

**İŞ YATIRIM MENKUL DEĞERLER  
ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**

**Consolidated Financial Statements  
As at and for the Year Ended December 31, 2020  
With Independent Auditors' Report Thereon**

February 1, 2021

*This report contains 4 pages of independent auditors' report and 80 pages of consolidated financial statements and notes to the consolidated financial statements.*

**İŞ YATIRIM MENKUL  
DEĞERLER ANONİM ŞİRKETİ  
AND ITS SUBSIDIARIES**

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

## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of İş Yatırım Menkul Değerler A.Ş.

### **A. Report on the Financial Statements**

#### **1) Opinion**

We have audited the consolidated financial statements of İş Yatırım Menkul Değerler A.Ş. and its subsidiaries (the “Group”), which comprise the consolidated statement of financial position as at December 31, 2020, and the consolidated statement of profit and loss, consolidated statement of other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the same period, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2020, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the Turkish Financial Reporting Standards (TFRS).

#### **2) Basis for Opinion**

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

#### **3) Key Audit Matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

<i>Derivative Financial Instruments</i>	
<p>For the first time derivative financial instruments including foreign exchange contracts, currency and interest rate swaps, currency and interest rate options, futures and other derivative financial instruments are initially recognized on the statement of financial position at fair value and subsequently are re-measured at their fair value.</p> <p>Fair value of the derivative financial instruments is determined by selecting most convenient market data and applying valuation techniques to those particular derivative products. Derivative Financial Instruments are considered by us as a key audit matter because of the subjectivity in the estimates, assumptions and judgements used.</p> <p>Details of derivative financial instruments are explained in Note 39.</p>	<p>Our audit procedures included among others involve auditing policies regarding fair value measurement accepted by the Group management fair value calculations of the selected derivative financial instruments which is carried out by valuation experts of our firm and the assessment of used estimations and the judgements and testing the assessment of operating effectiveness of the key controls in the process of fair value determination.</p>

**4) Responsibilities of Management and Directors for the Financial Statements**

The Group management is responsible for the preparation and fair presentation of the financial statements in accordance with the Turkish Accounting Standards (“TAS”) and for such internal control as management determines is necessary to enable the preparation of the financial statement that is free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the 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.

The directors’ responsibilities include overseeing the Group’s financial reporting process.

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**5) Auditor's Responsibilities for the Audit of the Financial Statements**

In an independent audit, the responsibilities of us as independent auditors are:

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 BRSA Independent Audit Regulation and ISAs 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 financial statements.

As part of an audit in accordance with BRSA Independent Audit Regulation and ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We are 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 Company and its subsidiaries' internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company and its subsidiaries' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the Company and its subsidiaries' 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 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 and 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.

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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 government with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

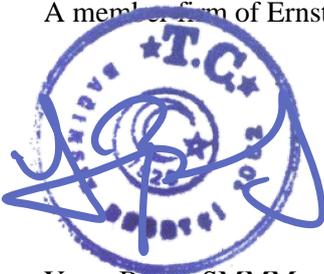
From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law 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) The Auditor's Report on the Early Risk Detection System and Committee organized in accordance with the fourth paragraph of Article 398 of the Turkish Commercial Code No. 6102 ("TCC") was presented to the Company's Board of Directors on February 1, 2021.
- 2) In accordance with Article 402 paragraph 4 of the Turkish Commercial Code ("TCC") no 6102; no significant matter has come to our attention that causes us to believe that the Group's bookkeeping activities for the period January 1 – December 31, 2020 are not in compliance with the code and provisions of the Group's articles of association in relation to financial reporting.
- 3) In accordance with Article 402 paragraph 4 of the TCC; the Board of Directors submitted to us the necessary explanations and provided required documents within the context of audit.

The engagement partner on the audit resulting in this independent auditor's report is Yaşar Bivas.

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



Yaşar Bivas, SMMM  
Partner

February 1, 2021  
Istanbul, Turkey

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# İŞ YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

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

Consolidated Financial Statements As at and for the Year Ended December 31, 2020 and 2019  
(Currency – Turkish Lira (“TL”))

		<b>Audited Current Period</b>	<b>Audited Prior Period</b>
		<b>31 December 2020</b>	<b>31 December 2019</b>
	<b>Notes</b>		
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	7	500.747.020	1.560.252.886
Financial Investments	8	1.863.105.037	1.341.726.478
Trade Receivables	11	5.570.028.495	3.139.055.148
<i>Due from Related Parties</i>	6	23.211.338	18.572.698
<i>Other Trade Receivables</i>		5.546.817.157	3.120.482.450
Other Receivables	12	414.434.097	105.450.164
<i>Due from Related Parties</i>	6	59.711	145.960
<i>Other Receivables</i>		414.374.386	105.304.204
Derivative Instruments	39	109.293.507	26.629.080
Inventories	14	67.075.059	65.629.425
Prepaid Expenses		14.927.510	5.402.563
Current Tax Assets	35	208.742	450.943
Other Current Assets	26	10.681.633	13.714.806
<b><i>SUBTOTAL</i></b>		<b>8.550.501.100</b>	<b>6.258.311.493</b>
Assets Held For Sale	33	6.709.194	11.320.599
<b>TOTAL CURRENT ASSETS</b>		<b>8.557.210.294</b>	<b>6.269.632.092</b>
<b>Non-current Assets</b>			
Financial Investments	8	73.510.266	269.158.605
Other Receivables	12	1.270.386	1.094.747
<i>Due From Related Parties</i>	6	150	150
<i>Other Receivables</i>		1.270.236	1.094.597
Investments in Equity Accounted Investees	17	2.960.518	9.768.400
Right of use Assets	19	35.945.434	47.940.404
Tangible Assets	20	32.450.555	36.530.459
Intangible Assets		57.745.301	58.245.577
<i>Goodwill</i>	18	38.593.847	38.593.847
<i>Other Intangible Assets</i>	21	19.151.454	19.651.730
Prepaid Expenses		591.475	1.841.906
Deferred Tax Assets	35	13.760.181	22.893.862
<b>TOTAL NON-CURRENT ASSETS</b>		<b>218.234.116</b>	<b>447.473.960</b>
<b>TOTAL ASSETS</b>		<b>8.775.444.410</b>	<b>6.717.106.052</b>

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

# İŞ YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

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

Consolidated Financial Statements As at and for the Year Ended December 31, 2020 and 2019  
(Currency – Turkish Lira (“TL”))

	Notes	Audited Current Period 31 December 2020	Audited Prior Period 31 December 2019
<b>LIABILITIES</b>			
<b>Short-Term Liabilities</b>			
Short Term Borrowings	9	979.106.453	1.964.909.477
<i>Due to Related Parties</i>		87.808.546	82.803.832
<i>Due to Third Parties</i>		887.428.895	1.868.586.706
<i>Lease Payables to Related Parties</i>	6	474.784	281.399
<i>Lease Payables to Third Parties</i>		3.394.228	13.237.540
Short-Term Portion of Long-Term Borrowings	9	7.886.159	24.157.614
<i>Due to Related Parties</i>		1.745.066	17.101.185
<i>Due to Third Parties</i>		6.141.093	7.056.429
Other Financial Liabilities	10	32.249.477	14.865.116
Trade Payables	11	5.032.047.665	3.034.398.259
<i>Due to Related Parties</i>	6	2.174.342	2.188.730
<i>Due to Third Parties</i>		5.029.873.323	3.032.209.529
Payables Related to Employee Benefits		3.565.853	5.394.307
Other Payables	12	34.613.153	22.865.882
<i>Due to Related Parties</i>	6	253.303	954.731
<i>Due to Third Parties</i>		34.359.850	21.911.151
Derivative Instruments	39	184.926.984	67.435.311
Current Tax Liabilities	35	74.713.811	38.760.037
Short-Term Provisions		105.355.262	41.300.507
<i>Provisions for Employee Benefits</i>	25	44.035.357	29.533.873
<i>Other Short-Term Provisions</i>	23	61.319.905	11.766.634
Other Current Liabilities	26	25.190.905	19.164.594
<b>TOTAL CURRENT LIABILITIES</b>		<b>6.479.655.722</b>	<b>5.233.251.104</b>
<b>Long-Term Liabilities</b>			
Long-Term Borrowings	9	53.586.206	66.629.927
<i>Due to Related Parties</i>		12.284.592	24.956.679
<i>Due to Third Parties</i>		5.444.547	3.271.285
<i>Lease Payables to Related Parties</i>		19.721.543	14.829.279
<i>Lease Payables to Third Parties</i>		16.135.524	23.572.684
Other Payables	12	2.910.885	-
<i>Due to Related Payables</i>		2.910.885	-
<i>Other Payables</i>		13.308.332	13.949.382
Long-Term Provisions			
<i>Employee Benefits</i>	25	13.308.332	13.949.382
Deferred Tax Liabilities	35	24.991.789	1.918.063
Other Long Term Liabilities	26	16.576.341	8.222.163
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>111.373.553</b>	<b>90.719.535</b>
<b>EQUITY</b>			
<b>Total Equity Attributable to Equity Holders of the Company</b>		<b>1.909.258.332</b>	<b>1.106.992.953</b>
Paid in Capital	27	355.000.000	355.000.000
Share Premium		1.303.326	1.317.449
Other Comprehensive Income and Expenses to be classified to Profit or Loss	27	(6.243.966)	(7.085.607)
<i>Currency Translation Differences</i>		(6.243.966)	(7.085.607)
Other Comprehensive Income and Expenses to be Reclassified to Profit or Loss		56.507.110	42.421.951
<i>Currency Translation Differences</i>	27	11.824.581	6.856.675
<i>Fair Value Reserve</i>		44.682.529	35.565.276
Other Reserves	27	83.753.848	33.758.962
Restricted Reserves	27	139.503.482	104.849.263
Prior Year's Profit/Loss	27	337.460.212	193.856.773
Profit for the Year		941.974.320	382.874.162
<b>Non-Controlling Interests</b>	27	<b>275.156.803</b>	<b>286.142.460</b>
<b>TOTAL EQUITY</b>		<b>2.184.415.135</b>	<b>1.393.135.413</b>
<b>TOTAL LIABILITIES</b>		<b>8.775.444.410</b>	<b>6.717.106.052</b>

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

# İŞ YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

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

Consolidated Financial Statements As at and for the Year Ended December 31, 2020 and 2019  
(Currency – Turkish Lira (“TL”))

		Audited Current Period	Audited Prior Period
		1 January - 31 December 2020	1 January - 31 December 2019
	Notes		
<b>STATEMENT OF PROFIT OR LOSS</b>			
<b>Revenue</b>	28	<b>109.583.692.115</b>	<b>246.543.051.433</b>
Sales Revenue	28	108.504.007.574	245.873.532.325
Interest and Derivative Income from Operating Activities, Net	28	232.792.579	314.633.751
Service Income, Net	28	743.600.429	300.487.332
Other Operating Income, Net	28	103.291.533	54.398.025
<b>Cost of Sales (-)</b>	28	<b>(107.714.224.569)</b>	<b>(245.505.222.484)</b>
<b>GROSS PROFIT/LOSS</b>		<b>1.869.467.546</b>	<b>1.037.828.949</b>
Administrative Expenses (-)	29	(367.208.882)	(306.457.035)
Marketing Expenses (-)	29	(157.136.277)	(114.052.242)
Research and Development Expenses (-)	29	(2.932.629)	(1.933.425)
Other Operating Income	30	21.617.766	16.025.007
Other Operating Expenses (-)	30	(94.740.643)	(30.894.292)
<b>OPERATING PROFIT/LOSS</b>		<b>1.269.066.881</b>	<b>600.516.962</b>
Share of Profit/Loss of Equity Accounted Investees, Net of Income Tax	17	(9.086.241)	(4.869.067)
<b>OPERATING PROFIT/LOSS BEFORE FINANCE COST</b>		<b>1.259.980.640</b>	<b>595.647.895</b>
Finance Income	31	83.734.575	51.109.552
Finance Costs (-)	32	(97.703.044)	(115.359.984)
<b>PROFIT BEFORE TAXATION FROM CONTINUING OPERATIONS</b>		<b>1.246.012.171</b>	<b>531.397.463</b>
<b>Income Tax from Continuing Operations</b>	35	<b>(268.706.987)</b>	<b>(110.422.024)</b>
<i>Current Tax Expense</i>		(238.415.857)	(126.937.576)
<i>Deferred Tax Income/(Expense)</i>		(30.291.130)	16.515.552
<b>PROFIT FROM CONTINUING OPERATIONS</b>		<b>977.305.184</b>	<b>420.975.439</b>
<b>PROFIT FROM DISCONTINUED OPERATIONS</b>		-	-
<b>PROFIT FOR THE YEAR</b>		<b>977.305.184</b>	<b>420.975.439</b>
<b>Profit Attributable to:</b>			
Non-controlling interests		35.330.864	38.101.277
Equity holders of the company		941.974.320	382.874.162
		<b>977.305.184</b>	<b>420.975.439</b>
<b>Earnings per share</b>			
Earnings Per Share From Continuing Operations	36	2,6534	1,0785
Earnings Per Share From Discontinued Operations		-	-
<b>Diluted Earnings Per Share</b>			
Diluted Earnings Per Share from Continuing Operations	36	2,6534	1,0785
Diluted Earnings Per Share from Discontinued Operations		-	-

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

# İŞ YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

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

## CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME AS OF DECEMBER 31, 2020 and 2019

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

		Audited Current Period	Audited Prior Period
		1 January - 31 December 2020	1 January - 31 December 2019
	Notes		
<b>PROFIT FOR THE YEAR</b>		<b>977.305.184</b>	<b>420.975.439</b>
<b>OTHER COMPREHENSIVE INCOME:</b>			
<b>Items that not to be reclassified to profit or loss</b>	34	<b>1.090.270</b>	<b>(2.506.801)</b>
Defined benefit plans re-measurement gains		1.362.837	(3.133.501)
Net change in remeasurements of defined benefit liability			
Related tax		(272.567)	626.700
<i>Deferred Tax Expense/Income</i>	35	(272.567)	626.700
<b>Items that are or may be reclassified to profit or loss</b>	34	<b>8.941.782</b>	<b>7.245.445</b>
Net change in fair values of available for sale financial assets		9.568.436	12.144.804
Change in currency translation reserve		(148.233)	(4.292.119)
Tax related to other comprehensive income that will be reclassified to profit or loss		(478.421)	(607.240)
<b>OTHER COMPREHENSIVE INCOME</b>		<b>10.032.052</b>	<b>4.738.644</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>987.337.236</b>	<b>425.714.083</b>
<b>Total Comprehensive Income Attributable to:</b>			
Non-Controlling Interests		31.681.966	35.477.481
Equity Holders of the Company		955.655.270	390.236.602
		<b>987.337.236</b>	<b>425.714.083</b>

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

# İŞ YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

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

## CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

AS OF DECEMBER 31, 2020 and 2019

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

			Other Comprehensive Income to be classified to be profit or loss		Other Comprehensive Income to be reclassified to be profit or loss			Retained Earnings		Shareholders' Equity	Non-Controlling Interest	Equity
	Paid in Capital	Share Premium	Defined Benefit Plans Re-Measurement Gains and Losses	Currency Translation Difference	Fair Value Reserve	Other Reserves	Restricted Reserves	Prior Year's Profit/Loss	Net Profit/Loss For The Year			
<b>Balance on January 1, 2019</b>	<b>355.000.000</b>	<b>1.324.230</b>	<b>(4.814.507)</b>	<b>7.812.161</b>	<b>23.854.578</b>	<b>8.761.518</b>	<b>83.855.163</b>	<b>107.790.822</b>	<b>221.701.017</b>	<b>805.284.982</b>	<b>279.807.431</b>	<b>1.085.092.413</b>
Transfers to Reserves	-	-	-	-	-	25.000.000	21.014.634	175.686.383	(221.701.017)	-	-	-
Total Comprehensive Income	-	-	(2.271.100)	(968.506)	10.602.046	-	-	-	382.874.162	<b>390.236.602</b>	35.477.481	<b>425.714.083</b>
Change in Non-Controlling Interests	-	(6.781)	-	13.020	1.108.652	(2.556)	(20.534)	379.568	-	<b>1.471.369</b>	(3.005.530)	<b>(1.534.161)</b>
Dividends	-	-	-	-	-	-	-	(90.000.000)	-	<b>(90.000.000)</b>	(26.136.922)	<b>(116.136.922)</b>
<b>Balance on January 31, 2019</b>	<b>355.000.000</b>	<b>1.317.449</b>	<b>(7.085.607)</b>	<b>6.856.675</b>	<b>35.565.276</b>	<b>33.758.962</b>	<b>104.849.263</b>	<b>193.856.773</b>	<b>382.874.162</b>	<b>1.106.992.953</b>	<b>286.142.460</b>	<b>1.393.135.413</b>

			Other Comprehensive Income to be classified to be profit or loss		Other Comprehensive Income to be reclassified to be profit or loss			Retained Earnings		Shareholders' Equity	Non-Controlling Interest	Equity
	Paid in Capital	Share Premium	Defined Benefit Plans Re-Measurement Gains and Losses	Currency Translation Difference	Fair Value Reserve	Other Reserves	Restricted Reserves	Prior Year's Profit/Loss	Net Profit/Loss For The Year			
<b>Balance on January 1, 2020</b>	<b>355.000.000</b>	<b>1.317.449</b>	<b>(7.085.607)</b>	<b>6.856.675</b>	<b>35.565.276</b>	<b>33.758.962</b>	<b>104.849.263</b>	<b>193.856.773</b>	<b>382.874.162</b>	<b>1.106.992.953</b>	<b>286.142.460</b>	<b>1.393.135.413</b>
Transfers to Reserves	-	-	-	-	-	50.000.000	34.954.285	297.919.877	(382.874.162)	-	-	-
Total Comprehensive Income	-	-	841.641	4.932.770	7.906.538	-	-	-	941.974.320	<b>955.655.269</b>	31.681.966	<b>987.337.235</b>
Change in Non-Controlling Interests	-	(14.123)	-	35.136	1.210.715	(5.114)	(300.066)	(343.765)	-	<b>582.783</b>	2.058.427	<b>2.641.210</b>
Dividends	-	-	-	-	-	-	-	(140.000.000)	-	<b>(140.000.000)</b>	(43.367.722)	<b>(183.367.722)</b>
Other	-	-	-	-	-	-	-	(13.972.673)	-	<b>(13.972.673)</b>	(1.358.328)	<b>(15.331.001)</b>
<b>Balance on January 31, 2020</b>	<b>355.000.000</b>	<b>1.303.326</b>	<b>(6.243.966)</b>	<b>11.824.581</b>	<b>44.682.529</b>	<b>83.753.848</b>	<b>139.503.482</b>	<b>337.460.212</b>	<b>941.974.320</b>	<b>1.909.258.332</b>	<b>275.156.803</b>	<b>2.184.415.135</b>

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

# İŞ YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

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

## CONSOLIDATED STATEMENT OF CASH FLOWS

AS OF DECEMBER 31, 2020 and 2019

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

		Audited Prior Year	Audited Prior Year
	Notes	1 January – 31 December 2020	1 January – 31 December 2019
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		<b>(597.814.437)</b>	<b>489.998.652</b>
Net Profit for the year		977.305.184	420.975.439
<b>Adjustments to reconcile net profit / (loss)</b>			
Adjustments for depreciation and amortization	20-21	21.097.425	17.705.862
Changes in provisions		50.268.094	15.718.387
Interest income and expenses	7-9	2.749.780	(18.137.203)
Adjustments related to share-based payments		(3.383.227)	(1.409.327)
Adjustments related to fair value losses / gains		(12.298.931)	(25.651.157)
Changes in tax loss/income	35	268.706.987	110.422.024
Gain / losses from sales of tangible assets	20-21	(309.536)	(1.076.440)
Adjustments related to investments accounted for using the equity method	17	9.086.241	4.869.067
Other adjustments related to profit/loss reconciliation		17.413.662	12.314.530
<b>Changes in net working capital</b>			
Increases/decreases in inventories		(1.445.634)	(731.498)
Increases/decreases in trade receivables		(2.430.973.347)	(1.456.681.529)
Increases/decreases in financial investments		(1.001.798.269)	(28.294.994)
Increases/decreases in other receivables		(300.890.121)	84.334.600
Changes in restricted deposits	7	(2.765)	3.829.024
Increases/decreases in trade payables		1.997.649.406	1.447.810.129
Increases/decreases in other payables		14.577.952	(2.318.428)
<b>Cash flows from operating activities</b>			
Current tax paid		(200.545.806)	(91.084.479)
Employment termination benefits paid/return		(5.021.532)	(2.595.355)
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		<b>(14.798.232)</b>	<b>(20.519.898)</b>
Proceeds from acquisition of associates		(2.278.359)	(40.084)
Proceeds from disposal of property, plant and equipment	20	4.348.417	3.519.679
Cash inflow from sales of tangible assets	20	(13.334.709)	(13.815.991)
Dividend income	31	3.383.227	1.409.327
Cash outflow from purchases of intangible assets	21	(6.916.808)	(11.592.829)
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		<b>(451.164.379)</b>	<b>(2.162.957.694)</b>
Proceeds from financial liabilities		22.133.646.508	16.091.483.183
Repayments of financial liabilities		(21.530.796.356)	(17.462.710.240)
Dividends paid	27	(183.367.722)	(116.136.922)
Change in time deposits with original maturities longer than three months		614.450.730	(601.213.005)
Change in other financial liabilities		134.876.036	(31.439.298)
Financing cash inflows from commercial paper		-	11.932.781.068
Financial cash outflows from commercial paper		(1.619.973.575)	(11.975.722.480)
<b>NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS BEFORE CURRENCY TRANSLATION DIFFERENCES (A+B+C)</b>		<b>(1.063.777.048)</b>	<b>(1.693.478.940)</b>
<b>D. EFFECTS OF UNREALIZED EXCHANGE LOSS/ (GAIN) ON CASH AND CASH EQUIVALENTS</b>		<b>4.932.770</b>	<b>(968.506)</b>
<b>NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C+D)</b>		<b>(1.058.844.278)</b>	<b>(1.694.447.446)</b>
<b>E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	7	<b>1.561.920.389</b>	<b>3.256.367.835</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D+E)</b>	7	<b>503.076.111</b>	<b>1.561.920.389</b>

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

# İŞ YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020 and 2019  
(Amounts are expressed in Turkish Lira (“TL”) unless otherwise indicated.)

## 1. ORGANIZATION AND OPERATIONS OF THE GROUP

The purpose of İş Yatırım Menkul Değerler Anonim Şirketi (“the Company”) is to perform capital market activities in accordance with its Articles of Association of the Capital Markets Law. In this respect, the Company obtained the establishment permission through the Capital Markets Board’s (the “CMB”) meeting No: 51/1515 on December 5, 1996.

The Company is registered in Turkey and the head quarter of the Company operates at the address below. The contact information of the Company’s head quarter and web site is stated below:

Levent Mahallesi, Meltem Sokak, İş Kuleleri, Kule - 2 Kat 13, 34330, Beşiktaş / İstanbul / Turkey  
Telephone: + 90 (212) 350 20 00 Fax: + 90 (212) 350 20 01  
<http://www.isyatirim.com.tr>

Türkiye İş Bankası AŞ is the main shareholder of the Company. The equity shares of the Company are traded on the stock Exchange.

As of December 31, 2020, the Company has 375 employees (31 December 2019: 345).

As of December 31, 2020, the details of the Company’s subsidiaries included in consolidation are as follows:

### Subsidiaries:

Company	Place of incorporation	Business Activity
Efes Varlık Yönetim AŞ	İstanbul	Asset management
İş Girişim Sermayesi Yatırım Ortaklığı AŞ <sup>(*)</sup>	İstanbul	Private equity
İş Portföy Yönetimi AŞ	İstanbul	Portfolio management
İş Yatırım Ortaklığı AŞ	İstanbul	Investment trust
Maxis Girişim Sermayesi Portföy Yönetimi AŞ.	İstanbul	Portfolio management
Maxis Investments Ltd.	London	Securities brokerage

<sup>(\*)</sup> Subsidiaries of İş Girişim Sermayesi Yatırım Ortaklığı AŞ are presented in Note 2.1

The Company and its consolidated subsidiaries, jointly controlled entities and associates are referred to as “the Group” in this report. The operations of the subsidiaries included in the consolidation are stated below:

### Efes Varlık Yönetim AŞ

The subsidiary has been established on February 8, 2011. The purpose of the subsidiary is to buy and sell receivables and other assets of deposit banks, participation banks and other financial institutions.

### İş Girişim Sermayesi Yatırım Ortaklığı AŞ (“İş Girişim Sermayesi”):

The operations of this subsidiaries are mainly making long-term investments in entrepreneurships founded or to be found in Turkey with a development potential and in need of capital.

