



Association of
Financial
Institutions



United, we are stronger



Annual Report

2018

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ENDED 31 DECEMBER 2018



THE ASSOCIATION OF FINANCIAL INSTITUTIONS

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CORPORATE PROFILE

The Association of Financial Institutions (AFI) is in the nature of a public agency and professional organization incorporated in accordance with the Financial Leasing, Factoring, and Financing Companies Law no: 6361 dated 21 November 2012.

AFI is an umbrella organization for concerns in Turkey that provides

- **Financial Leasing**
- **Factoring**
- **Financing**

products and services to customers who are active in the production, trade, sales, and consumption channels of the Turkish economy.

VISION

Help increase the added value that financial institutions contribute to the economy and thus enhance the national and international strength and influence of the sectors it represents.

MISSION

Contribute to the sustainable and healthy development of the financial leasing, factoring, and financing sectors; support these sectors in their efforts to enhance their international competitive strength; ensure the creation and establishment of and adherence to professional standards in their respective fields.

CHAIRMAN'S MESSAGE

WHILE GROWTH IN THE FIRST HALF OF 2018 STEMMED FROM DOMESTIC DEMAND, IN THE SECOND HALF IT WAS SUPPORTED BY NET EXPORTS OF GOODS AND SERVICES IN THE CONTEXT OF A PROCESS THAT WAS INITIATED IN LINE WITH THE GOVERNMENT'S RECOGNITION THAT A REBALANCING WAS CALLED FOR.



ADEM DUMAN

Chairman of the Board of Directors

ALTHOUGH THREATENED BY PROTECTIONISM, THE GLOBAL ECONOMY'S GROWTH LARGELY REMAINED ON COURSE IN 2018

Geo-political risks centered in the Middle East, Southeast Asia, and Latin America, Brexit issues, and the fundamentally protectionist policies of the US administration continued to make their presence increasingly felt all year long in 2018. The escalation of the US-Chinese trade war through protectionist measures on both sides emerged as a threat which is capable of dampening global economic growth and which also poses risks for trade in the period ahead.

Observed improvements in developed countries' economies led to and supported efforts to tighten global liquidity. As a result both of this and of a variety of country-specific political factors, there appeared to be a rapid impairment of risk perceptions concerning emerging economies, especially in the third quarter of the year. Although it was short-lived, the ensuing volatility hit a number of markets, Turkey's being among them, rather hard and their national currencies consequently suffered losses.

The US Federal Reserve Bank continued to adhere to its pre-announced balance sheet-reduction schedule while also having recourse to interest rate hikes on four occasions. At the Fed's last 2018 meeting the bank raised its benchmark rate to the 2.25-2.50% range, a 25 basis-point increase that had been expected. Although the Fed has said that it may boost this rate at least two more times in 2019, most observers are of the opinion that it will not do so after the year's second meeting in March.

MEASURES THAT WERE TAKEN AND PROACTIVE POLICIES THAT WERE ADOPTED HELPED TO STABILIZE EXCHANGE RATES AND TO BRING ABOUT A MODEST DECLINE IN INTEREST RATES IN THE LAST QUARTER OF 2018.

In Europe, the European Central Bank gradually wound down its asset-buying program in 2018 and terminated it entirely in December. The ECB also signaled that it would likely defer any further interest rate hikes until 2020 owing to both waning growth and to low inflation.

With the date of the UK's departure from the EU approaching rapidly, the course of the process remained murky although the likelihood of a "no-deal" Brexit grew increasingly greater.

In its January 2019 World Economic Outlook report, the International Monetary Fund revised its global growth projections downward. Although its 2018 projection remained unchanged at the previously-announced figure of 3.7%, the fund lowered its 2019 and 2020 projections to 3.5% and 3.6% respectively. According to the IMF, the stability of the world's economy was at even greater risk owing to political uncertainties, to higher tariffs, and to capital flows out of developing countries.

AFTER NINE YEARS OF UNINTERRUPTED GROWTH, THE TURKISH ECONOMY EMBARKED UPON A PROCESS OF REBALANCING

As of the end of 2018, the Turkish economy had registered nine consecutive years of uninterrupted economic growth. That said however, a surge in inflation brought on by higher exchange rates in August 2018 led to a serious contraction in domestic demand, which hitherto had been the main engine of that growth. Higher interest rates fueled by these developments and a drop in industrial output also had an adverse impact on GNP growth.

Although the Turkish economy began to lose momentum in August 2018, its performance during the preceding seven months was responsible for keeping the year's overall growth rate at the 2.6% level. While growth in the first half of 2018 stemmed from domestic demand, in the second half it was supported by net exports of goods and services in the context of a process that was initiated in line with the government's recognition that a rebalancing was called for.

Having risen more or less steadily until November, inflation thereafter began to subside somewhat in parallel with exchange rate movements, with the year-on rise in consumer prices weighing in at 20.3%. Adhering to a tight-money policy stance in its efforts to combat inflation, CBRT continued to make use of all of the tools in its kit in line with its fundamental duty of maintaining price stability.

Driven by exchange rate movements that benefitted exports while correspondingly reducing the use of imported inputs and the demand for imported consumer goods, the foreign trade deficit declined. This, combined with improvements in net tourism receipts, also supported a reduction in the current account deficit.

In September the Government announced a New Economic Program (in Turkish "YEP") which it dubbed "Dengelenme, Disiplin ve Değişim" ("Stabilize, Discipline, and Change"). It followed this up with its "Enflasyonla Topyekün Mücadele" ("Whip Inflation Now") program, which called for companies to voluntarily take part in efforts to combat inflation.

Measures that were taken and proactive policies that were adopted helped to stabilize exchange rates and to bring about a modest decline in interest rates in the last quarter of 2018.

YEP calls for the creation of a new macroeconomic balance in the Turkish economy in 2018-2020 that will lead to an acceleration of economic activity beginning in 2021 and a restoration of inflation to the single-digit range by the end of 2020.

CHAIRMAN'S MESSAGE

AS OF END-2018, THE THREE SECTORS' COMBINED CUSTOMER PORTFOLIO ROSE TO 4.7 MILLION IN NUMBER. THESE FIRMS CONTRIBUTED A 3.6% SHARE OF THE TURKISH FINANCIAL SERVICES INDUSTRY'S TOTAL ASSETS, A 4.9% SHARE OF ITS TOTAL RECEIVABLES, AND A 4.7% SHARE OF ITS TOTAL EQUITY.

2018 WAS A DIFFICULT TIME FOR THE NON-BANK FINANCIAL SERVICES INDUSTRY

The non-bank financial services sectors whose operations the Association of Financial Institutions (AFI) oversees suffered relatively more from 2018's economic turmoil than had been the case in previous years. Despite its being a difficult year, however, we continued our efforts to increase the contributions that the three sectors represented by our association—leasing, factoring, and financing—make to the national economy while also making them more productive.

Before August 2018, it had been expected that all three sectors would register year-on growth rates of over 10%. However, factors such as surges in exchange and interest rates that month reined in investment outlays and depressed demand, both of which developments naturally had an adverse impact on our members. The financing of automotive industry and technology products suffered the most in September with leasing companies also taking a serious hit as purchases of business and construction machinery dried up. Various measures taken by the government, such as changing special-consumption and value-added tax rates and restoring the monthly installment limit on consumer lending to twelve helped somewhat to shore up sales of automotive, electronics, and consumer goods.

The members of the three sectors represented by AFI showed combined total assets worth TL 143 billion in value as of end-2018. Last year they also wrote an aggregate TL 195 billion worth of business and booked operating receivables amounting to TL 125 billion.

Aggregate equity in all three sectors was TL 21 billion, a figure that corresponds to a year-on rise on the order of 12%; the average return on equity was 14.1% last year. Total net profit booked in 2018 was worth TL 2.8 billion, which was also up by 11% year-on.

As of end-2018, the three sectors' combined customer portfolio rose to 4.7 million in number. These firms contributed a 3.6% share of the Turkish financial services industry's total assets, a 4.9% share of its total receivables, and a 4.7% share of its total equity. Their combined transaction volume of these three sector corresponded to about 5.5% of GNP in 2018.

Last year, AFI continued to develop ever newer and more competitive solutions in the areas of access to finance, liquidity, and digitalization in line with both the needs of its members and those of the country as a whole. In terms of their scope and functionality, our efforts on behalf of digitalization, in particular are creating brand-new opportunities for AFI members from the standpoint of productivity, transparency, and speed while also serving as models for others.

AFI's Receivables Recording Center (RRC) project continued to be successful with the number of e-invoices being issued steadily increasing. Since the introduction of private integrator services, the use of e-invoices, e-archives, and e-registers (electronic books of account), all of which are critical to the formalization of economic activity, has begun to spread as well. Last year it became possible to query information stored in the Collateral Registry System for Movable Property (CRSMP) in real time online.

IN TERMS OF THEIR SCOPE AND FUNCTIONALITY, OUR EFFORTS ON BEHALF OF DIGITALIZATION IN PARTICULAR ARE CREATING BRAND-NEW OPPORTUNITIES FOR AFI MEMBERS FROM THE STANDPOINT OF PRODUCTIVITY, TRANSPARENCY, AND SPEED WHILE ALSO SERVING AS MODELS FOR OTHERS.

AFI's leasing agreement registration system is also up and running successfully. All leasing agreements entered into in Turkey are now being registered or announced through this system. Besides allowing contracts to be searched and queried, this system also ensures that the agreements are archived securely in electronic format.

Another project that we are working on is concerned with establishing digital identity and using digital signatures. Having committed itself to be a pioneering role on this matter, AFI is currently discussing the legal issues involved in it with authorities.

WE CAN INCREASE OUR SUPPORT FOR THE REAL SECTOR BY SHOULDERING SOME OF THE FINANCING BURDEN NOW BORNE BY BANKS

The ratio of the non-bank financial products and services available to those of the financial services industry as a whole is one measure both of the accessibility of finance and of its depth. In developed countries, this figure is 35% on average, whereas in Turkey it is currently only around 11%.

AFI engages in an ongoing and steadily increasing effort to promote non-bank financing alternatives among privately-owned firms and individuals in order to increase the overall share of non-bank financial institutions (NBFI) in the financial services industry. In this effort we give particular attention to small and medium-sized enterprises (SME) both because of the role they play as the backbone of Turkey's economy and because of the difficulties they have in accessing the financing they need. Coming up with ideas that will create value for SMEs informs much of what we do.

Among the reforms we look forward to in line with the government's YEP stabilization process in 2019 are concerted efforts on the part both of the Treasury and Finance Ministry and of all other agencies to strengthen financial institutions; to combat inflation; to encourage value-adding production and exports; to support employment; to address policy issues affecting agriculture, saving, taxes, and social security; and to create a new investment climate that will increase the confidence of domestic and foreign investors.

With the success of such efforts, we foresee that the sectors in which our members are active will be able to regain their momentum in the second half of 2019. We believe that thanks to the greater access to financial products and services that AFI makes possible, our association's members will further increase the value that they add to SMEs and to all their other customers and consequently to the national economy as a whole.

AFI and the sectors it represents engage in close communication with all public and private-sector stakeholders in an ongoing effort to support growth that is strong, balanced, and sustainable. That being so, I therefore take this opportunity to make it clear that we look to the future with hope and that we are ready to shoulder some of the financing burden now being borne by banks.

In closing, let me extend my deepest appreciation to the AFI Board of Directors and to all of my colleagues at the association while also offering our esteemed members my respects.

ADEM DUMAN

Chairman of the Board of Directors

MESSAGE FROM THE FINANCIAL LEASING SECTOR REPRESENTATIVES BOARD

TURKEY'S FINANCIAL LEASING INDUSTRY IN 2018 CONSISTED OF 24 COMPANIES EMPLOYING 1,400 PEOPLE IN THE CONDUCT OF THEIR SERVICES. DESPITE A BUSINESS DOWNTURN THAT BECAME ESPECIALLY NOTICEABLE IN THE SECOND HALF OF THE YEAR AND THE CORRESPONDING DRYING UP OF INVESTMENT, THE SECTOR NEVERTHELESS WROTE TL 22.2 BILLION WORTH OF BUSINESS, A FIGURE THAT WAS DOWN BY ONLY 1.7% YEAR-ON.



ÜNAL GÖKMEN
Deputy Chairman

THE CURRENT CLIMATE OF ECONOMIC VOLATILITY CONFIRMS THE IMPORTANCE OF OUR SECTOR TO INVESTORS

Leasing is a medium and long-term investment tool, a kind of investment-financing loan. One feature that makes it so admirable as such is a guarantee that investors will never see the repayment terms of their loan change no matter how parlous the economy may become. At times when the economy is doing well enough this feature may not attract very much attention but the value of leasing is certainly to be appreciated when conditions are such as those that we are experiencing nowadays.

Turkey's financial leasing industry in 2018 consisted of 24 companies employing 1,400 people in the conduct of their services. Despite a business downturn that became especially noticeable in the second half of the year and the corresponding drying up of investment, the sector nevertheless wrote TL 22.2 billion worth of business, a figure that was down by only 1.7% year-on. The sector's total assets increased by 18% last year and reached TL 68.5 billion while net equity grew by 11.6% to TL 9.6 billion. The sector's companies booked an aggregate net profit worth TL 917 million.

THE FUNDAMENTAL STRATEGY OF ALL OF OUR SECTORS' MEMBERS IS TO STRIVE TO CREATE A BIGGER INVESTMENT "PIE" SO THAT EVERYONE CAN HAVE A BIGGER SHARE OF THE INVESTMENT FINANCING THAT IT REQUIRES.

The Turkish leasing industry's receivables reached TL 60.7 billion last year, a 16.7% rise. Looking at a breakdown of the industry's business according to leased assets, first place was occupied by "Business & construction machinery" (20.8%) followed in turn by "Other machinery & equipment" (19.2%), "Real estate" (17.7%), "Textile machinery" (11.8%), and "Metalworking machinery" (9.2%).

Fixed-capital investments (excluding real estate) financed by leasing companies corresponded to 4.91% of all such investment carried out in Turkey last year; in 2017 the same penetration rate was 5.47%.

OUR CONTRACT REGISTRATION SYSTEM IS FUNCTIONING WELL

Operating successfully for four years now, the Financial Leasing Contract Registration System is a fully-electronic platform for the registration and maintenance of financial leasing agreements. It was set up by the Central Registry Agency (MKG), which also operates the system on AFI's behalf.

This system is being used by leasing companies, participation banks, investment banks, and development banks. When leasing agreements are entered into, they are immediately registered after being signed electronically and assigned an electronic time stamp.

During 2018, a total of 16,225 leasing agreements were registered by the Financial Leasing Contract Registration System.

LOOKING AHEAD...

We believe that the current downturn in business and investment is something that can be overcome if those responsible for managing the economy and our sector work together. With this in mind, we believe that our sector's contributions to investment can be increased through tax breaks and by developing opportunities that give greater access to affordable funding.

Our sector is always ready to do everything it can to channel all of its resources into supporting our country's sustainable development.

The fundamental strategy of all of our sectors' members is to strive to create a bigger investment "pie" so that everyone can have a bigger share of the investment financing that it requires. For our members this means, among other things, further developing existing business, initiating consumer-oriented leasing, and increasing the share of operational leasing.

ÜNAL GÖKMEN

Deputy Chairman

(On behalf of the Financial Leasing Sector Representatives Board)

MESSAGE FROM THE FACTORING SECTOR REPRESENTATIVES BOARD

RECOGNIZING OUR SECTORAL RESPONSIBILITIES AS SMES' MOST IMPORTANT FINANCE-ACCESS SOLUTION PARTNER, WE RESPONDED TO THE TREASURY AND FINANCE MINISTRY'S "WHIP INFLATION NOW" CALL TO DEAL WITH 2018'S EXTRAORDINARY CONDITIONS AND SUPPORT THE FINANCIAL SUSTAINABILITY OF OUR MEMBERS.



M. ÇAĞATAY BAYDAR
Deputy Chairman

WE STAND BY SMES AT ALL TIMES WITH FINANCING SUPPORT

Turkey's factoring industry supplies factoring products and services that facilitate the trading activities of about half a million companies, the great majority of which are in the small and medium-sized enterprises (SME) category. Our sector contributes a 4.5% share of our country's GDP and finances 7% of its export trade. Owing to very tough conditions and to production and trade activity that was depressed by high exchange rates and inflation, our sector wrote a total of TL 146.7 billion worth of business in 2018, a mere 1% more than it did in 2017. In 2018 the Turkish factoring industry served 92,422 customers and booked receivables worth a total of TL 31.4 billion in value.

As of end-2018, the industry's total assets were worth TL 34.6 billion. Its total equity was up by 17% year-on and reached TL 6.8 billion. Net profits also grew by 40.6% and amounted to TL 1.3 billion.

Recognizing our sectoral responsibilities as SMEs' most important finance-access solution partner, we responded to the Treasury and Finance Ministry's "Whip Inflation Now" call to deal with 2018's extraordinary conditions and support the financial sustainability of our members. Deciding to go along with the funding interest-rate reduction policies adopted by banks, the Turkish factoring industry likewise agreed to support SMEs by foregoing part of their profit margins and to pass any savings resulting from decisions that the government made to reduce intermediation costs such as transaction taxes, surcharges, and excises on to borrowers.

OUR DIGITAL TRANSFORMATION PROJECTS ARE CONTINUING.

In 2018 we continued our efforts to further develop the Receivables Recording Center (RRC) that was set up in 2015.

As of end-2018, RRC was being participated in by 58 factoring companies and 23 banks that used the system to record the commercial receivables, which they had financed.

BY MEANS OF AN IT PLATFORM THAT BECAME OPERATIONAL IN 2018, WE HAVE STRUCTURED THE SUPPLY CHAIN FINANCING SYSTEM SO AS TO ENCOMPASS NOT JUST SUPPLY-CHAIN FINANCING BUT ALL FACTORING PRODUCTS AS WELL.

Since its inception, 23 million invoices and other evidences of receivables have been recorded in the system, which has enabled the prevention of 600 thousand transactions deemed to be at risk of duplicate financing fraud. When it was first set up, only 20% of recorded transactions involved the use of electronic invoices; that figure is currently up to 44%. Integration with the Department of Revenue Administration's system also made it possible to cross-check 2.2 million e-invoices and e-archive records in 2018.

The Factoring Sector Representatives Board, an arm of AFI, was designated a "private integrator" for the Department of Revenue Administration as of 5 July 2017. This was followed by authorizations to provide private e-custodian services and to act as a provider of e-archive and e-register (electronic books of account) private integrator services as well. These authorizations make the board responsible for maintaining and safeguarding such electronic-format records for their statutorily-mandated periods of time.

What this means is that AFI now possesses all of the infrastructure necessary to provide end-to-end digital-transformation services to companies that want to digitalize their business processes. All they need do to achieve this is to register themselves online via the fkb.org.tr website's e-portal.

Under an agreement between the Ministry of Trade and the AFI Factoring Sector Representatives Board, work is now in progress to integrate the RRC and CRSMP, the Collateral Registry System for Movable Property. It is expected that this project will be completed by the end of 2019.

Besides digitalizing all financial services based on the assignment of trade receivables, important progress has also been made in the direction of supporting the growth and development in Turkey of supply-chain financing, a form of trade finance that gives SMEs access to low-cost credit. By means of an IT platform that became operational in 2018, we have structured the Supply Chain Financing System so as to encompass not just supply-chain financing but all factoring products as well. The first phase of this system has been completed and gone live and some factoring companies are already using it.

OUR COUNTRY IS A WORLD LEADER IN EXPORT FACTORING

Working with 400 correspondents in 90 countries, Turkey's factoring companies guarantee the collection of unsecured receivables owed to Turkish exporters by their customers around the world. Credit insurance service is also provided for buyers in 238 countries through firms (including Türk Eximbank) that are authorized to issue credit insurance policies. Handling 7% of the country's export trade, Turkey's factoring industry ranked second in the world as measured by transaction volume.

OPPORTUNITIES FOR SMES AND OUR VISION OF THE FUTURE

Under our SME Strategy & Action Plan, we have been conducting a series of tours around the country since 2016. During these tours, we explain what alternative sources of trade finance are and talk about factoring. These tours continued last year with the themes "Strong and safe tomorrows for SMEs" and "Quick financing solutions for SMEs through trade finance". In the third year of this project, a substantial number of SMEs were reached during meetings conducted in Çerkezköy, Konya, Bursa, Antalya, and Gebze. During such gatherings, we discuss issues ranging from new financing models to visions of the future and from export financing solutions to support for exporters.

We will continue our committed efforts to ensure the sustainability of the contributions that the factoring industry makes to our country's SMEs and to trade. Believing that we can overcome any obstacle by working together, I offer my thanks to all of our members as well as to our business partners.

M. ÇAĞATAY BAYDAR
Deputy Chairman

(On behalf of the Factoring Sector Representatives Board)

MESSAGE FROM THE FINANCING COMPANIES REPRESENTATIVES BOARD

HAVING CONCENTRATED ALL BUT EXCLUSIVELY ON AUTOMOBILE LOANS IN PREVIOUS YEARS, SOME EXISTING FINANCING COMPANIES AS WELL AS NEWCOMERS, HAVE BEGUN PROVIDING MICROLOANS TO FINANCE CONSUMER PURCHASES ESPECIALLY OF WHITE, BROWN, AND HI-TECH GOODS. THIS DEVELOPMENT IS BRINGING NEW VIGOR TO OUR SECTOR.



ADEM DUMAN
Chairman

FINANCING COMPANIES ARE AMONG OF THE ENGINES OF THE TURKISH ECONOMY

As a result of economic volatility and weak consumer spending, especially in the second half of 2018, the demand for credit fell off and this had an adverse impact on the performance of financing companies, which normally contributes significantly to the development of domestic demand. Fourteen financing companies were active in a sector whose total transaction volume in 2018 was down by 9% year-on to TL 26.4 billion and whose total receivables fell by 5% and were worth TL 32.5 billion.

Despite this relative contraction in the sector's overall business volume, the number of active customers increased by 6% and topped 4.5 million. Much of this increase was due to business done by members that had ventured into the micro-lending market. Having concentrated all but exclusively on automobile loans in previous years, some existing financing companies as well as newcomers, have begun providing microloans to finance consumer purchases especially of white, brown, and hi-tech goods. This development is bringing new vigor to our sector. In addition, the ability of financing companies to finance purchases not just of consumer goods but also of commercial capital goods also expands the scope of our members' operations: lending to finance commercial activities accounted for 46% of the sector's combined portfolio in 2018, a year in which the total assets of all of Turkey's financing companies reached TL 39.7 billion in value.

HERE AT AFI, WE ARE KEEPING A CLOSE WATCH ON DEVELOPMENTS TAKING PLACE AT THE EUROPEAN FEDERATION OF FINANCE HOUSE ASSOCIATIONS, OF WHICH WE ARE A MEMBER, AS WELL AS ON EUROPEAN UNION NORMS WHEN ADDRESSING SUCH ISSUES AS FACILITATING ACCESS TO FINANCE, DATA SECURITY, AND INFORMATION SHARING.

In keeping with global trends, it is observed that financing companies' hitherto conventional operational methods are being supplanted by digital solutions and platforms which, being in line with technological advances and radical changes in consumer preferences, are also faster and more convenient. We can expect to see an increase in the number of financing companies seeking to respond to this demand by providing digital-platform products and services.

