.294	1.166.569	1.329.312	1.417.816
Net Profit	18.749	48.283	83.549	71.510	90.931

¹ Due to change in The Uniform Chart of Accounts as of February 1st 2019, financial asset’s as fair value through other comprehensive income, expected loss provisions are recorded under equity. Some adjustments have been made in prior period financial statements through “Communiqué on Amendments to the Communiqué on the Financial Statements and the Related Explanations and Footnotes to be Announced to Public by Banks”.
^(**) Including the loans which are classified as Financial Assets at Fair Value Through Other Comprehensive Income.

Financial Highlights (TL million)	31.12.2019	31.12.2020	%
Total Assets	18.391	25.181	37
Deposits ^(*)	9.790	11.459	17
Loans ^(**)	9.132	14.241	56
Shareholders’ Equity	1.329	1.418	7
Net Profit	71.5	90.9	27

^(*) Excluding deposits from banks.
^(**) Including the loans which are classified as Financial Assets at Fair Value Through Other Comprehensive Income.

Financial Ratios %	31.12.2019	31.12.2020	%
Return on Assets	0.42	0.42	0
Return on Equity	5.7	6.6	16
Capital Adequacy Ratio	18.7	19.57	5
Loans/Total Assets	49.7	56.5	13.9
Deposits/Total Assets ^(*)	53.2	45.5	-15
NPL Ratio	1.8	0.32	-83

^(*) Excluding deposits from banks.

INFORMATION RELATED TO THE CONSOLIDATED SUBSIDIARIES

Company	Address (City/ Country)	Stake (%)	Stake in Bank’s Risk Group
ICBC Turkey Yatırım Menkul Değerler A.Ş.	Istanbul/Turkey	99.998	99.998

Summary financials of the above-mentioned subsidiary (31 December 2020):

Total Assets	Shareholders’ Equity	Fixed Assets	Interest Income	Income from Securities	Net Income	Prior Period Net Income	Fair Value
791.569	178.389	3.896	17.345	9	32.883	30.641	-

The Consolidated Year-end Financial Statements Prepared as of December 31st 2020

The Consolidated Financial Statements of ICBC Turkey for the reporting period ended as of December 31st 2020, Explanations and Footnotes Related Thereto and the Independent Audit Report are available at the Bank’s website at the address of “http://www.icbc.com.tr” under the heading “Investor Relations” / “Financial Information”.

INDEPENDENT AUDITOR’S REPORT

To the General Assembly of ICBC Turkey Bank A.Ş

A) Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of ICBC Turkey Bank A.Ş (“the Bank”) and its subsidiaries (together will be referred as “the Group”) which comprise the consolidated balance sheet as at 31 December 2020 and the consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in shareholders’ equity and consolidated statement of cash flows for the year then ended, and consolidated notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2020, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the “Banking Regulation and Supervision Agency (“BRSA”) Accounting and Financial Reporting Legislation” which includes the “Regulation on Accounting Applications for Banks and Safeguarding of Documents” published in the Official Gazette No. 26333 dated 1 November 2006, and other regulations on accounting records of banks published by Banking Regulation and Supervision Board and circulars and interpretations published by BRSA and requirements of Turkish Financial Reporting Standards (“TFRS”) for the matters not regulated by the aforementioned legislations.

Basis for Opinion

We conducted our audit in accordance with the “Regulation on Independent Audit of the Banks” published in the Official Gazette No.29314 dated 2 April 2015 by BRSA and Standards on Auditing which is a component of the Turkish Auditing Standards published by the Public Oversight Accounting and Auditing Standards Authority (“POA”) (“Standards on Auditing issued by POA”). Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We declare that we are independent of the Group in accordance with the Ethics for Auditors issued by POA (“POA’s Code of Ethics”) and the ethical requirements in the regulations that are relevant to audit of consolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the POA’s Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR’S REPORT

Impairment of loans measured at amortised cost

The details of accounting policies and significant estimates and assumptions for impairment of loans measured at amortised cost is presented Section Three, Note VIII to the consolidated financial statements.

Key audit matter	How the matter is addressed in our audit
<p>As of 31 December 2020, loans measured at amortised cost comprise 50% of the Group’s total assets.</p> <p>The Group recognizes its loans measured at amortised cost in accordance with the Regulation on the Procedures and Principles for Classification of Loans by Banks and Provisions to be set aside (the “Regulation”) published on the Official Gazette No. 29750 dated 22 June 2016 and effective as of 1 January 2018 and TFRS 9 Financial Instruments standard (“the Standard”).</p> <p>In accordance with the Regulation and the Standard, in determining the impairment of loans, the Bank applies “expected credit loss model” which contains significant assumptions and estimates.</p> <p>The significant assumptions and estimates of the Group’s management are as follows:</p> <ul style="list-style-type: none">- assessment of significant increase in credit risk- incorporating the forward looking macroeconomic information in calculation of credit risk; and- design and implementation of expected credit loss model. <p>The determination of the impairment of loans measured at amortised cost depends on (i) the credit default status, (ii) the model based on the change in the credit risk subsequent to the initial recognition date and (iii) the classification of the loans measured at amortised cost according to the model. Establishing an appropriate loan classification is a significant process as the calculation of expected credit loss varies to the staging of the financial assets.</p> <p>The Group calculates expected credit losses on both an individual and a collective basis. Individual provisions consider the estimated future cash flows and the fair value of the collateral provided for credit transactions.</p> <p>The collective provisions are modelled by using current and past data sets and forward looking expectations.</p> <p>Impairment on loans measured at amortised cost was considered to be a key audit matter, due to the significance of the estimates, assumptions, the level of management judgements and its complex structure as explained above.</p>	<p>Our procedures for testing the expected credit loss included below:</p> <ul style="list-style-type: none">- We tested the design and operating effectiveness of the controls on lending, collateralization, collection, follow-up, classification and impairment procedures are tested with the involvement of information risk management specialists.- The contractual cash flow tests prepared for the financial assets of the Group were examined and the results of the tests were checked for compliance with the loan agreements.- The conformity of the subjective and objective criteria defined in the Group’s impairment model has been checked for compliance with the Regulation and the Standard.- We evaluated the Group’s business model and methodology and the evaluation of the calculations were carried out with the control testing and detailed analysis by the involvement of specialists.- We performed loan reviews for selected loan samples which include a detailed examination of loan files and related information and testing their classification. In this context, the current status of the loan customer has been evaluated by including the impact of COVID-19 on prospective information and macroeconomic variables.- We evaluated the accuracy of the expected credit loss calculations by selecting sample for the loans which are assessed on individual basis.- We tested the accuracy and completeness of the data in the calculation models for the loans which are assessed on collective basis. The expected credit loss calculation has been tested through recalculation. The models used for the calculation of the risk parameters were examined and the risk parameters were recalculated.- We assessed the macroeconomic models including the effects of COVID-19, that are used to reflect forward looking expectations and tested the effect of the risk parameters by recalculation method.- We evaluated the qualitative and quantitative assessments, including the effects of COVID-19, which are used in determining the significant increase in credit risk.- Additionally, we also evaluated the adequacy of the consolidated financial statement disclosures related to impairment provisions.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Group management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the “BRSA Accounting and Financial Reporting Legislation”, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group’s financial reporting process.

Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements

Responsibilities of auditors in an audit are as follows:

Our objectives are to obtain reasonable assurance about whether the consolidated 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, but is not a guarantee that an audit conducted in accordance with Regulation on Independent Audit of the Banks and Standards on Auditing issued by POA 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 the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Regulation on Independent Audit of the Banks and Standards on Auditing issued by POA, we exercise professional judgment and maintain professional scepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the consolidated 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 in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’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 Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors’ report to the related disclosures in the consolidated 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 auditors’ report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

INDEPENDENT AUDITOR’S REPORT

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

B) Report on Other Legal and Regulatory Requirements

- 1) Pursuant to the fourth paragraph of Article 402 of the Turkish Commercial Code (“TCC”) No. 6102; no significant matter has come to our attention that causes us to believe that the Bank’s bookkeeping activities for the period 1 January - 31 December 2019 are not in compliance with TCC and provisions of the Bank’s articles of association in relation to financial reporting.
- 2) Pursuant to the fourth paragraph of Article 402 of the TCC; the Board of Directors provided us the necessary explanations and required documents in connection with the audit.

Additional paragraph for convenience translation to English:

The accounting principles summarized in Note I Section Three, differ from the accounting principles generally accepted in countries in which the accompanying consolidated financial statements are to be distributed and International Financial Reporting Standards (“IFRS”). Accordingly, the accompanying consolidated financial statements are not intended to present the financial position and results of operations in accordance with accounting principles generally accepted in such countries of users of the consolidated financial statements and IFRS.

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

Orhan Akova, SMMM
Partner
24 February 2021
Istanbul, Turkey

ICBC TURKEY BANK A.Ş.
CONSOLIDATED FINANCIAL REPORT AS AT 31 DECEMBER 2020

Address of the Bank’s Headquarters : Maslak Mah. Dereboyu/2 Caddesi No:13 34398 Sarıyer - İstanbul
Telephone Number : (0212) 335 53 35
Fax Number : (0212) 328 13 28
Website of the Bank : www.icbc.com.tr
E-mail : info@icbc.com.tr

The yer ended consolidated financial report prepared in accordance with the “Communiqué on the Financial Statements to be announced to public by Banks as well as Explanations and Footnotes Thereof” as required by the Banking Regulation and Supervision Agency (BRSA), is comprised of the following sections.

- GENERAL INFORMATION ABOUT THE PARENT BANK
- CONSOLIDATED FINANCIAL STATEMENTS OF THE PARENT BANK
- DISCLOSURES ON APPLIED ACCOUNTING POLICIES IN RELATED PERIOD
- INFORMATION RELATED TO FINANCIAL POSITION OF THE CONSOLIDATED GROUP AND RISK MANAGEMENT
- DISCLOSURES AND FOOTNOTES TO CONSOLIDATED FINANCIAL STATEMENTS
- OTHER EXPLANATIONS
- EXPLANATIONS ON THE INDEPENDENT AUDIT REPORT

The financial statements of the subsidiary “ICBC Turkey Yatırım Menkul Değerler A.Ş.” is consolidated in this the year ended consolidated financial report.

The consolidated financial statements and related disclosures and footnotes that were subject to independent audit, are prepared in accordance with the “Regulation on the Procedures and Principles for Accounting Practices and Retention of Documents by Banks”, Turkish Accounting Standards, Turkish Financial Reporting Standards and the related statements, and in compliance with the financial records of our Bank. Unless stated otherwise, the accompanying consolidated financial statements are presented in **thousands of Turkish Lira**.

XIANGYANG GAO	PEIGUO LIU	SHAOXIONG XIE	HÜSEYİN HASAN İMECE	YAFENG HE
Chairman of Board of Directors	Chairman of Audit Committee and Member of Board of Directors	General Manager and Member of Board of Directors	Deputy General Manager Responsible for Financial Control and Accounting, Assets and Liabilities and Economic Research Department	Managing Director

Contact information for questions on this financial report:
Name-Surname : Yafeng He
Tel No : 0212 335 52 18
Fax No : 0212 328 13 23

ICBC TURKEY BANK ANONİM ŞİRKETİ

CONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)
AS AT 31 DECEMBER 2020

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated)