### İş Portföy Yönetimi AŞ:

This subsidiary was registered with the Istanbul Trade Registry on 23 September 2000 and its foundation was published in the Trade Registry Gazette No: 5168 on 6 November 2000. Its purpose is to perform capital market activities in accordance with its Articles of Association and the Capital Markets Law and the related regulation. This participation offers only portfolio management and investment advisory services within the context of capital market activities to institutional investors.

### İş Yatırım Ortaklığı AŞ (Previous Title: İş B Tipi Yatırım Ortaklığı AŞ):

The purpose of this subsidiary is to perform capital market activities in accordance with the Capital Markets Law and the related regulation. This subsidiary performs capital market activities and managing its own portfolio.

# İŞ YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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(Amounts are expressed in Turkish Lira (“TL”) unless otherwise indicated.)

## 1. ORGANIZATION AND OPERATIONS OF THE GROUP (cont’d)

### Maxis Girişim Sermayesi Portföy Yönetimi AŞ:

The activity of the subsidiary established on November 2, 2017 and started operating in May 17, 2018 is the establishment and management of venture capital investment funds within the framework of the Capital Markets Law and related legislative provisions. An application has been made to the Capital Markets Board for the relevant transaction.

### Maxis Investments Ltd.:

The subsidiary has been established with the official registration with “The Official Seal of the Registrar of Companies” on August 8, 2005 located on 7 Princes Street, London. The purpose of the subsidiary is to perform profitable operations in the international capital markets.

### **Associates and jointly controlled entities:**

Associates are entities on which the Group has significant influence apart from subsidiaries. Significant influence is the participation power to govern the financial and operating policies of an entity without having individually or jointly control power. Joint ventures are controlled by the Group with a contractual agreement and the Group have the authority on strategic, financial and operational decisions of joint ventures by these agreements. The details of Group’s associates as at December 31, 2020 are as follows:

### *Associate*

<b>Company Name</b>	<b>Type of Services</b>	<b>Main Operations</b>
Radore Veri Hizmetleri AŞ (“Radore”)	Service	Information technology sector, data center management and other works written in the main contract.
Mika Tur Seyahat Acenteliği ve Turizm AŞ (“Mika Tur”)	Service	Travel Agency
Ege Tarım Ürünleri Lisanslı Depoculuk AŞ (“Elidaş”)	Service	Licensed Warehousing

## 2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 2.1. Basis of presentation

#### **Financial reporting standards**

#### Approval of Financial Statements

The Group’s consolidated financial statements as at and for the year then ended December 31, 2020 have been approved by the Board of Directors and authorization for issue has been given on February 1, 2020. The General Assembly has the authority to amend the consolidated financial statements after publishing.

#### Preparation of Consolidated Financial Statements and Statement of Compliance to TAS

The accompanying consolidated financial statements are prepared in accordance with the Communiqué numbered II-14,1, “Basis for Financial Reporting in Capital Markets” (“the Communiqué”) published in the Official Gazette numbered 28676 on June 13, 2013. According to the Communiqué, financial statements are prepared in accordance with Turkish Accounting Standards (“TAS”) which are published by the Public Oversight Accounting and Auditing Standards Authority (“POA”). TAS consists of Turkish Accounting Standards, Turkish Financial Reporting Standards and related appendices and interpretations.

# İŞ YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020 and 2019  
(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated.)

## 2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

### 2.1. Basis of presentation (cont'd)

#### Financial reporting standards (cont'd)

The accompanying consolidated financial statements as of December 31, 2020 have been prepared by the KGK on the basis of sub-paragraph (b) of Article 9 of the Statutory Decree numbered 660 ("Decree"), approved by the Board decision dated June 2, 2016 and numbered 30, and subsequently, with the Revenue from TFRS-15 Customer Contracts. It is presented in accordance with the updated TAS taxonomy published under the name of "2019 TFRS", which was announced to the public on 15 April 2019 together with the changes in TFRS-16 Leases standards. The Company and its subsidiaries in Turkey, the legal books and the statutory financial statements of the Turkish Commercial Code ("TCC") and tax legislation to keep in accordance with the accounting principles and are prepared. Enterprises controlled by a subsidiary operating in foreign countries prepare their accounting records and legal financial statements in the currencies of the countries in which they operate and in accordance with the legislation of those countries.

#### Functional and Reporting Currency

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in TL, which is the functional and presentation currency of the Company.

Foreign currency exchange rates used by the Group are as follows:

	31 December 2020	31 December 2019
USD	7,3405	5,9402
EURO	9,0079	6,6506
GBP	9,9438	7,7765

#### Assumption of Going Concern

The consolidated financial statements of the Group are prepared on a going concern basis, which presumes the realization of assets and settlement of liabilities of the Company and its consolidated subsidiaries, jointly controlled entities and associates in the normal course of operations and in the foreseeable future.

#### Basis of Consolidation

##### Subsidiaries:

Subsidiaries are entities controlled by the Group. The Group can control a business when exposure, or rights, to variable returns due to its involvement with the investee and the ability to use its power over the investee to affect the amount of the investor's returns. The financial statements of subsidiaries have been included in the consolidated financial statements from the date control commences until the date that controls ends. Non-controlling interests in the net assets of the consolidated subsidiaries are identified separately from the Group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling interest share of changes in equity since the date of the combination. Even if the non-controlling interests result in a reverse balance, total comprehensive income is attributable to the equity holders of the Company and to the non-controlling interests.

# İŞ YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020 and 2019  
(Amounts are expressed in Turkish Lira (“TL”) unless otherwise indicated.)

## 2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

### 2.1. Basis of Presentation (cont'd)

The details of the Company’s subsidiaries are as follows:

<b>Subsidiaries</b>	<b>Ownership as at 31 December 2020</b>	<b>Ownership as at 31 December 2019</b>
Efes Varlık Yönetim AŞ	%91,14	%74,00
İş Girişim Sermayesi Yatırım Ortaklığı AŞ	%29,01	%30,49
İş Portföy Yönetimi AŞ	%70,00	%70,00
İş Yatırım Ortaklığı AŞ	%29,45	%29,58
Maxis Girişim Sermayesi Portföy Yönetimi AŞ	%100,00	%100,00
Maxis Investments Ltd.	%100,00	%100,00
Nevotek Bilişim Ses ve İletişim Sis. San. ve Tic. AŞ (“Nevotek”) <sup>(*)</sup>	%95,37	%95,37
Ortopro Tıbbi Aletler Sanayi ve Ticaret AŞ (“Ortopro”) <sup>(*)</sup>	%97,22	%90,63
Toksöz Spor Malzemeleri Ticaret AŞ (“Toksöz Spor”) <sup>(*)</sup>	%90,63	%88,27
Mikla Yiyecek ve İçecek AŞ (“Mikla”) <sup>(**)</sup>	%83,57	%83,57

(\*) The subsidiaries of İş Girişim Sermayesi are presented with İş Girişim Sermayesi’s ownership percentages.

(\*\*) The assets of Numnum Gıda ve İçecek A.Ş., a subsidiary of İş Private Equity, were transferred to three new companies established by the method of full division. Two of the new companies were sold for a total price of TL 24,025,000. The other new company with the division was "Mikla Gıda ve İçecek A.Ş." and İş Girişim Sermayesi’s share in this company is 83.57% just like Numnum Gıda ve İçecek A.Ş.

The accounting policies of subsidiaries are changed as necessary to align them with the policies adopted by the Group.

#### Associates and joint ventures:

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Jointly controlled entities are those entities over whose activities the Group has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions. Investments in associates and jointly controlled entities are accounted for using the equity method and are recognized initially at cost.

The consolidated financial statements include the Group’s share of the profit or loss and other comprehensive income of equity accounted investees from the date that significant influence or joint control commences until the date that significant influence or joint control ceases. When the Group’s share of losses exceeds its interest in an equity-accounted investee, the carrying amount of the investment, including any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

The details of the Group’s associates are as follows:

<b>Associates</b>	<b>Place of incorporation</b>	<b>Share on capital (%)</b>		<b>Main Business Area</b>
		<b>31 December 2020</b>	<b>31 December 2019</b>	
Radore <sup>(*)</sup>	Türkiye	25,50	25,50	Data Services
Mika Tur <sup>(*)</sup>	Türkiye	40,00	20,00	Travel Agency
Elidaş	Türkiye	10,05	-	Licensed Warehousing

(\*) The subsidiaries of İş Girişim Sermayesi are presented with İş Girişim Sermayesi’s ownership percentages.

#### Goodwill:

Goodwill represents the excess cost of an acquisition over the fair value of the Group’s share of the net identifiable assets of the acquired subsidiary/associate. Goodwill on acquisitions of associates is included in “Associates or Associates Accounted by Using Equity Method” and is tested for impairment as part of the overall balance. Separately recognized goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed.

# İŞ YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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## BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (cont’d)

### 2.1. Basis of Presentation (cont’d)

#### Goodwill: (cont’d)

Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocations made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

If the fair value of identifiable assets, liabilities, the fair value of contingent liabilities or the cost of mergers can only be determined temporarily on the carrying amount, hence the accounting of the merger can only be made temporarily at the end of the period which the merger is realized, then the acquirer recognizes the merger at its temporary value. The mentioned temporary recognition should be completed within the following 12 months and all adjustments including goodwill should be made as of the merger date.

#### *Transactions eliminated on consolidation:*

Statements of financial positions and profit and loss of the companies who are included in the consolidation are consolidated based on full consolidation method and by netting off their book value within the Company’s assets and their shares within the Company’s equity. Portion of the net assets of the subsidiaries that are not directly or indirectly controlled by the parent company, is recognized under “Non-Controlling Interests” in the consolidated statement of financial position. In addition, the portion of the net profit or loss of the subsidiaries that are not directly or indirectly controlled by the Parent company, is also recognized under “Non-Controlling Interests” in the consolidated statement of profit or loss. Intragroup balances and transactions of the companies who are included in the consolidation are eliminated. Profit or loss realized due to the transactions between the group companies or joint ventures, are eliminated by using the Group’s share ratio of the related company or joint venture.

### 2.2 Changes in the Accounting Estimates and Error

If changes in accounting estimates are only for one period, they are applied prospectively in the current period when the change is made, and in the period in which the change is made and in the future periods, significant accounting errors are corrected retrospectively and the financial statements of the previous periods are restated.

### 2.3. Basis of Presentation of the Consolidated Financial Statements

#### **The new standards, amendments and interpretations**

The accounting policies adopted in preparation of the consolidated financial statements as at December 31, 2020 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRIC interpretations effective as of January 1, 2020. The effects of these standards and interpretations on the Group’s financial position and performance have been disclosed in the related paragraphs.

#### **i) The new standards, amendments and interpretations which are effective as of January 1, 2020 are as follows:**

##### **Defining the business (Amendments to TFRS 3)**

In May 2019, the POA issued amendments to the definition of a business in TFRS 3 Business Combinations standards. The amendments are intended to assist entities to remove the assessment regarding the definition of business.

# İŞ YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020 and 2019  
(Amounts are expressed in Turkish Lira (“TL”) unless otherwise indicated.)

## 2.3. Basis of Presentation of the Consolidated Financial Statements (*cont’d*)

**i) The new standards, amendments and interpretations which are effective as of January 1, 2020 are as follows: (*cont’d*)**

### **Defining the business (Amendments to TFRS 3) (*cont’d*)**

The amendments:

- clarify the minimum requirements for a business;
- remove the assessment of whether market participants are capable of replacing any missing elements;
- add guidance to help entities assess whether an acquired process is substantive;
- narrow the definitions of a business and of outputs; and
- introduce an optional fair value concentration test.

The amendments to TFRS 3 are effective for annual reporting periods beginning on or after 1 January 2020 and apply prospectively.

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

### **Amendments to TFRS 9, TAS 39 and TFRS 7- Interest Rate Benchmark Reform**

The amendments issued to TFRS 9 and TAS 39 which are effective for periods beginning on or after January 1, 2020 provide reliefs which enable hedge accounting to continue. For these reliefs, it is assumed that the benchmark on which the cash flows of hedged risk or item are based and/or, the benchmark on which the cash flows of the hedging instrument are based, are not altered as a result of IBOR reform. in connection with interest rate benchmark reform.

Reliefs used as a result of amendments in TFRS 9 and TAS 39 is aimed to be disclosed in financial statements based on the amendments made in TFRS 7.

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

### **Definition of Material (Amendments to TAS 1 and TAS 8)**

In June 2019, the POA issued amendments to TAS 1 Presentation of Financial Statements and TAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to align the definition of ‘material’ across the standards and to clarify certain aspects of the definition. The new definition states that, ‘Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity. The amendments clarify that materiality will depend on the nature or magnitude of information, or both. An entity will need to assess whether the information, either individually or in combination with other information, is material in the context of the financial statements.

The amendments to TAS 1 and TAS 8 are required to be applied for annual periods beginning on or after 1 January 2020. The amendments must be applied prospectively, and earlier application is permitted.

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

# İŞ YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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(Amounts are expressed in Turkish Lira (“TL”) unless otherwise indicated.)

## 2.3. Basis of Presentation of the Consolidated Financial Statements (*cont’d*)

**i) The new standards, amendments and interpretations which are effective as of January 1, 2020 are as follows: (*cont’d*)**

### **Privileges Recognized in Lease Payments Regarding Covid-19 (Amendments to TFRS 16)**

Amendments to TFRS 16 – Covid-19 Rent Related Concessions

On June 5, 2020, the POA issued amendments to TFRS 16 Leases to provide relief to lessees from applying TFRS 16 guidance on lease modifications to rent concessions arising a direct consequence of the Covid-19 pandemic. A lessee that makes this election accounts for any change in lease payments related rent concession the same way it would account for the change under the standard, if the change were not a lease modification.

The practical expedient applies only to rent concessions occurring as a direct consequence of the Covid-19 pandemic and only if all of the following conditions are met:

- The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change.
- Any reduction in lease payments affects only payments originally due on or before 30 June 2021.
- There is no substantive change to other terms and conditions of the lease.

A lessee will apply the amendment for annual reporting periods beginning on or after 1 June 2020. Early application of the amendments is permitted.

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

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

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

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

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

#### ***TFRS 17 - The new Standard for insurance contracts***

The PAO issued TFRS 17 in February 2019, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. TFRS 17 model combines a current balance sheet measurement of insurance contract liabilities with the recognition of profit over the period that services are provided. TFRS 17 will become effective for annual reporting periods beginning on or after 1 January 2023; early application is permitted. The standard is not applicable for the Group and will not have an impact on the financial position or performance of the Group.

# İŞ YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

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## 2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (cont’d)

### 2.3. Basis of Presentation of the Consolidated Financial Statements(cont’d)

#### ii) Standards issued but not yet effective and not early adopted(cont’d)

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

On March 12, 2020, the POA issued amendments to TAS 1 Presentation of Financial Statements. The amendments issued to TAS 1 which are effective for periods beginning on or after 1 January 2023, clarify the criteria for the classification of a liability as either current or non-current. Amendments must be applied retrospectively in accordance with TAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. Early application is permitted.

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

##### **Amendments to TFRS 3 – Reference to the Conceptual Framework**

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

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

##### **Amendments to TAS 16 – Proceeds before intended use**

In July 2020, the POA issued amendments to TAS 16 Property, plant and equipment. The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment (PP&E), any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and costs of producing those items, in profit or loss. The amendments issued to TAS 16 which are effective for periods beginning on or after 1 January 2022. Amendments must be applied retrospectively only to items of PP&E made available for use on or after beginning of the earliest period presented when the entity first applies the amendment.

There is no transition relief for the first-time adopters.

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

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## 2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (*cont’d*)

### 2.3. Basis of Presentation of the Consolidated Financial Statements(*cont’d*)

#### ii) Standards issued but not yet effective and not early adopted(*cont’d*)

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

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

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

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

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

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

The amendments include a practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest. Under this practical expedient, if the interest rates applicable to financial instruments change as a result of the IBOR reform, the situation is not considered as a derecognition or contract modification; instead, this would be determined by recalculating the carrying amount of the financial instrument using the original effective interest rate to discount the revised contractual cash flows.

The practical expedient is required for entities applying TFRS 4 Insurance Contracts that are using the exemption from TFRS 9 Financial Instruments (and, therefore, apply TAS 39 Financial Instruments: Classification and Measurement) and for TFRS 16 Leases, to lease modifications required by IBOR reform.

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## 2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (cont’d)

### 2.3. Basis of Presentation of the Consolidated Financial Statements(cont’d)

#### ii) Standards issued but not yet effective and not early adopted(cont’d)

#### Interest Rate Benchmark Reform – Phase 2 – Amendments to TFRS 9, TAS 39, TFRS 7, TFRS 4 and TFRS 16 (cont’d)

##### *Relief from discontinuing hedging relationships*

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

##### *Separately identifiable risk components*

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

##### *Additional disclosures*

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

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

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

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## 2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (cont’d)

### 2.3. Basis of Presentation of the Consolidated Financial Statements(cont’d)

#### ii) Standards issued but not yet effective and not early adopted(cont’d)

##### *Annual Improvements – 2018–2020 Cycle*

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

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

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

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

### 2.4. Comparative Figures

The consolidated financial statements of the Group include comparative financial information to enable the determination of the financial position and performance. Comparative figures are reclassified, where necessary, to conform to changes in presentation in the current period consolidated financial statements.

### 2.5. Summary of Significant Accounting Policies

#### **Revenue:**

The Group immediately recognizes gain on sale of marketable securities in its portfolio, when proceeds on such sale transactions are deemed to be collectable while dividend and similar type of revenue are recognized when proceeds on such sale transactions are deemed to be collectable at maturity.

#### *Interest income and expenses*

Interest income and expenses are recognized in the statement of profit or loss on an accrual basis. Interest income include coupon payments on fixed income securities, interest income on the Stock Exchange Money Market transactions and reverse repurchase agreements and interest on guarantees given for futures transactions.

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## 2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

### 2.5. Summary of Significant Accounting Policies (cont'd)

#### **Revenue:** (cont'd)

##### *Service income*

Revenue generated from a service contract is recognized by reference to the stage of completion of the contractual obligation. In this respect, fees and commissions generated as a consequence of the completion of the service contract or service, mutual fund management fees, portfolio management commissions and agency commissions are recognized on an accrual basis.

##### *Dividend income*

Dividend income from equity shares is recognized when the shareholders' rights to receive payment have been established.

##### *Private equity*

Revenues are comprised of sale of subsidiary and/or associate and income from consultancy services provided to associates. Revenues from sale of subsidiary or associate resulting in change in control are recognized when the sales are realized. Consultancy services given to associates are recognized at the date of the service rendered.

##### *IT, audio and communication systems*

Revenue is recognized on an accrual basis by the amount of excess of the fair value if it is probable that the future economic benefits of the revenue will flow to the Group.

The Group recognizes revenue when the Group has available contracts with clients, product or service is delivered, amount of revenue measured reliably, and it is probable that the Group will be receiving economic benefit.

The Group recognizes revenue for license and software solutions after the software is delivered and the service is started to be used by considering the conditions mentioned in the first paragraph.

##### *Trade of orthopedics, medical equipments and sport products*

Revenues are calculated by received payments or fair value of payments which will be received. Estimated refunds, discounts, and provisions are deducted from the mentioned amount.

##### *Food and beverage services revenue*

Revenue is measured at fair values of the consideration received or receivable. Estimated discount is recognized as a reduction of revenue as the sales are granted.

Food and beverage revenues are recognized as the services are rendered. Revenues that are measured at fair values of the consideration received or receivable and after sale discounts and deductions.

##### *Restaurant sponsorship revenue*

Sponsorship revenues are earned as cash and non-cash benefits from sales of food suppliers and other suppliers in respect of their marketing activities. Sponsorship revenues are recognized as the services are rendered related to sponsorship activities performed. Sponsorship revenue related with uncollected part of long-term agreements are deferred until services are rendered. There are no deferred costs related to these revenues.

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## 2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (cont’d)

### 2.5. Summary of Significant Accounting Policies (cont’d)

#### Revenue (cont’d):

##### *Restaurant commission revenue*

Commission revenues are generated from franchising agreements that were made in order to lease registered trademarks and also restaurants’ operating rights to third parties. Commission revenues include both franchise entrance fees and sale commission fees which is computed over the specified rate. Franchise entrance fees are recognized as revenue as a restaurant which is mentioned on the agreement start to operate. Sale commission fees are recognized as revenue when recovery of the consideration is probable and if the entity believes that the payment amount is collectible and there is sufficient evidence that the amount of revenue can be measured.

##### *Sport goods sold*

Revenue from the sale of goods during ordinary activities is measured at the fair value of the consideration received and receivable, net of returns, trade discounts and volume rebates. Revenue is recognized when persuasive evidence exists, usually in the form of an executed sales agreement, that the significant risks and rewards of the ownership have been transferred to customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognized as a reduction of revenue as the sales are recognized.

#### Inventories:

Inventories are measured at the lower of cost and net realizable value. Costs involved in inventories are comprised of direct material, direct labor used for bringing inventories to their existing condition if applicable and production overheads. Weighted average cost method is used in calculating cost of inventories. Net realizable value is estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

#### Tangible Assets:

Items of tangible assets of the Turkish entities purchased before 1 January 2005 are stated at cost adjusted for the effects of inflation during the hyperinflationary period lasted through December 31, 2004, and tangible assets purchased after January 1, 2005 are recorded at their historical costs less accumulated depreciation and accumulated impairment losses.

##### *Depreciation*

Depreciation is recognized over the estimated useful lives of the related assets from the date of acquisition or the date of installation, on a straight-line basis.

Leasehold improvements are depreciated over the lower of the periods of the respective leases and useful lives, on a straight-line basis.

The estimated useful lives for the current and comparative periods are as follows:

	Useful life
Machinery and equipment	3-15 years
Vehicles	4-5 years
Furnitures and fixtures	2-15 years
Leasehold improvements	5-10 years
Other tangible assets	5-10 years

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, were shorter, the term of the relevant lease.

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## 2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

### 2.5. Summary of Significant Accounting Policies (cont'd)

#### **Tangible Assets:** (cont'd)

##### *Subsequent expenditure*

Expenditure incurred to replace a component of an item of tangible assets that is accounted for separately, including major inspection and overhauls costs, are capitalized. Other subsequent expenditures are capitalized only when it increases the future economic benefits embodied in the item of tangible assets. All other expenditures are recognized in profit or loss as an expense as incurred.

#### **Right-of-use assets**

The Group recognizes right-of-use assets at the commencement of the financial lease agreement (for example, as of the date the asset is available for use). Right-of-use assets are calculated by deducting accumulated depreciation and impairment losses from their cost value. In case of revaluation of financial lease debts, this figure is also corrected.

The cost of the right-of-use asset includes:

- (a) the initial measurement amount of the lease liability,
- (b) any lease payments made on or before the actual commencement date, less any lease incentives received, and
- (c) all initial direct costs incurred by the group.

Unless the transfer of ownership of the underlying asset to the Group at the end of the lease term is reasonably certain, the Group depreciates the right-of-use asset from the actual commencement date to the end of the useful life of the underlying asset.

Right-of-use assets are subject to impairment.

#### **Lease liabilities**

The Group measures the lease liability over the present value of the unpaid lease payments when the lease commences.

The lease payments included in the measurement of the lease liability at the actual commencement date consist of the following payments to be made for the right to use the underlying asset during the lease term and not paid at the actual commencement date:

- (a) fixed payments,
- (b) variable lease payments based on an index or rate, initially measured using an index or rate at the date the lease actually commences;
- (c) Amounts expected to be paid by the Company / Group under residual value commitments
- (d) If the Company / Group is reasonably certain that it will use the purchase option, the exercise price of this option and
- (e) If the lease term indicates that the Company / Group will use an option to terminate the lease, penalty payments regarding the termination of the lease.

Variable lease payments that are not dependent on an index or rate are recorded as an expense in the period in which the event or condition triggering the payment occurs.

The Group uses the revised discount rate for the remaining part of the lease term, if the implied interest rate in the lease can be easily determined, as this rate; If it cannot be determined easily, the Group determines it as the alternative borrowing interest rate on the date of re-evaluation.

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## 2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

### 2.5. Summary of Significant Accounting Policies (cont'd)

#### Lease liabilities (cont'd)

The group measures the lease liability as follows, after the date the lease commences:

- (a) Increases the carrying value to reflect the interest on the lease liability, and
- (b) It reduces the book value to reflect the lease payments made.

In addition, in the event of a change in the lease term, a change in essentially fixed lease payments, or a change in the assessment of the option to purchase the underlying asset, the value of the financial lease obligations is remeasured.

#### Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

#### Intangible Assets:

Intangible assets are comprised of trademarks and licenses and information technologies and computer software. Intangible assets are carried at restated cost for the effects of inflation in TL units current at December, 31 2004 for the intangible assets acquired before January, 1 2005, and intangible assets acquired after January, 1 2005 are carried at acquisition cost less accumulated amortization and impairment losses. Intangible assets are amortized on a straight-line basis over their estimated useful lives for a period not exceeding 5 years from the date of acquisition.