Here at AFI, we are keeping a close watch on developments taking place at the European Federation of Finance House Associations, of which we are a member, as well as on European Union norms when addressing such issues as facilitating access to finance, data security, and information sharing. We believe that our goal of providing a transparent, fast, convenient and low-cost customer experience by digitalizing our products, lending operations, and regulatory compliance processes will not only support our sector's growth and development but also encourage new players to enter the market.

As financing companies, we are committed to being pioneers in the use of new technologies. In line with this, we are continuing our efforts to develop infrastructure that will address such issues as establishing digital identities and handling biometric signatures. We are also looking into how laws and regulations need to be changed and actively sharing our findings with public authorities.

As important elements of the country's financial system, Turkey's financing companies will continue to keep watch on innovative financing practices and technologies and work closely with regulatory authorities in order to create ever more added value for the national economy.

ADEM DUMAN
Chairman

(On behalf of the Financing Companies Representatives Board)

BOARD OF DIRECTORS



UPPER ROW

Ahmet Ortatepe	Member of the Board	Ziraat Finansal Kiralama A.Ş. ^(*)
Yiğit Özkes	Member of the Board	Kapital Faktoring A.Ş.
Yeşim Pınar Kitapçı	Member of the Board	Koç Finansman A.Ş.
Ünal Gökmen	Deputy Chairman of the Board	Garanti Finansal Kiralama A.Ş.
Mehmet Çağatay Baydar	Deputy Chairman of the Board	TEB Faktoring A.Ş.
Alper Tunga Emecan	Member of the Board	Deniz Faktoring A.Ş.
Kahraman Günaydın	Member of the Board	Deniz Finansal Kiralama A.Ş.
Mehmet Karakılıç	Member of the Board	İş Finansal Kiralama A.Ş.
Gülşay Güner	Member of the Board	Yatırım Finansal Kiralama A.Ş.

FRONT ROW

Özgür Öztürk	Member of the Board	Orfin Finansman A.Ş.
Tijen Akdoğan Ünver	Member of the Board	Volkswagen Doğuş Finansman A.Ş.
Adem Duman	Chairman of the Board	Turkcell Finansman A.Ş.
Betül Kurtuluş ^(**)	Member of the Board	Strateji Faktoring A.Ş.
Kaya Yıldırım	Member of the Board	Garanti Faktoring A.Ş.
Soner Irmak	Member of the Board	ALJ Finansman A.Ş.

^(*) As Ziraat Finansal Kiralama ended its operations, Mr. Tanju Fatih Torun, representing Yapı Kredi Finansal Kiralama A.Ş., was appointed as a Board Member with the resolution of the Board of Directors dated 11 March 2019.

^(**) As Ms. Betül Kurtuluş resigned from her position, Mr. Cüneyt Aydemir, representing Strateji Faktoring A.Ş., was appointed as a Board Member with the resolution of the Board of Directors dated 20 December 2018.

MEMBER COMPANIES

FINANCIAL LEASING SECTOR

- 1 A&T Finansal Kiralama A.Ş.
- 2 Ak Finansal Kiralama A.Ş.
- 3 Alternatif Finansal Kiralama A.Ş.
- 4 Anadolu Finansal Kiralama A.Ş.
- 5 Arı Finansal Kiralama A.Ş.
- 6 BNP Paribas Finansal Kiralama A.Ş.
- 7 Burgan Finansal Kiralama A.Ş.
- 8 De Lage Landen Finansal Kiralama A.Ş.
- 9 Deniz Finansal Kiralama A.Ş.
- 10 Garanti Finansal Kiralama A.Ş.
- 11 Haliç Finansal Kiralama A.Ş.
- 12 Halk Finansal Kiralama A.Ş.
- 13 ING Finansal Kiralama A.Ş.
- 14 İş Finansal Kiralama A.Ş.
- 15 Mercedes-Benz Finansal Kiralama Türk A.Ş.
- 16 Pervin Finansal Kiralama A.Ş.
- 17 QNB Finans Finansal Kiralama A.Ş.
- 18 Siemens Finansal Kiralama A.Ş.
- 19 Şeker Finansal Kiralama A.Ş.
- 20 Vakıf Finansal Kiralama A.Ş.
- 21 VFS Finansal Kiralama A.Ş.
- 22 Yapı Kredi Finansal Kiralama A.O.
- 23 Yatırım Finansal Kiralama A.Ş.
- 24 Ziraat Finansal Kiralama A.Ş.*

FACTORING SECTOR

- 25 ABC Faktoring A.Ş.
- 26 Acar Faktoring A.Ş.
- 27 Ak Faktoring A.Ş.
- 28 Akdeniz Faktoring A.Ş.
- 29 Akın Faktoring A.Ş.
- 30 Anadolu Faktoring A.Ş.
- 31 Analiz Faktoring A.Ş.
- 32 Arena Faktoring A.Ş.
- 33 Atak Faktoring A.Ş.
- 34 Atılım Faktoring A.Ş.
- 35 Başer Faktoring A.Ş.
- 36 Bayramoğlu Faktoring A.Ş.
- 37 C Faktoring A.Ş.
- 38 Creditwest Faktoring A.Ş.
- 39 Çağdaş Faktoring A.Ş.
- 40 Çözüm Faktoring A.Ş.
- 41 Deniz Faktoring A.Ş.
- 42 Destek Faktoring A.Ş.
- 43 Devir Faktoring A.Ş.
- 44 Doğa Faktoring A.Ş.
- 45 Doruk Faktoring A.Ş.
- 46 Eko Faktoring A.Ş.
- 47 Ekspo Faktoring A.Ş.
- 48 Eren Faktoring A.Ş.*
- 49 Fiba Faktoring A.Ş.
- 50 Garanti Faktoring A.Ş.
- 51 Global Faktoring Hizm. A.Ş.
- 52 GSD Faktoring A.Ş.
- 53 Halk Faktoring A.Ş.
- 54 Huzur Faktoring A.Ş.
- 55 ING Faktoring A.Ş.
- 56 İstanbul Faktoring A.Ş.
- 57 İş Faktoring A.Ş.
- 58 Kapital Faktoring A.Ş.
- 59 Kent Faktoring A.Ş.
- 60 Kredi Finans Faktoring Hizm. A.Ş.
- 61 Lider Faktoring A.Ş.
- 62 Merkez Faktoring A.Ş.*
- 63 Mert Finans Faktoring A.Ş.
- 64 MNG Faktoring A.Ş.
- 65 Optima Faktoring A.Ş.

- 66 Pamuk Faktoring A.Ş.
- 67 Para Finans Faktoring A.Ş.
- 68 QNB Finans Faktoring A.Ş.
- 69 Sardes Faktoring A.Ş.
- 70 Strateji Faktoring A.Ş.
- 71 Sümer Faktoring A.Ş.
- 72 Şeker Faktoring A.Ş.
- 73 Şirinoğlu Faktoring A.Ş.
- 74 Tam Faktoring A.Ş.
- 75 TEB Faktoring A.Ş.
- 76 Tuna Faktoring A.Ş.
- 77 Ulusal Faktoring A.Ş.
- 78 Vakıf Faktoring A.Ş.
- 79 VDF Faktoring Hizm. A.Ş.
- 80 Yapı Kredi Faktoring A.Ş.
- 81 Yaşar Faktoring A.Ş.
- 82 Yeditepe Faktoring A.Ş.
- 83 Zorlu Faktoring A.Ş.

FINANCING SECTOR

- 84 ALJ Finansman A.Ş.
- 85 Doruk Finansman A.Ş.
- 86 Evkur Finansman A.Ş.
- 87 Hemenal Finansman A.Ş.
- 88 Koç Fiat Kredi Finansman A.Ş.
- 89 Koç Finansman A.Ş.
- 90 Mercedes Benz Finansman Türk A.Ş.
- 91 Orfin Finansman A.Ş.
- 92 Şeker Finansman A.Ş.
- 93 TEB Finansman A.Ş.
- 94 Tirsan Finansman A.Ş.
- 95 Turkcell Finansman A.Ş.
- 96 VFS Finansman A.Ş.
- 97 Volkswagen Doğuş Finansman A.Ş.

(*) Explanations on member companies are given on page 44.



Hakan Gülelçe
Deputy Secretary General /
Financial Leasing

Filiz Ünal
Deputy Secretary General /
Factoring

Ahmet Candan
Secretary General

Vahit Altun
Deputy Secretary General /
Financing



Sevilay Alşar
Education Director



Aysun Koçak Gül
Manager, Financial and
Administrative Affairs



Atty. Eda Atamer Coşkunsu
Manager, Regulatory and Legal
Affairs



Janin Ersöz Amiroğlu
Manager, Financial Leasing
Commercial Enterprise



Sibel Özata Erdoğan
Manager, Statistics and Economic
Researches



Nazır Kapusuz
Manager, Factoring Commercial
Enterprise



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Deputy Manager, Financial and
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Emre Kırşan
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Commercial Enterprise



Ceren İnce
Assistant Specialist, Financial
and Administrative Affairs



Gökçe Yılmaz
Assistant Specialist, Financing
Sector



Zülfiye Yeşilçimen
Assistant of Secretary General



Hande Demirkol
Assistant



Nisa Karakaş
Assistant, Factoring Commercial
Enterprise



Kerim Koca
Office Assistant



Mevlüt Karakuş
Office Assistant



Muzaffer Kırdal
Office Assistant

To advance confidently under difficult conditions...

DESPITE THE ADVERSE IMPACT OF DEVELOPMENTS AT HOME AND ABROAD, WE CONTINUE TO COME UP WITH THE SOUNDEST SOLUTIONS TO OUR MEMBERS' NEEDS IN SUCH IMPORTANT AREAS AS PROVIDING ACCESS TO FINANCE, LIQUIDITY, AND EXPANDING THE USE OF TECHNOLOGY.





FINANCIAL INDICATORS

TL 22.2 BILLION

AS OF YEAR-END 2018, TOTAL BUSINESS VOLUME OF FINANCIAL LEASING COMPANIES CONTRACTED BY 1.7% YEAR-OVER-YEAR TO TL 22,187 MILLION. WHILE HEAVY-DUTY AND CONSTRUCTION MACHINERY GOT THE BIGGEST SHARE OUT OF TOTAL FINANCIAL LEASING RECEIVABLES WITH 20.8%, OTHER MACHINERY AND EQUIPMENT ACCOUNTED FOR 19.2%.

FINANCIAL LEASING

(TL million)	2017	2018	% Change
Transaction Volume	22,568	22,187	-1.7%
Total Assets	58,124	68,506	17.9%
Receivables	52,018	60,707	16.7%
NPL	3,054	4,711	54.3%
Special Provisions (-)	1,826	2,351	28.7%
Shareholders' Equity	8,604	9,601	11.6%
Borrowings	37,778	47,052	24.5%
Net Profit	952	917	-3.7%
(units)			
Number of Companies	25	24	-4.0%
Number of Branches	139	131	-5.8%
Number of Employees	1,453	1,401	-3.6%
Number of Customers	57,605	53,510	-7.1%
Return on Equity			
	11.6%	10.1%	-1.5 pps
Return on Assets			
	1.8%	1.4%	-0.3 pps
NPL Ratio			
	5.5%	7.2%	1.7 pps

TL 146.7 BILLION

TOTAL BUSINESS VOLUME OF FACTORING COMPANIES WAS UP BY 1.1% TO TL 146,687 MILLION IN THE TWELVE MONTHS TO END-2018. DOMESTIC AND INTERNATIONAL FACTORING TRANSACTIONS MADE UP 81.9% AND 18.1% OF THE TOTAL BUSINESS VOLUME, RESPECTIVELY.

FACTORING

(TL million)	2017	2018	% Change
Transaction Volume	145,048	146,687	1.1%
Total Assets	43,712	34,608	-20.8%
Receivables	41,599	31,410	-24.5%
NPL	1,500	2,096	39.8%
Special Provisions (-)	1,318	1,717	30.3%
Shareholders' Equity	5,781	6,770	17.1%
Borrowings	31,816	23,048	-27.6%
Net Profit	929	1,306	40.6%
(units)			
Number of Companies	61	58	-4.9%
Number of Branches	388	354	-8.8%
Number of Employees	4,778	4,355	-8.9%
Number of Customers	109,658	92,422	-15.7%
Return on Equity			
	17.1%	20.8%	3.7 pps
Return on Assets			
	2.4%	3.3%	0.9 pps
NPL Ratio			
	3.5%	6.3%	2.8 pps

TL 26.4 BILLION

TOTAL BUSINESS VOLUME OF FINANCING COMPANIES, WHICH DECREASED 9.0% YEAR-OVER-YEAR, WAS TL 26,407 MILLION IN 2018. 79.2% OF THE NEW LOANS EXTENDED DURING 2018 CONSISTED OF PERSONAL AND CORPORATE AUTO LOANS.

FINANCING

(TL million)	2017	2018	% Change
Transaction Volume	29,020	26,407	-9.0%
Total Assets	39,113	39,707	1.5%
Receivables	34,296	32,545	-5.1%
NPL	954	2,316	142.8%
Special Provisions (-)	513	1,098	114.1%
Shareholders' Equity	4,277	4,568	6.8%
Borrowings	30,490	29,877	-2.0%
Net Profit	621	559	-9.9%

(units)

Number of Companies	14	14	-
Number of Branches	0	1	a.d.
Number of Employees	896	936	4.5%
Number of Customers	4,317,127	4,565,434	5.8%

Return on Equity	17.8%	12.6%	-5.2 pps
Return on Assets	1.7%	1.4%	-0.3 pps
NPL Ratio	2.7%	6.6%	3.9 pps

TL 195.3 BILLION

THE AGGREGATE BUSINESS VOLUME OF FINANCIAL LEASING, FACTORING AND FINANCING COMPANIES WAS FLAT AT TL 195,281 MILLION IN 2018 AND HAD A 5.5% SHARE IN GDP.

TOTAL

(TL million)	2017	2018	% Change
Transaction Volume	196,636	195,281	-0.7%
Total Assets	140,948	142,822	1.3%
Receivables	127,914	124,663	-2.5%
NPL	5,508	9,124	65.7%
Special Provisions (-)	3,656	5,165	41.3%
Shareholders' Equity	18,663	20,939	12.2%
Borrowings	100,084	99,978	-0.1%
Net Profit	2,502	2,782	11.2%

(units)

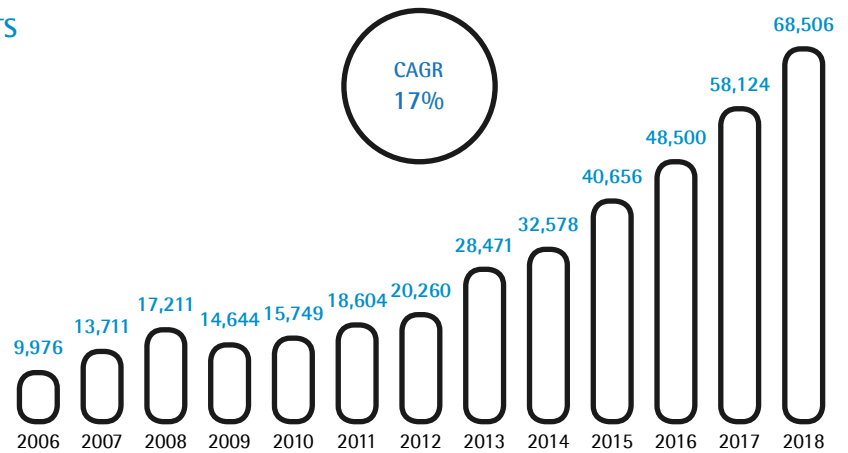
Number of Companies	100	96	-4.0%
Number of Branches	527	486	-7.8%
Number of Employees	7,127	6,692	-6.1%
Number of Customers	4,484,390	4,711,366	5.1%

Return on Equity	14.6%	14.1%	-0.6 pps
Return on Assets	2.0%	2.0%	-
NPL Ratio	4.1%	6.8%	2.7 pps

FINANCIAL INDICATORS – ASSETS

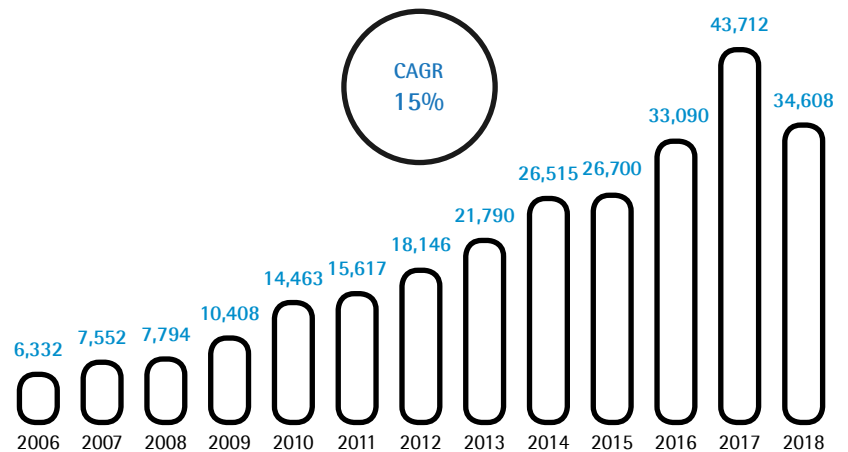
FINANCIAL LEASING SECTOR – TOTAL ASSETS (TL MILLION)

IN 2018, TOTAL ASSETS OF THE FINANCIAL LEASING SECTOR GREW BY 17.9% AND REACHED TL 68,506 MILLION.



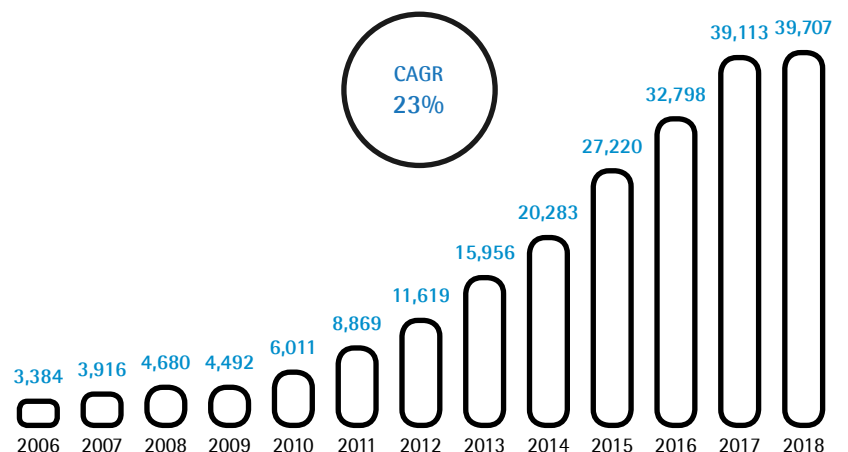
FACTORING SECTOR – TOTAL ASSETS (TL MILLION)

THE FACTORING SECTOR'S TOTAL ASSETS AMOUNTED TO TL 34,608 MILLION IN 2018, DOWN BY 20.8%.



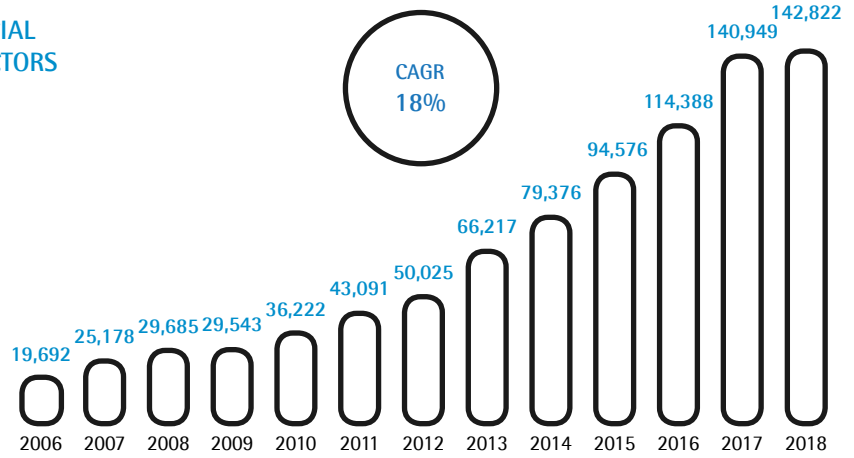
FINANCING SECTOR – TOTAL ASSETS (TL MILLION)

TOTAL ASSETS AVAILABLE TO THE FINANCING SECTOR REACHED TL 39,707 MILLION IN 2018, TRANSLATING INTO A YEAR-ON RISE BY 1.5%.



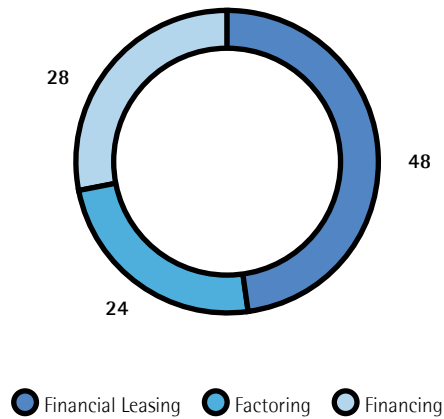
AGGREGATE TOTAL ASSETS OF THE FINANCIAL LEASING, FACTORING AND FINANCING SECTORS (TL MILLION)

DURING 2018, CONSOLIDATED TOTAL ASSETS OF THE FINANCIAL LEASING, FACTORING AND FINANCING SECTORS GREW BY 1.3% TO TL 142,822 MILLION. TOTAL RETURN ON ASSETS WAS REGISTERED AS 2.0%. ANNUAL AVERAGE GROWTH RATE OF TOTAL ASSETS OF THE SECTORS BETWEEN 2006 AND 2018 IS 18%.



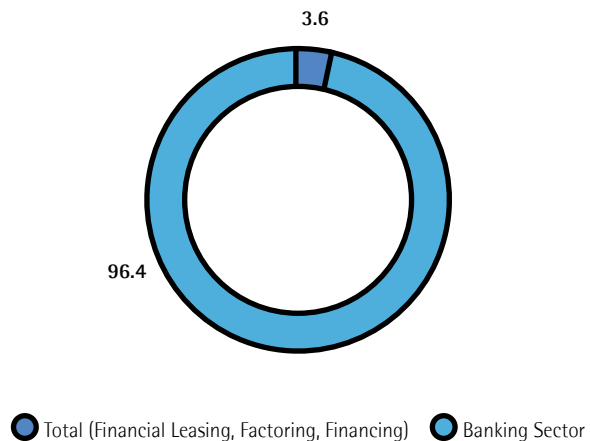
SECTORAL BREAKDOWN OF TOTAL ASSETS (%)

IN 2018, THE FINANCIAL LEASING SECTOR CLAIMED THE HIGHEST SHARE OUT OF TOTAL ASSETS WITH 48%.