THOUSANDS OF TURKISH LIRA							
	Footnotes (Section Five)	Audited CURRENT PERIOD 31/12/2020			Audited PRIOR PERIOD 31/12/2019		
		TL	FC	Total	TL	FC	Total
ASSETS							
I. FINANCIAL ASSETS (Net)		1,315,692	9,340,398	10,656,090	1,602,486	4,777,063	6,379,549
1.1 Cash and Cash Equivalents		618,882	4,647,341	5,266,223	796,812	3,761,749	4,558,561
1.1.1 Cash and Balances at Central Bank	(5.I.1)	113,485	3,047,428	3,160,913	135,417	1,938,038	2,073,455
1.1.2 Banks	(5.I.3)	2,592	1,604,376	1,606,968	1,115	1,836,919	1,838,034
1.1.3 Receivables from Money Markets		504,390	-	504,390	662,583	-	662,583
1.1.4 Allowance For Expected Credit Losses (-)		1,585	4,463	6,048	2,303	13,208	15,511
1.2 Financial Assets at Fair Value Through Profit or Loss		21,923	14,282	36,205	16,613	-	16,613
1.2.1 Public Debt Securities		-	-	-	-	-	-
1.2.2 Equity Instruments		77	14,282	14,359	39	-	39
1.2.3 Other Financial Assets		21,846	-	21,846	16,574	-	16,574
1.3 Financial Assets at Fair Value Through Other Comprehensive Income	(5.I.4)	674,573	4,677,593	5,352,166	788,543	1,015,163	1,803,706
1.3.1 Public Debt Securities		674,573	178,864	853,437	788,543	531,683	1,320,226
1.3.2 Equity Instruments		-	-	-	-	10,057	10,057
1.3.3 Other Financial Assets		-	4,498,729	4,498,729	-	473,423	473,423
1.4 Derivative Financial Assets	(5.I.2)	314	1,182	1,496	518	151	669
1.4.1 Derivative Financial Assets at Fair Value Through Profit or Loss		314	1,182	1,496	518	151	669
1.4.2 Derivative Financial Assets at Fair Value Through Other Comprehensive Income		-	-	-	-	-	-
II. FINANCIAL ASSETS MEASURED AT AMORTISED COST (Net)		3,341,509	10,780,839	14,122,348	2,420,593	9,394,621	11,815,214
2.1 Loans	(5.I.5)	2,622,721	7,432,590	10,055,311	2,090,009	7,042,420	9,132,429
2.2 Receivables from Leasing Transactions	(5.I.10)	-	-	-	-	-	-
2.3 Factoring Receivables		-	-	-	-	-	-
2.4 Financial Assets Measured at Amortised Cost	(5.I.6)	781,293	3,609,776	4,391,069	454,464	2,436,763	2,891,227
2.4.1 Public Debt Securities		781,293	2,415,287	3,196,580	454,464	1,491,780	1,946,244
2.4.2 Other Financial Assets		-	1,194,489	1,194,489	-	944,983	944,983
2.5 Allowance for Expected Credit Losses (-)		62,505	261,527	324,032	123,880	84,562	208,442
III. NON-CURRENT ASSETS OR DISPOSAL GROUPS “HELD FOR SALE” AND FROM DISCOUNTED OPERATIONS (Net)	(5.I.14)	-	-	-	-	-	-
3.1 Held for Sale		-	-	-	-	-	-
3.2 Held from discontinued operations		-	-	-	-	-	-
IV. INVESTMENTS IN ASSOCIATES, SUBSIDIARIES AND JOINT VENTURES		-	-	-	-	-	-
4.1 Investments in Associates (Net)	(5.I.7)	-	-	-	-	-	-
4.1.1 Associates accounted by using equity method		-	-	-	-	-	-
4.1.2 Non-Consolidated Associates		-	-	-	-	-	-
4.2 Investments in Subsidiaries (Net)	(5.I.8)	-	-	-	-	-	-
4.2.1 Non-Consolidated Financial Subsidiaries		-	-	-	-	-	-
4.2.2 Non-Consolidated Non-Financial Subsidiaries		-	-	-	-	-	-
4.3 Joint Controlled Partnership (Joint Ventures) (Net)	(5.I.9)	-	-	-	-	-	-
4.3.1 Jointly Controlled Partnership Accounted by Using Equity Method		-	-	-	-	-	-
4.3.2 Non-Consolidated Jointly Controlled Partnership		-	-	-	-	-	-
V. TANGIBLE ASSETS (Net)	(5.I.12)	113,423	-	113,423	118,559	-	118,559
VI. INTANGIBLE ASSETS AND GOODWILL (Net)	(5.I.13)	7,839	-	7,839	8,194	-	8,194
6.1 Goodwill		-	-	-	-	-	-
6.2 Others		7,839	-	7,839	8,194	-	8,194
VII. INVESTMENT PROPERTIES (Net)	(5.I.14)	-	-	-	-	-	-
VIII. CURRENT TAX ASSETS		19	-	19	215	-	215
IX. DEFERRED TAX ASSETS	(5.I.15)	116,269	-	116,269	30,918	-	30,918
X. OTHER ASSETS (Net)	(5.I.17)	72,764	92,431	165,195	35,961	2,871	38,832
TOTAL ASSETS		4,967,515	20,213,668	25,181,183	4,216,926	14,174,555	18,391,481

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

ICBC TURKEY BANK ANONİM ŞİRKETİ

CONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)
AS AT 31 DECEMBER 2020

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated)

THOUSANDS OF TURKISH LIRA							
	Footnotes (Section Five)	Audited CURRENT PERIOD 31/12/2020			Audited PRIOR PERIOD 31/12/2019		
		TL	FC	Total	TL	FC	Total
LIABILITIES							
I. DEPOSIT	(5.II.1)	1,783,716	9,854,981	11,638,697	2,981,092	6,985,670	9,966,762
II. LOANS RECEIVED	(5.II.3)	639,192	7,452,646	8,091,838	2,052	4,235,955	4,238,007
III. MONEY MARKET FUNDS		550,633	147,067	697,700	18,841	-	18,841
IV. MARKETABLE SECURITIES (Net)		-	-	-	-	-	-
4.1 Bills		-	-	-	-	-	-
4.2 Asset Backed Securities		-	-	-	-	-	-
4.3 Bonds		-	-	-	-	-	-
V. FUNDS		-	-	-	-	-	-
5.1 Borrowers' Funds		-	-	-	-	-	-
5.2 Other		-	-	-	-	-	-
VI. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		-	-	-	-	-	-
VII. DERIVATIVE FINANCIAL LIABILITIES	(5.II.2)	293	89,662	89,955	66	3,864	3,930
7.1 Derivative Financial Liabilities at Fair Value Through Profit or Loss		293	89,662	89,955	66	3,864	3,930
7.2 Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income		-	-	-	-	-	-
VIII. FACTORING PAYABLES		-	-	-	-	-	-
IX. LEASE PAYABLES (Net)	(5.II.5)	72,700	-	72,700	82,288	-	82,288
X. PROVISIONS	(5.II.7)	144,829	59,169	203,998	95,096	36,053	131,149
10.1 Provision for Restructuring		-	-	-	-	-	-
10.2 Reserves for Employee Benefits		27,024	-	27,024	20,975	-	20,975
10.3 Insurance Technical Reserves (Net)		-	-	-	-	-	-
10.4 Other Provisions		117,805	59,169	176,974	74,121	36,053	110,174
XI. CURRENT TAX LIABILITIES	(5.II.8)	69,246	-	69,246	23,915	-	23,915
XII. DEFERRED TAX LIABILITIES		-	-	-	-	-	-
XIII. LIABILITIES RELATED TO NON-CURRENT ASSETS “HELD FOR SALE” AND “DISCONTINUED OPERATIONS” (Net)	(5.II.9)	-	-	-	-	-	-
13.1 Held for Sale		-	-	-	-	-	-
13.2 Related to Discontinued Operations		-	-	-	-	-	-
XIV. SUBORDINATED DEBT	(5.II.10)	-	2,202,640	2,202,640	-	1,782,420	1,782,420
14.1 Loans		-	2,202,640	2,202,640	-	1,782,420	1,782,420
14.2 Other Debt Instruments		-	-	-	-	-	-
XV. OTHER LIABILITIES	(5.II.4)	327,516	369,077	696,593	108,595	706,262	814,857
XVI. SHAREHOLDERS' EQUITY	(5.II.11)	1,424,193	(6,377)	1,417,816	1,321,997	7,315	1,329,312
16.1 Paid-in Capital		860,000	-	860,000	860,000	-	860,000
16.2 Capital Reserves		(587)	-	(587)	(587)	-	(587)
16.2.1 Equity Share Premiums		(587)	-	(587)	(587)	-	(587)
16.2.2 Share Cancellation Profits		-	-	-	-	-	-
16.2.3 Other Capital Reserves		-	-	-	-	-	-
16.3 Other Accumulated Comprehensive Income that will not be Reclassified in Profit or Loss		18,248	-	18,248	16,310	-	16,310
16.4 Other Accumulated Comprehensive Income that will be Reclassified in Profit or Loss		1,834	(6,377)	(4,543)	(2,733)	7,315	4,582
16.5 Profit Reserves		402,700	-	402,700	328,778	-	328,778
16.5.1 Legal Reserves		22,538	-	22,538	18,842	-	18,842
16.5.2 Statutory Reserves		-	-	-	-	-	-
16.5.3 Extraordinary Reserves		322,099	-	322,099	252,570	-	252,570
16.5.4 Other Profit Reserves		58,063	-	58,063	57,366	-	57,366
16.6 Profit or Loss		141,998	-	141,998	120,229	-	120,229
16.6.1 Prior Years' Profits or Losses		51,067	-	51,067	48,719	-	48,719
16.6.2 Current Period's net Profit or Loss		90,931	-	90,931	71,510	-	71,510
16.7 Minority Shares'		-	-	-	-	-	-
TOTAL LIABILITIES		5,012,318	20,168,865	25,181,183	4,633,942	13,757,539	18,391,481