#### Trademarks and Licenses:

Acquired trademarks and licenses are shown at historical cost. Trademarks and licenses have a finite useful life and are carried at cost less accumulated amortization. Amortization is calculated using the straight-line method to allocate the cost of trademarks and licenses over their estimated useful lives (not exceeding five years).

#### Computer Software:

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized over their estimated useful lives (3 - 5 years).

Costs associated with developing or maintaining computer software programs are recognized as an expense as incurred. Costs that are directly associated with the development of identifiable and unique software products controlled by the Group, and that will probably generate economic benefits exceeding costs beyond one year, are recognized as intangible assets. Costs include the software development employee costs and an appropriate portion of relevant overheads. Computer software development costs recognized as assets are amortized over their estimated useful lives (not exceeding three years).

#### Intangible Assets Acquired in a Business Combination:

Intangible assets acquired in a business combination are identified and recognized separately from goodwill where they meet the definition of an intangible asset and their fair value can be measured reliably. Cost of such intangible fixed assets is the fair value at the acquisition date. Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets acquired separately.

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## 2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS *(cont’d)*

### 2.5. Summary of Significant Accounting Policies *(cont’d)*

#### **Intangible Assets:** *(cont’d)*

##### Internally-generated intangible assets – research and development expenditure

Expenditure on research activities is recognized as an expense in the period in which it is incurred.

An internally generated intangible asset arising from development (or from the development phase of an internal project) is recognized if, and only if, all of the following have been demonstrated:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale,
- The intention to complete the intangible assets and use or sell it,
- The ability to use or sell the intangible asset,
- How the intangibles asset will generate probable future economic benefits,
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset, and
- The ability to measure reliably the expenditure attributable to the intangible asset during its development.
- The amount of intangible money created internally is the total of the expenses given when the intangible fixed asset meets the recognized recognition requirements. When internally created intangible assets cannot be recorded, their expenditures can be written as expense.

Subsequent to initial recognition, internally generated intangible assets are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets acquired separately.

##### Derecognition of intangible assets

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the differences between the net disposal proceeds and the carrying amount of the asset. The difference is recognized in the statement of profit or loss when the asset is derecognized.

#### **Impairment of Assets:**

Assets that have an indefinite useful life, like goodwill, are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset’s carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset’s fair value less costs to sell or value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

#### **Assets Held for Sale:**

Assets that are expected to be recovered primarily through sale or distribution rather than through continuing use are classified as held for sale or distribution. These assets can be an operating unit, sales groups or a separate tangible asset. Assets held for sale are expected to be sold in twelve months following the reporting period. The assets held for sale are measured at the lower of their carrying amount and fair value. In the condition that the carrying amount exceeds the fair value, the impairment is recognized as a loss in the related period’s profit or loss statement.

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## 2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (*cont'd*)

### 2.5. Summary of Significant Accounting Policies (*cont'd*)

#### **Borrowing Costs:**

In the case of assets that require considerable time to be ready for use and sale, the borrowing costs directly attributable to the acquisition, construction or production are included in the cost of the asset until the asset is ready for use or sale. The financial investment income, which is obtained by evaluating the unspent portion of the investment-related loan temporarily in financial investments, is deducted from the borrowing costs eligible for capitalization.

Other borrowing costs are recognized under the statement of profit or loss in the period that they occur.

#### **Financial Instruments:**

A financial asset or a financial liability is recognized in the statement of financial position only when it is a party to the contract of the financial instrument. Normal purchases or sales of financial instruments are recognized in the financial statements or excluded from the financial statements by using one of the accounting methods on the transaction date or delivery date. The initial recognition and classification of financial instruments depends on the contractual terms and the relevant business model. A financial asset or financial liability other than TFRS 15 Customer Contracts are measured at fair value when first recognized in financial statements. Transaction costs directly attributable to the acquisition or the issuance of financial assets and liabilities, except for the fair value changes recognized in profit or loss, are also added to the fair value or deducted from the fair value.

The classification of financial instruments during the initial recognition depends on the characteristics of the contractual cash flows.

The financial assets and liabilities of the Group under TFRS 9 are as follows:

#### Financial Assets:

Financial investments, except financial assets classified at fair value through profit or loss and financial assets initially recognized at fair value, are recognized at fair value net of directly attributable transaction costs. Investments are recognized and derecognized on a trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned.

Financial assets are classified into the following specified categories: “financial assets at fair value through profit or loss (“FVTPL”)”, “financial assets measured at amortized cost”, and “financial assets at fair value through other comprehensive income (“FVTOCI”)”.

#### Financial assets at FVTPL

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

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## 2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

### 2.5. Summary of Significant Accounting Policies (cont'd)

#### **Financial Instruments: (cont'd)**

##### Financial assets measured at amortized cost

Financial assets are aimed at collecting contractual conditions of the financial asset cause cash flows that include payments due to the principal and principal balance at certain dates are classified as financial assets measured at amortized cost. It is valued at amortized cost using the effective interest method, and provision is set for impairment. Interest income from held to maturity investments is recognized as “interest income” in profit or loss.

##### Financial assets at FVTOCI

The contractual financial transactions of the financial asset are classified as being non-collected and the financial asset's resulting cash flows that include the average interest rates from the principal and principal balance in terms of the conditions, specifications, nearby principal and principal balance of the assets. Financial assets at fair value through other comprehensive income are initially recognized at their fair value including their transaction costs on the financial statements. However, if the fair value cannot be determined reliably, for those with a fixed maturity, the discount rate is calculated using the internal rate of return method for those who do not have a fixed maturity, they are valued using fair value pricing models or discounted cash flow techniques. Unrealized gains or losses arising from the changes in the fair value of financial assets at fair value through profit and loss is recognized in other comprehensive income are shown below Financial Assets Value Increase / Decrease Fund. In the event that the fair value differences of financial assets that are reflected in other comprehensive income are eliminated, the value in the equity accounts as a result of the fair value application is reflected to the period profit/loss.

##### Repurchase and reverse repurchase agreements

Marketable securities sold as part of repurchase agreement commitments (“repo”) are accounted for in the consolidated financial statements and liabilities to counterparties are presented as payables to customers. Marketable securities held as part of commitments to resale (“reverse repo”) are accounted for as funds loaned under marketable securities reverse repurchase agreements and accounted for under cash and cash equivalents in the balance sheet. The difference between purchase and resale prices is accounted for as interest and amortized during the period of the agreement.

##### Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments which their maturities are three months or less from date of acquisition and that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

##### Impairment of financial assets / expected credit loss

At each reporting period, each financial asset's credit risk within the scope of impairment is assessed from the date which it is first recognized in the financial statements. Within this assessment, the change of the default risk of the financial asset is taken into consideration. The expected loss provision estimate is unbiased, weighted according to probabilities, and includes information that can be supported about past events, current conditions, and forecasts for future economic conditions.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in the statement of profit or loss.

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## 2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

### 2.5. Summary of Significant Accounting Policies (cont'd)

#### **Financial Instruments: (cont'd)**

##### Impairment of financial assets / expected credit loss (cont'd)

With the exception of equity instruments at fair value through other comprehensive income, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

In respect of equity securities, any increase in equity instruments at fair value through other comprehensive income, subsequent to an impairment loss is recognized directly in equity.

##### Trade receivables and provision for doubtful receivables

Trade receivables are written off from the assets if the Group had no future cash flow expectations.

For the calculation of impairment of trade receivables that are measured at amortized cost and has no important financial component (a maturity with less than one year), “Simplified approach” is used. In cases where the trade receivables are not impaired due to certain reasons (except for the realized impairment losses), the provisions for losses related to trade receivables are measured by an amount equal to the “lifetime expected credit loss”

After recognizing allowance for doubtful receivables, if the entire amount or a portion of the entire amount is collected, the amount deducted from the provision for doubtful receivables and the amount is recognized in other operating income.

##### Financial liabilities:

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

##### Other financial liabilities

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

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

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## 2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

### 2.5. Summary of Significant Accounting Policies (cont'd)

#### **Financial Instruments:** (cont'd)

##### Forward, Option Contracts and Derivative financial instruments:

As at statement of financial position date, the Group has derivative financial instrument transactions which predominantly consist of positions related to foreign currency forward contracts and Borsa İstanbul indexed futures contracts. The Group uses foreign currency forward contracts and futures to hedge its risks associated with market fluctuations in connection with trading portfolio transactions. The Group participates in derivative transactions indexed to foreign currencies and securities, also performs brokerage activities relating to derivative transactions on behalf of its customers. As at statement of financial position date, transactions related to derivative financial instruments are entered into for trading purposes and measured at fair value. Interest and foreign currency gains and losses on these instruments are accounted for on an accrual basis in the statement of profit or loss.

##### Cash flow hedges

When a derivative is designated as the hedging instrument in a hedge of the variability in cash flows attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction that could affect profit or loss, the effective portion of changes in the fair value of the derivative is recognized in other comprehensive income and presented in the hedging reserve in equity. The amount recognized in other comprehensive income is removed and included in the statement of profit or loss in the same period as the hedged cash flows affect the statement of profit or loss under the same line item in the statement of comprehensive income as the hedged item. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the statement of profit or loss.

When the hedged item is a non-financial asset, the amount accumulated in equity is included in the carrying amount of the asset when the asset is recognized. In other cases, the amount accumulated in equity is reclassified to the statement of profit or loss in the same period that the hedged item affects profit or loss. If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, or the designation is revoked, then hedge accounting is discontinued prospectively. If the forecast transaction is no longer expected to occur, then the balance in equity is reclassified in the statement of profit or loss .

##### Recognition and removal of financial assets and liabilities:

A financial asset or a financial liability is recognized in the statement of financial position only when it is a party to the contract of the related financial instrument. The Company derecognizes a financial asset or a portion of its financial asset only when it loses its control over the rights arising from the contract. The Company derecognizes a financial liability only if the obligation defined in the contract is eliminated, canceled or expired.

#### **Business Combinations:**

The acquisition of subsidiaries and businesses are accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquire, plus any costs directly attributable to the business combination. The acquiree’s identifiable assets, liabilities and contingent liabilities that meet the recognition criteria under TFRS 3, “Business Combinations” are recognized at fair value at the date of acquisition, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with TFRS 5 “Non-Current Assets Held for Sale and Discontinued Operations”, which are recognized and measured at fair value less costs to sell.

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## 2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS *(cont’d)*

### 2.5. Summary of Significant Accounting Policies *(cont’d)*

#### **Business Combinations *(cont’d)***

Goodwill arising on acquisition is recognized as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group’s interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognized. If, after reassessment, the Group’s interest in the net fair value of the acquiree’s identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognized immediately in profit or loss.

The interest of non-controlling interest’s shareholders in the acquiree is initially measured at the non-controlling interest’s proportion of the net fair value of the assets, liabilities and contingent liabilities recognized.

In business combinations under common control, assets and liabilities subject to business combination are accounted for at carrying value in consolidated financial statements. Statements of profit or loss are consolidated starting from the beginning of the fiscal year in which the business combination is realized. Consolidated financial statements of previous fiscal years are restated in the same manner in order to maintain consistency and comparability. Any positive or negative goodwill arising from such business combination is not recognized in the consolidated financial statements. The residual balance calculated by netting off investment in subsidiary and the share acquired in subsidiary’s equity is directly accounted for under equity as “effect of the business combinations in entities under common control” and presented in retained earnings.

#### **Impact of Foreign Currency Fluctuations:**

Transactions in foreign currencies have been translated into TL at the exchange rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies have been translated into TL at the exchange rates prevailing at the balance sheet date. Exchange gains or losses arising from such transactions are included in the statement of profit or loss. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated into TL at foreign exchange rates ruling at the dates the values were determined.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group’s foreign operations are expressed in TL using exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as equity under “Foreign Currency Translation Differences”. Such exchange differences are recognized in the statement of profit or loss in the period in which the foreign operation is disposed of.

#### **Earnings per Share:**

Earnings per share disclosed in the accompanying consolidated statement of profit or loss is determined by dividing net income by the weighted average number of shares circulating during the year concerned.

In Turkey, companies can raise their share capital by distributing “Bonus Shares” to shareholders from retained earnings. In computing earnings per share, such “bonus share” distributions are assessed as issued shares. Accordingly, the retrospective effect for those share distributions is taken into consideration in determining the weighted-average number of shares outstanding used in this computation.

#### **Events after the Reporting Period:**

Events after the reporting period comprise any event between the statement of financial position date and the date of authorization of the consolidated financial statements for publication, even if any event after the balance sheet date occurred subsequent to an announcement on the Group’s profit or following any financial information disclosed to public.

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## 2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS *(cont'd)*

### 2.5. Summary of Significant Accounting Policies *(cont'd)*

#### Events after the Reporting Period *(cont'd)*:

If there is evidence of such events as at the statement of financial position or if such events occur after the statement of financial position date and if adjustments are necessary, Group’s consolidated financial statements are adjusted according to the new situation. The Group discloses the post-balance sheet events that are not adjusting events but material.

#### Provisions, Contingent Assets and Liabilities:

Provisions are recognized when the Group has a legal and constructive obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Contingent liabilities are not recognized in the consolidated financial statements but disclosed in the notes if the possibility of any outflow is low. Contingent assets are not included in consolidated financial statements but explained in the notes if an inflow of economic benefits is probable. If it becomes almost certain that the economic benefit will enter the business, the asset and the related income change are included in the consolidated financial statements on the date of the change.

#### Related Parties:

For the purpose of the accompanying consolidated financial statements, shareholders, key management and board members, in each case together with companies controlled by or affiliated with them, and associated companies are considered and referred to as related parties. There may be business transactions with related parties due to ordinary operations.

#### Segment Reporting:

The Group has five business segments determined by the management based on information available for the evaluation of performances and the allocation of resources. These segments are managed separately because they are affected by the economic conditions and geographical positions in terms of risks and returns.

Since the Group predominantly operates in Turkey and only in marketable securities sector, segment information in the accompanying consolidated financial statements are configured according to structure of the Group’s operating entities as securities brokerage, investment trust, portfolio management, private equity and asset management (Note 5).

#### Tax Assets and Liabilities:

Since the Turkish Tax Legislation does not allow the parent company and its subsidiaries to prepare consolidated tax returns, tax provisions have been calculated separately for each company, as reflected in the attached consolidated financial statements.

Income tax expense consists of the sum of current tax and deferred tax expense.

#### Current Tax

Current tax expense is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of profit or loss because it excludes items of income or expense that are taxable or deductible and it further excludes items that are never taxable or deductible. The Group’s liability for current tax is calculated using tax rates that have been enacted or substantively enacted on reporting date.

#### Deferred Tax

The deferred tax liability or asset is determined by calculating the legal differences based on the tax differences between the amounts of the assets and liabilities shown in the financial statements and the amounts considered in the legal tax base account. Since the tax rate valid for 3 years has changed to 22%

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## 2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

### 2.5. Summary of Significant Accounting Policies (cont'd)

#### **Tax Assets and Liabilities:** (cont'd)

As of January 1, 2018, a tax rate of 22% has been used in the deferred tax calculation as of 31 December 2019 for temporary differences expected to occur / close within 3 years (in 2018, 2019 and 2020). (31 December 2018: 22%). However, since the current corporate tax rate for 2020 is 20%, a tax rate of 20% has been used for valid differences expected to occur / close after 2020.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are calculated for the Group's subsidiaries, investments in associates, shares in joint ventures of all taxable temporary differences except for controlling removal of temporary differences and disappearance of these differences in the near future is unlikely. Deferred tax assets arising from investments and interest associated with taxable deductible temporary differences are calculated by obtaining sufficient taxable profits in the near future when it is likely to benefit from these differences and it is probable that the disappearance of the differences in the near future.

The carrying amount of deferred tax assets is reviewed at each reporting period. Deferred tax asset or liability is recognized to the extent that it is probable that future taxable profits will be available against which the deferred tax asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

#### Current and deferred tax for the period

Current and deferred tax are recognized as an income or expense in the statement of profit or loss except items recognized directly in equity (in which case the tax is also recognized directly in equity) or where they arise from the initial accounting for business combinations. In the case of a business combination, the tax effect is taken into account by calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquirer's identifiable assets, liabilities and contingent liabilities over cost of acquisition.

#### **Employee Benefits / Retirement Pay Liability:**

##### Retirement pay liability

According to the related regulation the Group is obliged to pay employee termination benefits to employees who retire, die, quit for their military service obligations, who have been dismissed after completing one year as defined in the related regulation. The provision for employment termination benefits represents the present value of the future estimation liability in case of retirement of the Group's employees.

As of December 31, 2020, the maximum ceiling amount for employee severance indemnity is TL 7.117 (December 31, 2019: TL 6.380). As disclosed in Note 24, the Group has used some actuarial assumptions in computation of provision for employee severance indemnity. Actuarial differences are recognized in profit or loss as incurred. Retirement pay ceiling for the calculation of provision for employee termination benefits, announced by the Ministry of Labor. Actuarial differences are recognized in other comprehensive income and presented prior year's profit or loss.

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## 2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS *(cont'd)*

### 2.5. Summary of Significant Accounting Policies *(cont'd)*

#### **Employee Benefits / Retirement Pay Liability:** *(cont'd)*

##### Defined contribution plans

The Company has started to pay private pension contribution for its employees since 2006. Obligations for contributions to defined contribution plans are recognized as an employee benefit expense in the statement of profit or loss when they are due. The only obligation of the Group with respect to the retirement plan is to make the specified contributions.

##### Bonus payments

The Group recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

##### Other short-term benefits

Other short-term benefits include provision for unused vacation. In accordance with existing social legislation in Turkey, employers are obligated to make payment to the employees for unused vacations when the employee leave. Provision for unused vacation is undiscounted amount of obligation of unused vacation days which is deserved and unused by the employee.

##### Retirement plans

The Group does not provide any postretirement benefit and pension for the employees.

#### **Statement of Cash Flows:**

In the statement of cash flows, cash flows are classified according to operating, investment and finance activities.

Cash flows from operating activities reflect cash flows mainly generated from brokerage and portfolio management operations of the Group.

Cash flows from investment activities express cash used in investment activities (direct investments and financial investments) and cash flows generated from investment activities of the Group. Cash flows relating to finance activities express sources of financial activities and payment schedules of the Group.

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

#### **Share Capital and Dividends:**

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

### 2.6. Significant Accounting Judgements, Estimates and Assumptions

The preparation of consolidated financial statements requires management of Company to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

There has not been significant change in estimates and assumptions of the Company management for the accounting policies adopted in the preparation of consolidated financial statements.

The preparation of consolidated financial statements in conformity with Communiqué requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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## 2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS *(cont'd)*

### 2.6. Significant Accounting Judgements, Estimates and Assumptions *(cont'd)*

The Covid-19 epidemic, which has recently emerged in China, spreads to various countries around the world and causes potentially fatal respiratory infections, causes disruptions in operations, especially in countries that are overly exposed to the epidemic, and negatively affects economic conditions both regionally and globally. As a result of the spread of Covid-19 around the world, various measures have been taken in our country as well as in the world in order to prevent the transmission of the virus and are still being taken. In addition to these measures, economic measures are also taken in order to minimize the economic effects of the virus epidemic on individuals and businesses in our country and worldwide. The Company Management predicts that the effects of the current situation will not be significant in the financial statements prepared as of December 31, 2020. In addition, the estimates and assumptions used in the upcoming periods will be reviewed.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. The estimates are used particularly in the following notes:

Note 11 – Trade receivables and payables

Note 17 – Investments in equity accounted investees

Note 18 – Goodwill (\*\*)

Note 19 – Right of use assets

Note 20 – Tangible assets

Note 21 – Intangible assets

Note 23 – Provisions, contingent assets and liabilities

Note 25 – Employee benefits

Note 35 – Tax assets and liabilities

According to accounting policies explained in note 2.1, the Group tests impairment of goodwill every year. Recoverable amount of cash generating units are specified according to value in use. These calculations require estimations.

## 3. BUSINESS COMBINATIONS

Disclosed in Note 17.

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## 4. GROUP ENTITIES

As of December 31, 2020 and 2019, summary financial information of the Group's subsidiaries is as follows:

31 December 2020							
	İş Yatırım Ortaklığı AŞ	İş Portföy Yönetimi AŞ	İş Girişim Sermayesi Yatırım Ortaklığı AŞ (Consolidated)	Efes Varlık Yönetim AŞ	Maxis Girişim Sermayesi Portföy Yönetimi AŞ	Maxis Investments Ltd.	
Non-Current Assets	580.800	38.236.526	90.888.823	7.765.351	515.485	179.933	
Current Assets	249.525.754	149.078.436	246.487.196	220.065.449	2.434.444	574.614.944	
Long Term Liabilities	985.739	6.178.660	36.196.588	7.939.383	442.265	-	
Short Term Liabilities	1.011.261	14.272.190	226.369.036	177.267.213	376.360	541.334.594	
<b>Net Assets</b>	<b>248.109.554</b>	<b>166.864.112</b>	<b>74.810.395</b>	<b>42.624.204</b>	<b>2.131.304</b>	<b>33.460.283</b>	
Carrying Value of Non-Controlling Interests	-	-	(10.974.059)	-	-	-	
Revenue	231.029.388	142.341.481	307.454.696	89.516.828	2.401.506	23.230.675	
Profit/(Loss)	27.974.546	59.255.696	(4.808.408)	10.320.941	(326.047)	6.894.975	
Non-Controlling Interests	-	-	(3.413.489)	-	-	-	
<b>Total Comprehensive Income</b>	<b>27.957.488</b>	<b>63.329.202</b>	<b>(11.164.674)</b>	<b>10.431.497</b>	<b>(325.266)</b>	<b>6.894.975</b>	
Comprehensive Income	-	-	1.528.522	-	-	-	
Cash Flows Related to Operating Activities	-	68.181.382	(8.332.905)	3.082.215	(193.425)	8.513.588	
Cash Flows Related to Investing Activities	(20.386)	47.163.833	45.016.378	2.203.912	(7.480)	22.183	
Cash Flows Related to Financing Activities	(55.445.366)	(21.360.000)	(35.191.193)	40.982.677	-	(2.969.200)	
Net Increase/(Decrease) on Cash and Cash Equivalents	(33.655.432)	74.127.918	1.492.280	43.186.589	(250.608)	5.566.571	
31 December 2019							
	İş Yatırım Ortaklığı AŞ	İş Portföy Yönetimi AŞ	İş Girişim Sermayesi Yatırım Ortaklığı AŞ (Consolidated)	Efes Varlık Yönetim AŞ	Maxis Girişim Sermayesi Portföy Yönetimi AŞ	Maxis Investments Ltd.	
Non-Current Assets	723.763	32.923.937	128.082.834	731.075	650.513	686.940	
Current Assets	276.194.410	109.270.982	255.003.288	243.578.578	2.694.648	96.870.535	
Long Term Liabilities	1.016.859	6.754.149	57.546.823	135.338	702.810	-	
Short Term Liabilities	663.692	10.545.860	242.381.565	223.010.054	185.782	78.001.285	
<b>Net Assets</b>	<b>275.237.622</b>	<b>124.894.910</b>	<b>83.157.734</b>	<b>21.164.261</b>	<b>2.456.569</b>	<b>19.556.190</b>	
Carrying Value of Non-Controlling Interests	-	-	(11.010.536)	-	-	-	
Revenue	189.157.401	103.296.144	377.950.178	57.165.269	1.505.142	13.058.334	
Profit/(Loss)	64.271.268	37.144.717	(18.961.911)	(11.056.702)	(852.278)	552.810	
Non-Controlling Interests	-	-	(13.455.372)	-	-	-	
<b>Total Comprehensive Income</b>	<b>64.239.293</b>	<b>40.126.727</b>	<b>(21.860.284)</b>	<b>(11.056.702)</b>	<b>(778.343)</b>	<b>552.810</b>	
Comprehensive Income	-	-	(3.529.896)	-	-	-	
Cash Flows Related to Operating Activities	61.350	49.797.936	(17.663.986)	(9.699.402)	-	7.162.643	
Cash Flows Related to Investing Activities	(720.202)	(54.698.849)	3.883.477	165.912	(17.085)	313.671	
Cash Flows Related to Financing Activities	(30.363.535)	(21.360.000)	14.210.186	40.210.851	458.613	(3.462.868)	
Net Increase/(Decrease) on Cash and Cash Equivalents	129.919.930	(37.209.341)	429.677	(1.103.920)	(1.482.121)	4.013.446	