POSITION IN THE FINANCE SECTOR (%)

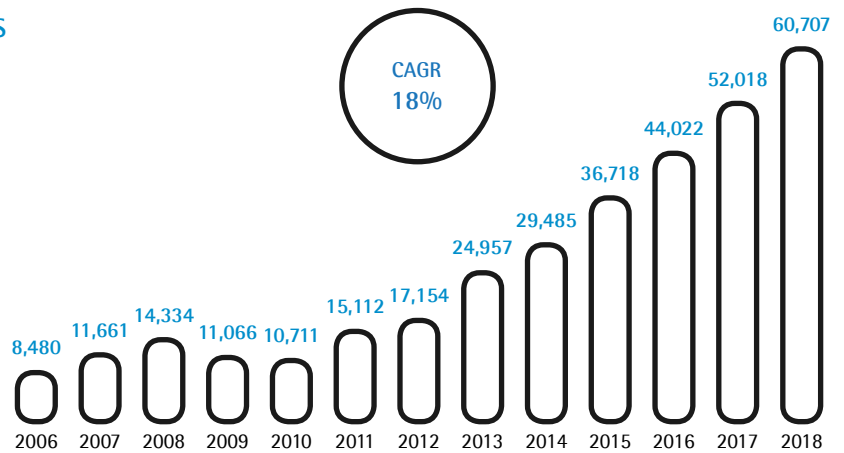
FACTORING, FINANCIAL LEASING AND FINANCING SECTORS REPRESENT 3.6% OF THE TURKISH FINANCE SECTOR IN TERMS OF TOTAL ASSETS.



FINANCIAL INDICATORS - RECEIVABLES

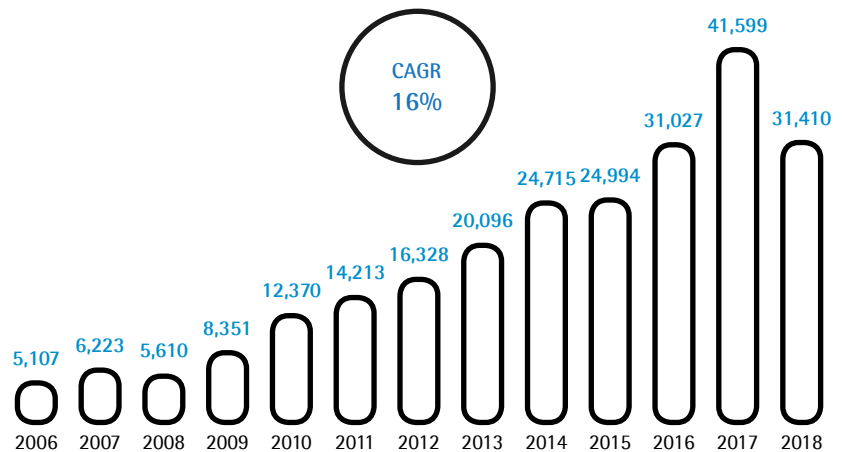
FINANCIAL LEASING SECTOR - RECEIVABLES (TL MILLION)

TOTAL RECEIVABLES OF THE FINANCIAL LEASING SECTOR WERE UP BY 16.7% IN 2018 AND REACHED TL 60,707 MILLION.



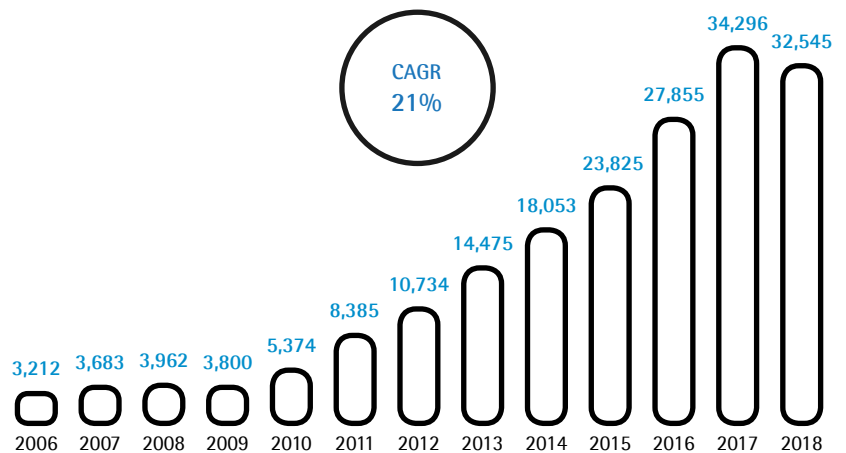
FACTORING SECTOR - RECEIVABLES (TL MILLION)

HAVING CONTRACTED BY 24.5% IN 2018, TOTAL RECEIVABLES OF THE FACTORING SECTOR AMOUNTED TO TL 31,410 MILLION.



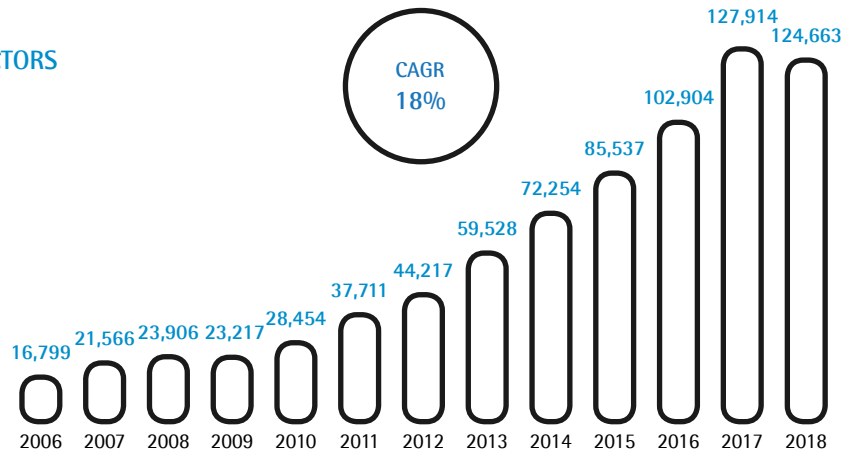
FINANCING SECTOR - RECEIVABLES (TL MILLION)

TOTAL RECEIVABLES OF THE FINANCING SECTOR WERE WORTH TL 32,545 MILLION IN 2018, DOWN BY 5.1%.



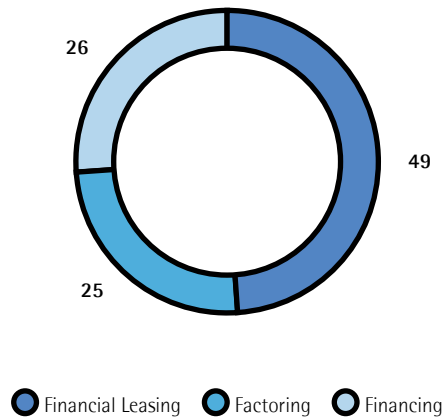
TOTAL RECEIVABLES OF THE FINANCIAL LEASING, FACTORING AND FINANCING SECTORS (TL MILLION)

TOTAL RECEIVABLES OF THE THREE SECTORS DECREASED TO TL 124,663 MILLION IN 2018, DOWN BY 2.5% YEAR-OVER-YEAR. TOTAL RECEIVABLES OF THE SECTORS GREW BY 18% ON AVERAGE BETWEEN 2006 AND 2018.



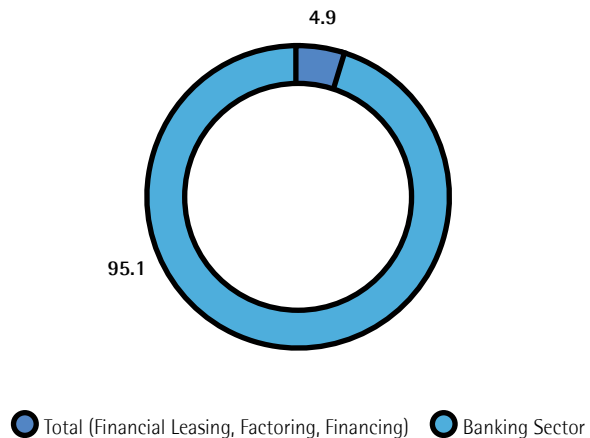
SECTORAL BREAKDOWN OF TOTAL RECEIVABLES (%)

IN 2018, THE FINANCIAL LEASING SECTOR GOT THE HIGHEST SHARE OUT OF TOTAL RECEIVABLES WITH 48.7%.



POSITION IN THE FINANCE SECTOR (%)

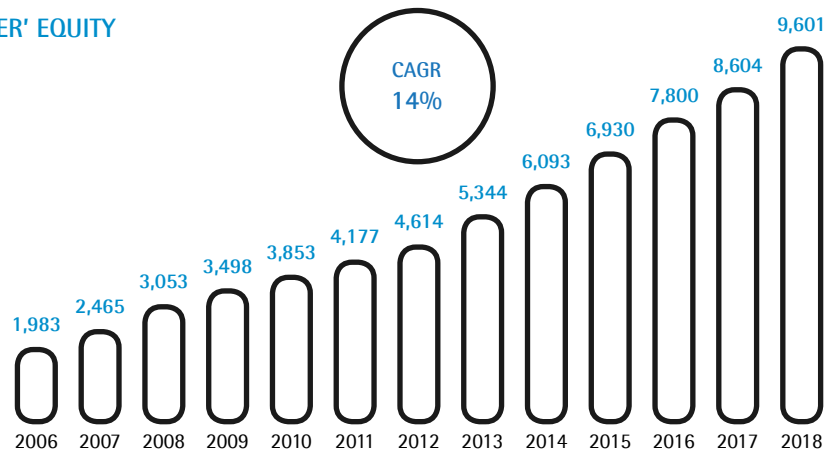
ALL THREE SECTORS ACCOUNT FOR 4.9% OF THE TURKISH FINANCE SECTOR IN TERMS OF TOTAL RECEIVABLES.



FINANCIAL INDICATORS - SHAREHOLDERS' EQUITY

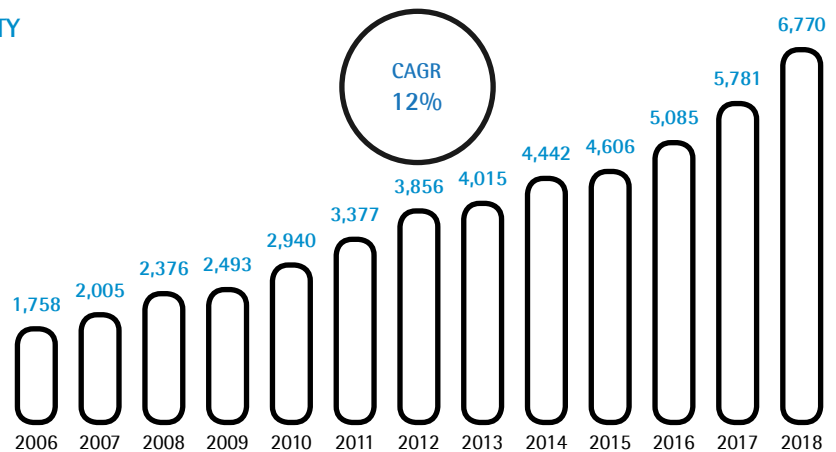
FINANCIAL LEASING SECTOR - SHAREHOLDER' EQUITY (TL MILLION)

TOTAL SHAREHOLDERS' EQUITY OF THE FINANCIAL LEASING SECTOR GREW BY 11.6% IN 2018 AND REACHED TL 9,601 MILLION.



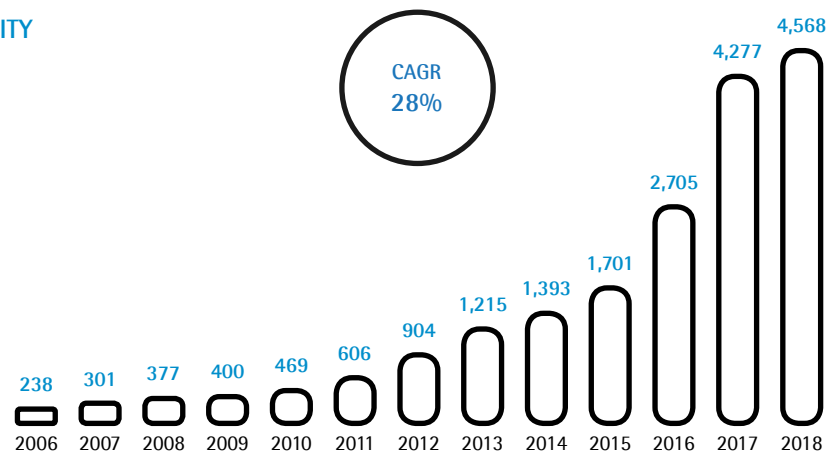
FACTORING SECTOR - SHAREHOLDER' EQUITY (TL MILLION)

TOTAL SHAREHOLDERS' EQUITY OF THE FACTORING SECTOR WAS UP BY 17.1% IN 2018 AND AMOUNTED TO TL 6,770 MILLION.



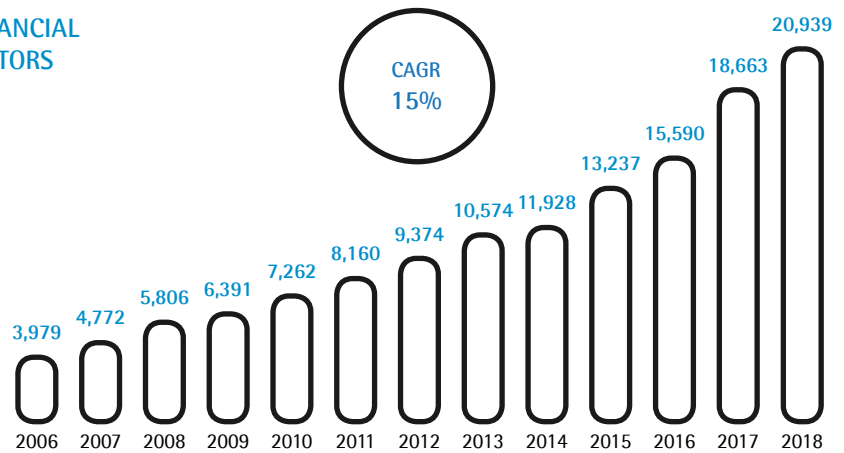
FINANCING SECTOR - SHAREHOLDERS' EQUITY (TL MILLION)

TOTAL SHAREHOLDERS' EQUITY OF THE FINANCING SECTOR REACHED TL 4,568 MILLION IN 2018, TRANSLATING INTO A YEAR-ON RISE BY 6.8%.



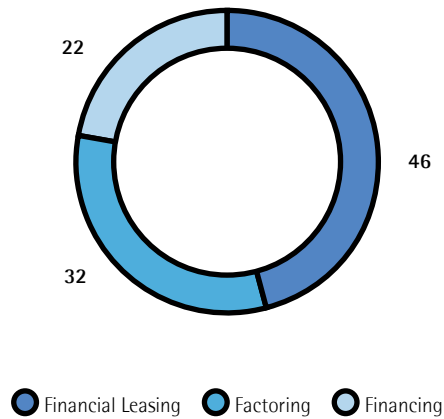
TOTAL SHAREHOLDERS' EQUITY OF THE FINANCIAL LEASING, FACTORING AND FINANCING SECTORS (TL MILLION)

TOTAL SHAREHOLDERS' EQUITY OF THE SECTORS DISPLAYED A YEAR-ON RISE BY 12.2% AND REACHED TL 20,939 MILLION IN 2018. RETURN ON EQUITY, ON THE OTHER HAND, ROSE TO 14.1%. AVERAGE ANNUAL GROWTH RATE OF TOTAL SHAREHOLDERS' EQUITY OF THE SECTORS WAS REGISTERED AS 15%.



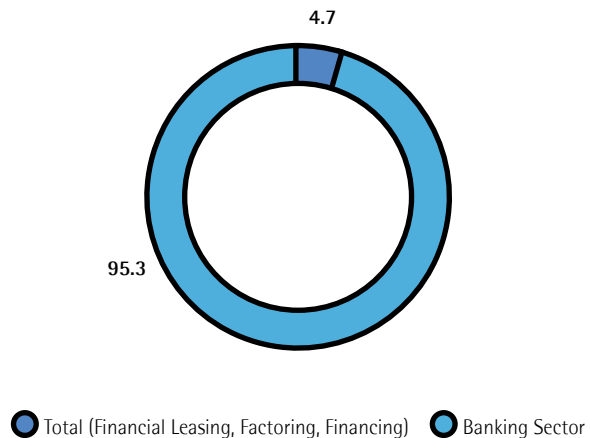
SECTORAL BREAKDOWN OF TOTAL SHAREHOLDERS' EQUITY (%)

IN 2018, THE FINANCIAL LEASING SECTOR GOT THE HIGHEST SHARE OUT OF TOTAL SHAREHOLDERS' EQUITY WITH 45.9%.



POSITION IN THE FINANCE SECTOR (%)

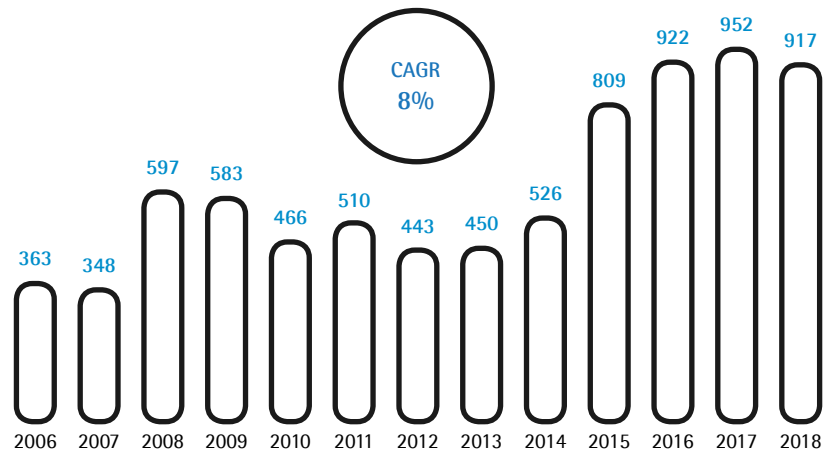
THE THREE SECTORS CONSTITUTE 4.7% OF THE TURKISH FINANCE SECTOR IN TERMS OF TOTAL SHAREHOLDERS' EQUITY.



FINANCIAL INDICATORS - NET PROFIT

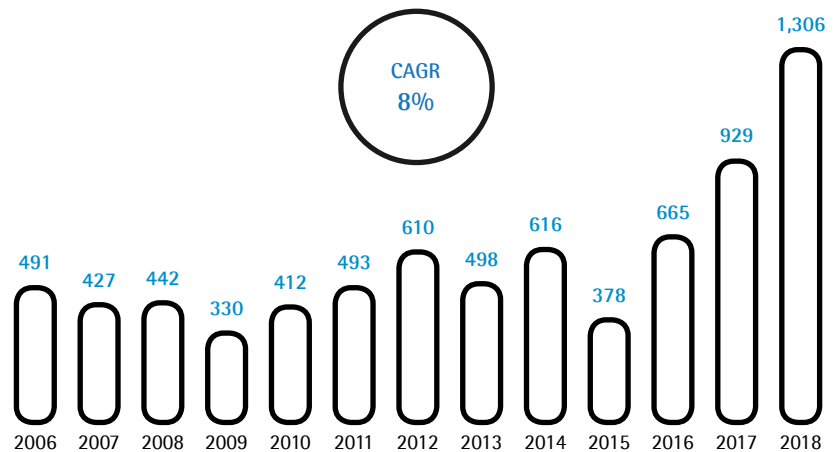
FINANCIAL LEASING SECTOR - NET PROFIT (TL MILLION)

TOTAL NET PROFIT OF THE FINANCIAL LEASING SECTOR WAS UP BY 3.7% IN 2018 AND REACHED TL 917 MILLION.



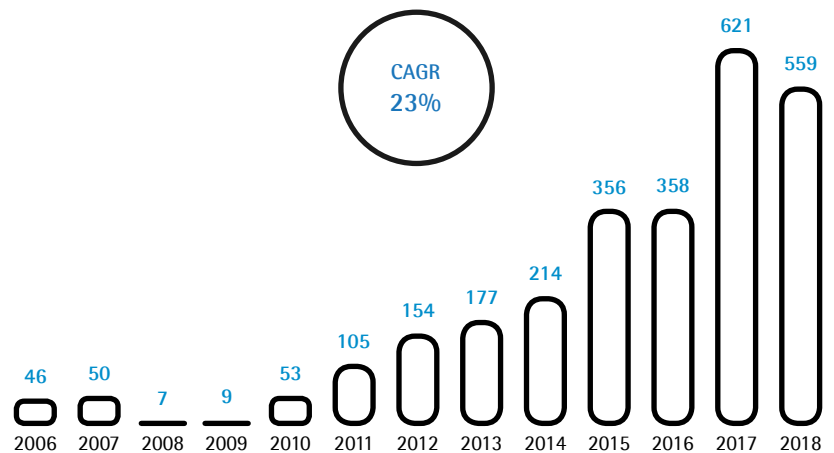
FACTORING SECTOR - NET PROFIT (TL MILLION)

HAVING GONE UP SIGNIFICANTLY BY 340.6% IN 2018, THE FACTORING SECTOR'S TOTAL NET PROFIT AMOUNTED TO TL 1,306 MILLION.



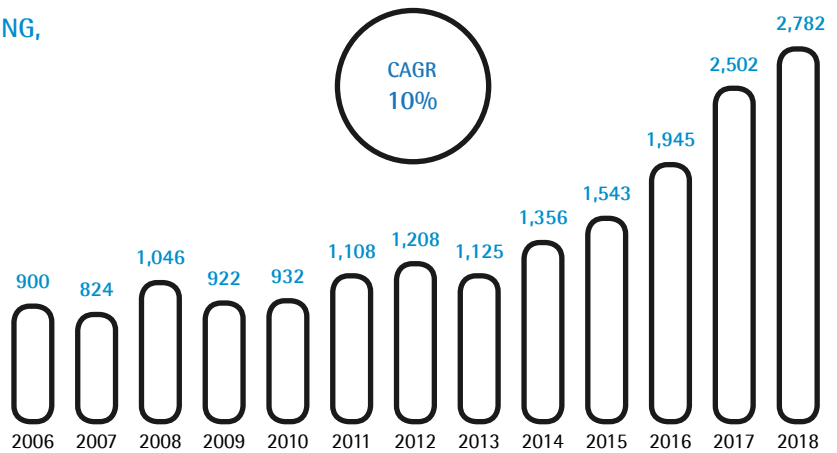
FINANCING SECTOR - NET PROFIT (TL MILLION)

THE FINANCING SECTOR BOOKED TL 559 MILLION IN NET PROFIT IN 2018, WHICH DECREASED BY 9.9% YEAR-OVER-YEAR.



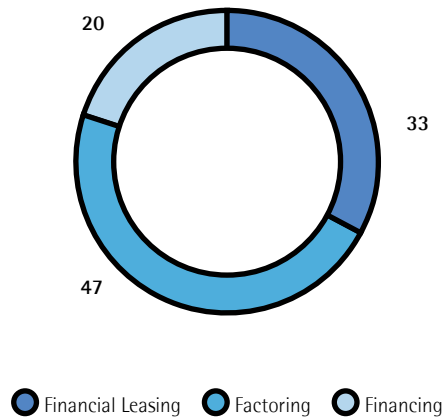
TOTAL NET PROFIT OF THE FINANCIAL LEASING, FACTORING AND FINANCING SECTORS (TL MILLION)

AS AT YEAR-END 2018, TOTAL NET PROFIT OF THE SECTORS INCREASED TO TL 2,782 MILLION, WHICH WAS 11.2% HIGHER THAN WHAT IT WAS IN 2017. TOTAL NET PROFIT OF THE THREE SECTORS COMBINED GREW BY 10% ON AVERAGE FROM 2006 TO 2018.