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

ICBC TURKEY BANK ANONİM ŞİRKETİ

CONSOLIDATED STATEMENT OF OFF-BALANCE SHEET ITEMS
AS AT 31 DECEMBER 2020

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated)

THOUSANDS OF TURKISH LIRA							
	Footnotes (Section Five)	Audited CURRENT PERIOD 31/12/2020			Audited PRIOR PERIOD 31/12/2019		
		TL	FC	Total	TL	FC	Total
A. OFF BALANCE SHEET COMMITMENTS(I+II+III)		1,045,835	14,679,666	15,725,501	1,118,031	8,180,953	9,298,984
I. GUARANTEES AND WARRANTIES	(5.III.1)	899,364	8,512,185	9,411,549	572,605	6,414,803	6,987,408
1.1. Letters of Guarantee		873,917	2,429,013	3,302,930	572,605	1,700,759	2,273,364
1.1.1. Guarantees Subject to State Tender Law		-	-	-	-	-	-
1.1.2. Guarantees Given for Foreign Trade Operations		-	-	-	-	-	-
1.1.3. Other Letters of Guarantee		873,917	2,429,013	3,302,930	572,605	1,700,759	2,273,364
1.2. Bank Acceptances		-	-	-	-	-	-
1.2.1. Import Letter of Acceptance		-	-	-	-	-	-
1.2.2. Other Bank Acceptances		-	-	-	-	-	-
1.3. Letters of Credit		25,447	439,924	465,371	-	294,068	294,068
1.3.1. Documentary Letters of Credit		25,447	201,616	227,063	-	104,396	104,396
1.3.2. Other Letters of Credit		-	238,308	238,308	-	189,672	189,672
1.4. Prefinancing Given as Guarantee		-	-	-	-	-	-
1.5. Endorsements		-	-	-	-	-	-
1.5.1. Endorsements to the Central Bank of Turkey		-	-	-	-	-	-
1.5.2. Other Endorsements		-	-	-	-	-	-
1.6. Purchase Guarantees for Securities Issued		-	-	-	-	-	-
1.7. Factoring Guarantees		-	-	-	-	-	-
1.8. Other Guarantees		-	5,643,248	5,643,248	-	4,419,976	4,419,976
1.9. Other Warranties		-	-	-	-	-	-
II. COMMITMENTS	(5.III.1)	130,428	45,000	175,428	121,766	12,185	133,951
2.1. Irrevocable Commitments		130,428	45,000	175,428	121,766	12,185	133,951
2.1.1. Asset Purchase and Sales Commitments		8,886	45,000	53,886	2,975	12,185	15,160
2.1.2. Deposit Purchase and Sales Commitments		-	-	-	-	-	-
2.1.3. Share Capital Commitment to Associates and Subsidiaries		-	-	-	-	-	-
2.1.4. Loan Granting Commitments		29,704	-	29,704	30,415	-	30,415
2.1.5. Securities Issue Brokerage Commitments		-	-	-	-	-	-
2.1.6. Commitments for Reserve Requirements		-	-	-	-	-	-
2.1.7. Commitments for Checks Payments		6,294	-	6,294	6,989	-	6,989
2.1.8. Tax and Fund Liabilities from Export Commitments		3	-	3	9	-	9
2.1.9. Commitments for Credit Card Limits		85,095	-	85,095	80,622	-	80,622
2.1.10. Commitments for Credit Cards and Banking Services Promotions		-	-	-	192	-	192
2.1.11. Receivables from Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.12. Payables for Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.13. Other Irrevocable Commitments		446	-	446	564	-	564
2.2. Revocable Commitments		-	-	-	-	-	-
2.2.1. Revocable Loan Granting Commitments		-	-	-	-	-	-
2.2.2. Other Revocable Commitments		-	-	-	-	-	-
III. DERIVATIVE FINANCIAL INSTRUMENTS		16,043	6,122,481	6,138,524	423,660	1,753,965	2,177,625
3.1 Derivative Financial Instruments Held for Hedging		-	-	-	-	-	-
3.1.1 Fair Value Hedges		-	-	-	-	-	-
3.1.2 Cash Flow Hedges		-	-	-	-	-	-
3.1.3 Hedges for Investments Made in Foreign Countries		-	-	-	-	-	-
3.2 Trading Transactions		16,043	6,122,481	6,138,524	423,660	1,753,965	2,177,625
3.2.1 Forward Foreign Currency Purchase and Sale Transactions		9,844	27,516	37,360	271,470	308,806	580,276

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

ICBC TURKEY BANK ANONİM ŞİRKETİ

CONSOLIDATED STATEMENT OF OFF-BALANCE SHEET ITEMS
AS AT 31 DECEMBER 2020

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated)