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## 5. SEGMENT REPORTING

Segments	Securities	Investment Trust	Portfolio	Private Equity	Asset	Elimination	Total
	Brokerage		Management		Management	Adjustments	
	1 January-31	1 January -31	1 January -31	1 January -31	1 January -31	1 January -31	1 January -31
	December	December	December	December	December	December	December
	2020	2020	2020	2020	2020	2020	2020
<b>Revenue</b>							
Sales revenue	107.945.227.555	225.937.293	19.068.590	307.454.696	6.319.440	-	<b>108.504.007.574</b>
Interest and derivative income from operating activities (net)	145.220.636	5.074.466	-	-	83.197.388	(699.911)	<b>232.792.579</b>
Services income (net)	620.993.089	17.629	125.674.397	-	-	(3.084.686)	<b>743.600.429</b>
Other operating income (net)	103.291.533	-	-	-	-	-	<b>103.291.533</b>
<b>Cost of sales (-)</b>	<b>(107.312.660.424)</b>	<b>(197.224.344)</b>	<b>(21.610.512)</b>	<b>(182.729.289)</b>	-	-	<b>(107.714.224.569)</b>
<b>GROSS PROFIT/LOSS</b>	<b>1.502.072.389</b>	<b>33.805.044</b>	<b>123.132.475</b>	<b>124.725.407</b>	<b>89.516.828</b>	<b>(3.784.597)</b>	<b>1.869.467.546</b>
Administrative expenses (-)	(249.565.559)	(4.144.727)	(52.399.588)	(33.573.706)	(28.149.029)	623.727	<b>(367.208.882)</b>
Marketing expenses (-)	(99.017.796)	(3.045.445)	(9.509.823)	(48.585.243)	-	3.022.030	<b>(157.136.277)</b>
Research and development expenses (-)	-	-	-	(2.932.629)	-	-	<b>(2.932.629)</b>
Other operating income	12.605.075	16.693	381.331	9.175.738	-	(561.071)	<b>21.617.766</b>
Other operating expenses (-)	(51.320.293)	-	(3.162)	(16.773.313)	(26.643.875)	-	<b>(94.740.643)</b>
<b>OPERATING PROFIT/LOSS</b>	<b>1.114.773.816</b>	<b>26.631.565</b>	<b>61.601.233</b>	<b>32.036.254</b>	<b>34.723.924</b>	<b>(699.911)</b>	<b>1.269.066.881</b>
Share of profit/(loss) of equity accounted investess	134.968	-	-	(9.221.209)	-	-	<b>(9.086.241)</b>
<b>OEPRATING PROFIT/LOSS BEFORE FINANCE COSTS</b>	<b>1.114.908.784</b>	<b>26.631.565</b>	<b>61.601.233</b>	<b>22.815.045</b>	<b>34.723.924</b>	<b>(699.911)</b>	<b>1.259.980.640</b>
Finance income	58.388.582	1.514.289	18.783.704	37.425.921	-	(32.377.921)	<b>83.734.575</b>
Finance costs (-)	(9.111.543)	(171.308)	(4.533.345)	(59.483.865)	(24.402.983)	-	<b>(97.703.044)</b>
<b>PROFIT OR LOSS BEFORE TAXATION FROM CONTINUING OPERATIONS</b>	<b>1.164.185.823</b>	<b>27.974.546</b>	<b>75.851.592</b>	<b>757.101</b>	<b>10.320.941</b>	<b>(33.077.832)</b>	<b>1.246.012.171</b>
<b>Tax income/(expense) from continuing Operations</b>	<b>(246.219.535)</b>	-	<b>(16.921.943)</b>	<b>(5.565.509)</b>	-	-	<b>(268.706.987)</b>
- Current tax expenses	(221.052.324)	-	(17.035.305)	(328.228)	-	-	<b>(238.415.857)</b>
- Deferred tax income / (expense)	(25.167.211)	-	113.362	(5.237.281)	-	-	<b>(30.291.130)</b>
<b>PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS</b>	<b>917.966.288</b>	<b>27.974.546</b>	<b>58.929.649</b>	<b>(4.808.408)</b>	<b>10.320.941</b>	<b>(33.077.832)</b>	<b>977.305.184</b>
<b>PROFIT FOR DISCONTUNIED OPERATIONS</b>	-	-	-	-	-	-	-
<b>PROFIT/(LOSS) FOR THE YEAR</b>	<b>917.966.288</b>	<b>27.974.546</b>	<b>58.929.649</b>	<b>(4.808.408)</b>	<b>10.320.941</b>	<b>(33.077.832)</b>	<b>977.305.184</b>
<i>Profit/(Loss) attributable to:</i>							
<i>Non-Controlling interests</i>	-	19.736.042	17.776.709	(3.413.489)	914.435	317.166	<b>35.330.864</b>
<i>Equity holders of the Company</i>	917.966.288	8.238.504	41.152.940	(1.394.919)	9.406.506	(33.394.998)	<b>941.974.320</b>
	<b>917.966.288</b>	<b>27.974.546</b>	<b>58.929.649</b>	<b>(4.808.408)</b>	<b>10.320.941</b>	<b>(33.077.832)</b>	<b>977.305.184</b>
<b>Other informations</b>							
Acquisition of tangible and intangible assets	10.545.902	20.386	2.161.683	5.523.994	1.999.552	-	<b>20.251.517</b>
Depreciation and amortization charges	(13.147.569)	(243.706)	(3.789.822)	(20.461.826)	(649.678)	-	<b>(38.292.601)</b>

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## 5. SEGMENT REPORTING (cont'd)

Segments	Securities Brokerage	Investment Trust	Portfolio Management	Private Equity	Asset Management	Elimination adjustments	Total
Balance sheet information	31 December 2020	31 December 2020	31 December 2020	31 December 2020	31 December 2020	31 December 2020	31 December 2020
<b>Assets</b>	<b>7.970.725.339</b>	<b>250.106.554</b>	<b>190.264.891</b>	<b>337.376.019</b>	<b>227.830.800</b>	<b>(200.859.193)</b>	<b>8.775.444.410</b>
Cash and cash equivalents	165.629.214	169.085.932	91.525.128	60.287.829	14.218.917	-	<b>500.747.020</b>
Financial investments (short term)	1.743.691.133	73.099.941	38.465.057	18.109.746	-	(10.260.840)	<b>1.863.105.037</b>
Financial investments (long term)	227.517.070	1	28.793.101	-	-	(182.799.906)	<b>73.510.266</b>
Trade receivables	5.272.132.075	7.259.208	19.165.867	81.847.210	197.720.231	(8.096.096)	<b>5.570.028.495</b>
Other receivables	410.538.095	23.505	36.206	4.774.183	-	332.494	<b>415.704.483</b>
Derivative instruments	108.525.239	-	768.268	-	-	-	<b>109.293.507</b>
Investment in equity accounted investees	1.675.013	-	-	1.285.505	-	-	<b>2.960.518</b>
Other assets	41.017.500	637.967	11.511.264	171.071.546	15.891.652	(34.845)	<b>240.095.084</b>
<b>Liabilities</b>	<b>6.128.086.677</b>	<b>1.997.000</b>	<b>21.269.475</b>	<b>262.565.624</b>	<b>185.206.596</b>	<b>(8.096.097)</b>	<b>6.591.029.275</b>
Financial liabilities	687.662.081	668.034	5.498.366	171.842.886	174.907.451	-	<b>1.040.578.818</b>
Other financial liabilities	32.144.533	-	-	104.944	-	-	<b>32.249.477</b>
Trade payables	4.969.946.942	849.887	74.715	68.313.973	908.743	(8.046.595)	<b>5.032.047.665</b>
Other payables	28.914.779	68.717	1.847.183	3.084.225	3.658.636	(49.502)	<b>37.524.038</b>
Derivative instruments	184.926.984	-	-	-	-	-	<b>184.926.984</b>
Other liabilities	224.491.358	410.362	13.849.211	19.219.596	5.731.766	-	<b>263.702.293</b>
<b>Net assets</b>	<b>1.842.638.662</b>	<b>248.109.554</b>	<b>168.995.416</b>	<b>74.810.395</b>	<b>42.624.204</b>	<b>(192.763.096)</b>	<b>2.184.415.135</b>

# İŞ YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

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## 5. SEGMENT REPORTING (cont'd)

Segments	Securities Brokerage	Investment Trust	Portfolio Management	Private Equity	Asset Management	Elimination Adjustments	Total
	1 January-31 December 2019	1 January -31 December 2019	1 January -31 December 2019	1 January -31 December 2019	1 January -31 December 2019	1 January -31 December 2019	1 January -31 December 2019
<b>Revenue</b>							
Sales revenue	245.322.283.419	145.569.417	25.639.520	377.950.178	2.089.791	-	245.873.532.325
Interest and derivative income from operating activities (net)	214.518.275	43.584.530	-	-	55.075.478	1.455.468	314.633.751
Services income (net)	218.793.501	3.454	79.161.766	-	-	2.528.611	300.487.332
Other operating income (net)	54.398.025	-	-	-	-	-	54.398.025
<b>Cost of sales (-)</b>	<b>(245.111.624.626)</b>	<b>(125.713.906)</b>	<b>(14.183.637)</b>	<b>(251.333.506)</b>	-	<b>(2.366.809)</b>	<b>(245.505.222.484)</b>
<b>GROSS PROFIT/LOSS</b>	<b>698.368.594</b>	<b>63.443.495</b>	<b>90.617.649</b>	<b>126.616.672</b>	<b>57.165.269</b>	<b>1.617.270</b>	<b>1.037.828.949</b>
Administrative expenses (-)	(197.177.588)	(3.896.764)	(42.846.346)	(40.195.754)	(22.783.542)	442.959	(306.457.035)
Marketing expenses (-)	(47.910.427)	(2.660.047)	(7.087.416)	(58.994.030)	-	2.599.678	(114.052.242)
Research and development expenses (-)	-	-	-	(1.933.425)	-	-	(1.933.425)
Other operating income	12.502.897	8.226.974	22.861	3.843.523	-	(8.571.248)	16.025.007
Other operating expenses (-)	(17.985.944)	(742.343)	(4.048)	(6.898.829)	(5.263.128)	-	(30.894.292)
<b>OPERATING PROFIT/LOSS</b>	<b>447.797.532</b>	<b>64.371.315</b>	<b>40.702.700</b>	<b>22.438.157</b>	<b>29.118.599</b>	<b>(3.911.341)</b>	<b>600.516.962</b>
Share of profit/(loss) of equity accounted investees	-	-	-	(4.869.067)	-	-	(4.869.067)
<b>OPERATING PROFIT/LOSS BEFORE FINANCE COSTS</b>	<b>447.797.532</b>	<b>64.371.315</b>	<b>40.702.700</b>	<b>17.569.090</b>	<b>29.118.599</b>	<b>(3.911.341)</b>	<b>595.647.895</b>
Finance income	42.136.453	84.140	8.291.967	26.236.332	650.142	(26.289.482)	51.109.552
Finance costs (-)	(9.174.221)	(184.187)	(2.263.775)	(62.912.358)	(40.825.443)	-	(115.359.984)
<b>PROFIT OR LOSS BEFORE TAXATION FROM CONTINUING OPERATIONS</b>	<b>480.759.764</b>	<b>64.271.268</b>	<b>46.730.892</b>	<b>(19.106.936)</b>	<b>(11.056.702)</b>	<b>(30.200.823)</b>	<b>531.397.463</b>
<b>Tax income/(expense) from continuing Operations</b>	<b>(100.788.596)</b>	-	<b>(10.438.453)</b>	<b>145.025</b>	-	<b>660.000</b>	<b>(110.422.024)</b>
- Current tax expenses	(115.826.795)	-	(10.456.072)	(654.709)	-	-	(126.937.576)
- Deferred tax income / (expense)	15.038.199	-	17.619	799.734	-	660.000	16.515.552
<b>PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS</b>	<b>379.971.168</b>	<b>64.271.268</b>	<b>36.292.439</b>	<b>(18.961.911)</b>	<b>(11.056.702)</b>	<b>(29.540.823)</b>	<b>420.975.439</b>
<b>PROFIT FOR DISCONTINUED OPERATIONS</b>	-	-	-	-	-	-	-
<b>PROFIT/(LOSS) FOR THE YEAR</b>	<b>379.971.168</b>	<b>64.271.268</b>	<b>36.292.439</b>	<b>(18.961.911)</b>	<b>(11.056.702)</b>	<b>(29.540.823)</b>	<b>420.975.439</b>
<i>Profit/(Loss) attributable to:</i>							
<i>Non-Controlling interests</i>	-	46.178.906	11.143.415	(13.455.372)	(1.713.789)	(4.051.883)	38.101.277
<i>Equity holders of the Company</i>	379.971.168	18.092.362	25.149.024	(5.506.539)	(9.342.913)	(25.488.940)	382.874.162
	<b>379.971.168</b>	<b>64.271.268</b>	<b>36.292.439</b>	<b>(18.961.911)</b>	<b>(11.056.702)</b>	<b>(29.540.823)</b>	<b>420.975.439</b>
<b>Other informations</b>							
Acquisition of tangible and intangible assets	8.165.876	-	3.684.946	13.222.739	335.259	-	25.408.820
Depreciation and amortization charges	(8.994.763)	(207.278)	(2.468.669)	(25.288.473)	(408.562)	-	(37.367.745)

# İŞ YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

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### 5. SEGMENT REPORTING (cont'd)

Segments	Securities Brokerage	Investment Trust	Portfolio Management	Private Equity	Asset Management	Elimination adjustments	Total
	31 December 2019	31 December 2019	31 December 2019	31 December 2019	31 December 2019	31 December 2019	31 December 2019
<b>Balance sheet information</b>							
<b>Assets</b>	<b>5.830.749.967</b>	<b>276.918.173</b>	<b>145.540.080</b>	<b>383.086.122</b>	<b>244.309.653</b>	<b>(163.497.943)</b>	<b>6.717.106.052</b>
Cash and cash equivalents	1.280.030.188	202.114.056	17.129.310	58.795.549	2.183.783	-	1.560.252.886
Financial investments (short term)	1.178.136.555	73.331.543	76.143.091	25.937.130	-	(11.821.841)	1.341.726.478
Financial investments (long term)	397.871.863	1	22.391.647	-	-	(151.104.906)	269.158.605
Trade receivables	2.800.845.343	658.784	17.877.734	92.970.890	227.571.241	(868.844)	3.139.055.148
Other receivables	104.075.667	33.796	113.044	2.322.404	-	-	106.544.911
Derivative instruments	26.629.080	-	-	-	-	-	26.629.080
Investment in equity accounted investees	-	-	-	9.768.400	-	-	9.768.400
Other assets	43.161.271	779.993	11.885.254	193.291.749	14.554.629	297.648	263.970.544
<b>Liabilities</b>	<b>4.781.896.552</b>	<b>1.680.551</b>	<b>18.188.601</b>	<b>299.928.388</b>	<b>223.145.392</b>	<b>(868.845)</b>	<b>5.323.970.639</b>
Financial liabilities	1.635.745.299	776.180	6.189.480	191.787.263	221.198.796	-	2.055.697.018
Other financial liabilities	14.865.116	-	-	-	-	-	14.865.116
Trade payables	2.954.794.699	223.792	34.477	79.066.875	1.120.354	(841.938)	3.034.398.259
Other payables	19.364.851	61.238	1.239.319	1.873.663	353.718	(26.907)	22.865.882
Derivative instruments	67.435.311	-	-	-	-	-	67.435.311
Other liabilities	89.691.276	619.341	10.725.325	27.200.587	472.524	-	128.709.053
<b>Net assets</b>	<b>1.048.853.415</b>	<b>275.237.622</b>	<b>127.351.479</b>	<b>83.157.734</b>	<b>21.164.261</b>	<b>(162.629.098)</b>	<b>1.393.135.413</b>

# İŞ YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

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## 6. RELATED PARTY TRANSACTIONS

The immediate parent and ultimate controlling party of the Group is Türkiye İş Bankası AŞ incorporated in Turkey. Transactions between the Company and its subsidiaries, related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. The details of transactions between the Group and other related parties are disclosed below.

<b>Deposits in Türkiye İş Bankası AŞ</b>	<b>31 December 2020</b>	<b>31 December 2019</b>
Demand Deposits	27.948.783	17.872.269
Times Deposits	139.108.343	927.546.194
	<b>167.057.126</b>	<b>945.418.463</b>

<b>Borrowings from Türkiye İş Bankası AŞ</b>	<b>31 December 2020</b>	<b>31 December 2019</b>
Loans	96.330.314	112.612.130
	<b>96.330.314</b>	<b>112.612.130</b>

<b>İş Finansal Kiralama AŞ</b>	<b>31 December 2020</b>	<b>31 December 2019</b>
Leasing debt	-	867.065
	-	<b>867.065</b>

<b>İş Faktoring AŞ</b>	<b>31 December 2020</b>	<b>31 December 2019</b>
Factoring debt	5.507.890	11.382.501
	<b>5.507.890</b>	<b>11.382.501</b>

<b>Payables from leases</b>	<b>31 December 2020</b>	<b>31 December 2019</b>
Türkiye İş Bankası AŞ	5.215.966	5.699.517
İş Gayrimenkul Yatırım Ortaklığı A.Ş.	14.980.361	9.411.161
	<b>20.196.327</b>	<b>15.110.678</b>

<b>Balances with related parties</b>	<b>31 December 2020</b>			
	<b>Receivables</b>		<b>Payables</b>	
	<b>Trading</b>	<b>Non-Trading</b>	<b>Trading</b>	<b>Non-Trading</b>
Türkiye İş Bankası AŞ	3.947.338	150	1.054.589	527
Anadolu Anonim Türk Sigorta Şirketi	4.997.587	-	115.132	10.480
Anadolu Hayat Emeklilik AŞ	4.388.395	-	-	-
Funds Founded and Managed	8.608.829	32.968	-	-
SoftTech Yazılım Tekn. Araş. Gel. ve Paz. Tic. A.Ş.	1.000.000	-	939.867	-
Diğer	269.189	26.743	64.754	242.296
	<b>23.211.338</b>	<b>59.861</b>	<b>2.174.342</b>	<b>253.303</b>

# İŞ YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

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## 6. RELATED PARTY TRANSACTIONS (cont'd)

<b>31 December 2020</b>				
<b>Balances with related parties</b>	<b>Receivables</b>		<b>Payables</b>	
	<b>Trading</b>	<b>Non-Trading</b>	<b>Trading</b>	<b>Non-Trading</b>
Türkiye İş Bankası AŞ	527.012	150	2.104.036	330.279
İş Gayrimenkul Yatırım Ortaklığı AŞ	605.340	-	-	-
İş Net Elektronik Bilgi Üretim Dağ. Tic. ve İlet. Hiz. AŞ	-	-	25.681	508.496
Anadolu Anonim Türk Sigorta Şirketi	7.340.453	-	6.113	11.242
Anadolu Hayat Emeklilik AŞ	3.989.244	-	-	-
Funds Founded and Managed	6.032.041	112.164	-	-
Other	78.608	33.796	52.900	104.714
	<b>18.572.698</b>	<b>146.110</b>	<b>2.188.730</b>	<b>954.731</b>
<b>1 January- 31 December 2020</b>				
<b>Related party transactions (income)</b>	<b>Fee and brokerage commission income</b>	<b>Interest income on time deposits</b>	<b>Dividend received</b>	<b>Other</b>
Türkiye İş Bankası AŞ	210.317.102	27.748.464	-	1.223
Anadolu Hayat Emeklilik AŞ	25.333.025	-	-	6.971
Anadolu Anonim Türk Sigorta Şirketi	6.430.209	-	-	184.043
İş Gayrimenkul Yatırım Ortaklığı AŞ	578.165	-	-	-
Türkiye Sınai Kalkınma Bankası AŞ	-	262.661	-	-
İş Faktoring AŞ	2.123.845	-	-	-
T.Şişe ve Cam Fabrikaları AŞ	729.088	-	2.788	252.937
İş Finansal Kiralama AŞ	1.314.856	-	-	-
Trakya Cam San. AŞ	387.189	-	929	-
Funds Founded and Managed	89.589.464	-	-	-
Diğer	874.074	-	4.218	176.757
	<b>337.677.017</b>	<b>28.011.125</b>	<b>7.935</b>	<b>621.931</b>
<b>1 January- 31 December 2019</b>				
<b>Related party transactions (income)</b>	<b>Fee and brokerage commission income</b>	<b>Interest income on time deposits</b>	<b>Dividend received</b>	<b>Other</b>
Türkiye İş Bankası AŞ	50.320.932	59.448.168	-	500.000
Anadolu Hayat Emeklilik AŞ	17.389.428	-	-	588
Anadolu Anonim Türk Sigorta Şirketi	7.766.509	-	-	36.057
İş Gayrimenkul Yatırım Ortaklığı AŞ	2.253.391	562.853	-	910
Türkiye Sınai Kalkınma Bankası AŞ	-	1.497.542	-	-
İş Faktoring AŞ	1.193.799	18.989	-	-
T.Şişe ve Cam Fabrikaları AŞ	157.207	-	71.705	225.983
İş Finansal Kiralama AŞ	4.545.943	6.657	-	-
Trakya Cam San. AŞ	452.635	-	1	-
Funds Founded and Managed	48.306.703	-	-	-
Other	782.624	-	35.943	129.838
	<b>133.341.772</b>	<b>61.534.209</b>	<b>107.649</b>	<b>893.376</b>
<b>1 January- 31 December 2019</b>				
<b>Compensation of key management personnel</b>	<b>1 January- 31 December 2020</b>		<b>1 January- 31 December 2019</b>	
Salaries and other short-term benefits	33.936.631		31.772.223	
	<b>33.936.631</b>		<b>31.772.223</b>	

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## 6. RELATED PARTY TRANSACTIONS (cont'd)

1 January- 31 December 2020										
Related party transactions (expenses)	Letters of guarantee commission expenses	Custody commission expenses	Interest on borrowings	Other interest expenses	Transaction commission expenses	Personnel insurance contribution	Office insurance	Rent expenses (*)	Administrative expenses	Technical service and consultancy expenses
Türkiye İş Bankası AŞ	904.239	538.477	21.689.296	535.175	23.488.432	-	-	886.207	-	202.258
İş Gayrimenkul Yatırım Ortaklığı AŞ	-	-	-	-	-	-	-	5.649.298	-	-
Anadolu Anonim Türk Sigorta Şirketi	-	-	-	753.658	-	3.035.453	268.377	-	-	-
Anadolu Hayat Emeklilik AŞ	-	-	-	-	-	692.819	-	-	-	-
İş Merkezleri Yönetim ve İşletim AŞ	-	-	-	-	-	-	-	-	4.023.173	-
İş Net Elektronik Bilgi Ür. Dağ. Tic. ve İlet. Hiz. AŞ	-	-	-	-	-	-	-	-	-	1.111.790
İş Faktoring AŞ	-	-	-	1.556.886	-	-	-	-	-	-
Türkiye İş Bankası Kültür Yayınları İş - Türk Ltd. Şti.	-	-	-	-	-	-	-	657.971	-	-
SoftTech Yazılım Tekn. Araş. Gel. ve Paz. Tic. A.Ş.	-	-	-	-	-	-	-	-	-	8.869.447
Other	-	-	-	50	-	-	-	-	69.741	135.022
	<b>904.239</b>	<b>538.477</b>	<b>21.689.296</b>	<b>2.845.769</b>	<b>23.488.432</b>	<b>3.728.272</b>	<b>268.377</b>	<b>7.193.476</b>	<b>4.092.914</b>	<b>10.318.517</b>

(\*) Payments made under TFRS 16

1 January- 31 December 2019										
Related party transactions (expenses)	Letters of guarantee commission expenses	Custody commission expenses	Interest on borrowings	Other interest expenses	Transaction commission expenses	Personnel insurance contribution	Office insurance	Rent expenses (*)	Administrative expenses	Technical service and consultancy expenses
Türkiye İş Bankası AŞ	533.408	522.653	25.566.563	462.387	10.089.307	-	-	2.456.723	-	268.282
İş Gayrimenkul Yatırım Ortaklığı AŞ	-	-	-	-	-	-	-	5.251.950	-	-
Anadolu Anonim Türk Sigorta Şirketi	-	-	-	4.329.364	-	2.614.913	308.913	-	-	-
Anadolu Hayat Emeklilik AŞ	-	-	-	-	-	602.117	-	-	-	-
İş Merkezleri Yönetim ve İşletim AŞ	-	-	-	-	-	-	-	-	3.980.937	-
İş Net Elektronik Bilgi Ür. Dağ. Tic. ve İlet. Hiz. AŞ	-	-	-	-	-	-	-	-	-	1.078.047
İş Faktoring AŞ	-	-	-	4.043.804	-	-	-	-	-	-
Türkiye İş Bankası Kültür Yayınları İş - Türk Ltd. Şti.	-	-	-	-	-	-	-	587.388	-	-
SoftTech Yazılım Tekn. Araş. Gel. ve Paz. Tic. A.Ş.	-	-	-	-	-	-	-	-	-	5.097.585
Other	-	-	-	108.332	-	-	-	-	60.934	98.669
	<b>533.408</b>	<b>522.653</b>	<b>25.566.563</b>	<b>8.943.887</b>	<b>10.089.307</b>	<b>3.217.030</b>	<b>308.913</b>	<b>8.296.061</b>	<b>4.041.871</b>	<b>6.542.583</b>