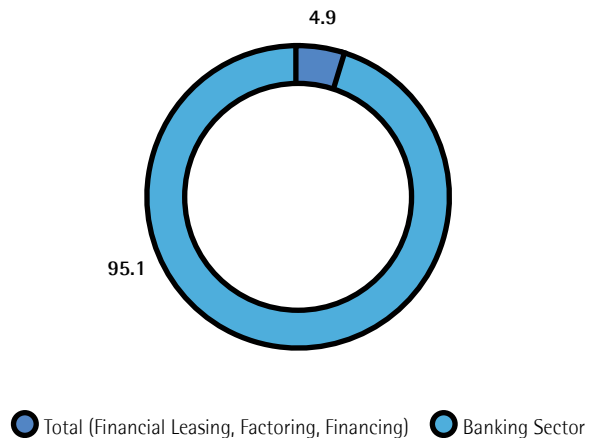
SECTORAL BREAKDOWN OF TOTAL NET PROFIT (%)

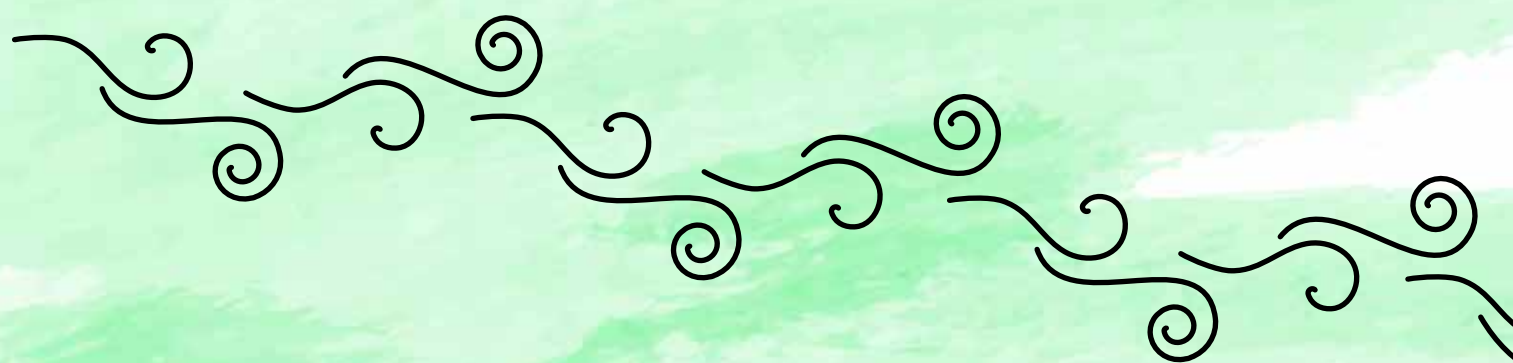
IN 2018, FINANCIAL LEASING SECTOR WAS THE GREATEST CONTRIBUTOR TO TOTAL NET PROFIT WITH A SHARE OF 46.9%.



POSITION IN THE FINANCE SECTOR (%)

WITH THE NET PROFIT THEY GENERATED, THE SECTORS GOT 4.9% SHARE IN THE TURKISH FINANCE INDUSTRY.





To channel energy into growth...

OWING TO THEIR SCOPE AND FUNCTIONALITY,
OUR EFFORTS TO PROMOTE DIGITALIZATION
SERVE AS EXAMPLES FOR GLOBAL PRACTICES
WHILE ALSO HELPING ALL AFI SECTORS TO KEEP
PACE WITH THE TIMES AND TO POWER THEIR
OWN GROWTH.



DEVELOPMENTS IN THE WORLD AND TURKISH ECONOMIES

DEVELOPMENTS IN THE WORLD

ECONOMY A RELATIVE SLOWDOWN IN GLOBAL GROWTH ASSOCIATED TOGETHER WITH HEIGHTENED GEOPOLITICAL UNCERTAINTIES

The picture presented by 2018 was one of tightened liquidity, modest industrial output, mounting trade war risks, and increased developing-country financial stress. Even though the world's economic powerhouses are still talking to one another, the possibility of trade wars breaking out among them is genuinely worrisome.

Continuing to downsize its balance sheet, the US Federal Reserve Bank raised interest rates four times in 2018 and at its last meeting for the year it raised its benchmark rate to the 2.25-2.50% range, a 25 basis-point increase that had been expected. Limited inflationary risks and political developments in the US economy are prompting expectations that the Fed will be moving more slowly on the matter of any additional benchmark rate increases.

Figures from developed economies other than the US suggest that growth among them is slipping. In the euro area, whose 2.3% rate of growth in the first half of 2018 surpassed expectations, growth fell to 1.6% in the third quarter. In China, which grew by 6.6% year-on in 2018, growth in the 6.2-6.3% range is expected for 2019.

Budget deficits in Italy and heightened concerns over the level of public-side debt, an apparent loss of momentum in Germany's automotive sector, and developments related to the UK's withdrawal from the EU are all suppressing the world's appetite for European risk.

It was in such an environment that the European Central Bank revised its economic projections downward. Although the ECB suspended its asset-buying program in 2018, the possibility that the bank might begin raising benchmark rates again in 2019 looks quite unlikely.

Slowdowns in the world's emerging economies and China threaten recovery in some economies. It is thought that the outcome of the US-Chinese foreign trade negotiations that are currently under way will be important from the standpoint of China's economic performance in the period ahead.

WORLD ECONOMIC GROWTH (2017-2020) (%)

	Realization	Estimate	Projection	
	2017	2018	2019	2020
WORLD OUTPUT	3.8	3.7	3.5	3.6
Advanced Economies	2.4	2.3	2.0	1.7
USA	2.2	2.9	2.5	1.8
Europe (Euro Area)	2.4	1.8	1.6	1.7
Germany	2.5	1.5	1.3	1.6
France	2.3	1.5	1.5	1.6
Italy	1.6	1.0	0.6	0.9
Spain	3.0	2.5	2.2	1.9
Japan	1.9	0.9	1.1	0.5
UK	1.9	1.4	1.5	1.6
Canada	3.0	2.1	1.9	1.9
Other Advanced Economies	2.8	2.8	2.5	2.5
Emerging Market and Developing Economies	4.7	4.6	4.5	4.9
Russia	1.5	1.7	1.6	1.7
Emerging and Developing Europe	6.0	3.8	0.7	2.4
Emerging and Developing Asia	6.5	6.5	6.3	6.4
China	6.9	6.6	6.2	6.2
India	6.7	7.3	7.5	7.7
MENA	2.2	2.4	2.4	3.0
Latin America	1.3	1.1	2.0	2.5

Source: IMF World Economic Outlook, January 2019

INTERNATIONAL AGENCIES HAVE REVISED THEIR GROWTH PROJECTIONS DOWNWARDS

In its January 2019 *Global Economic Outlook* report, the IMF lowered its 2019 and 2020 global growth projections but left its previously announced 3.7% projection for 2018 unchanged.

The IMF reduced its October 2018 report's 2019 global growth projection by 0.2 percentage points to 3.5%, which was the lowest estimate announced in the most recent three years; it also reduced its 2020 projection by 0.1 percentage points to 3.6%. In the case of the world's emerging economies the fund reduced its 2019 project by 0.1 percentage points to 2% but left its 1.7% for 2020 unchanged. As for the world's emerging economies, the report indicates that 2019 growth will be on the order of 4.5% (0.2 percentage points below the previous projection) but that the 2020 projection remains the same at 4.9%.

In its January 2019 issue of *World Economic Outlook*, the World Bank said it believed that the global economy had grown by 3% in 2018 and that it would continue to do so at the rates of 2.9% and 2.8% respectively in 2019 and 2020.

GLOBAL TRADE GROWTH FELL BELOW EXPECTATIONS IN 2018

The trade wars, protectionist policies, and geopolitical uncertainties that prevailed all year long in 2018 adversely affected global industrial output and investment. A strong USD and investors' reluctance to take on risk pushed up the cost of borrowing in developing countries and this situation exerted downward pressure on international trade. Having grown by 4.7% in all of 2017, the twelve-month average increase in the volume of world trade slipped to 3.6% as of the third quarter of 2018.

Financing conditions are expected to become even tighter in 2019 and that too will have an adverse impact on trade. We are likely to be seeing a decline in the manufacture of tradable capital goods, especially in Europe and in Asia's emerging economies.

WORLD TRADE GROWTH RATES (2016-2019) (%)

	Realization		Estimate	
	2016	2017	2018	2019
World Trade Volume	2.2	5.2	4.2	4.0
Imports- Advanced Economies	2.4	4.2	3.7	4.0
Imports - Emerging Market and Developing Economies	1.8	7.0	6.0	4.8
Exports - Advanced Economies	1.8	4.4	3.4	3.1
Exports - Emerging Market and Developing Economies	3.0	6.9	4.7	4.8

Source: IMF World Economic Outlook, October 2018



A STRONG USD AND INVESTORS' RELUCTANCE TO TAKE ON RISK PUSHED UP THE COST OF BORROWING IN DEVELOPING COUNTRIES AND THIS SITUATION EXERTED DOWNWARD PRESSURE ON INTERNATIONAL TRADE.

COMMODITY PRICES BEGAN TO SUBSIDE IN THE SECOND HALF OF THE YEAR

A general trend towards rapid rises in commodity price indexes reversed itself in the second half of the year. 2018 third-quarter QoQ growth was down by 6%.

The basic reasons for this slowdown appear to have been policy moves in the United States, a loss of momentum in energy price rises, and heightened political risks, especially in the Middle East. Industrial metal prices continued to fall owing to concerns that US-imposed restrictions on international trade would have the effect of reducing demand.

DEVELOPMENTS IN THE WORLD AND TURKISH ECONOMIES



MOST RECENTLY, THE EXPECTATION HAS GROWN STRONGER THAT THE TREND TOWARDS MONETARY POLICY RENORMALIZATION IN DEVELOPING COUNTRIES WILL BECOME SOMEWHAT WEAKER. THIS IN TURN SUGGESTS THAT PORTFOLIO INFLOWS HEADED FOR DEVELOPING COUNTRIES WILL FOLLOW A MORE FAVORABLE COURSE IN 2019.

OIL PRICE VOLATILITY IN 2018

A barrel of Brent crude oil cost USD 66.60 at the beginning of 2018. Worldwide demand for crude remained fairly stable for the first three quarters of the year even though a high level of cutback-agreement compliance among OPEC countries as well as the US's introduction of sanctions against Iran and Venezuela and its persistence in sticking with them helped push the barrel-price to the USD 86.20 level.

However as a result of a last-quarter surge in OPEC country output, of China's and India's refusal to comply with sanctions imposed on Iran, of record levels of crude oil production due to increases in output in the United States, and of opinions that the global economy was in for a downturn, the per-barrel price fell as low as USD 49.93 at one point. When OPEC and Russia agreed to cut production by 1.2 million barrels/day in December however, ensuing supply-side pressures temporarily pushed the per-barrel price back up to USD 60.00 again before it eventually closed the year at USD 50.21.

GLOBAL HEADLINE INFLATION RATES WERE DOWN

In response to the last-quarter decline in crude oil prices global headline inflation rates in 2018 were generally down in both the developed and developing country groups.

In the US economy, Q4 inflation was down even though the country's job market remained strong: the October, November, and December inflation rates were just 2.5%, 2.2%, and 1.9% respectively.

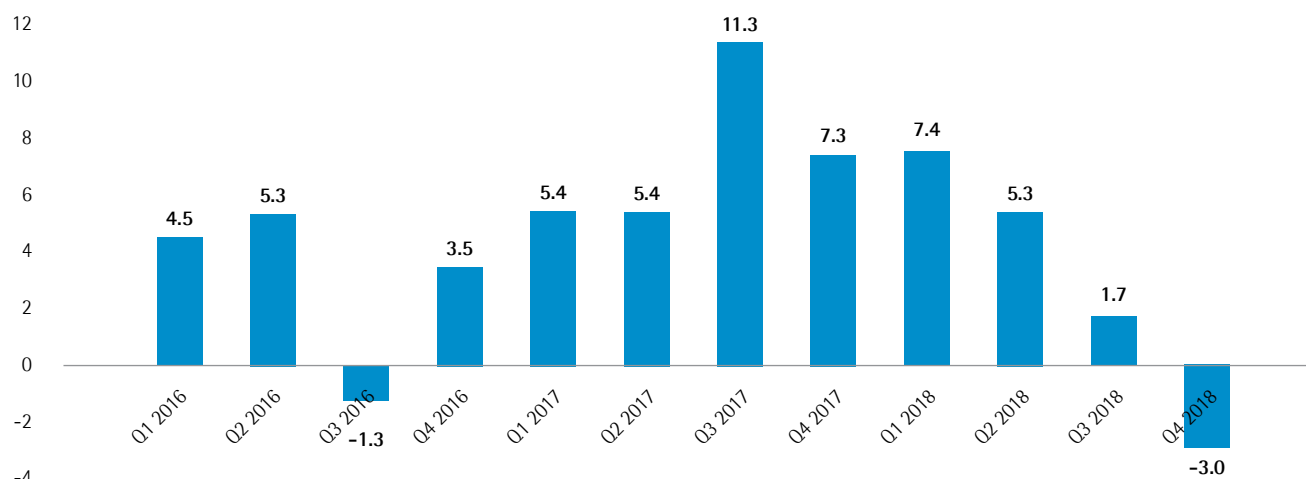
In the euro area by contrast, where unemployment fell to historically low levels in 2018, inflation remained more or less on the rise until October but then began to fall again in November and December and ended up at 1.6% as of year-end. The European Central Bank announced that it had reduced its 2019 inflation projection from 1.7% to 1.6% while leaving its 2020 projection unchanged at 1.7%.

PORTFOLIOS WERE SOMEWHAT LESS ACTIVE IN 2018 THAN THEY WERE IN 2017

Portfolio investments directed at developing countries were somewhat less active in 2018 than they had been in 2017. A strong US dollar, financial market volatility, and higher country risk premiums combined to lure capital out of some developing countries while also exerting pressure on their currencies. This prompted the central banks of some countries to opt for tighter policy stances. Volatilities in a few other countries (such as Argentina) where macroeconomic fragilities were a notch or so more pronounced had the effect of exacerbating wariness about emerging economies in general.

Most recently, the expectation has grown stronger that the trend towards monetary policy renormalization in developing countries will become somewhat weaker. This in turn suggests that portfolio inflows headed for developing countries will follow a more favorable course in 2019. That said, there are still worries that turbulence in the financial markets of economies with high levels of foreign-debt rollover will remain as serious an issue in 2019 as it was in 2018.

GDP GROWTH (%)



Source: TurkStat

DEVELOPMENTS IN THE TURKISH ECONOMY

The Turkish economy emerged from a tough year with a 2.6% rate of growth

On a chained-volume-index basis, Turkey's gross domestic product increased by 2.6% year-on in 2018. Production-based GDP growth on the other hand was 19.1% as measured by current prices in 2018 and weighed in at TL 3,701 billion or USD 784 billion. Per capita GDP last year works out to USD 9,632.

Looking at the components that make up GDP, again on a chained-volume-index basis, agriculture's and manufacturing's shares of total added value increased by 1.3% and 1.1% respectively while that of construction was down by 1.9%. Total added value contributed by trade, transportation, accommodation, and food services in 2018 was also up by 5.6% year-on.

In the first half of 2018, growth appears to have been driven largely by domestic demand; however as a result of stabilization measures taken in the second half-year, net goods and services exports were the main engines of economic growth.

Turkey's manufacturing-industry purchasing managers' index stood at 42.7 in September 2018 and was reported as 44.3, 44.7, and 44.2 in October, November, and December respectively. The country's seasonally-adjusted manufacturing industry capacity utilization, which was 76.2% in the third quarter, slipped to 74.1% in the fourth.

Unemployment was at 11%

The unemployment rate in Turkey as a whole was 11% at year-end 2018, 0.1 percentage points higher than it had been at the beginning. A somewhat more detailed analysis of unemployment figures shows that it was 9.5% among males (up 0.1 points) and 13.9% among females (down 0.2 points). Youth unemployment (defined as people in the 15-24 age group without jobs) was 20.3% (down 0.5 points).

The 2018 employment rate was up by 0.3 percentage points and weighed in at 47.4%. 18.4% of Turkey's jobholders were employed in agriculture, 19.7% in manufacturing, 6.9% in construction, and 54.9% in services.

Turkey's labor force participation rate in 2018 was 53.2% (up 0.4 points).

Inflation continued to move upwards all year long

Consumer prices in Turkey followed an upward trend all year long in 2018. Owing to higher food prices, to the impact of past rises in exchange rates, and to deterioration in pricing behavior, the 12-month increase in consumer prices reached 25.2% in October.

Fourth-quarter measures taken by the government had the effect of causing exchange rates to subside which, combined with lower oil prices and weak domestic demand, encouraged prices to relax with twelve-month CPI growth weighing in at 20.3% in 2018.

DEVELOPMENTS IN THE WORLD AND TURKISH ECONOMIES

The quarter-over-quarter rise in the domestic producer price index as of December 2018 was 2.2%, while on a quarter-on-quarter basis the rise was 33.64%. The twelve-month average increase was 27.01%.

Although deterioration in pricing behavior appeared to have a greater impact on core inflation than did increases in costs, this was not true in the case of such highly volatile items as food and energy. Fueled also by rapid rises in exchange rates, core inflation peaked at 24.3% as of October and subsequently subsided to the 19.5% level in December. Much of that decline appears to have been due to the impact both of the government's "Whip Inflation Now" measures and of a relaxation of exchange-rate pressures on the prices of goods.

A narrower foreign trade deficit was good for the current account deficit

According to foreign trade figures published by TurkStat, Turkey's exports increased by 7% in value in 2018 to USD 168 billion while the country's imports were down by 4.6% year-

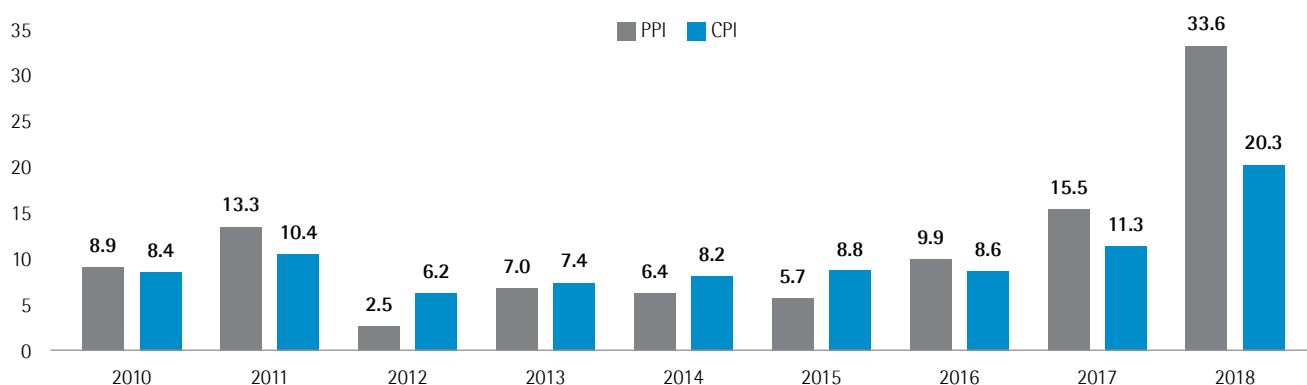
on and weighed in at USD 223 billion. Turkey's terms of trade ratio, which was 60% in December 2017, was up to 83.8% twelve months later in December 2018.

The country that Turkey shipped the most exports to in 2018 was Germany, which was followed in turn by the UK, Italy, and Iraq. Russia topped the list as the country of origin of Turkey's imports last year, followed in turn by Germany, China, and the USA.

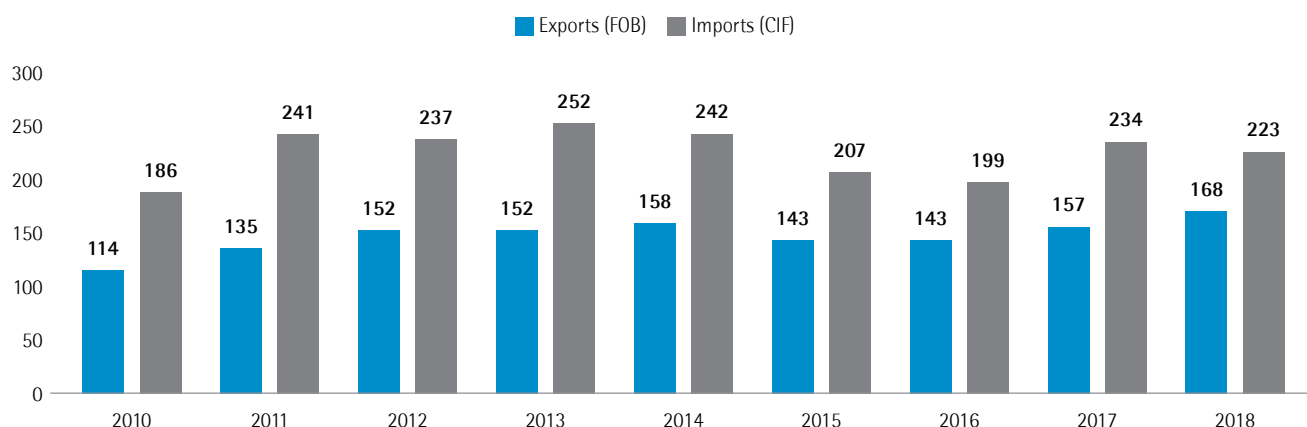
The contraction in imports continued due both to lower oil prices and to diminishing domestic demand. Despite the sluggish economies of some of Turkey's trading partners however, a low-valued Turkish lira made it possible for the country to maintain its competitive position in export markets and indeed to improve its import performance last year.

Turkey's foreign trade deficit, which amounted to USD 76.8 billion in 2017, fell to USD 55 billion in 2018 while the country's current account deficit also shrank from USD 47.3

INFLATION (ANNUAL - %)



FOREIGN TRADE (USD BILLION)



billion to USD 27.8 billion. Having reached 6.5% in the first half of 2018, Turkey's CAD/GDP ratio declined to 5.5% thanks mainly to the third-quarter recovery in exports.

The improvement in the current account balance that got under way in 2018 Q3 continued to gain momentum in the last quarter owing to the sharp contraction in the foreign trade deficit, to strong export performance, and to a recovery in tourism receipts. This improvement might have been even better had it not been countered by net investment outflows.

Last-quarter measures had a beneficial impact on exchange and market interest rates

As of August 2018, the twelve-month decline in the value of the Turkish lira was more than 80%. Owing to the effects of CBRT interest rate hikes on economic activity however, there was less need for external financing and that helped the lira to recover. This trend continued through to the end of the year in a general way: as of 2018 Q4, the lira had regained 13.4% and 15.3% of its nominal value respectively against the US dollar and the euro.

So as of end-2018, the overall loss was on the order of 40%. CBRT, BRSA, and the Treasury and Finance Ministry took a variety of decisions and measures aimed at shoring up the Turkish lira, at supporting financial markets in their efforts to function effectively, and at reinvigorating domestic markets in general. Owing to the central bank's tight monetary policy stance and to improvements in the inflation outlook, the Turkish lira actually outperformed many developing countries' currencies in 2018.