THOUSANDS OF TURKISH LIRA							
	Footnotes (Section Five)	Audited CURRENT PERIOD 31/12/2020			Audited PRIOR PERIOD 31/12/2019		
		TL	FC	Total	TL	FC	Total
3.2.1.1 Forward Foreign Currency Purchase Transactions		7,132	11,708	18,840	270,804	19,763	290,567
3.2.1.2 Forward Foreign Currency Sale Transactions		2,712	15,808	18,520	666	289,043	289,709
3.2.2 Currency and Interest Rate Swaps		6,199	6,080,240	6,086,439	148,780	1,439,378	1,588,158
3.2.2.1 Currency Swap Purchase Transactions		-	3,000,604	3,000,604	148,780	643,754	792,534
3.2.2.2 Currency Swap Sale Transactions		6,199	3,079,636	3,085,835	-	795,624	795,624
3.2.2.3 Interest Rate Swap Purchase Transactions		-	-	-	-	-	-
3.2.2.4 Interest Rate Swap Sale Transactions		-	-	-	-	-	-
3.2.3 Currency, Interest Rate and Securities Options		-	14,725	14,725	3,410	5,781	9,191
3.2.3.1 Currency Purchase Options		-	7,341	7,341	1,709	2,900	4,609
3.2.3.2 Currency Sale Options		-	7,384	7,384	1,701	2,881	4,582
3.2.3.3 Interest Rate Purchase Options		-	-	-	-	-	-
3.2.3.4 Interest Rate Sale Options		-	-	-	-	-	-
3.2.3.5 Securities Purchase Options		-	-	-	-	-	-
3.2.3.6 Securities Sale Options		-	-	-	-	-	-
3.2.4 Currency Futures		-	-	-	-	-	-
3.2.4.1 Currency Purchase Futures		-	-	-	-	-	-
3.2.4.2 Currency Sale Futures		-	-	-	-	-	-
3.2.5 Interest Rate Futures		-	-	-	-	-	-
3.2.5.1 Interest Rate Purchase Futures		-	-	-	-	-	-
3.2.5.2 Interest Rate Sale Futures		-	-	-	-	-	-
3.2.6 Other		-	-	-	-	-	-
B. CUSTODY AND PLEDGED SECURITIES (IV+V+VI)		18,199,177	91,152,523	109,351,700	13,436,713	29,456,396	42,893,109
IV. ITEMS HELLD IN CUSTODY		7,896,731	38,703,770	46,600,501	5,418,774	4,641,317	10,060,091
4.1. Assets Under Management		-	-	-	-	-	-
4.2. Securities Held in Custody		1,474,262	23,099	1,497,361	1,546,929	18,892	1,565,821
4.3. Checks Received for Collection		49,343	23,103	72,446	28,928	12,131	41,059
4.4. Commercial Notes Received for Collection		2,507	9,148	11,655	6,879	7,170	14,049
4.5. Other Assets Received for Collection		-	-	-	-	-	-
4.6. Securities Received for Public Offering		-	-	-	-	-	-
4.7. Other Items under Custody		6,369,985	38,648,016	45,018,001	3,831,407	4,602,827	8,434,234
4.8. Custodians		634	404	1,038	4,631	297	4,928
V. PLEDGED ITEMS		10,302,446	52,448,753	62,751,199	8,017,939	24,815,079	32,833,018
5.1. Marketable Securities		14,573	-	14,573	11,097	-	11,097
5.2. Guarantee Notes		921	440	1,361	921	59	980
5.3. Commodity		43,956	69,335	113,291	65,573	61,140	126,713
5.4. Warrant		-	-	-	-	-	-
5.5. Immovables		2,865,716	36,879,643	39,745,359	3,179,455	15,502,429	18,681,884
5.6. Other Pledged Items		7,377,280	15,499,335	22,876,615	4,760,893	9,251,451	14,012,344
5.7. Depositories Receiving Pledged Items		-	-	-	-	-	-
VI. ACCEPTED BILL OF GUARANTEES AND WARRANTIES		-	-	-	-	-	-
TOTAL OFF BALANCE SHEET ITEMS (A+B)		19,245,012	105,832,189	125,077,201	14,554,744	37,637,349	52,192,093

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

ICBC TURKEY BANK ANONİM ŞİRKETİ

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2020

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated)