(\*) Payments made under TFRS 16

# İŞ YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

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## 7. CASH AND CASH EQUIVALENTS

	31 December 2020	31 December 2019
Cash	30.574	49.761
Cash at banks	253.288.816	1.090.310.392
<i>Demand deposits</i>	72.291.762	56.978.275
<i>Time deposits (with maturities less than three months)</i>	180.997.054	1.033.332.117
Type B mutual funds	2.642.353	8.235.271
Receivable from reverse repurchase agreements	206.890.922	442.095.026
Other cash equivalents	10.000	4.062.305
Receivables from money market placements	41.787.912	19.406.453
Expected loss provision	(3.903.557)	(3.906.322)
	<b>500.747.020</b>	<b>1.560.252.886</b>

Cash and cash equivalents in the Group’s consolidated statement of cash flows as of December 31, 2020 and December 31, 2019 are presented by netting off interest accruals and time deposits:

	31 December 2020	31 December 2019
Cash and cash equivalents	500.747.020	1.560.252.886
Interest accrual	(1.574.466)	(2.319.023)
Restricted deposits	-	80.204
Expected loss provision	3.903.557	3.906.322
	<b>503.076.111</b>	<b>1.561.920.389</b>

Maturities and interest rates of time deposits as of December 31, 2020 and December 31, 2019 are as follows:

31 December 2020				
	Interest Rate (%)	Maturity	Currency Type	Amount (TL)
Time deposit in FX	0,02	15.01.2021	USD	1.142.604
Time deposit in FX	0,35	04.01.2021-01.02.2021	GBP	29.831.400
Time deposit in TL	10,00-18,25	04.01.2021-05.02.2021	TL	149.091.009
Money market placements	16,10-18,40	04.01.2021-18.01.2021	TL	41.379.000
Interest accrual				1.340.953
				<b>222.784.966</b>

31 December 2019				
	Interest Rate (%)	Maturity	Currency Type	Amount (TL)
Time deposit in FX	0,90	14.01.2020	USD	954.283
Time deposit in FX	0,05-0,40	03.01.2020-18.03.2020	EUR	867.717.083
Time deposit in FX	0,80-1,30	03.01.2020-23.03.2020	GBP	16.875.005
Time deposit in TL	9,00-12,50	02.01.2020-14.02.2020	TL	145.940.999
Money market placements	10,80-12,15	02.01.2020-06.01.2020	TL	19.198.000
Interest accrual				2.053.200
				<b>1.052.738.570</b>

Maturities and interest rates of reverse repurchase agreements as of 31 December 2020 and 31 December 2019 are as follows:

31 December 2020				
	Interest Rate (%)	Maturity	Cost	Carrying Value
Reverse repurchase agreement	4,41-18,00	04.01.2021	206.797.489	206.890.922
			<b>206.797.489</b>	<b>206.890.922</b>

31 December 2019				
	Interest Rate (%)	Maturity	Cost	Carrying Value
Reverse repurchase agreement	5,00-11,50	02.01.2020	441.968.585	442.095.026
			<b>441.968.585</b>	<b>442.095.026</b>

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## 8. FINANCIAL INVESTMENTS

<b>Current financial assets</b>	<b>31 December 2020</b>	<b>31 December 2019</b>
Time deposits with maturities more than three months and settlement and custody bank money market receivables	-	795.447.784
Financial assets at fair value through profit or loss	1.863.105.037	533.855.453
Financial assets measured at amortized cost	-	12.423.241
	<b>1.863.105.037</b>	<b>1.341.726.478</b>
<b>Non-current financial assets</b>	<b>31 December 2020</b>	<b>31 December 2019</b>
Available for sale financial assets	62.831.573	53.327.263
Held to maturity financial investments	-	215.831.342
Financial assets at fair value through profit or loss	10.678.693	-
	<b>73.510.266</b>	<b>269.158.605</b>
<b>31 December 2020</b>		
<b>Financial assets at fair value through profit or loss</b>	<b>Cost</b>	<b>Carrying value</b>
Government bonds and treasury bills	7.639.751	7.930.665
Private sector bonds	137.136.787	140.677.915
Equity shares	1.293.065.477	1.308.194.208
Foreign currency securities	260.654.023	275.410.262
Investment funds	112.298.477	141.570.680
	<b>1.810.794.515</b>	<b>1.873.783.730</b>
<b>31 December 2019</b>		
<b>Financial assets at fair value through profit or loss</b>	<b>Cost</b>	<b>Carrying value</b>
Government bonds and treasury bills	11.466.338	13.452.198
Private sector bonds	141.114.582	134.543.881
Equity shares	120.888.652	128.396.870
Foreign currency securities	146.518.444	146.394.324
Investment funds	83.158.923	111.068.180
	<b>503.146.939</b>	<b>533.855.453</b>

Annual interest rate ranges of government bonds and treasury bills held for trading purposes as of December 31, 2020 are 17,39%. (31 December 2019: 16,12%).

The details of financial assets at fair value through other comprehensive income are as follows:

<b>31 December 2020</b>		
<b>Financial Assets at Fair Value Through Other comprehensive Income</b>	<b>Ownership Rate (%)</b>	<b>Carrying value</b>
<b>Listed Entities</b>		
İş Gayrimenkul Yatırım Ortaklığı AŞ	1,13	36.174.621
<b>Unlisted Entities</b>		
İstanbul Takas ve Saklama Bankası AŞ	0,87	11.543.400
Borsa İstanbul AŞ	0,38	15.096.668
Yatırım Finansman Menkul Değ. AŞ	0,06	16.884
		<b>62.831.573</b>

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## 8. FINANCIAL INVESTMENTS (cont'd)

	31 December 2019	
	Ownership Rate (%)	Carrying value
<b>Financial assets available for sale</b>		
<b>Listed Entities</b>		
İş Gayrimenkul Yatırım Ortaklığı AŞ	1,13	25.130.266
<b>Unlisted Entities</b>		
İstanbul Takas ve Saklama Bankası AŞ	0,87	11.543.400
Ege Tarım Ürünleri Lisanslı Depoculuk AŞ	10,05	1.540.045
Borsa İstanbul AŞ	0,38	15.096.668
Yatırım Finansman Menkul Değ. AŞ	0,06	16.884
		<b>53.327.263</b>

As of December 31, 2020, the Group has no financial assets measured at amortized cost. The details of financial assets measured at amortized cost as of 31 December 2019 are as follows:

	31 December 2019		
	Cost	Fair Value	Carrying Value
<b>Held to maturity financial assets (*)</b>			
Financial instruments	220.901.412	231.037.397	228.254.583
	<b>220.901.412</b>	<b>231.037.397</b>	<b>228.254.583</b>

The fair values of financial assets measured at amortized cost are presented in the above table for presentation purposes are determined according to Level 1.

## 9. FINANCIAL PAYABLES

Financial Payables	31 December 2020	31 December 2019
Payables to Stock Exchange Money Market	666.607.000	300.000
Payables from bills	-	1.619.973.575
Short-term bank loans	297.560.470	311.160.349
Long-term bank loans	17.729.139	27.822.410
Short-term portion of long-term bank loans	4.200.689	23.730.240
Interest accruals on payables to Stock Exchange Money Markets	790.320	92
Interest accruals on bank loans	4.434.906	6.298.603
Payables due to leasing transactions	3.869.012	13.518.939
Long-term payables from leasing transactions	35.857.067	38.401.963
Long-term finance lease and factoring liabilities	-	405.554
Short-term portion of long-term finance lease and factoring liabilities	3.685.470	427.374
Short-term finance lease and factoring liabilities	5.844.745	13.657.919
	<b>1.040.578.818</b>	<b>2.055.697.018</b>

TL 5.844.745 of factoring and leasing debts amounting to TL 9.530.215 in financial debts are in US Dollar currency.

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## 9. FINANCIAL PAYABLES (cont’d)

As of December 31, 2020 and December 31, 2019, interest rates and maturities of bank borrowings are as follows:

31 December 2020					
Description	Amount	Currency Type	Interest Rate (%)	Maturity	Amount TL
Principal	267.868.269	TL	8,00-22,50	13.01.2021-13.12.2024	267.868.269
Interest accrual	3.442.714				3.442.714
Principal	7.032.495	USD	2,26-7,50	04.01.2021-20.08.2050	51.622.029
Interest accrual	135.167				992.192
					<b>323.925.204</b>
31 December 2019					
Description	Amount	Currency Type	Interest Rate (%)	Maturity	Amount TL
Principal	330.813.528	TL	10,27-29,40	03.01.2020-19.01.2022	330.813.528
Interest accrual	5.662.862				5.662.862
Principal	5.492.450	USD	3,00-9,25	10.01.2020-01.08.2022	31.899.471
Interest accrual	110.377				635.741
					<b>369.011.602</b>

As of December 31, 2020 and December 31, 2019, the maturity and interest rates of the debt securities issued by the Group are as follows:

31 Aralık 2019					
Description	Amount	Currency Type	Interest Rate (%)	Maturity	Amount TL
Anapara	1.589.632.090	TL	9,74-14,99	03.01.2020-17.04.2020	1.589.632.090
Faiz tahakkuku	30.341.485	TL			30.341.485
	<b>1.619.973.575</b>				<b>1.619.973.575</b>

As of December 31, 2020 and December 31, 2019, interest rates and maturities of payables to stock exchange money market are as follows:

31 December 2020					
Description	Amount	Currency Type	Interest Rate (%)	Maturity	Amount TL
Principal	666.607.000	TL	16,00-18,25	04.01.2021-29.01.2021	666.607.000
Interest accrual	790.320	TL			790.320
	<b>667.397.320</b>				<b>667.397.320</b>
31 December 2019					
Description	Amount	Currency Type	Interest Rate (%)	Maturity	Amount TL
Principal	300.000	TL	11,20	02.01.2020	300.000
Interest accrual	92	TL			92
	<b>300.092</b>				<b>300.092</b>

## 10. OTHER FINANCIAL LIABILITIES

	31 December 2020	31 December 2019
Liabilities from short selling transactions	32.249.477	14.865.116
	<b>32.249.477</b>	<b>14.865.116</b>

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## 11. TRADE RECEIVABLES AND PAYABLES

<b>Current trade receivables</b>	<b>31 December 2020</b>	<b>31 December 2019</b>
Receivables from customers	2.360.791.591	1.594.677.257
Receivables from clearing houses on derivative transactions	1.162.825.554	575.476.333
Receivables from clearing houses	1.051.661.164	460.282.545
Receivables from credit customers	770.538.467	259.971.666
Purchase of nonperforming loans	197.720.231	227.571.241
Due from related parties (Note 6)	23.211.338	18.572.698
Commission and fund management fee receivables	2.148.059	2.043.859
Other trade receivables	1.132.091	459.549
Doubtful trade receivables	22.911.024	23.569.232
Provisions for doubtful trade receivables (-)	(22.911.024)	(23.569.232)
	<b>5.570.028.495</b>	<b>3.139.055.148</b>

As of December 31, 2020, the average interest rates applied to customers on margin trading are 27,98% (December 31, 2019: 17,16%).

As of December 31, 2020, the Group holds the equity shares of the listed entities as collaterals received in relation to receivables from customers on margin trading with an amount of TL 1.733.018.215 (December 31, 2019: TL 462.407.639).

As of December 31, 2020, the Group holds letters of guarantee with an amount of TL 84.509.618 in relation to the derivative transactions of its customers (December 31, 2019: TL 166.089.765).

<b>Doubtful Trade Payables Transactions</b>	<b>31 December 2020</b>	<b>31 December 2019</b>
Opening balance	23.569.232	22.859.168
Provisions for the year	-	964.933
Cancelled provisions	(542.014)	(49.340)
Receipts	(116.194)	(205.529)
<b>Closing balance</b>	<b>22.911.024</b>	<b>23.569.232</b>

<b>Short term trade payables</b>	<b>31 December 2020</b>	<b>31 December 2019</b>
Payables to customers	3.070.867.094	2.191.669.387
Payables to clearing houses on derivative transactions	1.842.574.280	750.409.185
Trade payables	69.151.995	79.610.282
Payables to clearing house	40.606.321	6.650.338
Due to related parties	6.673.633	3.870.337
Other trade payables	2.174.342	2.188.730
	<b>5.032.047.665</b>	<b>3.034.398.259</b>

## 12. OTHER RECEIVABLES AND PAYABLES

<b>Other current receivables</b>	<b>31 December 2020</b>	<b>31 December 2019</b>
Deposits and guarantees given	101.808.054	68.433.306
Collaterals given for futures	307.799.644	36.272.228
Due from related parties (Note 6)	59.711	145.960
Other receivables	4.766.688	598.670
	<b>414.434.097</b>	<b>105.450.164</b>

<b>Other non-current receivables</b>	<b>31 December 2020</b>	<b>31 December 2019</b>
Deposits and guarantees given	1.270.236	1.094.597
Due from related parties (Note 6)	150	150
	<b>1.270.386</b>	<b>1.094.747</b>

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## 12. OTHER RECEIVABLES AND PAYABLES (cont'd)

<b>Other short-term payables</b>	<b>31 December 2020</b>	<b>31 December 2019</b>
Taxes and fund payables	29.352.010	20.562.206
Due to related parties (Note 6)	253.303	954.731
Other payables	5.007.840	1.348.945
	<b>34.613.153</b>	<b>22.865.882</b>

<b>Other long-term payables</b>	<b>31 December 2020</b>	<b>31 December 2019</b>
Other payables	2.910.885	-
	<b>2.910.885</b>	<b>-</b>

## 13. RECEIVABLES AND PAYABLES FROM FINANCIAL SECTOR OPERATIONS

Since the Group operates in finance sector, this account item has not been used.

## 14. INVENTORIES

<b>Inventories</b>	<b>31 December 2020</b>	<b>31 December 2019</b>
Trading goods and other inventories, net	67.075.059	65.629.425
	<b>67.075.059</b>	<b>65.629.425</b>

## 15. BIOLOGICAL ASSETS

None (December 31, 2019: None).

## 16. ASSETS RELATED TO ONGOING CONSTRUCTION CONTRACTS

None (December 31, 2019: None).

# İŞ YATIRIM MENKUL DEĞERLER ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

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## 17. INVESTMENTS IN EQUITY ACCOUNTED INVESTEEES

As of 31 December 2019 and 31 December 2018, the details of the Group's associates and joint ventures are as follows:

	Shareholding interest (%)		Main business area
	31 December 2020	31 December 2019	
Radore	25,50	25,50	Data Services
Mika Tur	40,00	20,00	Tourism
Elidaş	10,05	-	Licensed Warehousing

Summary financial information of the Group's associate is as follows:

	31 December 2020	31 December 2019
The Group's share in associate's net assets	(18.988.704)	(12.154.393)
Goodwill in equity accounted investees	7.607.415	7.607.415
Intangible assets	14.341.807	14.315.378
<b>Investments in equity accounted investees</b>	<b>2.960.518</b>	<b>9.768.400</b>

Goodwill in equity accounted investees:		
Associates and joint ventures	31 December 2020	31 December 2019
Radore	7.607.415	7.607.415
Mika Tur	-	-
Elidaş	-	-
<b>Total</b>	<b>7.607.415</b>	<b>7.607.415</b>

	1 January-31 December 2020	1 January -31 December 2019
Revenue	361.475.256	832.103.517
Profit/(Loss) for the period	(22.362.795)	(29.994.197)
<b>The Group's share in the profit/(loss) of associates</b>	<b>(9.086.241)</b>	<b>(4.869.067)</b>

### Radore:

The Group participated in the capital of Radore Data Services Anonim Şirketi ("Radore"), which operates in the data center management branch of the information technologies sector, at a rate of 25.50% on December 1, 2014.

	31 December 2020	31 December 2019
The Group's share in associate's net assets	(2.070.976)	(1.022.835)
Goodwill in equity accounted investees	7.607.415	7.607.415
Intangible assets	3.053.612	3.027.183
<b>Investments in equity accounted investees</b>	<b>8.590.051</b>	<b>9.611.763</b>

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## 17. INVESTMENT IN EQUITY ACCOUNTED INVESTEEES (cont'd)

### Radore (cont'd):

	2020	2019
Balance at 1 January	9.611.763	10.277.390
Share of Profit/Loss of Equity Accounted Investees	(1.048.141)	(692.055)
Other	26.429	26.428
<b>Balance at 31 December</b>	<b>8.590.051</b>	<b>9.611.763</b>

### Mika Tur (Tatil Budur):

The Group purchased 20% (twenty percent) of the shares of Tatil Budur's main capital on 6 November 2015 from the shareholders of Tatil Budur. On August 4, 2020, Çetin Yılmaz, one of the partners, transferred the shares corresponding to 20% of his capital to İş Girişim, free of charge, in accordance with the share transfer agreement signed. After the share transfer, the Group's share in This is Holiday has become 40%.

	31 December 2020	31 December 2019
The Group's share in associate's net assets	(18.341.068)	(11.131.558)
Intangible assets	11.288.195	11.288.195
<b>Investments in equity accounted investees</b>	<b>(7.052.873)</b>	<b>156.637</b>

	2020	2019
Balance at 1 January	156.637	4.319.993
Shares of profits / (losses) of investments valued using the equity method	(8.285.449)	(4.163.356)
Increase in the Group's share in the net assets of subsidiaries	1.075.939	-
<b>Balance at 31 December</b>	<b>(7.052.873)</b>	<b>156.637</b>

### Elidaş:

The Group participated with a 10% share in the founding capital of Ege Tarım Ürünleri Licensed Depoculuk A.Ş. (Elidaş), which was established on January 3, 2011 to carry out licensed cotton warehousing. As a result of the capital increases made in the capital in 2012 and 2013, the share ratio in the capital increased to 10.05. The Group has classified Elidaş, which has been classified in Financial Assets with Fair Value Differences Reflected in Other Comprehensive Income in previous years, into Investments Valued by Equity Method since 2020.

	31 December 2020	31 December 2019
The Group's share in associate's net assets	1.423.340	-
Intangible assets	-	-
<b>Investments in equity accounted investees</b>	<b>1.423.340</b>	<b>-</b>

	31 December 2020	31 December 2019
Balance at 1 January	-	-
Current period inflow	1.175.991	-
Shares of profits / (losses) of investments valued using the equity method	247.349	-
<b>Balance at 31 December</b>	<b>1.423.340</b>	<b>-</b>

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## 18. GOODWILL

Each cash-generating unit (“CGU”) to be distributed to the carrying value of goodwill is as follows:

	31 December 2020	31 December 2019
Ortopro	9.206.500	9.206.500
Toksöz	22.354.606	22.354.606
Mikla	26.871.534	26.871.534
Değer düşüklüğü	(19.838.793)	(19.838.793)
	<b>38.593.847</b>	<b>38.593.847</b>

As three separate CGUs, valuations of Ortopro, Toksöz and Numnum were conducted by an independent valuation firm. Income and market approaches have been used for determining the fair values of Ortopro, Toksöz and Numnum. Analysis is made mostly using income approach (discounted cash flow method) method while lower weight is applied for values determined using similar transactions.

5-year business plans prepared by the management have been used. Growth in business of Ortopro, Toksöz and Numnum stems from the opportunities in the industry and new customer acquisitions.

The significant assumptions used in the calculation of the recoverable amount are discount rate and terminal growth rate. These assumptions are as follows:

	Discount Rate	Growth Rate
Ortopro	% 14,8	% 1,9
Toksöz	% 30,3	% 6,8
Numnum	% 32,4	% 6,8

The Group did not book any additional impairment provision in the current year as a result of the impairment test performed by using the assumptions explained above.

## 19. RIGHT TO USE ASSETS

Cost Value	Offices and Branches	Vehicles	Other	Total
<b>Opening balance</b>	60.318.165	3.645.200	3.838.964	67.802.329
Classification	(4.257.968)	-	-	(4.257.968)
Additions	7.249.160	689.011	1.207.100	9.145.271
Disposals	(2.404.028)	-	-	(2.404.028)
Currency Translation Differences	250.782	-	-	250.782
<b>Closing balance on 31 December 2020</b>	<b>61.156.111</b>	<b>4.334.211</b>	<b>5.046.064</b>	<b>70.536.386</b>
<b>Accumulated depreciation</b>				
<b>Opening Balance (-)</b>	<b>(17.154.287)</b>	<b>(1.431.489)</b>	<b>(1.276.149)</b>	<b>(19.861.925)</b>
Classification	418.703	-	-	418.703
Charge for the period (-)	(14.853.973)	(799.089)	(1.663.933)	(17.316.995)
Disposals (+)	2.247.816	13.719	-	2.261.535
Currency Translation Differences	(92.270)	-	-	(92.270)
<b>Closing balance on 31 December 2020</b>	<b>(29.434.011)</b>	<b>(2.216.859)</b>	<b>(2.940.082)</b>	<b>(34.590.952)</b>
<b>Net book value at 1 January 2020</b>	<b>43.163.878</b>	<b>2.213.711</b>	<b>2.562.815</b>	<b>47.940.404</b>
<b>Net book value at 31 December 2020</b>	<b>31.722.100</b>	<b>2.117.352</b>	<b>2.105.982</b>	<b>35.945.434</b>

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## 19. RIGHT TO USE ASSETS (cont'd)

Cost Value	Offices and Branches	Vehicles	Other	Total
<b>Opening balance</b>	-	-	-	-
Effect of change in accounting policies	51.987.046	2.536.926	3.838.964	58.362.936
Additions	8.179.931	1.094.555	-	9.274.486
Currency Translation Differences	151.188	13.719	-	164.907
<b>Closing balance on 31 December 2019</b>	<b>60.318.165</b>	<b>3.645.200</b>	<b>3.838.964</b>	<b>67.802.329</b>
<b>Accumulated depreciation</b>				
<b>Opening Balance</b>	-	-	-	-
Effect of change in accounting policies	-	-	-	-
Charge for the period	(17.127.733)	(1.258.002)	(1.276.149)	(19.661.884)
Currency Translation Differences	(26.554)	(173.487)	-	(200.041)
<b>Closing balance on 31 December 2019</b>	<b>(17.154.287)</b>	<b>(1.431.489)</b>	<b>(1.276.149)</b>	<b>(19.861.925)</b>
<b>Net book value at 1 January 2019</b>	<b>51.987.046</b>	<b>2.536.926</b>	<b>3.838.964</b>	<b>58.362.936</b>
<b>Net book value at 31 December 2019</b>	<b>43.163.878</b>	<b>2.213.711</b>	<b>2.562.815</b>	<b>47.940.404</b>
<b>Leasing Payables</b>				
<b>Opening balance on 1 January 2020</b>				<b>51.920.902</b>
Recorded on 1 January				3.502.410
Interest expense				7.862.293
Paid rent				(23.559.526)
<b>Closing balance on 31 December 2020</b>				<b>39.726.079</b>
Short-term lease payables				3.869.012
Long-term lease payables				35.857.067
<b>Total</b>				<b>39.726.079</b>
<b>Leasing Payables</b>				
<b>Opening balance on 1 January 2019</b>				
Recorded on 1 January				58.362.936
Interest expense				18.310.027
Paid rent				(24.752.061)
<b>Closing balance on 31 December 2019</b>				<b>51.920.902</b>
Short-- term lease payables				13.518.939
Long-term lease payables				38.401.963
<b>Total</b>				<b>51.920.902</b>

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## 20. TANGIBLE ASSETS

Cost	Machinery and Equipment	Vehicles	Furniture and Fixtures	Other Tangible Assets	Leasehold Improvements	Total
Opening balances on 1 January 2020	15.969.754	1.870.478	52.154.358	387.208	40.486.667	110.868.465
Foreign currency translation differences	170.034	-	321.244	-	828.602	1.319.880
Classification	-	-	(8.978.024)	-	(6.014.926)	(14.992.950)
Additions	3.641.822	1.032.002	3.893.488	-	4.767.397	13.334.709
Disposals	(179.931)	(356.752)	(1.170.284)	-	(120.234)	(1.827.201)
<b>Closing balances on 31 December 2020</b>	<b>19.601.679</b>	<b>2.545.728</b>	<b>46.220.782</b>	<b>387.208</b>	<b>39.947.506</b>	<b>108.702.903</b>
<b>Accumulated depreciation</b>						
Opening balances on 1 January 2020	(11.282.450)	(593.301)	(36.786.201)	(252.965)	(25.423.089)	(74.338.006)
Foreign currency translation differences	(185.486)	-	(311.209)	-	(615.676)	(1.112.371)
Classification	-	-	7.393.017	-	4.147.818	11.540.835
Charge for the period	(2.779.963)	(434.994)	(5.603.022)	(1.797)	(5.078.935)	(13.898.711)
Disposals	139.751	242.538	1.053.723	-	119.893	1.555.905
<b>Closing balance on 31 December 2020</b>	<b>(14.108.148)</b>	<b>(785.757)</b>	<b>(34.253.692)</b>	<b>(254.762)</b>	<b>(26.849.989)</b>	<b>(76.252.348)</b>
<b>Carrying value at 1 January 2020</b>	<b>4.687.304</b>	<b>1.277.177</b>	<b>15.368.157</b>	<b>134.243</b>	<b>15.063.578</b>	<b>36.530.459</b>
<b>Carrying value at 31 December 2020</b>	<b>5.493.531</b>	<b>1.759.971</b>	<b>11.967.090</b>	<b>132.446</b>	<b>13.097.517</b>	<b>32.450.555</b>