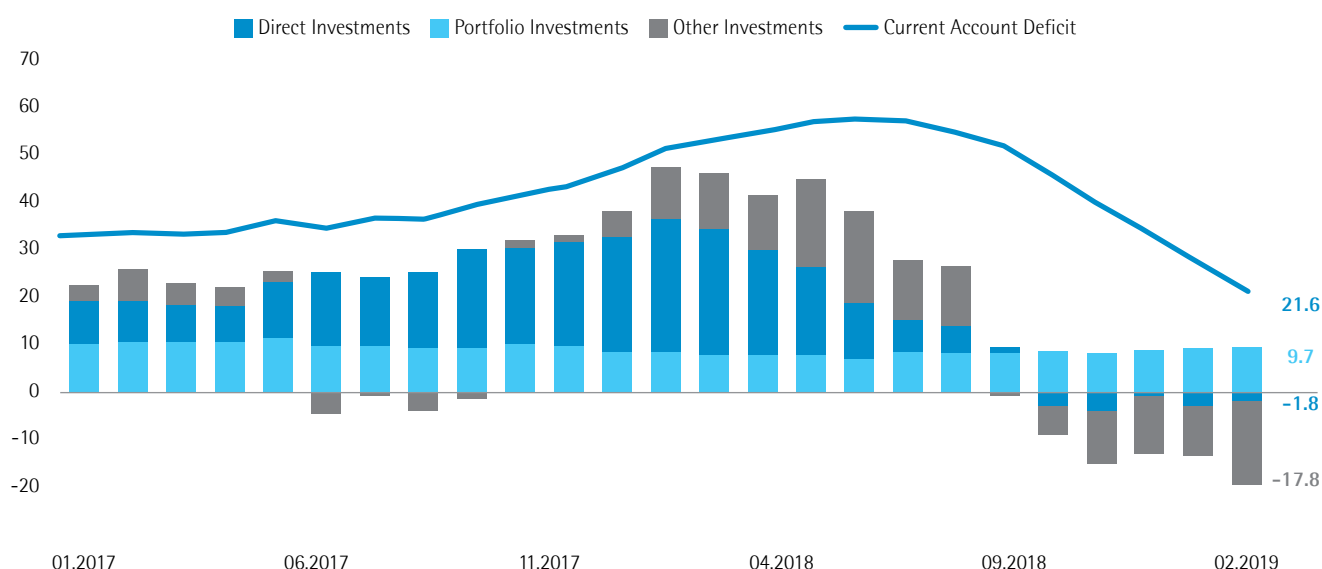


In keeping with its declared stance, CBRT pushed its policy rate up. Referring to the upward risks posed by deteriorating price behavior, the bank announced after its September meeting that it had decided to raise its benchmark rate by 625 basis points to 24%.

The aims of the New Economic Program that was announced the same month were to quickly restore price and financial system stability, to stabilize the economy, and to restore budget discipline; the medium-term goals said the bank were to bring about a more comprehensive economic transformation that would support sustainable growth and a more equitable distribution of wealth.

Source: TurkStat, CBRT, T.R. Treasury and Finance Ministry

CURRENT ACCOUNT AND FINANCIAL ACCOUNT (NET) (12 MONTHS, USD BILLION)



To create sustainable value...

THROUGH ITS EFFORTS BOTH TO INCREASE THE CONTRIBUTIONS OF NON-BANK FINANCIAL INSTITUTIONS TO THE FINANCIAL SYSTEM AND ESPECIALLY TO COME UP WITH FINANCIAL SOLUTIONS THAT ARE GOOD FOR SMES, AFI CONTINUES TO CREATE ENDURING VALUE FOR THE REAL SECTOR AND THE NATIONAL ECONOMY.





2018 ACTIVITIES

BASED ON RRS DATA, A TOTAL OF 23 MILLION INVOICES AND CREDIT VOUCHERS HAVE BEEN RECORDED IN RECEIVABLES RECORDING CENTER SINCE THE INCEPTION OF THE SYSTEM. 600 THOUSAND RISKY TRANSACTIONS HAVE BEEN PREVENTED.

MAJOR PROJECTS AND DEVELOPMENTS

CENTRAL RECEIVABLE RECORDING SYSTEM



AFI was established under the Law no. 6361. One of the major tasks the Law delegated to AFI was to set up the Receivable Recording Central (RRC) where invoices and similar documentation used in factoring transactions are recorded.

Supporting registered economy and preventing double financing, RRC was set up under the AFI roof by the factoring sector and became operational in January 2015.

All kinds of information and documents pertaining to receivables subject to factoring transactions are entered into the RRC. Double financing is precluded thanks to controls of recurrence and amount overrun performed during such recording.

Based on year-end 2018 data, 600,000 risky transactions were precluded and double financing was prevented since RRC was set up.

Integration with the Revenue Administration (RA) allows verification of e-invoices entered into the system from the RA.

In brief, RRC;

- is utilized by factoring companies and banks,
- prevents assignment and financing of the same receivable more than once,
- runs online and in integration with the e-invoice system of the RA,
- verifies the accuracy of e-invoices and e-archives through integration with the RA,
- allows verification of the T.R. ID No. and Taxpayer No.,

- allows tracking payments and collections in relation to the documents pertaining to a given receivable,
- maintains records of data for all assigned receivable documents in relation to the factoring sector,
- provides sectoral reporting service.

WE ARE SETTING AN EXAMPLE FOR THE WORLD WITH THE RRC

By the end of 2018, trade receivables of 58 factoring companies and 23 banks, the financing of which they intermediated, were recorded into the RRC

This extensive system, pioneered by Turkey, is cited as an example in the international arena and provides the global factoring sector with a new perspective.

According to the RRC data, 23 million invoices and receivable documents in total were recorded in the system since its inception. 600,000 risky transactions were prevented. The ratio of e-invoices, which was 20% back when the system was established, reached 44% today. The uptrend in the use of e-invoices is ongoing.

The number of e-documents averaged:

- 35% at year-end 2015,
- 45% at year-end 2016,
- 43% at year-end 2017
- 44% at year-end 2018, 55% based on amount.

QUANTITY AND RATIO OF DOCUMENTS BY TYPE

Document Type	Quantity	Average Amount on Documents (TL thousand)	Quantity Ratio (%)
e-Archives	268,066	12	5
e-Invoices	1,914,507	48	39
Printed Documents	2,828,974	27	56
Grand Total	5,011,547	34	100

QUANTITY AND RATIO BY CATEGORY ^(*)

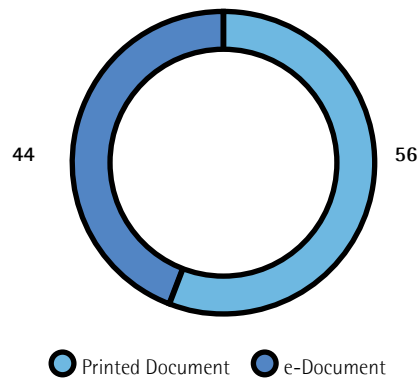
Category	Quantity	Amount (TL thousand)	Average Amount on Documents (TL thousand)	Quantity Ratio (%)	Amount Ratio (%)
Exports	290,104	31,917,326	110	6	19
Imports	3,436	1,969,788	573	0	1
Domestic	4,718,007	136,660,812	29	94	80
Grand Total	5,011,547	170,547,927	34	100	100

^(*) Total of banks and factoring companies.

INTEGRATION WITH THE REVENUE ADMINISTRATION FACILITATED VERIFICATION OF 2.2 MILLION E-DOCUMENTS.

Thanks to integration with the RA, e-invoices entered into the system since inception of the RRC are being verified from the RA. This integration facilitated verification of 2.2 million e-invoices and e-archive documents in 2018.

2018 - # OF TRANSFERS (TYPE OF DOCUMENT) (%)



EXPORT FACTORING ACCOUNTS FOR 19% OF TOTAL TURNOVER

Foreign trade serves as a significant leverage for the national economy. Within this framework, factoring companies take under providing guarantee for uncollateralized receivables of exporters from abroad via 400 correspondents in 90 countries under correspondent factoring, and offers credit insurance service for buyers in 238 countries via credit insurance companies including Turk Eximbank's credit insurance policy. The share the sector gets from exports reached 7%.

Turkey is one of the world leaders in export factoring.

RRC IS HEADED TOWARDS BECOMING A DATA WAREHOUSE

As a live system, RRC is subject to constant developments. In the second phase of the initiative, payment instruments associated with the taken-over receivable documents also began to be recorded in the system.

With 58 factoring companies and 23 banks that became part of the system, a significant data pool is created, which covers invoices, similar receivable documents and associated payment instruments and collection notifications in the sector.

In order to meet the reporting needs of RRC-user companies on their own data, data analyses studies on the basis of user banks, factoring companies and sectors were completed and launched for access in 2018.

RECEIVABLE RECORDING CENTRAL (RRC) – COLLATERAL REGISTRY SYSTEM FOR MOVABLE PROPERTY (CRSMP) INTEGRATION

On 18 December 2017, a protocol was signed between the Ministry of Trade and AFI for the integration of Receivable Recording Central (RRC) and the Collateral Registry System for Movable Property (CRSMP).

CRSMP system is used to register, amend and cancel mortgage agreements, to transfer pledged movable property and the right of mortgage, and to register the right to move a subordinated mortgage up to higher priority ranks, to inquire about the registered matters and to create documents pertaining to the same.

The following will be enabled by the integration between RRC and CRSMP, where data -including invoice information- pertaining to the receivables that factoring companies and banks take over under the Law no. 6361 are recorded:

- RRC members will be able to simultaneously and electronically inquire pledged receivables, which are registered with the Chattel Mortgage Registry by the Ministry, based on criteria to be set according to types of receivable documents, to find out whether a given receivable was previously pledged in part or in whole;
- Similarly, CRSMP users will be able to simultaneously inquire electronically the information regarding pledges of receivables that are registered with the RRC to find out whether a given receivable has been previously subject to transfer in part or in whole.
- Moreover, members will be able to access the CRSMP system via RRC, and to perform mortgage procedures under the Law no. 6750 (the Law no. 6750 dated 20 October 2016 concerning the Chattel Mortgage in Commercial Transactions).

The integration between RRC and CRSMP is planned to go live in 2019.

IN ORDER TO MEET THE REPORTING NEEDS OF RRC-USER COMPANIES OF THEIR OWN DATA, DATA ANALYSES STUDIES ON THE BASIS OF USER BANKS, FACTORING COMPANIES AND SECTORS WERE COMPLETED AND LAUNCHED FOR ACCESS IN 2018.

DIGITAL TRANSFORMATION AT AFI

Aiming to upgrade the work processes and products of factoring, which is a valuable financial instrument in trade finance in today's digitalized world, AFI decided to augment its contribution to this process and thus initiated the Private Integrator Project.

Upon being published in the Revenue Administration's List of Private Integrators, the Factoring Commercial Enterprise organized under the AFI became an e-invoice private integrator.

Within the scope of the Private Integrator Project, the Factoring Commercial Enterprise became an authorized integrator for:

- Providing Custodian Service on 28 July,
- e-archive on 12 September, and
- e-books (of account) on 5 October.

END-TO-END SERVICE IN DIGITAL TRANSFORMATION IS UNDER THE AFI ASSURANCE

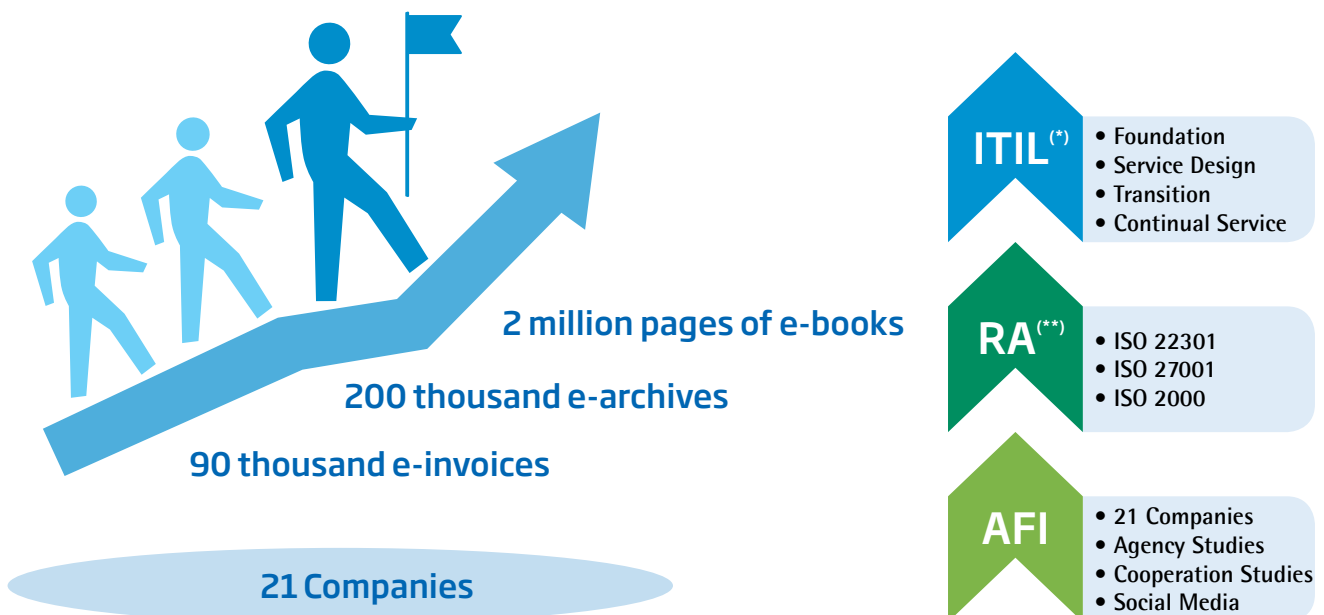
The Factoring Commercial Enterprise began providing the companies with e-transformation applications, which save labor, time and cost, enhancing total quality and making financial data accessible electronically, all under the AFI assurance.

E-invoice and e-archive applications take the lead among the Private Integrator-supplied services, which are critical for recording the economy. The e-invoice service provided by the Factoring Commercial Enterprise in its capacity as a Private Integrator lets companies work more easily and faster with a much more reliable system.

E-books (of account) application is another important phase of the digital transformation process. This application enables the preparation of journals and ledgers, which are compulsory to be kept, to be prepared and printed in electronic file format in compliance with all regulatory and technical requirements, guaranteeing their inalterability, integrity and authenticity, thus allowing them to be used as proof before relevant parties. E-books (of account) is a system that keeps all financial data of organizations secure, while also facilitating reporting and analyses.

In addition, all e-invoices, e-archive and e-books (of account) records received/sent from/to the Factoring Economic Enterprise Private Integrator can be retained on this platform throughout the legally prescribed period of time.

End-to-end e-transformation service is furnished to establishments with the e-invoice, e-archive and e-custody applications provided under the AFI roof. An infrastructure is built for companies wishing to carry their business processes to the digital environment, which will allow them to register with the AFI e-portal via fkb.org.tr and digitalize all their processes.



(*) ITIL: Information Technology Infrastructure Library

(**) RA: Revenue Administration

TRADE CHAIN FINANCE SYSTEM

While the procedures documenting trade are being digitized, the AFI developed yet another project designed to digitize the environments on which these procedures are performed.

Particularly powerful buyers controlling an extensive supply chain to secure the continuation of their activities deem it as a necessity for their suppliers, mostly populated by the SMEs, to have a financially solid structure so that their own operations can run uninterruptedly.

Therefore, such buyers make use of their own credibility to support their suppliers, which have limited access to financing.

A tender was carried out for firms that would undertake to provide the demanded platform as instructed by the independent auditor for a project to be designed in line with the objectives described above. The contract was awarded to Cybersoft, which quickly completed the first phase of the system which became live in 2018 and some factoring companies became members of the system.

This IT platform that was launched in 2018 structures the "Trade Chain Finance System" so as to cover all factoring products including the Supply Chain Finance.

This will allow digitalization of all financial services of the AFI that are based on receivable assignment, while also facilitating the achievement of the targeted expansion of the "Supply Chain Finance" system in Turkey, which has a high growth potential in the world and gives the SMEs access to low-cost financing.

FINANCIAL LEASING CONTRACT REGISTRATION SYSTEM

In keeping with the duty delegated by Article 22 of the Financial Leasing, Factoring and Financing Companies Law no. 6361, a Financial Leasing Contracts Registration System was established before the AFI. The Circular on the Contract Registration System was approved by the BRSA and entered into force upon its publication on the AFI website on 9 February 2015.

The System, which will be kept fully on the electronic environment, is created by the Central Registry Agency (MKG) and is being operated by the MKG on behalf of the AFI.

The contracts, which are electronically signed, are being entered into the system by financial leasing companies, participation investment and development banks, and can be retrieved 24/7 bearing the Registered Document time stamp. At present, the system users include 24 financial leasing companies, six participation banks, three investment banks and two development banks.

The system can be accessed from the screen and through Institutional Integration (web service), and third parties are able to inquire about the leased goods.

STATISTICAL DATA ON CONTRACT REGISTRATION

Year	Number of Registered Contracts	Total Amount in Registered Contracts (TL billion)
2015	21,426	17.4
2016	24,880	21.4
2017	25,377	25.6
2018	16,225	20.9

Pursuant to a decision adopted by the Financial Leasing Sector Board, a sapling is donated for each contract registered and activated under a protocol signed between the AFI and the Directorate General of Forestry.

Within the scope of the protocols executed with İstanbul Regional Directorate of Forestry, 23,125 saplings were planted for 23,125 financial leasing contracts financed in 2015 and 23,751 saplings were planted for 23,751 financial leasing contracts financed in 2016. Subsequently, necessary steps were completed for creating the AFI - Financial Leasing Memorial Forest.

The Financial Leasing Sector Board is determined to perpetuate this important social responsibility initiative in the future.

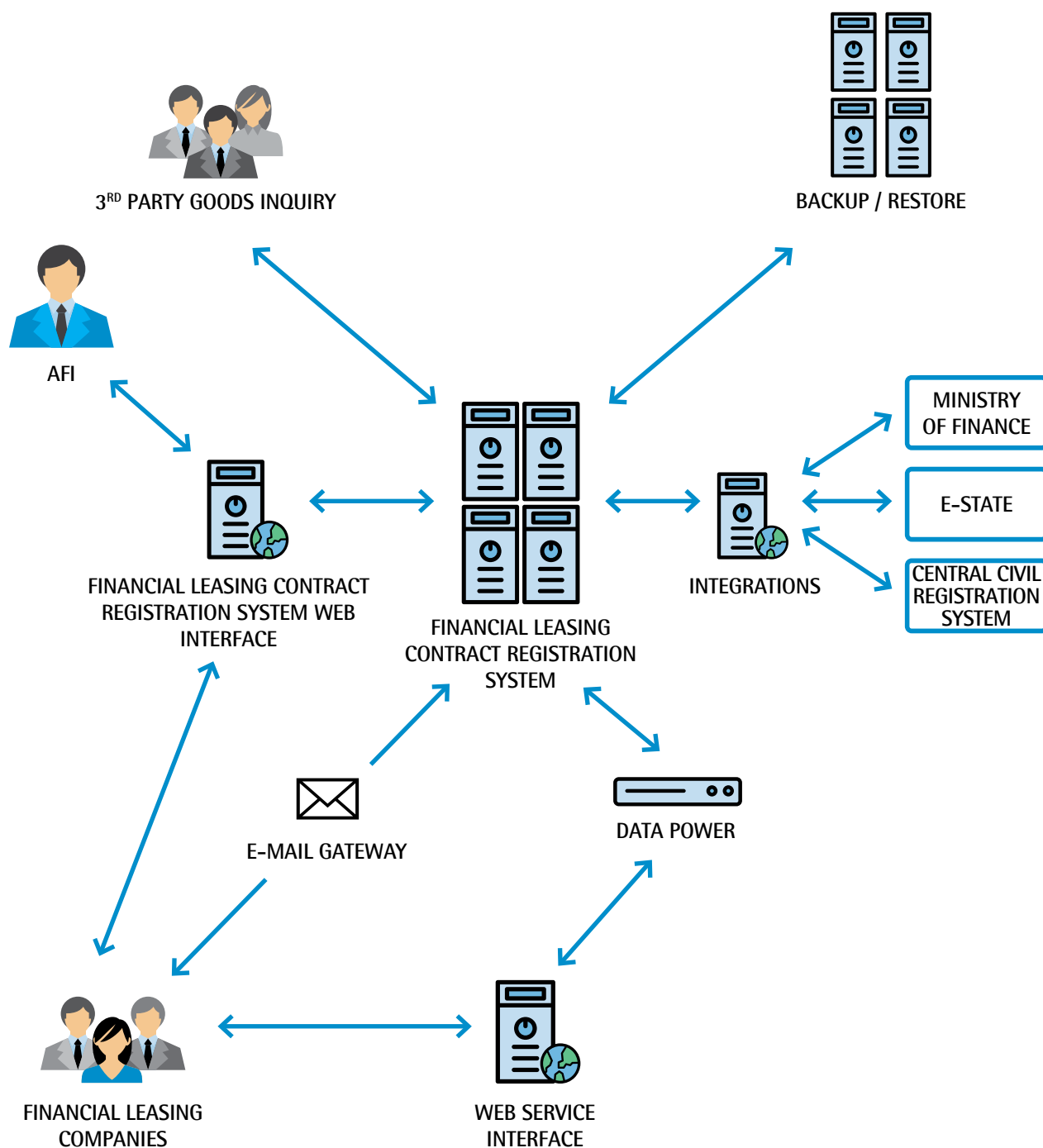
REGISTER FOR LEASING TRANSACTIONS PROVIDED BY NON-RESIDENT FINANCIAL LEASING COMPANIES TO RESIDENT COMPANIES

In keeping with the duty delegated thereto by Article 21 of the Law no. 6361, financial leasing contracts where the financial leasing company is a non-resident and the lessee is a resident, are being registered by the AFI as per the Circular that went into force on 31 July 2013 upon its approval by the BRSA. These contracts generally deal with aircraft.

STATISTICAL DATA ON CROSS-BORDER FINANCIAL LEASING CONTRACTS

Year	Cost of Goods (USD billion)	Total Leases (USD billion)
From 31 July 2013		
2014	3.44	2.58
2015	5.07	4.08
2016	4.75	4.00
2017	2.93	2.50
2018	1.77	1.54

THE ARCHITECTURE OF THE FINANCIAL LEASING CONTRACT REGISTRATION SYSTEM



2018 ACTIVITIES

DEVELOPMENTS CONCERNING THE MEMBERS

Enka Finansal Kiralama A.Ş.: Operating license is revoked by BRSA decision no 7838 dated 31 May 2018 based on the Company's request.

Berg Faktoring A.Ş.: Operating license is revoked by BRSA decision no 8091 dated 15 November 2018 based on the Company's request.

Eren Faktoring A.Ş.: Operating license is revoked by BRSA decision no 8226 dated 1 February 2019 based on the Company's request.

Merkez Faktoring A.Ş.: Operating license is revoked by BRSA decision no 8242 dated 15 February 2019 based on Article 50 paragraph (1), clauses (c) and (e) of the Law on Financial Leasing, Factoring and Financing Companies.

Ziraat Finansal Kiralama A.Ş.: Operating license is revoked by BRSA decision no 8276 dated 28 February 2019 based on the Company's request.