		THOUSANDS OF TURKISH LIRA		
		Audited	Audited	
		CURRENT PERIOD	PRIOR PERIOD	
		(01/01/2020-31/12/2020)	(01/01/2019-31/12/2019)	
INCOME AND EXPENSE ITEMS		Footnotes (Section Five)		
I.	INTEREST INCOME	(5.IV.1)	1,143,897	1,288,325
1.1	Interest on Loans		645,962	700,434
1.2	Interest Received from Reserve Deposits		1,295	30,994
1.3	Interest Received from Banks		34,615	89,435
1.4	Interest Received from Money Market Transactions		1,370	19,909
1.5	Interest Received from Marketable Securities Portfolio		408,753	307,297
1.5.1	Financial Assets at Fair Value Through Profit or Loss		-	-
1.5.2	Financial Assets at Fair Value Through Other Comprehensive Income		113,926	141,555
1.5.3	Financial Assets Measured at Amortised Cost		294,827	165,742
1.6	Finance Lease Income		-	-
1.7	Other Interest Income		51,902	140,256
II.	INTEREST EXPENSES	(5.IV.2)	688,422	888,831
2.1	Interest on Deposits		363,983	627,504
2.2	Interest on Funds Borrowed		261,647	230,875
2.3	Interest on Money Market Transactions		17,012	16,815
2.4	Interest on Securities Issued		-	-
2.5	Interest on Leases		12,781	12,942
2.6	Other Interest Expenses		32,999	695
III.	NET INTEREST INCOME/EXPENSE (I - II)		455,475	399,494
IV.	NET FEES AND COMMISSIONS INCOME/EXPENSES		162,250	124,409
4.1	Fees and Commissions Received		177,720	131,475
4.1.1	Non-Cash Loans		24,757	19,223
4.1.2	Other		152,963	112,252
4.2	Fees and Commissions Paid		15,470	7,066
4.2.1	Non-Cash Loans		28	18
4.2.2	Other		15,442	7,048
V.	DIVIDEND INCOME	(5.IV.3)	90	1
VI.	TRADING PROFIT/LOSS (Net)	(5.IV.4)	100,920	57,920
6.1	Profit/Losses from Capital Market Transactions		28,660	12,246
6.2	Profit/Losses from Derivative Financial Transactions		(229,793)	9,463
6.3	Foreign Exchange Profit/Losses		302,053	36,211
VII.	OTHER OPERATING INCOME	(5.IV.5)	146,702	42,984
VIII.	GROSS OPERATING INCOME (III+IV+V+VI+VII)		865,437	624,808
IX.	ALLOWANCES FOR EXPECTED CREDIT LOSSES (-)	(5.IV.6)	224,637	85,568
X.	OTHER PROVISION EXPENSES (-)	(5.IV.6)	4,042	10,792
XI.	PERSONNEL EXPENSES (-)		264,222	212,213
XII.	OTHER OPERATING EXPENSES (-)	(5.IV.7)	242,394	194,685
XIII.	NET OPERATING PROFIT/LOSS (VIII-IX-X-XI-XII)		130,142	121,550
XIV.	SURPLUS WRITTEN AS GAIN AFTER MERGER		-	-
XV.	PROFIT/LOSS FROM EQUITY METHOD APPLIED SUBSIADIRIES		-	-
XVI.	NET MONETARY POSITION GAIN / LOSS		-	-
XVII.	PROFIT/LOSS BEFORE TAXES FROM CONTINUING OPERATIONS (XIII+XIV+XV+XVI)	(5.IV.8)	130,142	121,550
XVIII.	PROVISION FOR TAXES ON INCOME FROM CONTINUING OPERATIONS (±)	(5.IV.9)	39,211	50,040
18.1	Current Tax Provision		123,681	58,851
18.2	Expense Effect of Deferred Tax (+)		13,810	17,204
18.3	Income Effect of Deferred Tax (-)		(98,280)	(26,015)
XIX.	NET PROFIT/(LOSS) FROM CONTINUING OPERATIONS (XVII±XVIII)	(5.IV.10)	90,931	71,510
XX.	INCOME FROM DISCONTINUED OPERATIONS		-	-
20.1	Income from Assets Held for Sale		-	-
20.2	Profit from Sale of Associates, Subsidiaries and Joint Ventures		-	-
20.3	Other Income from Discontinued Operations		-	-
XXI.	EXPENSES FROM DISCONTINUED OPERATIONS (-)		-	-
21.1	Expenses on Assets Held for Sale		-	-
21.2	Losses from Sale of Associates, Subsidiaries and Joint Ventures		-	-
21.3	Other Expenses from Discontinued Operations		-	-
XXII.	PROFIT/LOSS BEFORE TAXES FROM DISCONTINUED OPERATIONS (±) (XX-XXI)	(5.IV.8)	-	-
XXIII.	TAX PROVISION FOR DISCONTINUED OPERATIONS (±)	(5.IV.9)	-	-
23.1	Current Tax Provision		-	-
23.2	Expense Effect of Deferred Tax (+)		-	-
23.3	Income Effect of Deferred Tax (-)		-	-
XXIV.	CURRENT PERIOD NET PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS (XXII±XXIII)		-	-
XXV.	CURRENT PERIOD NET PROFIT/(LOSS) (XIX+XXIV)	(5.IV.10)	90,931	71,510
25.1	Group's Profit/Loss		90,931	71,510
25.2	Minority Shares (-)		-	-
Profit/Loss of Per Share (Full TL)			0.0106	0.0083

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

ICBC TURKEY BANK ANONİM ŞİRKETİ

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE
INCOME FOR THE YEAR ENDED 31 DECEMBER 2020

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated)

		THOUSANDS OF TURKISH LIRA	
		Audited CURRENT PERIOD (01/01/2020 31/12/2020)	Audited PRIOR PERIOD (01/01/2019-31/12/2019)
I.	CURRENT PERIOD PROFIT / (LOSS)	90,931	71,510
II.	OTHER COMPREHENSIVE INCOME	(7,187)	91,233
2.1.	Other Comprehensive Income That Will Not Be Reclassified to Profit or Loss	1,938	3,418
2.1.1.	Gains (Losses) on Revaluation of Property, Plant and Equipment	2,232	1,672
2.1.2.	Gains (Losses) on Revaluation of Intangible Assets	-	-
2.1.3.	Gains (Losses) on Remeasurements of Defined Benefit Plans	(368)	1,849
2.1.4.	Other Components of Other Comprehensive Income That Will Not Be Reclassified to Profit or Loss	-	-
2.1.5.	Taxes Relating To Components of Other Comprehensive Income That Will Not Be Reclassified To Profit or Loss	74	(103)
2.2.	Other Comprehensive Income That Will Be Reclassified to Profit or Loss	(9,125)	87,815
2.2.1.	Exchange Differences on Translation	-	-
2.2.2.	Valuation and/or Reclassification Profit or Loss from Financial Assets at Fair Value Through Other Comprehensive Income	(10,006)	110,201
2.2.3.	Income (Loss) Related with Cash Flow Hedges	-	-
2.2.4.	Income (Loss) Related with Hedges of Net Investments in Foreign Operations	-	-
2.2.5.	Other Components of Other Comprehensive Income That Will Be Reclassified to Other Profit or Loss	-	-
2.2.6.	Taxes Relating To Components of Other Comprehensive Income That Will Be Reclassified To Profit or Loss	881	(22,386)
III.	TOTAL COMPREHENSIVE INCOME (I+II)	83,744	162,743

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

ICBC TURKEY BANK ANONİM ŞİRKETİ

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR 31 DECEMBER 2020

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated)

						Other Accumulated Comprehensive Income That Will Not Be Reclassified In Profit and Loss			Other Accumulated Comprehensive Income That Will Be Reclassified In Profit and Loss								
		Paid-in Capital	Share Premium	Share Certificate Cancellation Profits	Other Capital Reserves	1	2	3	4	5	6	Profit Reserves	Prior Period's Profit/(Loss)	Current Period's Profit/(Loss)	Total Equity Attributable to Equity Holders of the Parent	Minority Shares	Total Equity
PRIOR PERIOD (31/12/2019)																	
I.	Balances at Beginning of Period	860,000	(587)	-	-	13,268	(376)	-	-	(83,233)	-	246,680	47,268	83,549	1,166,569	-	1,166,569
II.	Adjustment in accordance with TAS 8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1	Effect of Adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2	Effect of Changes in Accounting Policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	New Balance (I+II)	860,000	(587)	-	-	13,268	(376)	-	-	(83,233)	-	246,680	47,268	83,549	1,166,569	-	1,166,569
IV.	Total Comprehensive Income	-	-	-	-	1,826	1,592	-	-	87,815	-	-	-	71,510	162,743	-	162,743
V.	Capital Increase in Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.	Capital Increase through internal reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Issued capital/ inflation adjustment difference	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Convertible Bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Subordinated Debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	Increase/ (Decrease) through Other Changes, equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.	Profit Distribution	-	-	-	-	-	-	-	-	-	-	82,098	1,451	(83,549)	-	-	-
11.1	Dividends distributed	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2	Transfers legal reserves	-	-	-	-	-	-	-	-	-	-	82,098	(82,098)	-	-	-	-
11.3	Others	-	-	-	-	-	-	-	-	-	-	-	83,549	(83,549)	-	-	-
Balances at the end of Period (III+IV+...+X+XI) 31/12/2019		860,000	(587)	-	-	15,094	1,216	-	-	4,582	-	328,778	48,719	71,510	1,329,312	-	1,329,312