Cost	Machinery and Equipment	Vehicles	Furniture and Fixtures	Other Tangible Assets	Leasehold Improvements	Total
Opening balances on 1 January 2019	13.279.943	1.034.967	48.768.433	681.757	38.829.714	102.594.814
Foreign currency translation differences	74.375	-	(92.170)	-	126.086	108.291
Classification	-	-	294.549	(294.549)	-	-
Additions	2.644.087	949.365	4.080.756	-	6.141.783	13.815.991
Disposals	(28.651)	(113.854)	(897.210)	-	(4.610.916)	(5.650.631)
<b>Closing balances on 31 December 2019</b>	<b>15.969.754</b>	<b>1.870.478</b>	<b>52.154.358</b>	<b>387.208</b>	<b>40.486.667</b>	<b>110.868.465</b>
<b>Accumulated depreciation</b>						
Opening balances on 1 January 2019	(9.516.951)	(457.188)	(33.695.210)	(251.173)	(23.505.403)	(67.425.925)
Foreign currency translation differences	(75.302)	-	97.720	-	(312.066)	(289.648)
Charge for the period	(1.713.002)	(229.220)	(4.033.891)	(1.792)	(4.209.779)	(10.187.684)
Disposals	22.805	93.107	845.180	-	2.604.159	3.565.251
<b>Closing balance on 31 December 2019</b>	<b>(11.282.450)</b>	<b>(593.301)</b>	<b>(36.786.201)</b>	<b>(252.965)</b>	<b>(25.423.089)</b>	<b>(74.338.006)</b>
<b>Carrying value at 1 January 2019</b>	<b>3.762.992</b>	<b>577.779</b>	<b>15.073.223</b>	<b>430.584</b>	<b>15.324.311</b>	<b>35.168.889</b>
<b>Carrying value at 31 December 2019</b>	<b>4.687.304</b>	<b>1.277.177</b>	<b>15.368.157</b>	<b>134.243</b>	<b>15.063.578</b>	<b>36.530.459</b>

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## 21. INTANGIBLE ASSETS

Cost	Distribution Network, Patent, License and Leasing Agreements	Computer software and Licenses	Total
Opening balance on 1 January 2020	27.098.697	44.089.957	71.188.654
Exchange differences	-	1.699.500	1.699.500
Classification	(79.560)	(146.646)	(226.206)
Disposals	(56.651)	(1.021.307)	(1.077.958)
Additions	-	6.916.808	6.916.808
<b>Closing balance on 31 December 2020</b>	<b>26.962.486</b>	<b>51.538.312</b>	<b>78.500.798</b>
<b>Accumulated amortization</b>			
Opening balance on 1 January 2020	(23.074.101)	(28.462.823)	(51.536.924)
Exchange differences	-	(1.602.400)	(1.602.400)
Classification	69.506	65.377	134.883
Disposals	27.724	826.087	853.811
Charge for the period	(9.503)	(7.189.211)	(7.198.714)
<b>Closing balance on 31 December 2020</b>	<b>(22.986.374)</b>	<b>(36.362.970)</b>	<b>(59.349.344)</b>
<b>Carrying value at 1 January 2020</b>	<b>4.024.596</b>	<b>15.627.134</b>	<b>19.651.730</b>
<b>Carrying value at 31 December 2020</b>	<b>3.976.112</b>	<b>15.175.342</b>	<b>19.151.454</b>
<b>2019 Data</b>			
Cost	Distribution Network, Patent, License and Leasing Agreements	Computer software and Licenses	Total
Opening balance on 1 January 2019	27.090.893	32.795.372	59.886.265
Exchange differences	-	880.836	880.836
Disposals	(13.559)	(1.157.717)	(1.171.276)
Additions	21.363	11.571.466	11.592.829
<b>Closing balance on 31 December 2019</b>	<b>27.098.697</b>	<b>44.089.957</b>	<b>71.188.654</b>
<b>Accumulated amortization</b>			
Opening balance on 1 January 2019	(20.855.607)	(22.532.765)	(43.388.372)
Exchange differences	-	(1.443.791)	(1.443.791)
Disposals	-	813.417	813.417
Charge for the period	(2.218.494)	(5.299.684)	(7.518.178)
<b>Closing balance on 31 December 2019</b>	<b>(23.074.101)</b>	<b>(28.462.823)</b>	<b>(51.536.924)</b>
<b>Carrying value at 1 January 2019</b>	<b>6.235.286</b>	<b>10.262.607</b>	<b>16.497.893</b>
<b>Carrying value at 31 December 2019</b>	<b>4.024.596</b>	<b>15.627.134</b>	<b>19.651.730</b>

## 22. GOVERNMENT INCENTIVES AND GRANTS

None (December 31, 2019: None).

## 23. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Current provisions	31 December 2020	31 December 2019
Legal claims	21.905.327	10.349.297
Other liabilities and expense accruals	39.414.578	1.417.337
	<b>61.319.905</b>	<b>11.766.634</b>

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## 23. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (cont'd)

<b>1 January-31 December 2020</b>			
	<b>Legal claims</b>	<b>Other</b>	<b>Total</b>
Opening balance	10.349.297	1.417.337	11.766.634
Additional provisions	13.092.230	38.003.741	51.095.971
Canceled provisions	(1.089.827)	(6.500)	(1.096.327)
Payments	(446.373)	-	(446.373)
<b>Closing balance</b>	<b>21.905.327</b>	<b>39.414.578</b>	<b>61.319.905</b>

<b>1 January-31 December 2019</b>			
	<b>Legal claims</b>	<b>Other</b>	<b>Total</b>
Opening balance	3.210.724	507.442	3.718.166
Additional provisions	7.552.021	1.140.817	8.692.838
Canceled provisions	(107.520)	(230.922)	(338.442)
Payments	(305.928)	-	(305.928)
<b>Closing balance</b>	<b>10.349.297</b>	<b>1.417.337</b>	<b>11.766.634</b>

In relation to the Company's subsidiary, Toksöz Spor Malzemeleri Ticaret A.Ş., within the case no 2018/372, which was opened in the 3<sup>rd</sup> Commercial Court of First Instance, a decision of capital reduction dated April 7, 2018, has been taken by the extraordinary general assembly and the decision of capital increase by the extraordinary general assembly has been cancelled. Against the decision Toksöz Spor Malzemeleri Ticaret A.Ş. has been appealed to the Istanbul Regional Court of Justice in the 12th Legal Department.

Details of the nominal amounts of government bonds and treasury bills, equity shares, eurobonds and mutual funds belonging to customers and held for custody purposes are as follows:

	<b>31 December 2020</b>	<b>31 December 2019</b>
Customer portfolio-Debt Instruments	2.516.484.139	2.216.559.787
Eurobond	1.869.870.363	655.964.726
Equity shares	18.665.538.296	10.295.082.521
Mutual funds – units	23.564.179.907	33.761.111.616

As of December 31, 2019, and 2018, letters of guarantee and promissory notes given by the Group are as follows:

	<b>31 December 2020</b>	<b>31 December 2019</b>
İstanbul Takas ve Saklama Bankası AŞ	295.000.000	431.500.000
Borsa İstanbul AŞ	135.000	20.135.000
Sermaye Piyasası Kurulu	1.776	1.776
Other	152.595.836	120.517.976
	<b>447.732.612</b>	<b>572.154.752</b>

As of December 31, 2020, letters of guarantee and promissory notes amounting to TL 447.732.612 given by the Group contains USD 13.000.000 that equals to TL 95.426.500 and GBP 5.000.000 that equals to TL 49.719.000 (December 31, 2019: letters of guarantee and promissory notes amounting to TL 572.154.752 given by the Group contains USD 13.000.000 that equals to TL 77.222.600 and GBP 5.000.000 that equals to TL 38.882.500).



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## 25. PROVISIONS RELATED TO EMPLOYEE BENEFITS

### Short-term employee benefits:

	31 December 2020	31 December 2019
Unused vacation pays liability and miscellaneous bonus provision	44.035.357	29.533.873

In accordance with the existing social legislation in Turkey, the Group is required to make payments for unused vacation days when the personnel leave from the company. Vacation pay liability is the undiscounted amount calculated over the unused vacation days of the employees.

	1 January-31 December 2020 Provision Amount	1 January-31 December 2019 Provision Amount
Opening balance	29.533.873	24.300.246
Additional provisions	44.035.357	29.533.873
Payments	(29.533.873)	(24.300.246)
<b>Closing balance</b>	<b>44.035.357</b>	<b>29.533.873</b>

### Long-term employee benefits:

	31 December 2020	31 December 2019
Employee severances pay liability	13.308.332	13.949.382
<b>Total</b>	<b>13.308.332</b>	<b>13.949.382</b>

Under the Turkish Labor Law, the Group is required to pay employment termination benefits to each entitled employee to receive such benefits.

The applicable retirement pays provision ceiling as at December 31, 2020 is TL 7.117 for the calculation of employment termination benefits (December 31, 2019: TL 6.380). The retirement pay provision ceiling is revised semi-annually, and TL 7.117, which is effective from July 2020, is taken into consideration in the calculation of provision for employment termination benefits (December 31, 2019; The retirement pay provision ceiling effective from July 1, 2019 amounts to TL 6.380).

The liability is not funded, as there is no funding requirement. Provision is calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of the employees. TAS 19 “Employee Benefits” requires actuarial valuation methods to be developed to estimate the Group’s obligation under the defined benefit plans. Accordingly, the following actuarial assumptions are used in the calculation of the total liability:

The principal assumption is that the maximum liability for each year of service will increase parallel with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. Consequently, in the accompanying statement of financial position as of December 31, 2016, the provision has been calculated by estimating the present value of the future probable obligation arising from the retirement of the employees. The provision at the respective balance sheet date has been calculated assuming an annual inflation rate of 8,00% (December 31, 2019: 7,20%) calculated by the average of inflation rate 12,40% (December 31, 2018: 11,70%) and discount rate assumptions 4,07% (December 31, 2018: 4,20%). The estimated rate of severance indemnity amounts to be retained in the Group is also taken into account.

	31 December 2020	31 December 2019
Opening balance, 1 January	13.949.382	10.856.658
Service cost	1.981.524	2.046.049
Interest cost	1.742.101	1.348.291
Payments made during the year	(3.001.838)	(3.435.117)
Actuarial difference	(1.362.837)	3.133.501
<b>Provision for employee benefits</b>	<b>13.308.332</b>	<b>13.949.382</b>

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## 25. PROVISIONS RELATED TO EMPLOYEE BENEFITS (cont'd)

### Retirement Benefits

Beginning from 2006, the Group has started to contribute certain amount of private pension payments for its employees. In the current year, total contributions paid amount to TL 674.221. (Contributions paid as of December 31, 2019 is TL 575.648).

## 26. OTHER ASSETS and LIABILITIES

<b>Other current assets</b>	<b>31 December 2020</b>	<b>31 December 2019</b>
Income accruals	2.179.708	650.146
Deferred VAT	4.381.656	5.614.410
Advances given for purchases	833.875	87
Business advances	81.851	1.799.721
Personnel advances	898.542	410.624
Other	2.306.001	5.239.818
	<b>10.681.633</b>	<b>13.714.806</b>
<b>Other short-term liabilities</b>	<b>31 December 2020</b>	<b>31 December 2019</b>
Expense accruals	20.881.659	7.254.772
Advances received	1.489.167	2.376.080
Deferred Income	2.478.893	4.301.717
Other	341.186	5.232.025
	<b>25.190.905</b>	<b>19.164.594</b>
<b>Other long-term liabilities</b>	<b>31 December 2020</b>	<b>31 December 2019</b>
Income related to future years	16.500.000	5.500.000
Income for the coming years	76.341	2.722.163
	<b>16.576.341</b>	<b>8.222.163</b>

## 27. EQUITY

### a. Capital

The capital structure of the Company as of December 31, 2020 and December 31, 2019 are as follows:

<b>Shareholders</b>	<b>31 December 2020</b>		<b>31 December 2019</b>	
	<b>Share (%)</b>	<b>Amount</b>	<b>Share (%)</b>	<b>Amount</b>
Türkiye İş Bankası AŞ (Group A)	0,05	150.000	0,05	150.000
Türkiye İş Bankası AŞ (Group B)	65,70	233.243.379	67,18	238.503.549
Other (Group B)	34,25	121.606.621	32,77	116.346.451
<b>Total</b>	<b>100,00</b>	<b>355.000.000</b>	<b>100,00</b>	<b>355.000.000</b>

The authorized share capital ceiling of the Company is TL 750.000.000 and paid-in capital of the Company is TL 355.000.000 (December 31, 2019: TL 355.000.000 TL).

The capital has been divided into 355.000.000 (Three Hundred Fifty Five Million) shares each having a value of TL 1.00 (December 31, 2019: 355.000.000). TL 150.000 of the shares is Group A (December 31, 2019: 150.000 TL), and TL 354.850.000 is Group B shares (December 31, 2019: TL 354.850.000). According to the Articles of Association, additional Group A shares cannot be issued during new capital increases. Six members of the Board of Directors out of nine are elected among the nominees determined by Group A shareholders and three members by Group B shareholders.

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## 27. EQUITY (cont'd)

### b. Fair Value Reserve

	1 January- 31 December 2020	1 January- 31 December 2019
Opening balance	28.479.669	19.040.071
Change in non-controlling interests	1.210.715	1.108.652
Increase/(decrease) in value of assets available for sale	7.906.538	10.602.046
Defined benefit plans re-measurement gains and losses	841.641	(2.271.100)
<b>Closing balance</b>	<b>38.438.563</b>	<b>28.479.669</b>

#### Fair Value Reserve:

Fair value reserve arises from the measurement of available-for-sale financial assets at their fair value. In case of disposal of assets carried at fair value, the cumulative gain or loss related to that assets previously recognized in equity is included in the statement of profit or loss for the period. Gains and losses arising from changes in fair value are recognized directly in equity, until the asset is determined to be impaired, at which time the cumulative gain or loss previously recognized in equity is included in the statement of profit or loss for the period.

### c. Foreign Currency Translation Differences

Foreign currency translation differences consist of foreign currency exchange rate differences arising from remeasurement of foreign currency financial statements into Turkish Lira.

### d. Restricted Reserves

	31 December 2020	31 December 2019
Legal reserves	139.452.620	104.798.401
Statutory reserves	50.862	50.862
<b>Total</b>	<b>139.503.482</b>	<b>104.849.263</b>

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

### e. Prior Year's Profit

The prior year's profit and extraordinary reserves disclosed in prior year's profit in the statement of financial position of the Group as of December 31, 2020 and 2019 are as follows:

	31 December 2020	31 December 2019
Extraordinary reserves	325.979.808	167.757.367
Prior year's profit	11.480.404	26.099.406
<b>Total</b>	<b>337.460.212</b>	<b>193.856.773</b>

#### Profit Distribution:

In accordance with the Capital Markets Board's "Profit Distribution Communiqué" Serial: II No:19.1 distributable profit will be determined by the General Assembly in accordance with the dividend policy and provisions of the relevant legislation dispenses with the decision of the General Assembly.

At the Ordinary General Assembly Meeting of the Company held on March 20, 2020 the Company decided to distribute dividend to shareholders TL 140.000.000. Dividend was paid on March 24 and 26, 2020.

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## 27. EQUITY (cont’d)

### f. Other Reserves

Other reserves comprised of profit or loss related with the sale of shares while retaining control and increase in share capital (non-reciprocal capital contributions made by a parent or NCI to non-wholly owned subsidiary) after obtained control of a subsidiary which changes its ownership interest in that subsidiary without losing control by buying shares from the non-controlling interest at the beginning of the period. The effects of these transactions on the non-controlling interests in the accompanying consolidated financial statements are allocated to proportionally to non-controlling interest and classified as “non-controlling interests”.

	1 January- 31 December 2020	1 January- 31 December 2019
Opening balance	33.758.962	8.761.518
Change in non-controlling interests	(5.114)	(2.556)
Reserve for venture capital fund	50.000.000	25.000.000
<b>Closing Balance</b>	<b>83.753.848</b>	<b>33.758.962</b>

### g. Change in Non-Controlling Interests

Shares of net assets of the subsidiaries that are directly or indirectly not under control of the equity holders of the Company are classified as “non-controlling interests” in the statement of financial position.

	1 January- 31 December 2020	1 January- 31 December 2019
Opening balance	286.142.460	279.807.431
Profit for the year attributable to non-controlling interest portion	35.330.865	38.101.277
Re-measurement gains of defined benefit plans (including tax effect)	248.628	(235.701)
Revaluation and classification gains / losses	1.183.476	935.518
Foreign currency translation differences	(5.081.003)	(3.323.613)
Changes in non-controlling interest	2.058.427	(3.005.530)
Dividends paid	(43.367.722)	(26.136.922)
Corrections	(1.358.328)	-
<b>Closing balance</b>	<b>275.156.803</b>	<b>286.142.460</b>

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## 28. SALES AND COST OF SALES

	1 January- 31 December 2020	1 January- 31 December 2019
<b>Sales revenue</b>		
Sales of equity shares and certificates	19.753.047.213	21.392.693.658
Sales of private sector bonds	25.689.787.075	10.128.064.305
Sales of government bonds	52.711.104.823	209.541.206.402
Sales of warrants	10.018.157.593	4.344.884.214
Sales of mutual funds	28.317.073	70.659.847
Other	303.593.797	371.917.184
Treasury bill sales	-	24.106.715
<b>Total</b>	<b>108.504.007.574</b>	<b>245.873.532.325</b>
<b>Cost of Sales</b>		
Purchase of equity shares and certificate	(19.742.471.458)	(21.379.672.558)
Purchase of private sector bonds	(25.559.289.545)	(10.077.245.332)
Purchase of government bonds	(52.685.072.831)	(209.481.876.003)
Purchase of warrants	(9.527.197.826)	(4.233.198.733)
Purchase of mutual funds	(17.504.419)	(57.809.991)
Depreciation and amortization expenses	(2.659.356)	(2.057.234)
Other	(180.029.134)	(249.262.633)
Treasury bill purchases	-	(24.100.000)
<b>Total</b>	<b>(107.714.224.569)</b>	<b>(245.505.222.484)</b>
<b>Interest income from operating and derivative activities, (net)</b>		
Interest income / (expenses) (net)	111.577.050	155.394.345
Forward transaction revenues / (expenses) (net)	125.997.338	603.126.514
Leveraged foreign exchange transaction income/(expense) (net)	65.159.714	41.612.639
Government and private sector bond income	22.575.508	18.801.255
Interest expenses on bank loans	(8.792.873)	(23.813.949)
Interest on financing bonds	(59.906.715)	(397.361.593)
Interest on Stock Exchange Money Market transactions	(23.817.443)	(83.125.460)
<b>Total</b>	<b>232.792.579</b>	<b>314.633.751</b>
<b>Service income</b>		
Commission income on trading of derivative transactions	146.699.927	74.840.038
Commission income on trading of equity shares	429.886.977	105.635.581
Portfolio management fees	123.461.084	78.112.644
Corporate finance income	20.345.434	20.475.523
Commission income on trading of mutual funds	23.096.920	13.743.716
Commission income on trading of repurchase agreements	4.781.916	4.909.448
Purchase / sale brokerage commissions of debt securities	8.063.477	1.711.911
Commission income on trading of debt securities	1.181.858	914.471
Other commissions and income	11.596.395	6.488.694
<b>Deductions from service income</b>		
Commission returns	(25.513.559)	(6.344.694)
<b>Service income (net)</b>	<b>743.600.429</b>	<b>300.487.332</b>
Interest income from customers	95.620.564	43.726.328
Other operating income	7.670.969	10.671.697
<b>Other operating income (net)</b>	<b>103.291.533</b>	<b>54.398.025</b>

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## 29. RESEARCH AND DEVELOPMENTS EXPENSES, MARKETING EXPENSES AND ADMINISTRATIVE EXPENSES

	1 January- 31 December 2020	1 January- 31 December 2019
Research and development expenses	(2.932.629)	(1.933.425)
Marketing expenses	(157.136.277)	(114.052.242)
Administrative expenses	(367.208.882)	(306.457.035)
	<b>(527.277.788)</b>	<b>(422.442.702)</b>
<b>Research and development expenses</b>		
Personnel expenses	(1.172.475)	(1.518.972)
Amortization expenses	(1.217.274)	(111.795)
Transportation expenses	(6.617)	(40.357)
Other expenses	(536.263)	(262.301)
	<b>(2.932.629)</b>	<b>(1.933.425)</b>
<b>Marketing expenses</b>		
Foreign marketable securities transaction fees	(36.465.792)	(9.877.817)
Personnel expenses	(18.231.365)	(21.376.935)
Rent warehouse and store expenses	(9.363.084)	(13.636.163)
Custody expenses	(19.356.241)	(11.669.800)
Publication and advertisement expenses	(7.169.134)	(4.874.078)
Future derivative exchange transaction fees	(18.251.719)	(11.093.968)
Depreciation and amortization expenses	(3.925.338)	(13.475.084)
Equity shares transaction and registration fees	(17.670.144)	(7.264.823)
Fixed income securities transaction and registration fees	(1.837.278)	(3.700.012)
Transportation expenses	(502.644)	(1.285.314)
Securities lending commission expenses	(552.549)	(44.641)
Other marketing expenses	(23.810.989)	(15.753.607)
	<b>(157.136.277)</b>	<b>(114.052.242)</b>
<b>Administrative expenses</b>		
Personnel expenses	(193.358.962)	(164.517.704)
Communication expenses	(41.357.164)	(31.680.358)
Taxes and dues	(52.467.324)	(35.228.616)
Rent expenses	(21.540.430)	(21.435.264)
Outsourcing expenses	(5.304.266)	(5.443.824)
Depreciation and amortization expenses	(30.490.633)	(21.723.632)
Operating expenses	(8.243.605)	(7.959.896)
Board of Directors attendance fees	(4.467.600)	(3.913.650)
Transportation expenses	(1.713.762)	(3.376.564)
Other administrative expenses	(8.265.136)	(11.177.527)
	<b>(367.208.882)</b>	<b>(306.457.035)</b>
<b>Total operating expenses</b>	<b>(527.277.788)</b>	<b>(422.442.702)</b>

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## 30. OTHER OPERATING INCOME/(EXPENSE)

	1 January- 31 December 2020	1 January- 31 December 2019
<b>Other operating income</b>		
Commission from cash and marketable securities transactions	4.439.025	3.440.504
Reversals of provisions	5.503.300	6.700.927
Gain on sale of tangible assets	309.536	1.076.440
Other	11.365.905	4.807.136
<b>Total</b>	<b>21.617.766</b>	<b>16.025.007</b>
<b>Other operating expenses</b>		
Provisions for doubtful trade receivables	-	(964.933)
Paid commission and charges	(1.631.699)	(1.977.501)
Write-off expenses	(9.482.352)	(3.524.233)
Provisions	(72.920.037)	(19.135.632)
Other	(10.706.555)	(5.291.993)
<b>Total</b>	<b>(94.740.643)</b>	<b>(30.894.292)</b>

## 31. NON-OPERATING FINANCE INCOME

	1 January- 31 December 2020	1 January- 31 December 2019
Foreign currency gains	31.449.312	14.537.871
Interest income on	21.226.041	16.302.040
<i>Times deposits</i>	9.312.110	14.406.721
<i>Private sector bonds</i>	569.323	1.428.319
<i>Government bonds and Treasury bills</i>	11.344.608	467.000
Dividend income from associates	3.383.228	1.409.327
Interest income on guarantees	23.545.698	16.822.139
Reverse repo interest income	691.912	1.259.185
Other financial income	3.438.384	778.990
<b>Total</b>	<b>83.734.575</b>	<b>51.109.552</b>

## 32. NON-OPERATING FINANCE COST

	1 January- 31 December 2020	1 January- 31 December 2019
Interest expenses	(45.111.422)	(80.951.128)
<i>Bank borrowings</i>	(45.111.422)	(80.951.128)
Factoring and Leasing Expenses	(1.249.574)	(4.600.848)
Leasing transactions TFRS 16	(6.005.698)	(4.430.538)
Foreign currency losses	(37.077.224)	(16.681.769)
Commission expenses on letters of guarantee	(1.130.661)	(5.693.096)
Commission and interest expenses paid for sales	(4.075.856)	(1.432.214)
Other financial expenses	(3.052.609)	(1.570.391)
<b>Total</b>	<b>(97.703.044)</b>	<b>(115.359.984)</b>

## 33. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

### Assets Held for Sale

	31 December 2020	31 December 2019
Buildings	2.330.660	11.320.599
Other tangible assets	4.378.534	-
<b>Total</b>	<b>6.709.194</b>	<b>11.320.599</b>

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## 34. ANALYSIS OF OTHER COMPREHENSIVE INCOME ITEMS

As of 31 December 2020 and 2019, other comprehensive income accounted in financial income / (expenses) are as follows:

	1 January- 31 December 2020	1 January- 31 December 2019
Changes in fair value of available for sale	9.568.436	12.144.804
Changes in foreign currency translation differences	(148.233)	(4.292.119)
Tax income/expenses relating to other comprehensive income	(478.421)	(607.240)
	<b>8.941.782</b>	<b>7.245.445</b>

For the years ended December 31, 2020 and December 31, 2019, defined benefit plans accounted in other comprehensive income are as follows:

	1 January- 31 December 2020	1 January- 31 December 2019
Re-measurement gains / losses in defined benefit plans	1.362.837	(3.133.501)
Tax income/expenses relating of other comprehensive income	(272.567)	626.700
	<b>1.090.270</b>	<b>(2.506.801)</b>

## 35. TAX ASSETS AND LIABILITIES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES)

The Group is subject to taxation in accordance with the tax regulation and the legislation effective in Turkey.