Tradewind Faktoring A.Ş.: Operating license is issued by BRSA decision no 8256 dated 21 February 2018, BRSA decision no 7865 dated 28 June 2018 and in accordance with Article 7 of the Law on Financial Leasing, Factoring and Financing Companies, numbered 6361 and Article 5 paragraph 2 of Communiqué on Establishment and Operation Principles of Financial Leasing, Factoring and Financing Companies

MEMBER MEETINGS

Date	Description	Sector
8 January	RRC Members Meeting	Factoring
9 January	Financial Crimes Investigation Board Committee	Factoring
9 January	RRC Members Meeting	Factoring
10 January	A Bank RRC Technical Meeting	Factoring
15 January	Burgan Bank RRC Technical Meeting	Factoring
17 January	RRC Members Meeting	Factoring
18 January	Leasing Sector Representatives Board Meeting	Leasing
18 January	AFI Board of Directors Meeting	AFI
18 January	Factoring Sector Representatives Board Meeting	Factoring
18 January	Financing Sector Representatives Board Meeting	Financing
19 January	Supply-Chain Finance Training Meeting	Factoring
22 January	RRC Analysis Team Meeting	Factoring
23 January	Supply-Chain Finance Training Meeting	Factoring
24 January	RRC Analysis Meeting	Factoring
25 January	RRC Members Meeting	Factoring
26 January	RRC Members Meeting	Factoring
3 February	Legal Committee	Factoring
3 February	Supply-Chain Finance Legal Meeting	Factoring
3 February	Supply-Chain Finance Introductory Meeting	Factoring
6 February	Legal and Operational Committees (Studies on the Resolution No. 32)	Financing
6 February	IT Safe/Private Integrator Audit Meeting	Factoring
6 February	Financial Affairs Committee (Studies on the Resolution No. 32)	Financing

Date	Description	Sector
7 February	Leasing Sector Representatives Board Meeting	Leasing
7 February	Meeting of General Managers	Leasing
7 February	Legal and Compliance Committees (Studies on Income Based Credit Model)	Financing
7 February	Legal Committee	Factoring
9 February	Legal Committee (Studies on the Resolution No. 32)	Financing
13 February	Internal Audit and Internal Control Working Committees Meeting	Leasing
13 February	Asset Managers Meeting	Leasing
15 February	Perception Committee and Corporate Communications Committee	Factoring
15 February	Legal Committee (Studies of Amendments to the Bankruptcy Law and Omnibus Bill)	Financing
15 February	Factoring Sector Representatives Board Meeting	Factoring
15 February	Factoring Sector Meeting	Factoring
16 February	Anadolu Bank RRC Technical Meeting	Factoring
16 February	Legal Working Committee (Studies on the Amendments to the Bankruptcy Law)	Leasing
19 February	Legal Working Committee (Studies on the Amendments to the Bankruptcy Law)	Leasing
21 February	Financial Affairs Committee (Studies on Amendments to the Accounting Regulation)	Financing
22 February	Financing Sector Representatives Board Meeting	Financing
23 February	Legal and IT Committees (Studies on the Information System Security Regulation)	AFI
23 February	RRC Analysis Team Meeting	Factoring
28 February	Legal and IT Committees (Studies on the Information System Security Regulation)	AFI
1 March	Perception Committee and Corporate Communications Committee	Factoring
6 March	Legal Committee (Studies on the Resolution No. 32)	Financing
6 March	Supply-Chain Finance Analysis Meeting	Factoring
7 March	Supply-Chain Finance Analysis Meeting	Factoring
9 March	Financial Crimes Investigation Board Committee	Factoring
15 March	Leasing Sector Representatives Board Meeting	Leasing
15 March	Financing Sector Representatives Board Meeting	Financing
15 March	Factoring Sector Representatives Board Meeting	Factoring
16 March	RRC Members Meeting	Factoring
19 March	Legal Committee (Studies on the Resolution No. 32)	Financing
19 March	Şeker Bank/RRC Meeting	Factoring
20 March	Operational Committee (Meeting About the Recent Developments in the Sector)	Financing
20 March	Turkish Bank/RRC Meeting	Factoring
21 March	Halk Faktoring/Supply-Chain Finance Meeting	Factoring
22 March	RRC Analysis Team	Factoring
23 March	Legal Committee (Studies on the Resolution No. 32)	Financing
26 March	Legal Committee (Studies on the Resolution No. 32)	Financing
26 March	Legal Committee	Factoring
26 March	Odeabank/RRC Meeting	Factoring
29 March	Legal Committee Meeting	Leasing
29 March	Operational Committee Meeting	Leasing
3 April	Leasing Sector Representatives Board Meeting	Leasing
3 April	Meeting of General Managers	Leasing
3 April	GSD Faktoring/Uyumsoft Private Integrator Meeting	Factoring
6 April	Securities Meeting	Factoring

Date	Description	Sector
9 April	Anadolu Bank/RRC Technical Meeting	Factoring
10 April	Internal Control Committee (Meeting About the Recent Developments in the Sector)	Financing
10 April	RRC Meeting	Factoring
11 April	RRC Members Meeting	Factoring
12 April	Operational Committee (Meeting About the Recent Developments in the Sector)	Financing
17 April	Financial Affairs Committee (Meeting About the Recent Developments in the Sector)	Financing
17 April	Supply-Chain Finance Agreement Meeting	Factoring
19 April	Financing Sector Representatives Board Meeting	Financing
19 April	Factoring Sector Representatives Board Meeting	Factoring
19 April	Factoring Sector Meeting	Factoring
26 April	RRC Training Meeting	Factoring
26 April	Supply-Chain Finance/RRC Introductory Meeting	Factoring
30 April	Legal Committee (Studies on Capital Movements Circular)	AFI
3 May	Deutsche Bank RRC Technical Meeting	Factoring
3 May	Kuveyt Türk RRC Technical Meeting	Factoring
4 May	Legal Committee	Factoring
10 May	Legal and Operational Committees (Studies on the Resolution No. 32; Discussion on the Problems that May Occur During the Usage of the Foreign Currency Loan)	Financing
10 May	RRC Members Meeting	Factoring
11 May	Financial Crimes Investigation Board Committee	Factoring
15 May	Operational Committee (Meeting About the Recent Developments in the Sector)	Financing
16 May	Member Private Integrator Meeting	Factoring
17 May	Leasing Sector Representatives Board Meeting	Leasing
17 May	Financing Sector Representatives Board Meeting	Financing
17 May	Factoring Sector Representatives Board Meeting	Factoring
17 May	AFI Board of Directors Meeting	AFI
22 May	Financial Affairs Committee (Meeting About the Recent Developments in the Sector)	Financing
25 May	Financial Affairs Committee	Factoring
25 May	Introductory Meeting on Capital Movements	Factoring
1 June	Member Private Integrator Meeting	Factoring
4 June	Software Meeting	Factoring
7-8 June	Legal and IT Committees (Studies Regarding Draft Member Audit Circular Prepared by the Risk Center)	AFI
8 June	Member Software Company/Private Integrator Meeting	Factoring
11 June	Member/Private Integrator Meeting	Factoring
18 June	Operational Committee (Meeting About the Recent Developments in the Sector)	Financing
20 June	Supply-Chain Finance Meeting	Factoring
21 June	Lawyers Meeting	Factoring
21 June	Factoring Sector Representatives Board Meeting	Factoring
22 June	RRC Reporting Meeting	Factoring
23 June	Legal Committee	Factoring
27 June	AFI Certificate Program Graduation Ceremony	AFI
28 June	Financing Sector Representatives Board Meeting	Financing
28 June	Meeting with the Participation Banks Association of Turkey	Factoring
29 June	Factoring Software Meeting	Factoring
3 July	Legal Assessment Meeting of Leasing Credit Bureau Project with the Participation of Relevant Party Lawyers	Leasing

Date	Description	Sector
5 July	Perception Committee and Corporate Communications Committee	Factoring
6 July	GSD Bank Private Integrator Meeting	Factoring
10 July	Internal Control Committee (Meeting About the Recent Developments in the Sector)	Financing
10 July	Software Meeting	Factoring
12 July	Bank of Tokyo/Credit Bureau of Turkey RRC Technical Meeting	Factoring
12 July	Leasing Sector Representatives Board Meeting	Leasing
12 July	Meeting of General Managers	Leasing
12 July	Operational Committee (Meeting About the Recent Developments in the Sector)	Financing
12 July	Factoring Sector Representatives Board Meeting	Factoring
17 July	Financial Affairs Committee (Studies on the Development of Statistical Reports)	Financing
18 July	Credit Bureau of Turkey's Assessment Meeting of Core Leasing Software with the Participation of Company Representatives	Leasing
19 July	AFI Board of Directors Meeting	AFI
19 July	Financing Sector Representatives Board Meeting	Financing
24 July	Fibabank/Credit Bureau of Turkey RRC Technical Meeting	Factoring
26 July	Leasing Credit Bureau Project Opening Meeting	Leasing
6 August	Legal Committee (Credit Installment Limitation Studies)	Financing
7 August	Lawyers Meeting	Factoring
7 August	KRM Meeting	Factoring
9 August	Rabobank/RRC Introductory Meeting	Factoring
10 August	Member/Uyumsoft Private Integrator Meeting	Factoring
15 August	Halkbank Meeting	Factoring
10 September	Leasing Sector Representatives Board Meeting	Leasing
10 September	Legal Committee	Factoring
12 September	Legal Committee (Studies on Restructuring Law Draft)	Financing
12 September	RRC Analysis Team Meeting	Factoring
13 September	Operational Committee (Meeting About the Recent Developments in the Sector)	Financing
17 September	Meeting of General Managers	Leasing
18 September	Financial Affairs Committee (Meeting About the Recent Developments in the Sector)	Financing
18 September	RRC Members Meeting	Factoring
20 September	Leasing Sector Representatives Board Meeting	Leasing
20 September	AFI Board of Directors Meeting	AFI
20 September	Financing Sector Representatives Board Meeting	Financing
27 September	Meeting on Canceling, Suspending or Resuming Options about the Leasing Credit Bureau Project with Kasım Akdeniz, General Manager of Credit Bureau of Turkey	Leasing
2 October	Personal Data Protection Agency (PDPA) Working Committee (Studies on Best Practices Guidelines for Financing Companies Personal Data Protection Law (PDPL))	Financing
2 October	RRC Members Meeting	Factoring
9 October	Legal Committee	Factoring
10 October	Legal Committee (Studies on the Resolution No. 32)	Financing
11 October	Operational Committee (Meeting About the Recent Developments in the Sector)	Financing
15 October	Meeting with Financial Affairs and Operations Executives	Leasing

2018 ACTIVITIES

MEMBER MEETINGS

Date	Description	Sector
15 October	Financial Crimes Investigation Board Committee -Compliance Committee (Studies on Best Practices Guidelines for Financing Companies Personal Data Protection Law (PDPL))	Financing
16 October	Financial Affairs Committee (Meeting About the Recent Developments in the Sector)	Financing
16 October	Legal Committee	Factoring
16 October	Member/Uyumsoft Private Integrator Meeting	Factoring
17 October	RRC Analysis Team Meeting	Factoring
18 October	Meeting with Legal Counsels	Leasing
18 October	Financing Sector Representatives Board Meeting	Financing
21 October	Financial Affairs Committee	Factoring
24 October	Financial Affairs Committee (Meeting About the Recent Developments in the Sector)	Financing
24 October	RRC Members Meeting	Factoring
25 October	Meeting with Financial Affairs Managers	Leasing
30 October	Personal Data Protection Law (PDPA) Working Committee (Studies on Best Practices Guidelines for Financing Companies Personal Data Protection Law (PDPL))	Financing
31 October	Legal and IT Committees (Studies on the Information System Security Regulation)	Financing
31 October	Financial Affairs Committee (Studies on Financial Reports)	Financing
31 October	Working Meeting with the BRSA on the Information Security Communiqué Draft	Leasing
2 November	Legal Committee (Meeting About the Recent Developments in the Sector)	Financing
2 November	VakıfBank RRC Introductory Meeting	Factoring
5 November	Meeting on Structuring Foreign Currency Transactions Made in the Past	AFI
5 November	Factoring Sector Representatives Board Meeting	Factoring
9 November	Central Software Meeting	Factoring
12 November	Leasing Sector Representatives Board Meeting	Leasing
12 November	Personal Data Protection Law (PDPA) Working Committee (Studies on Best Practices Guidelines for Financing Companies Personal Data Protection Law (PDPL))	Financing
12 November	Joint Meeting of Financial Affairs and Legal Executives on Restructuring	Leasing
12 November	Financial Affairs Committee and Legal Committee (Studies on Capital Movements Circular)	Financing
12 November	Financing Sector Representatives Board Meeting	Financing
12 November	Factoring Sector Meeting	Factoring
12 November	VakıfBank RRC Introductory Meeting	Factoring
15 November	Member/Uyumsoft Private Integrator Meeting	Factoring
19 November	Operational Committee (Meeting About the Recent Developments in the Sector)	Financing

Date	Description	Sector
20 November	Financial Affairs Committee (Meeting About the Recent Developments in the Sector)	Financing
21 November	2019 Budget Assessment Meeting	AFI
21 November	RRC Analysis Team Meeting	Factoring
22 November	AFI Board of Directors Meeting	AFI
22 November	Meeting with the Members of the Board of Directors of the Construction Machinery Manufacturers Association (IMDER)	Leasing
22 November	Factoring Sector Representatives Board Meeting	Factoring
26 November	Legal Committee	Financing
27 November	Personal Data Protection Law (PDPA) Working Committee (Studies on Best Practices Guidelines for Financing Companies Personal Data Protection Law (PDPL))	Financing
27 November	Legal Committee	Factoring
27 November	Supply-Chain Finance Analysis Meeting	Factoring
28 November	Financial Affairs Committee	Factoring
3 December	Software Meeting	Factoring
6 December	Factoring Sector Meeting	Factoring
10 December	Legal Committee Meeting	Leasing
12 December	Meeting of General Managers and New Year Dinner	Leasing
12 December	Member/Uyumsoft Private Integrator Meeting	Factoring
13 December	Personal Data Protection Law (PDPA) Working Committee (Studies on Best Practices Guidelines for Financing Companies Personal Data Protection Law (PDPL))	Financing
13 December	Operational Committee	Financing
18 December	Financial Affairs Committee	Financing
20 December	Leasing Sector Representatives Board Meeting	Leasing
20 December	AFI Board of Directors Meeting	AFI
20 December	Financing Sector Representatives Board Meeting	Financing
21 December	Legal Committee Meeting	Leasing
25 December	Personal Data Protection Law (PDPA) Working Committee (Studies on Best Practices Guidelines for Financing Companies Personal Data Protection Law (PDPL))	Financing

MEETINGS WITH PUBLIC INSTITUTIONS

Date	Description	Sector
4 January	Notaries Union RRC / CRSMP Integration Meeting	Factoring
15 January	Ministry of Customs and Trade / RRC/CRSMP Meeting	Factoring
12 February	Visit to the Central Bank of Turkey	AFI
27 February	Visit to the Vice Chairman of the BRSA Necati Kocaman regarding the Income Based Credit Model	Financing
7-9 March	Participation to the Eurofinas Meetings in Brussels	Financing
20 March	Our Urgent Requests on Tax Laws were submitted to the Chairman and the executives of the Revenue Administration	Leasing
20 March	In the meeting made with the Treasury Undersecretary Osman Çelik and Treasury Executives, our requests for the Resolution No. 32 and Treasury Backed Credit Guarantee Fund (CGF) Guarantees were submitted.	Leasing
22 March	In the meeting held at the Banks Association of Turkey with the participation of the Central Bank of Turkey, Treasury and Bank Representatives, our requests for the Resolution No. 32 were submitted.	Leasing
28 March	Visit to the Central Bank of Turkey and the Undersecretariat of Treasury regarding the Resolution No. 32	AFI
30 March	Visit to the Vice Chairman of the BRSA Necati Kocaman regarding the Resolution No. 32	Financing
5 April	Meeting with the Executives of the Banks Association of Turkey	Factoring
6 April	Meeting with the BRSA	AFI
	1. New Audit Framework of Risk Center	
	2. AFI Information Systems and Data Security Communiqué	
	3. AFI Reports	
	4. Recommendations on TFRS 9 in the Accounting Regulation	
17 April	Ministry of Customs and Trade/CRSMP Integration Meeting	Factoring
3 May	Meeting with the BRSA Auditors about our Sector	Leasing
4 May	Ankara Meetings about RUSF, Stamp Duty and Karabük Agreement (Revenue Administration, Capital Markets Board, Tax Audit Agency, Ministry of Industry Organized Industry Zones Directorate)	AFI

Date	Description	Sector
14 May	Meeting about the Capital Movements Circular with the CBRT Executives at the Risk Center	AFI
15 May	Visit to the Central Bank of Turkey	Factoring
15 May	Supreme Court and Incentive Application Interviews	Leasing
23 May	Participation to Leaseurope Statistics Committee	Leasing
24 May	Participation to Leaseurope General Secretaries Meeting	Leasing
25 May	Participation to Eurofinas LPC Meeting	Financing
28 May	Visit to the Central Bank of Turkey	Factoring
30 May	Meeting at the BRSA about our Views on the Risk Center Circular Draft	AFI
7 June	Meeting with AFI Members on Amendment in the Risk Center Member Audit Circular	AFI
12 June	Participation to Eurofinas Board of Directors Meeting	Financing
3 July	Meeting with the BRSA	Factoring
9-13 July	Meeting with the BRSA Representatives on the Risk Center Member Audit Circular	AFI
18 July	Introductory Meeting at the BRSA on Leasing Credit Bureau Project	Leasing
19 July	Notaries Union/CRSMP Integration Meeting	Factoring
7 August	Visit to the BRSA Vice Chairman Necati Kocaman about the limitation of credit installments	Financing
8 August	Meetings of the Chairman and the Secretary General with Deputy Minister Bülent Aksu in Istanbul	Leasing
14 September	Meetings with the executives of the Central Bank of Turkey and the Undersecretariat of the Treasury about the Amendment to the Decree No 32	Leasing
18 September	Financial Restructuring Working Committee Meeting at the Banks Association of Turkey	AFI
28 September	At the meeting with the Chairman of the Capital Markets Board Ali Fuat Taşkesenlioğlu, the requests of our sectors about the Capital Markets Board were submitted.	AFI
2 October	Nigerian State Officials Visiting us with the Reference of BRSA were informed about our Sectors.	AFI
5 October	Participation to Leaseurope's Annual Meeting held in Venice	Leasing
8-9 October	FCI-EBRD-AFI International Conference	Factoring
10 October	HPD and NOVABASE Introductory Meeting	Factoring
12 October	Presentation of AFI's Regulatory Requests to BRSA Representatives	AFI

2018 ACTIVITIES

MEETINGS WITH INTERNATIONAL AND ASSOCIATED ORGANIZATIONS

Date	Description	Sector
12 October	Meeting with the Deputy Minister of Treasury and Finance, Osman Dinçbaş, regarding the Priority Issues of AFI	AFI
19 October	Meeting on the Resolution No. 32 at the Undersecretariat of Treasury	Leasing
24 October	Introducing Sectors to the Undersecretariat of Treasury Officers	AFI
2 November	Meetings with the Revenue Administration and the Undersecretariat of Treasury	AFI
5 November	Meeting with the Executives of Automotive Distributors Association (ODD), Automotive Authorized Dealers Association (OYDER) and Automotive Industry Association (OSD)	Financing
9 November	Meeting with the BRSA executives	Factoring
14 November	Meeting with the BRSA Regulatory Office executives	AFI
16 November	Introductory Meeting on the Priority Issues of Our Sectors with the Deputy Minister of Treasury and Finance Bülent Aksu	AFI
20 November	Meeting with the BRSA executives	Factoring

Date	Description	Sector
30 November	Meeting with the Chairman of the Uzbekistan Leasing Union	Leasing
4 December	Participation in the Activities of the Parliamentary Budget Commission	AFI
6 December	Visit to the Vice Chairman of the BRSA Muhammed Mustafa Cerit about the Information Technology Communiqué	AFI
6 December	Meeting at the BRSA on the Information Systems Communiqué Draft	AFI
12 December	Prof. Dr. Hakan Pekcanitez's Conference at AFI on Concordatum	AFI
20 December	Presentation about Leasing to the Central Bank of Ethiopia Executives at the BRSA	Leasing
20 December	Joint New Year Dinner with BRSA Executives	AFI

ATTENDED OR SPONSORED CONFERENCES AND MEETINGS ORGANIZED

Date	Description	Sector
11 January	Credit Bureau of Turkey/RRC Technical Meeting	Factoring
14 January	Meeting with the representatives of the World Bank and the Union of Chambers and Commodity Exchanges of Turkey (TOBB) about the World Bank's Doing Business Project	AFI
23 January	Credit Bureau of Turkey/RRC Technical Meeting	Factoring
25 January	Meeting at the Istanbul Chamber of Commerce on Leasing Support for Construction Sector (broadcast live on Habertürk TV)	Leasing
8 February	Meeting about the Brand Awareness of AFI	AFI
9 February	Banks Association of Turkey - Personal Data Protection Law (PDPL) Panel	AFI
9 February	Personal Data Protection Panel	AFI
12 February	Meeting at the Central Bank of Turkey on the Resolution No. 32	AFI
20 February	AFI Press Meeting	AFI
21 February	FCI Meeting	Factoring
28 February	Banks Association of Turkey - TFRS 9 Seminar	Factoring
6 March	Integrator/e-Book Meeting	Factoring
6 March	Meeting with the Islamic Development Bank Executives	Factoring
6 March	Meeting with the Islamic Development Bank Executives	Leasing
8 March	Credit Bureau of Turkey/Core Factoring Software	Factoring
15 March	Credit Bureau of Turkey/RRC Meeting	Factoring
16 March	Credit Bureau of Turkey/RRC Meeting	Factoring
26 March	Meeting with the Presidents of the Chambers in Adana as part of the Leasing Sector's Anatolian Meetings (broadcast live on Habertürk TV)	Leasing

Date	Description	Sector
28 March	Credit Bureau of Turkey/RRC Meeting	Factoring
5 April	KPMG - Introductory Meeting About Risk Center Applications	AFI
5 April	Meeting on the Resolution No. 32 at the Risk Center	AFI
18 April	"Strong and Secure Tomorrows with SMEs" Meetings/Çerkezköy	Factoring
27 April	Personal Data Protection Law (PDPL) - AFI Joint Workshop	AFI
8 May	Quick Financial Solutions for SMEs with Trade Finance	Factoring
9 May	AFI 6 th Ordinary General Assembly	AFI
14 May	FATF 4 th Round Mutual Evaluation of Turkey Meeting with the Financial Crimes Investigation Board Committee	AFI
29 May	Uyumsoft/Private Integrator Process Meeting	Factoring
29 May	Uyumsoft/Private Integrator Technical Meeting	Factoring
31 May	Uyumsoft/Private Integrator Process Meeting	Factoring
1 June	Credit Bureau of Turkey and Lawyers Meeting	Factoring
5 June	FCI Meeting	Factoring
7 June	Turkish Capital Markets Congress Contents Sub Committee Meeting	AFI
8 June	Meeting with the AFI Members on Amendment to the Risk Center Member Audit Circular	AFI
10-15 June	FCI Meeting	Factoring
20 June	"Strong and Secure Tomorrows with SMEs" Meetings/Konya	Factoring
20 June	Turkish Capital Markets Congress Contents Sub Committee Meeting	AFI