1. Tangible Assets Revaluation Reserve,
2. Accumulated Gains / Losses on Remeasurements of Defined Benefit Plans,
3. Other (Other Comprehensive Income of Associates and Joint Ventures Accounted for Using Equity Method that will not be Reclassified to Profit or Loss and Other Accumulated Amounts of Other Comprehensive Income that will not be Reclassified to Profit or Loss)
4. Exchange Differences on Translation,
5. Accumulated gains (losses) due to revaluation and/or reclassification of financial assets measured at fair value through other comprehensive income,
6. Other (Accumulated Gains or Losses on Cash Flow Hedges, Other Comprehensive Income of Associates and Joint Ventures Accounted for Using Equity Method that will be Reclassified to Profit or Loss and Other Accumulated Amounts of Other Comprehensive Income that will be Reclassified to Profit or Loss)

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

ICBC TURKEY BANK ANONİM ŞİRKETİ

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR 31 DECEMBER 2020

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated)

		Other Accumulated Comprehensive Income That Will Not Be Reclassified In Profit and Loss							Other Accumulated Comprehensive Income That Will Be Reclassified In Profit and Loss									
		Paid-in Capital	Share Premium	Share Certificate Cancellation Profits	Other Capital Reserves	1	2	3	4	5	6	Profit Reserves	Prior Period Profit/(Loss)	Current Period Profit/(Loss)	Total Equity Attributable to Equity Holders of the Parent	Minority Shares	Total Equity	
CURRENT PERIOD (31/12/2019)																		
I.	Balances at Beginning of Period	860,000	(587)	-	-	15,094	1,216	-	-	4,582	-	328,778	48,719	71,510	1,329,312	-	1,329,312	
II.	Adjustment in accordance with TAS 8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2.1	Effect of Adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2.2	Effect of Changes in Accounting Policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
III.	New Balance (I+II)	860,000	(587)	-	-	15,094	1,216	-	-	4,582	-	328,778	48,719	71,510	1,329,312	-	1,329,312	
IV.	Total Comprehensive Income	-	-	-	-	2,232	(294)	-	-	(9,125)	-	-	-	90,931	83,744	-	83,744	
V.	Capital Increase in Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
VI.	Capital Increase through internal reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
VII.	Issued capital/ inflation adjustment difference	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
VIII.	Convertible Bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
IX.	Subordinated Debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
X.	Increase/ (Decrease) through Other Changes, equity	-	-	-	-	-	-	-	-	-	-	-	2,348	-	2,348	-	2,348	
XI.	Profit Distribution	-	-	-	-	-	-	-	-	-	-	73,922	-	(71,510)	2,412	-	2,412	
11.1	Dividends distributed	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11.2	Transfers legal reserves	-	-	-	-	-	-	-	-	-	-	73,922	(73,922)	-	-	-	-	
11.3	Others	-	-	-	-	-	-	-	-	-	-	-	73,922	(71,510)	2,412	-	2,412	
Balances at the end of Period (III+IV...+X+XI) 31/12/2020		860,000	(587)	-	-	17,326	922	-	-	(4,543)	-	402,700	51,067	90,931	1,417,816	-	1,417,816	

1. Tangible Assets Revaluation Reserve,
2. Accumulated Gains / Losses on Remeasurements of Defined Benefit Plans,
3. Other (Other Comprehensive Income of Associates and Joint Ventures Accounted for Using Equity Method that will not be Reclassified to Profit or Loss and Other Accumulated Amounts of Other Comprehensive Income that will not be Reclassified to Profit or Loss)
4. Exchange Differences on Translation,
5. Accumulated gains (losses) due to revaluation and/or reclassification of financial assets measured at fair value through other comprehensive income,
6. Other (Accumulated Gains or Losses on Cash Flow Hedges, Other Comprehensive Income of Associates and Joint Ventures Accounted for Using Equity Method that will be Reclassified to Profit or Loss and Other Accumulated Amounts of Other Comprehensive Income that will be Reclassified to Profit or Loss)

ICBC TURKEY BANK ANONİM ŞİRKETİ

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated)