In Turkey, the corporate tax rate is 20%. However, in accordance with the addition of temporary 10<sup>th</sup> article to the Corporate Tax Law, 22% corporate tax rate will be applied to the profits of the entities related to their to 2019, 2019 and 2020 tax periods (for the entities with special accounting period, tax periods commenced in the related year) rather than 20%. This rate is applicable to the tax base derived upon exemptions and deductions stated in the tax legislation and by addition of disallowable expenses to the commercial revenues of the companies with respect to the tax legislation. Corporate tax is required to be filed by the twenty-fifth day of the fourth month following the balance sheet date and taxes must be paid by the end of the fourth month.

The tax legislation provides for a temporary tax of 20% (will be applied as 22% for 2019, 2019 and 2020 tax periods) to be calculated based on earnings generated for each quarter. Temporary tax is declared by the 14th day of the second month following each quarter and corresponding tax is payable by the 17th day of the same month. The amounts thus calculated and paid are offset against the final corporate tax liability for the year. If there is excess temporary tax paid even if it is already offset, this amount may be refunded or offset.

Corporate tax losses can be carried forward for a maximum period of 5 years following the year in which the losses were incurred. The tax authorities can inspect tax returns and the related accounting records for a retrospective maximum period of five years.

15% withholding applies to dividends distributed by resident real persons, those who are not liable to income and corporation tax, non-resident real persons, non-resident corporations (excluding those that acquire dividend through a permanent establishment or permanent representative in Turkey) and non-resident corporations exempted from income and corporation tax.

Dividend distribution by resident corporations to resident corporations is not subject to a withholding tax. Furthermore, in the event the profit is not distributed or included in capital, no withholding tax shall be applicable.

As of December 31, 2020 and 2019, provision for tax legislation has been calculated within the scope of legislation.

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## 35. TAX ASSETS AND LIABILITIES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (cont’d)

Tax liability includes current period tax liability and deferred tax liability. If the tax is not directly related to a transaction that is accounted under equity, it is included within the statement of income.

Nevotek, the subsidiary of the Group, is subject to current income and corporate income tax in Turkey. However, according to provisional second article of Law 4691 Technology Development Zones and Law 5035, gains from software and R&D activities in technology development zones of income and corporate income taxpayers operating in that zone are exempted from income and corporate taxes until December 31, 2013. Also, researchers, programmers and R&D personnel working in these regions, and related fees are exempted from all taxes until December 31, 2013. On March 12, 2011, in accordance with the Law No 6170 Amendments to the Technology Development Zones Law, the date has been extended until 31 December 2023. No tax liability has been recognized in the accompanying financial statements relating to Nevotek since it does not have any tax liability estimation from activities other than software and R&D activities.

The subsidiary’s income in California, the United States of America is exposed to both federal and state income tax. The federal tax rate is gradual and between 15% - 35%, the state tax rate is 8,84%.

### Taxation for Investment Trusts:

In accordance with the Clause (1) (d) in Article 5 of the Corporate Tax Law No: 5520 and dated June 21, 2006 in effect from January 1, 2006, portfolio management income of the securities investment funds and trusts in Turkey is exempt from tax. This exemption is also applied to the advance corporate tax.

Based on the Clause (3) in Article 15 of the same law, 15% withholding tax is applied on the portfolio management income of the securities investment funds and trusts in Turkey, which is exempt from tax, whether it is distributed or not. In accordance with the Clause (4) of the same article, the Council of Ministers is authorized to reduce this withholding rate to 0% or to increase it up to the corporate tax rate.

In accordance with the Law No: 5527 and the Provisional Article 67 the Clause (1) which were introduced in the Income Tax Law No: 193 with the Law No: 5281 to be applied from January 1, 2006 to December 31, 2015 effective from January 1, 2006, 15%, 10% and 0% withholding tax is applied for securities mutual funds’ and trusts’ purchase and sale income from securities and other capital market instruments and periodical returns through banks and brokerage companies for the periods of January 1, 2006 - July 22, 2006, July 23, 2006 - September 30, 2006 and subsequent to October 1, 2006, respectively. The effective date of Temporary Article 67 of the Income Tax Law has been extended until December 31, 2025.

As per the Clause (8) of the Provisional Article 67, 15% withholding tax is applied on the securities investment funds established in accordance with the Capital Markets Law (including funds traded on stock exchange, mortgage finance funds and asset finance funds) and securities investment trusts’ portfolio income that is exempt from corporate tax, whether distributed or not. There is no further withholding tax for the related income under the Article 94. Upon the decision made by the Council of Ministers numbered 2006/10731 and dated 23 July 2006, the related withholding tax rate was applied as 10% for the period July 23, 2006 - September 30, 2006 and 0% subsequent to October 1, 2006.

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## 35. TAX ASSETS AND LIABILITIES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (cont'd)

### Income Withholding Tax:

In addition to corporate taxes, companies should also calculate income withholding taxes on any dividends distributed, except for companies receiving dividends who are resident companies in Turkey and Turkish branches of foreign companies. The rate of income withholding tax is 10% starting from April 24, 2003. This rate was increased from 10% to 15% effective from July 22, 2006 with the decision made by the Council of Ministers numbered 2006/10731. Undistributed dividends incorporated in share capital are not subject to income withholding taxes.

<b>Current tax payable</b>	<b>31 December 2020</b>	<b>31 December 2019</b>
Current tax liability	226.945.843	120.855.686
Prepaid taxes and funds	(152.232.032)	(82.095.649)
	<b>74.713.811</b>	<b>38.760.037</b>

<b>Tax expense</b>	<b>1 January – 31 December 2020</b>	<b>1 January – 31 December 2019</b>
Current tax expense	(238.415.857)	(126.937.576)
Deferred tax income/(expense)	(30.291.130)	16.515.552
<b>Total</b>	<b>(268.706.987)</b>	<b>(110.422.024)</b>
Tax expense from continuing operations	(268.706.987)	(110.422.024)
	<b>(268.706.987)</b>	<b>(110.422.024)</b>

<b>Income tax recognized directly in equity</b>	<b>1 January - 31 December 2020</b>	<b>1 January- 31 December 2019</b>
Valuation of available-for-sale financial assets	(478.421)	(607.240)
Re-measurement gains of defined benefit plans	(272.567)	626.700
	<b>(750.988)</b>	<b>19.460</b>

### Current Tax Assets:

As of December 31, 2020 and 2019, the current tax assets of the Group consist of taxes paid in advance through withholding tax amounting to TL 208.742 and TL 450.943, respectively.

### Deferred Tax:

Deferred tax is calculated by using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying values in the financial statements. Currently enacted tax rates are used to determine deferred income tax at the balance sheet date.

Deferred tax liabilities are recognized for all taxable temporary differences, whereas deferred tax assets resulting from deductible temporary differences are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference can be utilized.

Deferred tax assets and liabilities are offset in case where there is a legally enforceable right to set off current tax assets against current tax liabilities, provided that they are subject to the tax legislation of the same country.

20% of taxes are applied in the calculation of deferred tax assets and liabilities (2019: 22%).

	<b>31 December 2020</b>	<b>31 December 2019</b>
Deferred tax assets	13.760.181	22.893.862
Deferred tax liabilities	(24.991.789)	(1.918.063)
<b>Deferred tax assets / (liabilities) (net)</b>	<b>(11.231.608)</b>	<b>20.975.799</b>

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## 35. TAX ASSETS AND LIABILITIES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (cont'd)

Deferred Tax: (cont'd)

Temporary differences subject to deferred tax	31 December 2020	31 December 2019
Income accruals on derivative transactions, net	31.033.865	(26.476.864)
Useful life differences on tangible and intangible assets	5.618.825	(3.251.709)
Fair value reserve on financial assets	23.739.270	(427.286)
Provisions	47.828.995	(471.045)
Subsidiary valuation differences	35.282.900	35.289.880
Retirement pay provision	(13.308.332)	(10.996.392)
Employee benefits	(8.483.985)	(6.798.091)
Valuation of marketable securities and loans	24.213.625	(703.891)
Provision for doubtful receivables	(755.445)	(1.648.482)
Provision for impairment of inventories	(2.016.770)	(824.123)
Accrued expenses	(23.309.550)	(5.759.241)
<b>Total</b>	<b>119.843.398</b>	<b>(22.067.244)</b>
Statuary losses carried forward	(37.780.175)	(33.904.385)
<b>General Total</b>	<b>82.063.223</b>	<b>(55.971.629)</b>
<b>Deferred tax assets / (liabilities)</b>	<b>31 December 2020</b>	<b>31 December 2019</b>
Income accruals on derivative transactions, net	(6.206.773)	5.824.910
Useful life differences on tangible and intangible assets	(1.123.765)	715.376
Fair value reserve on financial assets	(4.747.854)	126.496
Provisions	(9.565.799)	3.411.986
Subsidiary valuation differences	(1.764.145)	(1.764.494)
Retirement pay provision	2.550.268	2.419.206
Employee benefits	1.696.797	1.495.580
Valuation of marketable securities and loans	(4.842.725)	154.856
Provision for doubtful receivables	151.089	362.666
Provision for impairment of inventories	403.354	181.307
Accrued expenses	4.661.910	1.267.033
Statuary losses carried forward	7.556.035	6.780.877
<b>Deferred tax assets/(liabilities), net</b>	<b>(11.231.608)</b>	<b>20.975.799</b>
<b>Movement of deferred tax assets / (liabilities)</b>	<b>31 December 2020</b>	<b>31 December 2019</b>
Opening balance, 1 January (*)	20.975.799	3.829.239
Deferred tax income/(expense)	(30.291.130)	16.515.552
Other Corrections	(1.165.289)	611.548
Deferred tax income/(expense) recorded in equity	(750.988)	19.460
<b>Closing balance</b>	<b>(11.231.608)</b>	<b>20.975.799</b>

Tax legislation in Turkey does not permit a parent company and its subsidiaries to file a consolidated tax return. Therefore, provisions for taxes, as reflected in the accompanying consolidated financial statements, are calculated on a separate-entity basis. Deferred tax assets are recognized when it is probable that the tax benefit will be utilized in the future.

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## 35. TAX ASSETS AND LIABILITIES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (cont’d)

Total tax charge for the period can be reconciled to the accounting profit as follows:

<b>Reconciliation of tax provision</b>	<b>1 January – 31 December 2020</b>	<b>1 January – 31 December 2019</b>
Profit from operating activities	1.246.012.171	531.397.463
<b>Taxable profit</b>	<b>1.246.012.171</b>	<b>531.397.463</b>
Income tax using the Company’s domestic tax rate	(274.122.678)	(116.907.442)
Tax exempt income	31.941.552	23.280.623
Disallowable expenses	(17.289.082)	(25.090.633)
Dividends and other tax-exempt income	5.511.938	5.518.988
Others	(14.748.717)	2.776.440
<b>Tax expense</b>	<b>(268.706.987)</b>	<b>(110.422.024)</b>

Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. In this context, The Group, according to the best estimates, with the profit that is predicted for the next years, deferred tax assets calculated on tax losses that can be deducted. Accordingly, the Company has calculated deferred tax assets in the amount of TL 37.780.175 as of December 31, 2020 (December 31, 2019: TL 33.904.385) deferred tax has been subject that can be offset against tax losses amount of TL 7.556.035 (December 31, 2019: TL 6.780.877). In the future, due to lack of probable that taxable profits will be used for the realization of the temporary differences and deferred tax assets have not been recognized for these items.

Law No. 6736 on Restructuring Certain Receivables came into force with the publication of Official Gazette dated 19/08/2016 and numbered 29806. With mentioned law, conveniences of payment of finalized taxes and other debts, privileges for tax base for prior periods, unpunished correction of the commodities, machinery, equipment and fixtures of enterprises in the enterprises, unpaid and interest free correction of cash and accounts receivable from shareholders, termination of disputed debts in peace, privileged opportunities to gain in national economy domestic and foreign assets with tax free, declaration of undeclared or underperformed income and gains with interest and unpaid repentance and restructuring of the ongoing debt under Law No. 6552 are facilitated. Within the scope of the related law, subsidiaries of İş Girişim and Efes Varlık Yönetimi AŞ have benefited by increasing their tax base.

## 36. EARNINGS PER SHARE

As of December 31, 2020 and 2019, the Company’s weighted average number of shares and computation of earnings per share are as follows:

<b>Earnings per share</b>	<b>1 January- 31 December 2020</b>	<b>1 January- 31 December 2019</b>
Average number of shares in circulation throughout the period (total)	355.000.000	355.000.000
Profit for the year attributable to equity holders of the Company	941.974.320	382.874.162
<b>Basic and diluted earnings per share from continuing operations</b>	<b>2,6534</b>	<b>1,0785</b>
Total discontinued operations attributable to equity holders of the Company	-	-
<b>Basic and diluted earnings per share obtained from discontinued operations</b>	<b>-</b>	<b>-</b>

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## 37. EFFECTS OF EXCHANGE RATE CHANGES

Analysis of the effects of changes in foreign exchange on December 31, 2020 and December 31, 2019 is disclosed in Note 40.

## 38. REPORTING IN HYPERINFLATIONARY PERIODS

In accordance with the CMB’s resolution No: 11/367 issued on March 17, 2005, companies operating in Turkey which prepare their financial statements in accordance with the CMB Accounting Standards from January 1, 2005 (including the application of IFRS) are not subject to inflation accounting effective.

Therefore, since January 1, 2005, TAS 29 “Financial Reporting in Hyperinflationary Economies” is not applied in the accompanying consolidated financial statements.

## 39. DERIVATIVE INSTRUMENTS

The details of the derivative instruments as of December 31, 2020 and 2019 are as follows:

		31 December 2020	
Derivative instruments	Maturity Date	Assets	Liabilities
Swap agreements	04.01.2021-17.02.2021	77.134.382	58.358.790
Forward contracts	04.01.2021-02.03.2021	29.051.907	28.084.538
Options	08.01.2021-29.03.2021	3.065.600	479.986
Warrants	29.01.2021-30.04.2021	41.618	98.003.670
		<b>109.293.507</b>	<b>184.926.984</b>

		31 December 2019	
Derivative instruments	Maturity Date	Assets	Liabilities
Swap agreements	02.01.2020-22.06.2020	20.263.359	47.216.604
Forward contracts	02.01.2020-22.06.2020	4.539.714	4.298.218
Options	03.01.2020-09.06.2020	1.793.079	1.228.491
Warrants	28.01.2020-28.02.2020	32.928	14.691.998
		<b>26.629.080</b>	<b>67.435.311</b>

## 40. NATURE AND LEVEL OF RISKS RELATED TO FINANCIAL INSTRUMENTS

### Capital Risk Management:

In its capital management, while the Group maintains to continue its operations on a going concern basis, it also maximizes its return through the optimization of the debt and equity balance.

The funding structure of the Group consists of debt, which includes the borrowings disclosed in Note 9, cash and cash equivalents and equity comprising issued capital, reserves and retained earnings.

The Group’s Board of Directors reviews the capital structure on a monthly basis. As part of this review, the Board considers the cost of capital and the risks associated with each class of equity. Based on the recommendations of the Board of Directors, the Group balances its overall capital structure through the payment of dividends, new share issues and investment in shares of associates and subsidiaries as well as issuance of a new debt or the redemption of an existing debt.

The Group continues its general capital risk management strategy since 2007.

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## 40. NATURE AND LEVEL OF RISKS RELATED TO FINANCIAL INSTRUMENTS *(cont'd)*

### **Financial Risk Factors:**

The Group’s activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and equity price risk), credit risk and liquidity risk. The Group’s overall risk management program focuses on the uncertainty of financial markets and seeks to minimize the potential negative effects on the Group’s financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

Risk management is carried out by the Risk Management Department, which is independent from steering, under policies approved by the Board of Directors. The Group’s Risk Management Department identifies, evaluates and hedges financial risks in close co-operation with the Group’s operating units. The Board sets out written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

### **Credit Risk:**

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. Credit risk is mitigated by receiving equity shares of listed entities as collateral in accordance with the legal requirements of the CMB against credit lines utilized by customers. The Group’s credit risk is predominantly in Turkey, where it operates.

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## 40. NATURE AND LEVEL OF RISKS RELATED TO FINANCIAL INSTRUMENTS (cont'd)

### Credit Risk (cont'd):

Exposed credit risks through types of financial instruments:

	31 December 2020								
	Receivables					Cash and Cash Equivalents			
	Trade Receivables		Other Receivables		Financial investments <sup>(2)</sup>	Bank deposits	Repurchase agreements	Type B liquid mutual funds	Other <sup>(3)</sup>
Related Parties	Third Parties	Related parties	Third parties <sup>(1)</sup>						
Maximum credit risk exposure as at report date	23.211.338	5.546.817.157	59.711	4.766.688	628.421.095	253.288.816	206.890.922	2.642.353	145.145.500
The part of maximum risk under guarantee with collateral etc.	-	4.182.991.222	-	-	7.930.665	-	206.890.922	-	145.145.500
A. Net book value of financial assets that are neither past due nor impaired	23.211.338	5.546.817.157	59.711	4.766.688	628.421.095	253.288.816	206.890.922	2.642.353	-
B. Net book value of financial assets that are renegotiated, if not that will be accepted as past due or impaired	-	-	-	-	-	-	-	-	-
C. Carrying value of financial assets that are past due but not impaired	-	-	-	-	-	-	-	-	-
-the part under guarantee with collateral etc.	-	-	-	-	-	-	-	-	-
D. Net book value of impaired assets	-	-	-	-	-	-	-	-	-
- Past due (gross carrying amount)	-	22.911.024	-	-	-	-	-	-	-
- Impairment (-)	-	(22.911.024)	-	-	-	-	-	-	-
- The part of net value under guarantee with collateral etc.	-	-	-	-	-	-	-	-	-
- Not past due (gross carrying amount)	-	-	-	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-	-	-	-
- The part of net value under guarantee with collateral etc.	-	-	-	-	-	-	-	-	-
E. Elements including credit risk on off balance sheet	-	-	-	-	-	-	-	-	145.145.500

<sup>(1)</sup> Deposits and guarantees and collaterals are excluded since they are not financial assets.

<sup>(2)</sup> Equity securities are excluded since they do not expose any credit risk.

<sup>(3)</sup> Contains USD 13.000.000 that equals to TL 95.426.500, and GBP 5.000.000 that equals to TL 49.719.000).

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### 40. NATURE AND LEVEL OF RISKS RELATED TO FINANCIAL INSTRUMENTS (cont'd)

#### Credit Risk: (cont'd)

Credit risks exposed by types of financial instruments:

	31 December 2019								
	Receivables					Cash and Cash Equivalents			
	Trade Receivables		Other Receivables		Financial investments <sup>(2)</sup>	Bank deposits	Repurchase agreements	Type B liquid mutual funds	Other <sup>(3)</sup>
	Related Parties	Third Parties	Related parties	Third parties <sup>(1)</sup>					
Maximum credit risk exposure as at report date	18.793.538	3.120.261.610	23.321.183	598.670	1.470.064.972	1.090.310.392	442.095.026	8.235.271	116.105.100
The part of maximum risk under guarantee with collateral etc.	-	2.314.931.468	-	-	209.295.113	-	442.095.026	-	116.105.100
A. Net book value of financial assets that are neither past due nor impaired	18.793.538	3.120.261.610	23.321.183	598.670	1.470.064.972	1.090.310.392	442.095.026	8.235.271	-
B. Net book value of financial assets that are renegotiated, if not that will be accepted as past due or impaired	-	-	-	-	-	-	-	-	-
C. Carrying value of financial assets that are past due but not impaired	-	-	-	-	-	-	-	-	-
-the part under guarantee with collateral etc.	-	-	-	-	-	-	-	-	-
D. Net book value of impaired assets	-	-	-	-	-	-	-	-	-
- Past due (gross carrying amount)	-	23.569.232	-	-	-	-	-	-	-
- Impairment (-)	-	(23.569.232)	-	-	-	-	-	-	-
- The part of net value under guarantee with collateral etc.	-	-	-	-	-	-	-	-	-
- Not past due (gross carrying amount)	-	-	-	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-	-	-	-
- The part of net value under guarantee with collateral etc.	-	-	-	-	-	-	-	-	-
E. Elements including credit risk on off balance sheet	-	-	-	-	-	-	-	-	116.105.100

<sup>(1)</sup> Deposits and guarantees and collaterals are excluded since they are not financial assets.

<sup>(2)</sup> Equity securities are excluded since they do not expose any credit risk.

<sup>(3)</sup> Contains USD 13.000.000 that equals to TL 77.222.600, and GBP 5.000.000 that equals to TL 38.882.500).

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## 40. NATURE AND LEVEL OF RISKS RELATED TO FINANCIAL INSTRUMENTS (cont'd)

### Interest rate risk:

The Group is exposed to interest rate risk due to volatile market prices of its financial assets at both fixed and floating interest rates. The Group's exposure to interest rate risk sensitivity depends on the mismatch among maturities of interest rate sensitive assets and liabilities. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate assets and liabilities.

The Group's interest rate sensitive financial instruments' allocations on respective statement of financial position dates are presented below:

		31 December 2020	31 December 2019
<b>Interest Risk Position Table</b>			
<b>Fixed interest rate instruments</b>			
Cash and Cash Equivalents	Cash at banks – time deposits	180.997.054	1.828.779.901
	Receivables from Stock Exchange Money Market	41.787.912	19.406.453
	Receivables from reverse repurchase agreements	206.890.922	442.095.026
Financial assets	Financial assets at fair value through profit or loss	285.700.313	159.334.884
Financial liabilities	Payables to Stock Exchange Money Market	(667.397.320)	(300.092)
	Bank borrowings	(321.311.417)	(364.400.666)
	Finance lease liabilities	(39.726.079)	(51.920.902)
	Payables from financial leasing transactions	-	(832.928)
	Payables from commercial paper	-	(1.619.973.575)
	Short-term factoring liabilities	(9.530.215)	(13.657.919)
<b>Floating interest rate instruments</b>			
Cash and Cash Equivalents	Type B mutual funds	2.642.353	8.235.271
Financial assets	Financial assets at fair value through profit or loss	72.316.938	75.015.000
	Held-to-maturity financial assets	-	228.254.583
Trade receivables	Receivables from customers on margin trading	770.538.467	259.971.666
Financial liabilities	Bank borrowings	(2.613.787)	(4.610.936)

The Group's exposure to interest rate risk and market price risk are related to fixed income financial assets classified as financial assets at fair value through profit or loss. Based on the analysis calculated by the Group, if the interest rate for TL were increased / decreased by 1% with the assumption of keeping all other variables constant, the effect on the fair value of fixed income financial assets and net profit / loss for the period ended as of December 31, 2020 and 2019 would have been as follows:

31 December 2020				
Type of risk	Risk rate	Direction of risk	Effect on net profit	Effect on equity
Interest rate risk	% 1	Increase	(746.250)	(746.250)
		Decrease	845.251	845.251
31 December 2019				
Type of risk	Risk rate	Direction of risk	Effect on net profit	Effect on equity
Interest rate risk	% 1	Increase	(5.522.819)	(5.522.819)
		Decrease	6.285.439	6.285.439

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### 40. NATURE AND LEVEL OF RISKS RELATED TO FINANCIAL INSTRUMENTS (cont'd)

#### Stock price risk:

If Borsa İstanbul Index were increased / decreased by 10% with the assumption of keeping all other variables constant, the effect on the fair value of equity shares and net profit / loss of the Group for the period ended as of December 31, 2020 would have been as follows:

31 December 2020				
Type of risk	Risk rate	Direction of risk	Effect on net profit	Effect on equity
Stock price risk	% 10	Increase	(14.403.738)	(13.263.257)
		Decrease	(14.906.116)	(16.046.597)

31 December 2019				
Type of risk	Risk rate	Direction of risk	Effect on net profit	Effect on equity
Stock price risk	% 10	Increase	(6.774.138)	(6.344.060)
		Decrease	(2.826.847)	(3.256.925)

#### Liquidity risk:

Liquidity risk is the Group's default in meeting its net funding liabilities. Events causing a decrease in funding resources such as market deteriorations or decrease in credit ratings are major reasons of liquidity risk. The Group manages its liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities through a constant monitoring forecast and actual cash flows and matching the maturity profile of financial assets and liabilities.