ATTENDED OR SPONSORED CONFERENCES AND MEETINGS ORGANIZED

Date	Description	Sector
26 June	The Institute of Internal Auditing - Turkey Introductory Meeting	AFI
2 July	IT Safe/ISO Audit Meeting	Factoring
2 July	Meeting with the Leasing Credit Bureau Project Manager PwC Executives	Leasing
3 July	Uyumsoft/Private Integrator Process Meeting	Factoring
3 July	Uyumsoft/Private Integrator Process Meeting	Factoring
4 July	CyberSoft-RRC Integration Meeting	Factoring
4 July	Kuveyt Türk/Supply-Chain Finance Meeting	Factoring
16 July	IT Safe/Plekom Meeting	Factoring
25 July	The Banks Association of Turkey Risk Center Vision and Strategy Development Meeting	AFI
26 July	New Trends in Trade Finance Seminar	Factoring
27 July	Demica Meeting	Factoring
30 July	IT Safe ISO Audit Process Meeting	Factoring
1 August	Kalitest Audit	Factoring
1 August	Turkish Notaries Union ARTES Project Introductory Meeting	Financing
2 August	Kalitest Audit	Factoring
6 August	Visit to the Chairman of the Turkish Exporters Assembly İsmail Güle to Congratulate Him on His New Post	AFI
14 August	Credit Bureau of Turkey/ISO Audit	Factoring
15 August	The Banks Association of Turkey Corporate Bureau Working Committee Meeting	Financing
16 August	Private Integrators Meeting	Factoring
16 August	Assessment Meeting with the Banks Association of Turkey on the ARTES Project	Financing
17 August	Credit Bureau of Turkey/ISO Audit	Factoring
28 August	Financial Restructuring Working Committee Meeting at the Banks Association of Turkey	AFI
31 August	Central Software Meeting with Intertech	Factoring
3 September	Financial Restructuring Working Committee Meeting at the Banks Association of Turkey	AFI
12 September	Financial Restructuring Working Committee Meeting at the Banks Association of Turkey	AFI
26 September	Credit Bureau of Turkey Technical Meeting	Factoring
3 October	VakıfBank RRC Introductory Meeting	Factoring
4-5 October	Annual Congress Held by Eurofinas	Financing
22 October	"Strong and Secure Tomorrows with SMEs" Meetings/Antalya	Factoring
6 November	Meeting on Support Services Draft	Factoring
8 November	Private Integrators Board Meeting	Factoring
13-14 November	Turkish Capital Markets Conference	Financing

Date	Description	Sector
14 November	Financial Leasing and Factoring Training to the Students of Bahçeşehir University International Trade and Business Administration Department	Leasing and Factoring
15 November	Turkish Notaries Union ARTES Project Introductory Meeting	Financing
19 November	Financial Restructuring Working Committee Meeting at the Banks Association of Turkey	AFI
20 November	Deloitte Software Technologies Meeting	Factoring
23 November	Digital Invoice Meeting	Factoring
28 November	Türk Eximbank RRC Meeting	Factoring
3 December	Meeting with the MKK General Manager about the Hosting Service Fee for 2019	Leasing
11 December	Financial Crimes Investigation Board Committee Workshop	AFI
13 December	Faturampara Meeting	Factoring
13 December	Gri Ajans Meeting	Factoring
14 December	Supply-Chain Finance Advisory Meeting	Factoring
17 December	Divers Effect Agency Meeting	Factoring
18 December	Legislation Studies at the Capital Markets Board	AFI
19 December	"Strong and Secure Tomorrows with SMEs" Meetings/Gebze	Factoring
19 December	KPMG's Introductory Meeting on TFRS 16	Leasing
27 December	The Risk Center Control Goals Meeting	Leasing

2018 ACTIVITIES

PUBLICITY ACTIVITIES

Factoring is one of the key financial solution partners for giving access to financing to SMEs that make up 99% of the companies in Turkey and provide 75% of total employment.

Initiated in 2016 with the motive of familiarizing the SMEs in Anatolia with alternative financing resources and factoring, within the scope of the SME Strategy and Action Plan, the Anatolia Tour Project continued in 2018. In its third year, the project reached a large number of SMEs.

Similarly, Anatolia Meeting was organized in Adana within the scope of the project "Strong Tomorrows with Leasing and SMEs" for increasing the awareness on financial leasing sector in 2018. Factoring sector promotion meetings were realized in Çerkezköy, Bursa, Konya, Antalya and Gebze.

Coordinated by the AFI, these gatherings bring together all business stakeholders in trade finance and present suggested financial solutions that will guide the SMEs to the future. In these meetings, officials from the related Ministry, representatives from BRSA, Turkish Exporters Assembly, Credit Bureau of Turkey, Small and Medium Enterprises Development Organization of Turkey (KOSGEB), Eximbank, and AFI Chairman of the Board Mehmet Cantekin, AFI Deputy Chairman Ünal Gökmen at Financial Leasing gatherings, AFI Deputy Chairman Çağatay Baydar at Factoring gatherings, and sector representatives get together with the business and NGO stakeholders in the respective city.

The Governorship, Metropolitan Municipality, Chamber of Industry, Chamber of Commerce, Commodity Exchange, the related Development Agency, Exporters Unions and Organized Industrial Zones are represented at the highest level at these meetings that aim to look at the needs of SMEs from a broad perspective. In addition, cooperation is established with the universities, and one-on-one meetings are held with regional manufacturers and exporters.

The "Anatolia Tour" project is broadcast live either on Habertürk TV or A Haber, and the meeting deliverables are covered by Hürriyet or Sabah daily papers within the scope of the cooperation with media. Furthermore, interviews are given to local media in host cities, as well.

In view of specific financing needs of the cities, a great variety of topics are addressed in these meetings, ranging from new financing models to sustainable plans, from problems encountered in manufacturing, marketing and exports to future vision, from financial solutions in export to factoring, from new export opportunities to SME and exporter support, and from financial leasing to investment financing.

At the conference with "Turkey: Bridging the Continents" theme organized in cooperation with FCI, EBRD and AFI, approximately 200 participants got together with representatives from 22 countries.

FACTORING INDUSTRY PUBLICITY EVENTS FOR SMES

Publicity meetings introducing the factoring industry and new services offered to SMEs which are being organized since 2016 continued to be held in 2018 with "Strong and Secure Tomorrows with SMEs" theme in cooperation with Hürriyet and Bloomberg and with "Quick Financial Solutions for SMEs with Trade Finance" theme in cooperation with Sabah and A Para. In this context, events were held in Çerkezköy, Konya, Bursa, Antalya and Gebze.

Detailed information has been provided in the light of the latest economic developments, including access of SMEs to financing and the support programs available therefor, alternative funding, loans, insurance, guarantee services, borrowing instruments, trade finance and the like. These meetings provided one-to-one contact with public sector and local governments, chambers of industry and commerce, commodity exchanges, organized industrial zones, Turk Eximbank, provincial directorates, KOSGEB, universities, local and national media, manufacturing and exporting companies and outputs are shared with public through national media.

ÇERKEZKÖY MEETING – 18 APRIL 2018

The first one of the "Strong and Secure Tomorrows with SMEs" gatherings took place in Çerkezköy on 18 April 2018. Nearly 225 participants attended the event.

The meeting was coordinated by AFI and Çerkezköy Mayor Vahap Akay, Chairman of the Board of Directors of Çerkezköy Chamber of Commerce Süleyman Kozuva and Chairman of the Board of Directors of Çerkezköy Organized Industrial Zone Eyüp Sözdinler participated in the event as speakers. The meeting at which AFI Deputy Chairman Çağatay Baydar introduced the industry, received coverage in national and local media.

Çerkezköy

Çerkezköy, which had an economic structure dependent on agriculture in the 1970s, became one of the largest industrial centers of Trakya and Turkey. While textile industry is the largest component of Çerkezköy's industrial composition today, there are more than 450 industrial organizations in rubber, plastics, metalware, metal dyes, pharmaceuticals and automotive industry. There are more than 2,000 companies which are members of Chamber of Commerce and Industry and approximately 80 thousand people are employed by companies of various sizes in Çerkezköy, Veliköy, Kapaklı and Yalıboyu Organized Industrial Zones. Among Turkey's largest 1,000 exporting companies, 30 of them are from this region. Having export sales of USD 905 million in 2017, SMEs and industrial firms of Çerkezköy play an important role in Tekirdağ's total export of USD 2.2 billion.

BURSA MEETING – 8 MAY 2018

The first one of "Quick Financial Solutions for SMEs with Trade Finance" gatherings in 2018 took place in Bursa on 8 May 2018. Numerous subjects ranging from new finance models to sustainable plans and from problems of production, marketing and exports to future period vision have been discussed at this meeting.

The meeting was coordinated by AFI and Chairman of the Board of Directors of Bursa Chamber of Commerce and Industry Muhsin Koçaslan, Döktaş Dökümcülük CFO Sibel Binici and Sabah Economy Manager Şeref Oğuz participated in the event. The meeting at which AFI Deputy Chairman Çağatay Baydar introduced the industry, received coverage in national and local media.

KONYA MEETING – 20 JUNE 2018

The second one of "Strong and Secure Tomorrows with SMEs" gatherings took place in Konya at 20 June 2018. Approximately 300 participants attended the event.

Chairman of the Board of Directors of Konya Chamber of Commerce Selçuk Öztürk, Chairman of the Board of Konya Commodity Exchange Hüseyin Çevik, Chairman of the Board of Directors of Konya Chamber of Industry Memiş Kütükçü were the speakers of the meeting which was coordinated by AFI. The meeting at which AFI Deputy Chairman Çağatay Baydar introduced the industry, received coverage in national and local media.

Konya

Konya is considered the capital city of SMEs and is noticed by more than 30 thousand SMEs and over USD 1.5 million of exports.

Home to a highly developed manufacturing industry in a number of branches ranging from automotive side industry to machinery, from paints to footwear, the city is also the agricultural base of Turkey and ranks as the 6th in exports. Having an export target of more than USD 11 million in 2018, the city owns 45% of the Turkish market in metalworking. In the automotive side industry, more than 70% of the parts and equipment used in a number of brands and makes are being manufactured in Konya. The city of Rumi, Konya is a significant city of Turkey with SMEs in tourism and renewable energy industries developing with large investments they receive.

2018 ACTIVITIES

ANTALYA MEETING – 22 OCTOBER 2018

The third of the “Strong and Secure Tomorrows with SMEs” meetings was held on 22 October 2018 in Antalya. The meeting hosted almost 500 participants.

The meeting was coordinated by AFI and Metropolitan Mayor Menderes M. T. Türel, Chairman of the Board of Directors of Antalya Chamber of Commerce and Industry Davut Çetin, Chairman of the Board of Directors of Antalya Commodity Exchange Ali Çandır, Chairman of the Board of Directors of Western Mediterranean Exporters Association Hakkı Bahar and Turk Eximbank CEO Adnan Yıldırım participated in the event as speakers. The meeting at which AFI Deputy Chairman Çağatay Baydar introduced the industry, received coverage in national and local media.

Antalya

During the last 25 years, Antalya increased its population by twice, number of tourists by 15 times, its agricultural production by twice and its exports by 20 times. Becoming one of the most important tourism destinations, the number of tourists to visit Antalya is targeted as 14 million this year. Antalya has an economy mainly dependent on tourism and agriculture, not on heavy industry. Antalya Organized Industrial Zones are known with their environment friendly structures. With all of its industries, Antalya realizes annual exports of USD 1 billion. Trade in Antalya has the largest share of total income as 34%. 67% of the exports and 60% of imports are done with members of the European Union. Antalya aims to increase its exports with nearly 50 thousand SMEs and larger enterprises registered to Chamber of Commerce and Industry.

GEBZE MEETING – 19 DECEMBER 2018

The year-end event of “Strong and Secure Tomorrows with SMEs” meetings was held in Gebze on 19 December 2018. The event hosted 225 participants.

The meeting was coordinated by AFI and Chairman of the Board of Directors of Gebze Chamber of Commerce Nail Çiler, Chairman of the Board of Directors of Gebze Organized Industrial Zone Vahit Yıldırım and Turk Eximbank CEO Adnan Yıldırım participated in the event. The meeting at which AFI Deputy Chairman Çağatay Baydar introduced the industry, received coverage in national and local media.

Gebze

Gebze is the district with the greatest number of Organized Industrial Zones in Turkey (9) and considered as a manufacturing base. Meeting approximately 15% of Turkish economy and having an export target of USD 50 billion, Gebze also dominates in R&D and innovation with the Information Valley, TÜBİTAK, Institute of Turkish Standards (TSE), Gebze Technical University and Technology Development Zones. Gebze hosts nearly 1,000 medium and large scale industrial companies and 17% of the 500 giant factories across Turkey operate in Gebze.

FACTORING INDUSTRY IS AN INTERNATIONAL CENTER OF ATTENTION

Factors Chain International (FCI), which has 400 member financial institutions from 90 countries, held its Middle-Eastern Europe, Russia and Middle East Regional Conference in Istanbul on 8-9 October 2018.

The conference with the theme “Turkey: Bridging the Continents” was organized by FCI, EBRD (European Bank for Reconstruction and Development) and AFI and it brought together industry representatives from 22 countries and close to 200 participants.

The conference was held at the second term of AFI Deputy Chairman Çağatay Baydar as the Global Chairman of FCI and many significant issues were discussed such as Supply Chain Financing, factoring and other financing opportunities in Middle East, Russia, Middle and Eastern Europe region, which Turkey is a part of, as well as other developing countries, Islamic Deferred Payment Financing (Factoring), Digitalization and Credit Insurance- Factoring collaboration.

The conference hosted national and international factoring companies, banks, public authorities, social stakeholders, customers, exporters, corporate and commercial companies and SMEs; and Turkey was positioned as the regional center. Turkey's importance in factoring industry drew attention with AFI hosting the event for Turkey. The significance of digitalization and product development activities in factoring industry were also highlighted in terms of being the regional headquarters.

The conference was broadcast live in TV channels and received wide national and international media coverage.

FINANCIAL LEASING PUBLICITY ACTIVITIES

FINANCIAL LEASING SUPPORT MEETING FOR CONSTRUCTION INDUSTRY IN ISTANBUL

A meeting was organized with cooperation of AFI and Istanbul Chamber of Commerce on 25 January 2018 at Istanbul World Trade Center. The main objectives of the meeting were getting together with the representatives of the construction industry, motivating all stakeholders, increasing awareness, detecting and preventing the problems and deficiencies and setting a vision for the construction industry.

Coordinated by AFI, this meeting was moderated by Noyan Doğan. Chairman of the Board of Directors of AFI Mehmet Cantekin, Deputy Chairman of the Board of Directors of AFI Ünal Gökmen, Chairman of the Board of Directors of GYODER Assoc. Prof. Feyzullah Yetgin, General Director of Confederation of Building Contractors Tahir Tellioglu, Chairman of the Board of Directors of Turkish Construction Equipment Distributors' and Manufacturers' Association (IMDER) Ediz Çalapoglu and Chairman of the Board of Directors of Materials Handling, Storage & Industrial Equipment Association (ISDER) Serkan Karataş were the speakers at the organization.

The meeting at which AFI Deputy Chairman Ünal Gökmen introduced the industry, received coverage in national and local media. Part of the event was broadcast live at Habertürk Bakış program. The event hosted 150 participants.

LEASING SUPPORT FOR CONSTRUCTION INVESTMENTS

With more than 200 sub-industries producing goods and services, construction is the leading industry of the economy. Showing a performance above the general economic growth based on the Industry Report of September 2017, the construction industry grew by 6.4% in the first half of the year and construction expenditures reached TL 253 billion. With more than 2 million people employed in the industry, residential construction continued to be the driving force. Building permits issued in the first 9 months of 2017 were more than 1.1 million. Based on September 2017 data, construction material industrial production increased by 13.8%. Financing issues in construction industry has become a risk that needs to be closely monitored due to its potential to impact all business partners as well as construction equipment manufacturers. Right at this point, leasing support becomes the life buoy for the construction industry. Growth in leasing market is triggered by construction equipment leasing. With the support of the leasing industry, construction industry aims to build new successes in the following years.

ADANA MEETING- 26 MARCH 2018

"Strong Tomorrows with Leasing and SMEs" meeting was held in Adana on 26 March 2018. Approximately 200 participants attended the meeting.

Coordinated by AFI, this meeting was moderated by Noyan Doğan. Adana Metropolitan Mayor Hüseyin Sözlü, Deputy Chairman of the Board of Directors of AFI Ünal Gökmen, Chairman of the Board of Directors of Adana Chamber of Industry Zeki Kivanç, Chairman of the Board of Directors of Adana Chamber of Commerce Atilla Menevşe, Chairman of the Board of Directors of Adana Commodity Exchange Şahin Bilgiç and Chairman of the Board of Directors of Adana Hacı Sabancı Organized Industrial Zone Bekir Sütçü were the speakers at the organization.

The meeting at which AFI Deputy Chairman Ünal Gökmen introduced the industry, received coverage in national and local media. Part of the event was broadcast live at Habertürk Bakış program.

Adana

With more than USD 1.8 billion of exports, Adana is one of the leading cities in Turkey at agriculture, industry and banking areas. One of the first industrialized regions of Republic of Turkey, Adana is of particular significance for Turkish economy due to its long-lasting industrialization tradition and its potential for capital generation. Adana is particularly powerful in agricultural and textile industries. Çukurova meets 7.8% of Turkey's agricultural production. Production of cotton in Çukurova resulted in rapid growth of textile and textile related industries in Adana and it has become a brand city in textile. Having a network of air, sea, land and railway transportation which enable agricultural and industrial products to be shipped to all parts of the world, Adana is a commercial junction with Yumurtalık, Mersin and Iskenderun ports to reach all regions of the world by sea and land routes of trade connecting Asia, Europe and Africa since the times of historic Silk Road. In 2014 and 2015, 14 companies and in 2016, 13 companies from Adana were ranked among Turkey's 500 largest companies. Number of exporters in Adana which was 729 in 2007 increased by 64% with efforts and incentives to reach 1,200. Adana ranks as the second city in Turkey in terms of incentives and investments. Industrialists and manufacturers of Adana aim to have the highest contribution to Turkish exports and to revive the Turkish economy with the support of leasing.

2018 ACTIVITIES

REGULATORY CHANGES IN 2018

Date	Description	Sector
25 January	Decree No. 32 on the Protection of the Value of Turkish Currency was supplemented with additional subparagraphs under Article 2, Article 17/A inserted after Article 17, and Provisional Articles 5, 6, and 7.	AFI
25 January	Communiqué (2018-32/46) Amending the Communiqué (2008-32/34) Concerning the Decree No. 32 on the Protection of the Value of Turkish Currency modified Article 9 and 11/5,8 of the Communiqué.	AFI
31 January	Motor Vehicles Sales, Transfer and Registration Services Regulation was published. The Regulation mostly concerns finance companies, the following articles also concern financial leasing companies.	Financial Leasing & Finance
15 March	Law no. 7101 Amending the Code of Enforcement and Bankruptcy and Certain Other Laws amended Articles 294/6 and 307 of the Code of Enforcement and Bankruptcy.	AFI
2 May	Capital Movements Circular was published by the CBRT.	AFI
2 May	Communiqué Amending the Communiqué on the Uniform Chart of Accounts to be Implemented by Financial Leasing, Factoring and Finance Companies and Its Explanation amended Articles 9/1 and 10/3.	AFI
15 May 27 November	Article 11/A of the Regulation on the Establishment and Operating Principles of Financial Leasing, Factoring and Finance Companies was modified, followed by the addition of Provisional Article 4 and later of Provisional Article 5.	Financial Leasing & Finance
15 August 21 November	Regulation on the Restructuring of Debts Owed to the Financial Sector was published on 15 August 2018 and amended on 21 November 2018.	AFI
4 September	Communiqué on the Decree No. 32 on the Protection of the Value of Turkish Currency (concerning Export Fees) was published (Communiqué No: 2018-32/48).	Factoring
13 September	Decree No. 32 on the Protection of the Value of Turkish Currency was supplemented with subparagraph (g) inserted under Article 4 and with Provisional Article 8.	Financial Leasing
6 October 16 November	Communiqué (Communiqué No. 2018/32-51) Amending the Communiqué (Communiqué No: 2008-32/34) Concerning the Decree No. 32 on the Protection of the Value of Turkish Currency modified Article 8 of the Communiqué.	AFI
19 December	Law on the Initiation of Enforcement Proceedings Regarding Monetary Claims Arising from Subscription Agreements was published. The Law modified the provisions of the Code of Enforcement and Bankruptcy and concerning composition with creditors, and introduced the compulsory mediation arrangement in commercial disputes in the Turkish Commercial Code.	AFI
31 December	Regulation Amending the Road Transportation Regulation was published.	Financial Leasing

REGULATORY FRAMEWORK DEMANDED BY THE SECTORS

Suggestions for Improving the Competitive Environment:

1. An arrangement that will allow the application of the exemption (concerning asset sales for the liquidation of non-performing loans) in relation to Article 5/1-f of the Corporate Tax Law and Article 17/4-r of the Value Added Tax Law to factoring companies in the same way it is applied to banking and other non-bank financial sectors,
2. The existing exemption in Article 17/4-r of the Value Added Tax Law no. 3065 covers only the delivery of immovable and participation shares. An arrangement that will temporarily grant tax exemption to the transfer and delivery of all kinds of movable and immovable property and rights aimed at the settlement of debts owed in order to facilitate the debts owed by those indebted to banks, financial leasing, factoring and finance companies and by their guarantors,
3. An arrangement in the Law no. 6361 and in the Corporate Tax Law for allowing factoring companies to deduct the special provisions they set aside in line with the BRSA requirements from the Corporate Tax base, as do banking, financial leasing, finance and asset management companies,
4. Regulatory requirement in Article 22 of the Law no. 6361 for imposing satisfaction of the conditions set out in Article 36 of the Title Deed Law no. 2644 by the lessee who will become the owner at the expiration of the contract in financial leasing transactions concerning immovable properties carried out by financial leasing companies backed by foreign capital,
5. Amendment of Chart no. (2) appended to the Stamp Duty Law so that stamp duty exemption is granted to papers related to the transfer of agreements and assignment of receivables as is the case with the stamp duty exemption granted to financial leasing and finance companies in relation to other stamp-related matters,
6. Amendment of Chart no. (2) appended to the Stamp Duty Law so that stamp duty exemption is granted to papers for loans that factoring companies are extended, for their collaterals, repayment, transfer and assignment of receivables arising from the loans, and to annotations to be placed on these papers for factoring companies, as is the case for financial leasing and finance companies,
7. An arrangement that will allow factoring companies to make use of the Address and Identity Sharing System stated in Article 45 of the Civil Registration Services Law no. 5490, as other bank and non-bank financial sectors are able to do,
8. Demands concerning the Code of Enforcement and Bankruptcy and;
 - a. Modification of Subparagraph 6 of Article 294 which reads: "If an agreement for the transfer of a prospective receivable is made before granting time for composition with creditors and if the transferred receivable arose after the time for composition with creditors is granted, then such transfer shall be null and void",
 - b. Modification of Article 307 so that the conditions set out in Article 307/f.1 are required to obtain an injunction for the leased commodities, including granting temporary period of time,
 - c. Addition of the remark "those claiming ownership of the commodity subject to the bid" to the first sentence of the second paragraph of Article 134, and thus, having the right to intervene through annulment of the tender in case of enforcement sale of the commodities subject to financial leasing,
9. Amendment of Supplementary Article 1 of the Banking Law such that companies incorporated by at least five financial institutions will be able to carry out all sorts of data exchange with the Risk Center, as can banks, making it similar to Article 73/4 of the Banking Law,
10. Amendment of Article 5 of the Cheques Law so that information about individuals banned from opening a checking account is distributed to financial institutions as well, as they are distributed to banks,
11. Amendment of the Regulation on Rating Agencies so that rating information to be shared with the banks through the Risk Center is also made available to financial institutions,
12. Necessary modification in Article 26 of the Land Registry Law no. 2644 for granting of an exemption in relation to issuance of an official letter in pledges performed at land registers by financial leasing, factoring and finance companies,
13. Amendment of Article 52 of the CBRT Law no. 1211 to the effect that financial leasing, factoring and finance companies will be included in open market transactions,