THOUSANDS OF TURKISH LIRA			
	Footnotes (Section Five)	Audited CURRENT PERIOD (01/01/2020 - 31/12/2020)	Audited PRIOR PERIOD (01/01/2019 - 31/12/2019)
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1 Operating Profit Before Changes in Operating Assets and Liabilities		551,790	334,858
1.1.1 Interest Received		906,964	1,310,234
1.1.2 Interest Paid		(600,078)	(921,915)
1.1.3 Dividend Received		90	1
1.1.4 Fees And Commissions Received		226,515	125,276
1.1.5 Other Income		(203,099)	96,648
1.1.6 Collections from Previously Written-off Loans and Other Receivables		123,295	17,308
1.1.7 Cash Payments to Personnel and Service Suppliers		(259,533)	(212,071)
1.1.8 Taxes Paid		(149,911)	(98,751)
1.1.9 Other	(5.VI.3)	507,547	18,128
1.2 Changes in Operating Assets and Liabilities Subject to Banking Operations		(131,815)	275,346
1.2.1 Net (Increase) Decrease in Financial Assets at Fair Value through Profit or Loss		(105,598)	(3,734)
1.2.2 Net (Increase) Decrease in due from Banks		(818,382)	(413,811)
1.2.3 Net (Increase) Decrease in Loans		(5,087,471)	(1,367,590)
1.2.4 Net (Increase) Decrease in Other Assets	(5.VI.3)	(97,758)	7,721
1.2.5 Net Increase (Decrease) in Bank Deposits		3,091	(1,142,603)
1.2.6 Net Increase (Decrease) in Other Deposits		1,668,612	3,109,073
1.2.7 Net Increase (Decrease) in Financial Liabilities at Fair Value Through Profit or Loss		-	-
1.2.8 Net Increase (Decrease) in Funds Borrowed		3,765,718	(160,714)
1.2.9 Net Increase (Decrease) in Matured Payables		-	-
1.2.10 Net Increase (Decrease) in Other Liabilities	(5.VI.3)	539,973	247,004
I. Net Cash Provided by Banking Operations		419,975	610,204
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II. Net Cash Flows from Investing Activities		(656,961)	(704,101)
2.1 Cash Paid for Purchase of Associates, Subsidiaries and Joint Ventures		-	-
2.2 Cash Obtained From Sale of Associates, Subsidiaries and Joint Ventures		-	-
2.3 Cash Paid For the Purchase of Tangible and Intangible Asset		(22,806)	(28,129)
2.4 Cash Obtained from the Sale of Tangible and Intangible Asset		3,277	2,054
2.5 Cash Paid for Purchase of Financial Assets at Fair Value Through Other Comprehensive Income		69,010	57,056
2.6 Cash Obtained from Sale of Financial Assets at Fair Value Through Other Comprehensive Income		622,029	703,462
2.7 Cash Paid for Purchase of Financial Assets Measured at Amortised Cost		(1,331,978)	(1,407,720)
2.8 Cash Obtained from Sale of Financial Asset Measured at Amortised Cost		-	-
2.9 Other	(5.VI.3)	3,507	(30,824)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net Cash Provided from Financing Activities		-	-
3.1 Cash Obtained from Loans and Securities Issued		-	-
3.2 Cash Outflow Arised From Loans and Securities Issued		-	-
3.3 Equity Investments Issued		-	-
3.4 Dividends Paid		-	-
3.5 Payments for Lease Liabilities		-	-
3.6 Other		-	-
IV. Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents	(5.VI.3)	121,508	106,011
V. Net Increase / Decrease in Cash and Cash Equivalents (I+II+III+IV)		(115,478)	12,114
VI. Cash and Cash Equivalents at the Beginning of Period		3,866,345	3,854,231
VII. Cash and Cash Equivalents at the End of Period (V+VI)	(5.VI.1)	3,750,867	3,866,345

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

ICBC TURKEY BANK ANONİM ŞİRKETİ

PARENT BANK STATEMENT OF PROFIT DISTRIBUTION
FOR THE YEAR ENDED 31 DECEMBER 2020

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated)

THOUSANDS OF TURKISH LIRA		
	CURRENT PERIOD ⁽¹⁾⁽²⁾ (01/01/2020-31/12/2020)	PRIOR PERIOD ⁽²⁾ (01/01/2019-31/12/2019)
I. DISTRIBUTION OF CURRENT YEAR PROFIT		
1.1. CURRENT YEAR INCOME	87,908	82,128
1.2. TAXES AND LEGAL DUTIES PAYABLES (-)	29,860	41,259
1.2.1. Corporate Tax (Income Tax)	114,950	49,173
1.2.2. Income Withholding Tax	-	-
1.2.3. Other Taxes and Duties	(85,090)	(7,914)
A. NET INCOME FOR THE YEAR (1.1-1.2)	50,048	40,869
1.3. PRIOR YEAR LOSSES (-)	-	-
1.4. FIRST LEGAL RESERVES (-)	-	2,043
1.5. OTHER STATUTORY RESERVES (-)	-	-
B. NET INCOME AVAILABLE FOR DISTRIBUTION [(A-(1.3+1.4+1.5))]	-	-
1.6. FIRST DIVIDEND TO SHAREHOLDERS (-)	-	-
1.6.1. To Owners of Ordinary Shares	-	-
1.6.2. To Owners of Preferred Shares	-	-
1.6.3. To Owners of Redeemed Shares	-	-
1.6.4. To Profit Sharing Bonds	-	-
1.6.5. To Holders of Profit and Loss Sharing Certificates	-	-
1.7. DIVIDENDS TO PERSONNEL (-)	-	-
1.8. DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
1.9. SECOND DIVIDEND TO SHAREHOLDERS (-)	-	-
1.9.1. To Owners of Ordinary Shares	-	-
1.9.2. To Owners of Preferred Shares	-	-
1.9.3. To Owners of (preemptive rights) Shares	-	-
1.9.4. To Profit Sharing Bonds	-	-
1.9.5. To Holders Of Profit And Loss Sharing Certificates	-	-
1.10. STATUTORY RESERVES (-)	-	-
1.11. EXTRAORDINARY RESERVES	-	38,129
1.12. OTHER RESERVES	-	697
1.13. SPECIAL FUNDS	-	-
II. DISTRIBUTION OF RESERVES		
2.1. APPROPRIATED RESERVES	-	-
2.2. DIVIDENDS TO SHAREHOLDERS (-)	-	-
2.2.1. To Owners of Ordinary Shares	-	-
2.2.2. To Owners of Preferred Shares	-	-
2.2.3. To Owners of Redeemed Shares	-	-
2.2.4. To Profit Sharing Bonds	-	-
2.2.5. To Holders of Profit and Loss Sharing Certificates	-	-
2.3. DIVIDENDS TO PERSONNEL (-)	-	-
2.4. DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
III. EARNINGS PER SHARE		
3.1. TO OWNERS OF ORDINARY SHARES (FULL TL)	0.0067	0.0048
3.2. TO OWNERS OF ORDINARY SHARES (%)	6.7	4.8
3.3. TO OWNERS OF PRIVILEGED SHARES	-	-
3.4. TO OWNERS OF PRIVILEGED SHARES (%)	-	-
IV. DIVIDEND PER SHARE		
4.1. TO OWNERS OF ORDINARY SHARES	-	-
4.2. TO OWNERS OF ORDINARY SHARES (%)	-	-
4.3. TO OWNERS OF PRIVILEGED SHARES	-	-
4.4. TO OWNERS OF PRIVILEGED SHARES (%)	-	-

⁽¹⁾ The authorised body of the Bank for the distribution of the current period’s profit is the General Assembly. The Bank’s annual ordinary General Assembly meeting had not been held as of the date on which these financial statements were prepared.

⁽²⁾ Statement of profit distribution above belongs to the Parent Bank.

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



ICBC Bank Turkey A.Ş.
Maslak Mah. Dereboyu/ 2 Cad.No: 13, 34398 Sarıyer/İstanbul/Turkey

Phone: +90 212 335 53 35

E-mail: info@icbc.com.tr

www.icbc.com.tr