The following table details the Group's expected maturity for its non-derivative financial liabilities. The table below has been drawn up based on the undiscounted contractual maturities of the financial liabilities including interest that will accrue for those liabilities except where the Group is entitled and intense to repay the liability before its maturity.

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### 40. NATURE AND LEVEL OF RISKS RELATED TO FINANCIAL INSTRUMENTS (cont'd)

#### Liquidity risk (cont'd):

	31 December 2020						Total
	Current	Less than 1 month	1 - 3 months	3 - 12 months	1 year and thereafter	Undistributed	
<b>ASSETS</b>							
Cash and cash equivalents	71.942.196	369.921.494	58.873.330	-	-	10.000	<b>500.747.020</b>
Financial investments	1.342.953.537	14.164.876	5.825.515	310.880.497	82.469.269	106.811.343	<b>1.863.105.037</b>
Trade receivables	6.768.899	5.297.600.405	24.277.486	25.326.531	42.665	216.012.509	<b>5.570.028.495</b>
Other receivables	38.687	412.794.630	-	-	-	1.600.780	<b>414.434.097</b>
Other long-term receivables	116.686	-	-	-	1.122.407	31.293	<b>1.270.386</b>
Other current/non-current assets	53.276.357	564.221	4.279.108	2.239.955	420.834	32.703.944	<b>93.484.419</b>
Long-term financial investments	-	-	-	-	10.678.693	62.831.573	<b>73.510.266</b>
Derivative instruments	-	100.048.121	9.245.386	-	-	-	<b>109.293.507</b>
<b>Total assets</b>	<b>1.475.096.362</b>	<b>6.195.093.747</b>	<b>102.500.825</b>	<b>338.446.983</b>	<b>94.733.868</b>	<b>420.001.442</b>	<b>8.625.873.227</b>
<b>LIABILITIES</b>							
Financial liabilities	70.493.006	684.123.433	139.756.260	100.784.313	21.114.792	24.307.013	<b>1.040.578.818</b>
Other financial liabilities	-	32.144.533	-	-	-	104.944	<b>32.249.477</b>
Trade payables	11.945.255	4.978.846.536	29.614.514	7.223.995	2.872.021	1.545.344	<b>5.032.047.665</b>
Other payables	36.876	30.802.751	-	3.038.983	-	3.645.428	<b>37.524.038</b>
Derivative instruments	-	105.304.531	79.245.038	377.415	-	-	<b>184.926.984</b>
Liabilities related to employee benefits	1.383.288	57.768	1.575.691	466.367	-	82.739	<b>3.565.853</b>
Provisions (short-term)	227.523	-	41.357.254	3.470.402	-	60.300.083	<b>105.355.262</b>
	<b>84.085.948</b>	<b>5.831.279.552</b>	<b>291.548.757</b>	<b>115.361.476</b>	<b>23.986.813</b>	<b>89.985.551</b>	<b>6.436.248.097</b>
<b>Liquidity surplus / (gap)</b>	<b>1.391.010.414</b>	<b>363.814.195</b>	<b>(189.047.932)</b>	<b>223.085.507</b>	<b>70.747.055</b>	<b>330.015.891</b>	

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### 40. NATURE AND LEVEL OF RISKS RELATED TO FINANCIAL INSTRUMENTS (cont'd)

#### Liquidity risk (cont'd):

	31 December 2019						Total
	Current	Less than 1 month	1 - 3 months	3 - 12 months	1 year and thereafter	Undistributed	
<b>ASSETS</b>							
Cash and cash equivalents	64.895.123	454.343.227	1.040.484.275	-	-	530.261	<b>1.560.252.886</b>
Financial investments	200.623.176	115.008.583	37.193.991	821.431.985	127.129.374	40.339.369	<b>1.341.726.478</b>
Trade receivables	16.418.934	2.823.604.887	29.626.532	18.817.344	-	250.587.451	<b>3.139.055.148</b>
Other receivables	116.927	36.047.392	-	44.280.400	-	25.005.445	<b>105.450.164</b>
Other long-term receivables	92.335	-	-	-	977.089	25.323	<b>1.094.747</b>
Other current/non-current assets	42.221.255	7.918	-	391.853	12.467	44.406.150	<b>87.039.643</b>
Long-term financial investments	-	-	-	-	215.831.342	53.327.263	<b>269.158.605</b>
Derivative instruments	-	15.168.847	8.205.525	3.254.708	-	-	<b>26.629.080</b>
	<b>324.367.750</b>	<b>3.444.180.854</b>	<b>1.115.510.323</b>	<b>888.176.290</b>	<b>343.950.272</b>	<b>414.221.262</b>	<b>6.530.406.751</b>
<b>LIABILITIES</b>							
Financial liabilities	74.929.747	983.902.102	583.162.272	352.744.812	60.181.905	776.180	<b>2.055.697.018</b>
Other financial liabilities	14.865.116	-	-	-	-	-	<b>14.865.116</b>
Trade payables	9.220.035	2.970.607.601	31.087.833	7.772.649	-	15.710.141	<b>3.034.398.259</b>
Other payables	385.063	20.583.759	61.238	-	-	1.835.822	<b>22.865.882</b>
Derivative instruments	-	33.177.658	29.267.831	4.989.822	-	-	<b>67.435.311</b>
Liabilities related to employee benefits	2.029.664	1.384.936	-	-	520.333	1.459.374	<b>5.394.307</b>
Provisions (short-term)	2.128.535	2.661.929	-	833.807	-	35.676.236	<b>41.300.507</b>
	<b>103.558.160</b>	<b>4.012.317.985</b>	<b>643.579.174</b>	<b>366.341.090</b>	<b>60.702.238</b>	<b>55.457.753</b>	<b>5.241.956.400</b>
<b>Liquidity surplus / (gap)</b>	<b>220.809.590</b>	<b>(568.137.131)</b>	<b>471.931.149</b>	<b>521.835.200</b>	<b>283.248.034</b>	<b>358.763.509</b>	<b>-</b>

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## 40. NATURE AND LEVEL OF RISKS RELATED TO FINANCIAL INSTRUMENTS (cont'd)

### Liquidity risk (cont'd):

31 December 2020						
Contractual maturities	Carrying value	Total contractual cash outflows (I+II+III+IV)	Less than 3 months (I)	3 – 12 months (II)	1 - 5 years (III)	More than 5 years (IV)
<b>Non-derivative financial liabilities</b>						
Bank loans	323.925.203	329.537.776	164.636.002	142.924.595	21.132.287	844.892
Trade payables	5.032.047.665	5.040.094.260	5.029.998.244	10.096.016	-	-
Payables to Stock Exchange Money Markets	37.524.038	37.573.540	34.662.655	-	2.910.885	-
Funds from commercial paper	667.397.320	669.007.876	669.007.876	-	-	-
Payables from leases	-	-	-	-	-	-
Financial lease and factoring payables	39.726.079	43.374.201	1.119.824	9.105.591	33.148.786	-
<b>Total Liability</b>	<b>9.530.215</b>	<b>9.583.349</b>	<b>1.513.894</b>	<b>8.069.455</b>	<b>-</b>	<b>-</b>
	<b>6.110.150.520</b>	<b>6.129.171.003</b>	<b>5.900.938.495</b>	<b>170.195.657</b>	<b>57.191.958</b>	<b>844.892</b>
Contractual maturities	Notion amount	Total contractual cash outflows (I+II+III+IV)	Less than 3 months (I)	3 – 12 months (II)	1 - 5 years (III)	More than 5 years (IV)
<b>Derivative financial instruments</b>						
Derivative cash inflows	5.134.746.644	6.326.016.395	6.322.558.964	3.457.431	-	-
Derivative cash outflows	4.986.549.572	7.886.724.327	7.886.724.327	-	-	-
31 December 2019						
Contractual maturities	Carrying value	Total contractual cash outflows (I+II+III+IV)	Less than 3 months (I)	3 – 12 months (II)	1 - 5 years (III)	More than 5 years (IV)
<b>Non-derivative financial liabilities</b>						
Bank loans	369.011.602	369.474.511	111.796.330	228.939.775	28.738.406	-
Trade payables	3.034.398.259	3.035.278.333	3.002.888.401	32.389.932	-	-
Payables to Stock Exchange Money Markets	300.092	300.184	300.184	-	-	-
Funds from commercial paper	1.619.973.575	1.638.426.000	1.471.526.000	166.900.000	-	-
Payables from leases	51.920.902	63.984.436	2.764.011	18.028.602	43.191.823	-
Financial lease and factoring payables	14.490.847	14.545.598	10.414.722	3.725.323	405.553	-
<b>Total Liability</b>	<b>5.090.095.278</b>	<b>5.122.009.062</b>	<b>4.599.689.648</b>	<b>449.983.632</b>	<b>72.335.782</b>	<b>-</b>
Contractual maturities	Notion amount	Total contractual cash outflows (I+II+III+IV)	Less than 3 months (I)	3 – 12 months (II)	1 - 5 years (III)	More than 5 years (IV)
<b>Derivative financial instruments</b>						
Derivative cash inflows	664.620.789	4.385.255.627	3.828.272.428	556.983.199	-	-
Derivative cash outflows	(439.957.622)	(2.904.924.311)	(2.491.275.548)	(413.256.709)	(392.053)	-

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## 40. NATURE AND LEVEL OF RISKS RELATED TO FINANCIAL INSTRUMENTS (cont'd)

### Foreign currency risk:

Foreign currency risk is the risk of volatility in the foreign currency denominated monetary assets, monetary liabilities and off-balance sheet liabilities due to changes in currency exchange rates. The breakdown of the Group's foreign currency denominated monetary assets and monetary liabilities as of December 31, 2020 and 2019 are as follows:

	31 December 2020					
	TL Equivalent (Functional currency)	USD	EURO	GBP	JPY	OTHER
1. Trade receivables	1.241.253.639	151.869.688	13.697.959	278.123	399.507	48.318
2a. Monetary financial assets	344.174.218	44.588.219	1.408.409	87.324	1.687.340	1.641.074
2b. Non-monetary financial assets	-	-	-	-	-	-
3. Other	58.841.418	704.236	5.955.531	-	-	-
<b>4. Current assets</b>	<b>1.644.269.274</b>	<b>197.162.143</b>	<b>21.061.899</b>	<b>365.447</b>	<b>2.086.846</b>	<b>1.689.392</b>
5. Trade receivables	-	-	-	-	-	-
6a. Monetary financial assets	10.678.693	1.500.000	-	-	-	-
6b. Non-monetary financial assets	-	-	-	-	-	-
7. Other	528.223	5.076	53.396	-	-	5.000
<b>8. Non-current asset</b>	<b>11.206.916</b>	<b>1.505.076</b>	<b>53.396</b>	<b>-</b>	<b>-</b>	<b>5.000</b>
<b>9. Total Assets</b>	<b>1.655.476.190</b>	<b>198.667.219</b>	<b>21.115.295</b>	<b>365.447</b>	<b>2.086.846</b>	<b>1.694.392</b>
10. Trade payables	1.157.360.230	145.252.628	9.759.119	279.933	399.507	119.398
11. Financial Liabilities	58.965.151	8.018.801	-	-	-	-
12a. Other monetary liabilities	15.685.461	1.344.759	339.396	5.286	-	196
12b. Other non-monetary liabilities	1.508.964	205.561	5	-	-	-
<b>13. Short Term Liabilities</b>	<b>1.233.519.805</b>	<b>154.821.749</b>	<b>10.098.520</b>	<b>285.219</b>	<b>399.507</b>	<b>119.595</b>
14. Trade payables	-	-	-	-	-	-
15. Financial liabilities	1.086.234	147.978	-	-	-	-
16a. Other monetary liabilities	-	-	-	-	-	-
16b. Other non-monetary liabilities	179.328	24.430	-	-	-	-
<b>17. Long Term Liabilities</b>	<b>1.265.562</b>	<b>172.408</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>18. Total Liabilities</b>	<b>1.234.785.367</b>	<b>154.994.157</b>	<b>10.098.520</b>	<b>285.219</b>	<b>399.507</b>	<b>119.595</b>
<b>19. Off-balance sheet derivative instruments' net asset / (liability) position (19a - 19b)</b>	<b>(456.990.369)</b>	<b>(85.673.369)</b>	<b>14.769.591</b>	<b>1.418.673</b>	<b>111.856.760</b>	<b>9.812.090</b>
19.a The amount of long-position off-balance sheet derivative instruments denominated in foreign currency	8.145.636.755	558.911.757	188.914.730	36.810.676	1.631.552.235	1.913.481.625
19.b. The amount of short-position off-balance sheet derivative instruments denominated in foreign currency	8.602.627.124	644.585.127	174.145.139	35.392.003	1.519.695.474	1.903.669.534
<b>20. Net foreign currency asset / (liability) position</b>	<b>(36.299.546)</b>	<b>(42.000.308)</b>	<b>25.786.366</b>	<b>1.498.901</b>	<b>113.544.100</b>	<b>11.386.888</b>
<b>21. Net foreign currency asset / (liability) position of monetary items (1+2a+5+6a-10-11-12a-14-15-16a)</b>	<b>363.009.474</b>	<b>43.193.741</b>	<b>5.007.853</b>	<b>80.228</b>	<b>1.687.340</b>	<b>1.569.798</b>
22. Fair value of derivative instruments used in foreign currency hedge	-	-	-	-	-	-
23. Export	11.972.553	1.596.949	105.547	-	-	-
24. Import	62.010	-	7.850	-	-	-

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### 40. NATURE AND LEVEL OF RISKS RELATED TO FINANCIAL INSTRUMENTS (cont'd)

#### Foreign currency risk: (cont'd)

	31 December 2019					
	TL Equivalent (Functional currency)	USD	EURO	GBP	JPY	OTHER
1. Trade receivables	474.813.583	75.467.153	3.925.491	47.047	69.459	8.913
2a. Monetary financial assets	2.064.802.597	65.814.945	251.244.488	129.948	889.061	1.304.029
2b. Non-monetary financial assets	-	-	-	-	-	-
3. Other	30.013.577	940.149	3.672.019	-	-	-
<b>4. Current assets</b>	<b>2.569.629.756</b>	<b>142.222.247</b>	<b>258.841.998</b>	<b>176.995</b>	<b>958.520</b>	<b>1.312.942</b>
5. Trade receivables	-	-	-	-	-	-
6a. Monetary financial assets	-	-	-	-	-	-
6b. Non-monetary financial assets	-	-	-	-	-	-
7. Other	842.323	79.047	54.836	-	-	5.000
<b>8. Non-current asset</b>	<b>842.323</b>	<b>79.047</b>	<b>54.836</b>	<b>-</b>	<b>-</b>	<b>5.000</b>
<b>9. Total Assets</b>	<b>2.570.472.079</b>	<b>142.301.294</b>	<b>258.896.834</b>	<b>176.995</b>	<b>958.520</b>	<b>1.317.942</b>
10. Trade payables	737.861.465	119.783.650	3.887.153	47.047	69.459	93.711
11. Financial Liabilities	44.282.421	7.139.033	199.353	-	-	-
12a. Other monetary liabilities	4.578.631	434.580	107.508	-	-	54.322
12b. Other non-monetary liabilities	3.105.811	522.846	-	-	-	-
<b>13. Short Term Liabilities</b>	<b>789.828.328</b>	<b>127.880.109</b>	<b>4.194.014</b>	<b>47.047</b>	<b>69.459</b>	<b>148.033</b>
14. Trade payables	-	-	-	-	-	-
15. Financial liabilities	-	-	-	-	-	-
16a. Other monetary liabilities	132.174	22.251	-	-	-	-
16b. Other non-monetary liabilities	1.545.147	260.117	-	-	-	-
<b>17. Long Term Liabilities</b>	<b>1.677.321</b>	<b>282.368</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>18. Total Liabilities</b>	<b>791.505.649</b>	<b>128.162.477</b>	<b>4.194.014</b>	<b>47.047</b>	<b>69.459</b>	<b>148.033</b>
<b>19. Off-balance sheet derivative instruments' net asset / (liability) position (19a - 19b)</b>	<b>(1.876.270.000)</b>	<b>(31.177.906)</b>	<b>(263.353.682)</b>	<b>124.735</b>	<b>(49.271.518)</b>	<b>37.010.188</b>
19.a The amount of long-position off-balance sheet derivative instruments denominated in foreign currency	3.314.946.000	272.801.421	150.377.710	5.030.798	59.752.077	45.133.643
19.b. The amount of short-position off-balance sheet derivative instruments denominated in foreign currency	5.191.216.000	303.979.327	413.731.393	4.906.063	109.023.595	8.123.455
<b>20. Net foreign currency asset / (liability) position</b>	<b>(97.303.570)</b>	<b>(17.039.090)</b>	<b>(8.650.863)</b>	<b>254.683</b>	<b>(48.382.457)</b>	<b>38.180.097</b>
<b>21. Net foreign currency asset / (liability) position of monetary items (1+2a+5+6a-10-11-12a-14-15-16a)</b>	<b>1.398.965.932</b>	<b>(45.656.953)</b>	<b>250.975.965</b>	<b>129.948</b>	<b>889.061</b>	<b>1.164.909</b>
22. Fair value of derivative instruments used in foreign currency hedge	-	-	-	-	-	-
23. Export	10.824.148	1.792.883	106.526	-	-	-
24. Import	123.600	-	20.320	-	-	-

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## 40. NATURE AND LEVEL OF RISKS RELATED TO FINANCIAL INSTRUMENTS (cont'd)

### Foreign currency risk: (cont'd)

Based on the positions of statements of financial position as of December 31, 2019 and 2018, if the value the Turkish Lira would increase or decrease by 10% against other hard currencies assuming each other variables remained constant, the Group’s net profit or loss would change due to foreign currency gains or losses of financial assets and liabilities denominated in foreign currencies as follows:

31 December 2020				
Type of risk	Risk rate	Direction of risk	Effect on net profit	Effect on equity
Foreign currency risk	% 10	Increase	17.276.084	17.276.084
		Decrease	(26.487.317)	(26.487.317)

31 December 2019				
Type of risk	Risk rate	Direction of risk	Effect on net profit	Effect on equity
Foreign currency risk	% 10	Increase	26.278.321	26.278.321
		Decrease	(25.713.491)	(25.713.491)

### Capital adequacy requirement

As of December 31, 2020, under the “V Series No. 34” communique the wide authority brokerage company must have minimum equity of TL 28.693.544 (As of December 31, 2019, TL 27.453.733), to perform portfolio management, investment advisory, to take back the securities (repo) or sell (reverse repo) and purchase and sale, credit securities lending, short selling and securities import and export transactions, IPO underwriting, trading through, leveraged trading intermediation and brokerage of derivatives in derivatives market. Furthermore, the required capital adequacy base within the framework of the valuation rules set in the Communiqué 34, prepared as of the valuation date and is unconsolidated balance sheet the Company’s total net assets of unconsolidated equity representing the portion covered by the partnership represents the amount by which the deduction of the items being listed below.

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## 41. FINANCIAL INSTRUMENTS

### Categories of Financial Instruments:

31 December 2020	Other financial assets measured with effective interest method	Loans and receivables	Available for sale financial assets	Financial assets and liabilities at fair value through profit or loss	Other financial liabilities measured with effective interest method	Carrying amount	Fair value	Note
<b>Financial assets</b>								
Cash and cash equivalents	498.104.667	-	-	2.642.353	-	500.747.020	500.747.020	7
Trade receivables	-	5.570.028.495	-	-	-	5.570.028.495	5.570.028.495	11
Financial investments	-	-	62.831.573	1.873.783.730	-	1.936.615.303	1.936.615.303	8
Derivatives	-	-	-	109.293.507	-	109.293.507	109.293.507	39
<b>Financial liabilities</b>								
Financial liabilities	-	-	-	-	1.040.578.818	1.040.578.818	1.040.578.818	9
Trade payables	-	-	-	-	5.032.047.665	5.032.047.665	5.032.047.665	11
Other financial liabilities	-	-	-	32.249.477	-	32.249.477	32.249.477	10
Derivatives	-	-	-	184.926.984	-	184.926.984	184.926.984	39
<b>31 December 2019</b>								
<b>Financial assets</b>								
Cash and cash equivalents	1.552.017.615	-	-	8.235.271	-	1.560.252.886	1.560.252.886	7
Trade receivables	-	3.139.055.148	-	-	-	3.139.055.148	3.139.055.148	11
Financial investments	1.023.702.367	-	53.327.263	533.855.453	-	1.610.885.083	1.611.311.689	8
Derivatives	-	-	-	26.629.080	-	26.629.080	26.629.080	39
<b>Financial liabilities</b>								
Financial liabilities	-	-	-	-	2.055.697.018	2.055.697.018	2.055.697.018	9
Trade payables	-	-	-	-	3.034.398.259	3.034.398.259	3.034.398.259	11
Other financial liabilities	-	-	-	14.865.116	-	14.865.116	14.865.116	10
Derivatives	-	-	-	67.435.311	-	67.435.311	67.435.311	39

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## 41. FINANCIAL INSTRUMENTS (cont'd)

### Fair Value of Financial Instruments:

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.

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

There is no active market for loans in order to obtain available comparative market price and these instruments are discounted or subject to transaction costs when they are sold or utilized before their maturities. Fair value of these instruments could not be estimated due to the lack of necessary reliable market data. Accordingly, the carrying amount of such instruments is deemed to be a consistent indicator of the fair value.

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

#### Financial Assets:

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

Market prices are used in determination of fair values of government bonds, treasury bills and equity shares.

#### Financial Liabilities:

The carrying amount of monetary liabilities approximates their fair values due to their short-term nature. Variable rate long-term bank loans in recent history have been recently repriced therefore fair value is assumed to approximate their carrying values.

Valuation methods of the financial instruments carried at fair value:

31 December 2020	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
<b>Financial assets at fair value through profit or loss</b>				
Equity shares	1.308.194.208	-	-	<b>1.308.194.208</b>
Government bonds and treasury bills	7.930.665	-	-	<b>7.930.665</b>
Private sector bonds	140.677.915	-	-	<b>140.677.915</b>
Mutual funds	141.570.680	-	-	<b>141.570.680</b>
Foreign currency securities	275.410.262	-	-	<b>275.410.262</b>
Income accruals of derivative instruments	-	109.293.507	-	<b>109.293.507</b>
<b>Financial assets at fair value through profit or loss</b>	<b>36.174.621</b>	<b>26.640.068</b>	<b>-</b>	<b>62.814.689</b>
<b>Financial liabilities</b>				
<b>Other financial liabilities</b>				
Liabilities of derivative instruments	-	184.926.984	-	<b>184.926.984</b>

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## 41. FINANCIAL INSTRUMENTS (cont'd)

### Fair Value of Financial Instruments: (cont'd)

31 December 2019	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
<b>Financial assets at fair value through profit or loss</b>				
Equity shares	128.396.870	-	-	<b>128.396.870</b>
Government bonds and treasury bills	13.452.198	-	-	<b>13.452.198</b>
Private sector bonds	134.543.881	-	-	<b>134.543.881</b>
Mutual funds	111.068.180	-	-	<b>111.068.180</b>
Foreign currency securities	146.394.324	-	-	<b>146.394.324</b>
Income accruals of derivative instruments	-	26.629.080	-	<b>26.629.080</b>
<b>Financial assets at fair value through profit or loss</b>	<b>25.130.266</b>	<b>26.640.068</b>	<b>-</b>	<b>51.770.334</b>
<b>Financial liabilities</b>				
<b>Other financial liabilities</b>				
Liabilities of derivative instruments	-	67.435.311	-	<b>67.435.311</b>

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

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

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

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

## 42. EVENTS AFTER THE REPORTING PERIOD

None.

## 43. OTHER ISSUES THAT SIGNIFICANTLY EFFECT THE CONSOLIDATED FINANCIAL STATEMENTS OR OTHER ISSUES REQUIRED FOR THE CLEAR UNDERSTANDING OF CONSOLIDATED FINANCIAL STATEMENTS

None.