2018 ACTIVITIES

14. An arrangement for inclusion of finance companies within the scope of the Council of Ministers Resolution no. 2016/9538 regarding the Treasury Support Provided to Credit Agencies (CGF – Credit Guarantee Fund) and for determining the condition of participating in the capital pro rata the magnitude of financial leasing and finance companies as compared to the banks,

15. An arrangement that will allow SMEs that make use of financial leasing method in the financing of their investments to benefit from KOSGEB support mechanisms,

16. The suggestion that necessary modification be made in the Law no. 6361 so that the conveniences regarding proceedings under the Code of Enforcement and Bankruptcy are made available to factoring and finance companies, as well,

17. Amendment of Article 20 of "Section IV – Papers Associated with Commercial and Civil Affairs" of Chart no. 2 appended to the Stamp Duty Law, and the provision stipulating that transfer of factoring agreements be included within the scope of the exemption,

18. Amendment of Article 123 of the Charges Law no. 492 so that factoring companies will be included within the scope of the exemption,

19. Amendment of Article 7.c.6 of the Law no. 6306 concerning Transformation of Areas under Disaster Risk so that financial leasing and finance companies will also be listed among housing finance agencies,

20. Stipulation of the limit on the issuance of borrowing instruments, which represent one of the basic funds of finance companies, equally with the limit granted to banks, together with other non-bank financial institutions, in the Borrowing Instruments Communiqué, and revocation of the required reserve application, which is calculated on the basis of these borrowing instruments,

21. Elimination of the variance in Articles 23 and 30, which are supplemented to the Law for the banks and for the finance companies respectively under the amendment made to the Stamp Duty Law in 2016, be eliminated and necessary modification so that finance companies will be subject to the same conditions as banks,

22. A provision granting exemption to international transporters, in the event that they ship export goods, through recognition of these activities as an FC-earning activity under Resolution no. 32, thus increasing their competitive strength in the international arena,

23. An arrangement for allowing investors who acquire an immovable property in the Organized Industrial Districts (OID) through financial leasing or who leases an immovable in the OID in the form of sell-and-lease-back or similar manner to benefit the Property Tax exemption granted to OIDs by the modification made to Article 4/m of the Property Tax Law no. 319,

24. An arrangement for including purchases through leasing within the scope of the VAT exemption granted to immovable properties subject to "first delivery", which are acquired by bringing in foreign currency from abroad, under the item supplemented to Article 13.1(i) of the VAT Law no. 3065 with the Law no. 6824 published in the Official Gazette dated 8 March 2017,

25. An arrangement for transferring the leased equipment's VAT rate to the other leasing company in case of transfer of the lessor,

26. An arrangement so that the VAT exemption granted to machinery and equipment purchases under Provisional Article 39 and Article 13/m supplemented to the VAT Law no. 3065 with the Law no. 7103 and Law no. 7104, respectively is also applied to acquisition of machinery and equipment by way of financial leasing,

Suggestions for Decreasing Intermediation Costs:

1. Decreasing RUSF and BITT rates in consumer loans,

2. Decreasing the RUSF rate to 0% in loans financial leasing and factoring companies obtain from abroad,

3. Broadening the scope of transactions subject to 1% rate in financial leasing transactions,

4. Decreasing the BITT rate in loans non-bank financial institutions obtain from banks,

5. Decreasing the rate of Income Tax withholding applied to borrowings from abroad through bond issues.

Suggestions for Increased Access to Financing:

1. The arrangement that will allow deduction of interest rates on housing loans from the Income Tax base,
2. In the event of violation of incentive prerequisites in the case of financially leased investments granted with an investment incentive certificate, collection of the tax exemptions benefited and fines from the lessee, which is the principal investor and owner of the incentive certificate,
3. An arrangement under which any and all responsibility arising from the fact that financial leasing companies are importers under the "Law no. 4703 on the Preparation and Implementation of Technical Legislation on Products" on account of their capacity as the importer of financially leased machinery to be purchased from abroad is transferred to the lessee, which will become the owner at the expiration of the contract,
4. Through a modification to be made in Communiqué no. 5 under the Law no. 5549 on Prevention of Laundering Proceeds from Crime, transactions up to TL 7,500 performed by finance companies be considered within the low-risk transactions group and be included under simplified measures in order to pave the way for finance activities performed in the digital environment,
5. Eradication of the signature declaration requirement and the obligation to come face-to-face, which arises out of the Financial Crimes Investigation Board (MASAK) General Communiqué Serial No: 5 for consumer finance loans disbursed within the scope of distance contracts,
6. Amendment of Articles 9/2 and 9/3 of the Law no. 6361 dealing with negative clearance lawsuits,
7. Revision of the article that excludes factoring companies from the "Communiqué on Asset- or Mortgage-Backed Securities" published by the Capital Markets Board of Turkey (CMB) in the Official Gazette issue 28877 dated 9 January 2014,
8. Acceptance of the receivables of financial institutions as collateral at Takasbank (Istanbul Clearing, Settlement and Custody Bank) (through methods such as securitization, etc.),
9. Enabling digitalization of suretyship procedures with the revision to be made to the Electronic Signature Law no. 5070 reflecting the biometric signature arrangement as in eIDAS (electronic identification and trust services regulation) adopted by the European Union in 2016,
10. Eradication of the obligation to make a general seller's agreement set out in the Financial Leasing, Factoring and Finance Companies Law no. 6361 to allow financing for the customers of manufacturers or distributors engaged in e-commerce,
11. Allowing finance companies to carry out their credit transactions within a certain period of time giving reference to an umbrella agreement concluded with their customers in order to further increase the speed and effectiveness of the operations of finance companies, to facilitate their business conduct, to make it easier for customers to access financing, and to reduce operational costs,
12. In order to enhance the efficiency and ease of commercial loans extended by finance companies,
 - a. Equalizing the VAT rate applied for commercial vehicles in enforcement sale with the rate applied to passenger cars,
 - b. Introducing the stipulation that "distance contract processes with telecommunication devices" will be considered effective/evidence in commercial loans,
13. Introducing the necessary regulation for the Trade Chain Finance System

2018 ACTIVITIES

CERTIFICATE PROGRAMS AND TRAININGS

Two certification and 70 training programs were offered in a total of 145 days in 2018. Around one thousand participants attended these trainings.

In 2018, trainings were organized on 17 different topics for 23 participants from three sectors which were delivered by a team of professors from Marmara University and volunteer professionals from financial leasing, factoring and financing companies. Main topics were legal matters, accounting standards, credit risk management and information on products offered by each sector. After an intense training of 108 hours, participants received their certificates from Mehmet İrfan Kurt, BRSA Deputy Chairman and the members of our Board of Directors.

Trainings were offered under the "Basic Expertise in Financial Institutions Certification Program" which was launched after a protocol signed by AFI and Marmara University Continuing Education Center (MUSEM) in November 2014. These trainings were delivered by faculty members from Marmara University and volunteer market professionals with training experience from financial leasing, factoring and financing companies. Participants who are successful at the exams after 18 days of training receive certificates from Marmara University and AFI. A total of 110 participants were qualified for these certificates.

Trainers: Faculty members from Marmara University
- Dr. Ahmet Başcı, Prof. Dr. Ali Köse Doç. Dr. Gökhan Işıl, Assoc. Prof. Güçlü Okay, Assoc. Prof. Gülcan Çağır, Assoc. Prof. Halil İbrahim Alpaslan, Prof. Dr. Mehmet Melemen, Prof. Dr. Özgür Çatıkkaş, Assoc. Prof. Seher Tezergil, Dr. Seniha Dal

Industry Volunteer Trainers: Arda Demir, Can Özyurt, Ekrem Yavrucuk, Kayıhan Hasırcı, Kudret Ünsal, Murat Türker, Nilgün Yılmaz

INSTANT IMPACT (TRANSACTIONAL ANALYSIS)

The objective of the training was to examine transactional analysis methods to increase the level of communication and establish effective connections.

Trainer: Ayşegül Ekmekçioğlu

BEING A PARENT

The training which includes a workshop where participants review the appropriate behaviors, attitudes and imperfections of individuals in parent roles, targets to address the basic motivation of establishing relations with children, teenagers and young adults with a parent identity and to increase awareness with practical cases.

Trainer: Nergiz Özdemir, Senior Psychologist

BODY LANGUAGE AND PERSONAL IMAGE

Information and experiences were shared on using and understanding body language to increase the level of communication and build effective connections.

Trainer: Erhan Tunçay

BALANCE SHEET READING TECHNIQUES

The objective of the training was to increase balance sheet, income statement and trial balance reading skills of functions of banks and credit institutions in current macroeconomic and market conditions, along with their own functional structures while "assessing risks accurately and being selective at taking risk while giving credit".

Trainer: Burçin Akçelik

INFORMATION SECURITY CONTROLS AND INFORMATION SECURITY MANAGEMENT

The program objective was to equip participants with the capability to perform activities necessary to fulfill information security requirements specified in the BRSA Communiqué on Principles to be Considered in Information Systems Management in Banks as a requirement of Risk Center membership, to achieve compliance with information system audit requirements and to meet enterprise information security needs.

Trainer: Fatih Emiral

BLOCK CHAIN TECHNOLOGY AND CRYPTO CURRENCIES

Training was organized to follow current developments in markets, financial products and technological improvements.

Trainer: Erkin Şahinöz

PROCEDURES TO BE FOLLOWED IN TRANSACTIONS INVOLVING CHECKS AND IMPORTANT CONSIDERATIONS

The training primarily deals with important considerations in domestic factoring transactions for which checks are received as a payment instrument.

Trainer: Ebru Atasoy Akalın

YOU CAN CHANGE YOUR BEHAVIORS

The training is aimed to discuss how we form our personal experiences, create our thoughts and feelings, how we build our inner world based on our experiences and how we add a meaning to it.

Trainer: Ayşegül Ekmekçioğlu

ENERGY EFFICIENCY AND RENEWABLE ENERGY

The target of the program was to provide overall information to AFI members on current infrastructure, opportunities, market progress and recent developments in Turkey's renewable energy and energy efficiency sectors.

Trainers: Onur Günduru, Engin Saitoğlu, Ece Sevin, Eylem İspekter İlhanterkin, Pınar Aktan Gürses and Anıl Aşık

EARLY WARNING SIGNALS AND NON-PERFORMING LOANS

The objective of the program was to provide participants a new perspective to set up early warning systems to support an effective monitoring process, systematic approach skills to easily capture changes in risk level of companies and develop proper strategies.

Trainer: Yenal Koçak

EFFECTIVE TEAM WORK

The training included knowledge and skills required by a modern team in addition to team motivating techniques, supported by games, cases and group studies.

Trainer: Erhan Tunçay

FACTORING PRODUCTS

The objective of the training was to evaluate services provided in factoring industry and increase product variety.

Trainer: Azra Deniz Kızılkaya

FINANCIAL LEASING OPERATIONS

The program addressed purchasing, foreign trade and operational processes in financial leasing and was intended for beginner level employees in financial leasing companies as well as anyone who wanted to develop skills in financial leasing area.

Trainer: Gülay Güner

BUDGETING TECHNIQUES IN FINANCIAL INSTITUTIONS

This training covered criteria to be considered when preparing the budget, macro and industrial data to be taken into account for a healthy budget, expectations and identification of budget acceptance values, budget actual analyses, evaluation of actual results and tips for participants.

Trainer: Dr. Bülent Günceler

INTERNAL CONTROL IN FINANCIAL INSTITUTIONS

The training was organized to increase the efficiency of internal control and internal audit in companies.

Trainer: İsmail Hakkı Akıntürk

ACCOUNTING FOR FINANCIAL INSTITUTIONS

In this training program, accounting rules and practices applicable for financial leasing, factoring and financing companies were discussed within the framework of BRSA Uniform Chart of Accounts and Applications. In this context, participants received detailed information on accounting applications of their institutions and their financial statements.

Trainer: Oğuz Kemal Bulut, Certified Public Accountant

FINANCIAL MATHEMATICS

The program targeted training the participants so that they would be able to perform the necessary financial calculations, independent of systems, to provide their clients with detailed information about cost computation methods, to make comparisons using alternative pricing techniques, and to offer consultancy to clients regarding alternative financial products, when necessary and to enhance the quality of service provided to customers.

Trainer: Yenal Koçak

SYNERGY IN PERSUASION

Necessity for building a healthy communication, guidance and acting by taking different variables into account in persuasive communication were discussed.

Trainer: Benin Haznedar

ADVANCED MICROSOFT EXCEL

The objectives of the Advanced Excel Training were to increase efficiency by building on advanced skills for using Microsoft Excel program, and to ensure efficient use of Excel in reporting and data analyses. This training was intended for employees who work in reporting and controlling functions as well as those who want to improve their Excel skills.

Trainer: Kerim Bağrıyanık

THE ART OF DESTROYING A RELATIONSHIP

The training highlighted that the path to transformation starts by giving up your nonfunctional solution methods.

Trainer: İbrahim Eke, Psychologist

2018 ACTIVITIES

BUSINESS DEVELOPMENT ANALYTICS

The training aimed to approach business development concept from different aspects and provide information on what it is and how to manage it, to define business analytics concept, discuss various types and how to use business analytics for business development through real life cases.

Trainer: Dr. Mehmet Nuri Inel, Lecturer

COMPARATIVE AND APPLIED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) AND TURKISH ACCOUNTING STANDARDS (TAS)

The training covered financial statements and disclosures, first application of IFRS on financial statements, events after the balance sheet date, related party standard, non-current assets held for sale and discontinued operations, consolidation (with comprehensive examples), calculation of minority interest, consolidation goodwill, inventory, property, plant and equipment, depreciation methods, intangible assets, provisions, tax accounting and deferred taxes, employee benefits, profit/loss and equity, sales, earnings per share, financial instruments, financial assets and measurement, derivative instruments, borrowing costs and leasing transactions.

Trainer: Oğuz Kemal Bulut, Certified Public Accountant

ARRANGEMENT OF BANKRUPTCY

The training aimed to review new provisions and examples of arrangement of bankruptcy and consolidation and to answer the questions of industry representatives.

Trainers: Prof. Dr. Hakan Pekcanitez, Prof. Dr. Güray Erdönmez

CREDIT MANAGEMENT

The program intended to provide for healthy credit management by analyzing financial statements to determine their credibility.

Trainer: Burçin Akçelik

A LEGAL APPROACH TO THE PROCESS OF CREDITS FROM ALLOCATION TO LIQUIDATION

The objective was to inform the participants about the important considerations for minimizing the issues that may be involved in non-performing loans.

Trainer: Emel Tezcan, Attorney-at-law

ASSESSMENT OF CREDIT RISK, INDUSTRY AND COMPANY OPERATIONAL RISK ANALYSIS

Industry risks were analyzed with examples, and operational risks of a company were reviewed using non-financial data.

Trainer: Dr. Selda Eke

USER EXPERIENCE (UX)

This training covered the methodology and processes of User Experience (UX) design; and tips for realizing a successful web project were shared with the participants.

Trainer: Gaye Güzelay

FINANCIAL ANALYSIS

The objective of the training was to give an understanding of various subjects like credits, getting to know the company and preparing a company introduction report, reading the balance sheet, income statement and trial balance, uniform chart of accounts and accounting practices, transfers/removals performed at financial analysis, financial analysis techniques and ratios, analyses of contracting firms and determination of credit limits, lending terms and collaterals which take place within the allocation process.

Trainer: Hüseyin Ünlü, Tam Factoring Credit Coordinator

MASAK

Training was organized to increase awareness of MASAK requirements and doubtful transactions.

Trainer: Sermet Aydın, Ministry of Finance Specialist, Naciye Çaycı Ministry of Finance MASAK Specialist

FINANCIAL CALCULATIONS IN EXCEL

The program targets effective use of Excel as a powerful analysis tool.

Trainer: Kerim Bağrıyanık

MICROSOFT EXCEL - BASICS

The program intended to teach performing basic operations with Microsoft Excel.

Trainer: Kerim Bağrıyanık

POWERPOINT

The training intended to teach using all features of PowerPoint to prepare effective presentations.

Trainer: Kerim Bağrıyanık

RISK MANAGEMENT

The program aimed to create a perspective to review company management risks within the frame of risk management activities and practices when assessing company credit risk.

Trainer: Selda Eke

ANALYTICAL THINKING IN SALES AND FINANCE

This program aimed at adopting an analytical thinking approach for the solution of problems before, at and after the time of sale and helping them make healthy and rational decisions using analytical thinking techniques.

Trainer: Erkin Şahinöz

IMPORTANT CONSIDERATIONS IN THE PREPARATION AND CONTROL OF CONTRACTS, COLLATERALS AND PROMISSORY NOTES

The training was organized to ensure that financial leasing contracts and payment notes are issued in a manner that will not pose any future risks.

Trainer: Emel Tezcan, Attorney-at-Law

LATEST TRENDS IN SOCIAL MEDIA, TIPS AND RECOMMENDATIONS FOR PRACTICAL USE FOR COMPANIES AND PROFESSIONALS

Participants were informed about the latest trends in social media and different models in active social media use of companies. Additionally a workshop was organized on how professionals should use social media and channel/content strategy.

Trainers: Çağan Çağlar, Coşkun Yeşilbaş,

NEW TRENDS IN TRADE FINANCE

During the seminar which discussed the latest trends in trade finance and factoring products in international standards, answers to questions "How to Increase Factoring Transaction Volume in Turkey?" and "What do We Need to Do to Overcome Difficulties and Discover Opportunities?" were searched for.

Trainers: Ayşen Çetintaş, Betül Kurtuluş, Filiz Ünal

TURKISH AND GLOBAL ECONOMY: INDICATORS AND DEVELOPMENTS

The training is intended to help make a more accurate prediction of the future conjuncture of the Turkish and global economy. Within this frame, key macroeconomic and financial figures such as growth, inflation, interest rates, parity ratios, gold and commodity prices were discussed using current data.

Trainer: Prof. Erhan Aslanoğlu

IFRS16

A meeting was organized by KPMG team to provide information on the scope of IFRS 16 and the latest global status, which was effective 1 January 2019 for those companies reporting in accordance with IFRS. The meeting intended to help companies' compliance efforts for this standard.

Trainers: Sinem Cantürk, KPMG Turkey Information Systems Risk Management Leader, Partner, Ozan Özarıkça KPMG Turkey Consultancy Director, Financial Management and Reporting Services

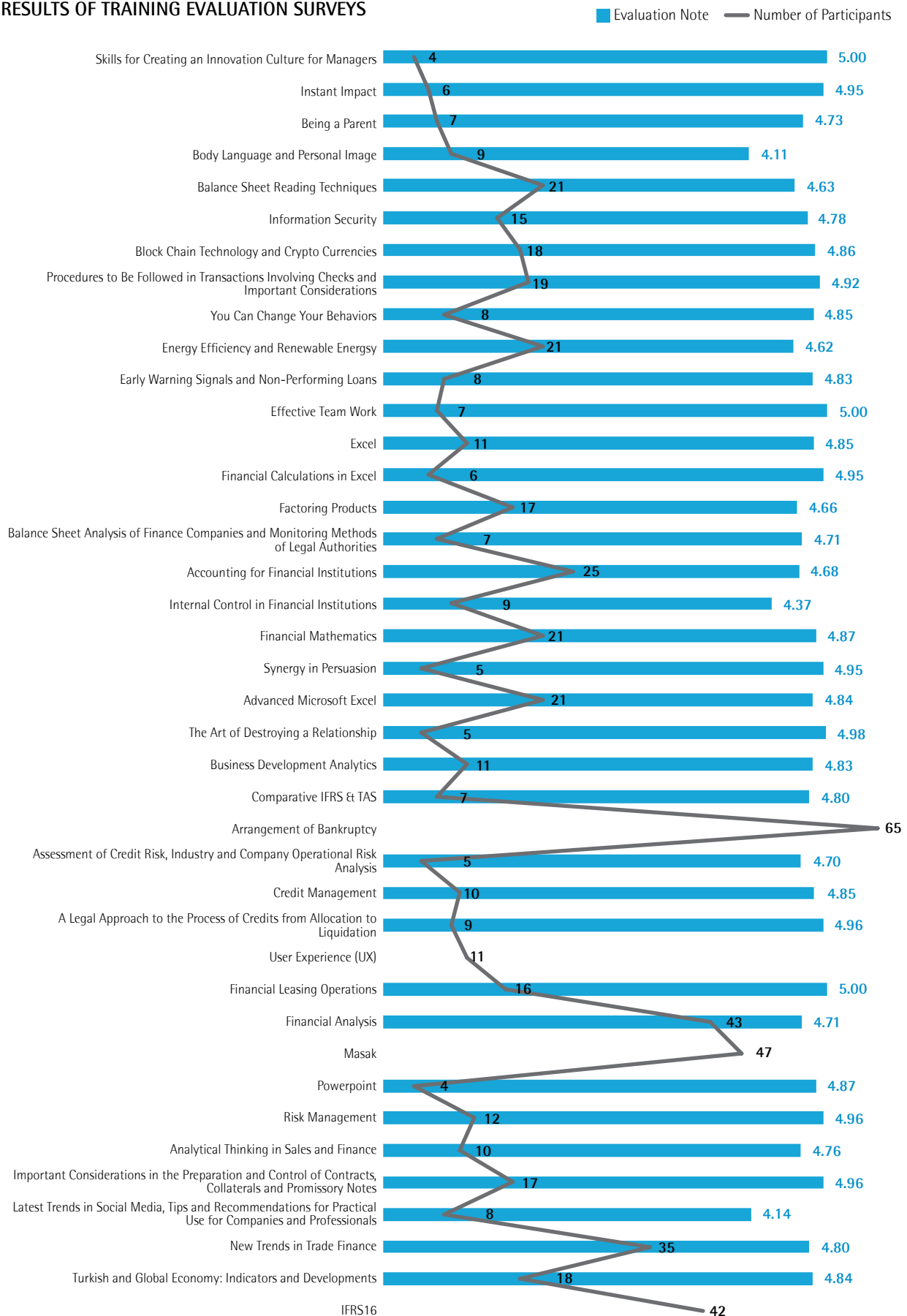
SKILLS FOR CREATING AN INNOVATION CULTURE FOR MANAGERS

This training is intended to develop skills to create an innovation culture while managing the business, people and system, and to provide a competitive advantage by having team members differentiate themselves by understanding the customer, identifying the need and problem, encouraging creative thinking, producing together, accelerating processes, turning on their target based creativity and product, service, process, marketing, customer relations and social innovations.

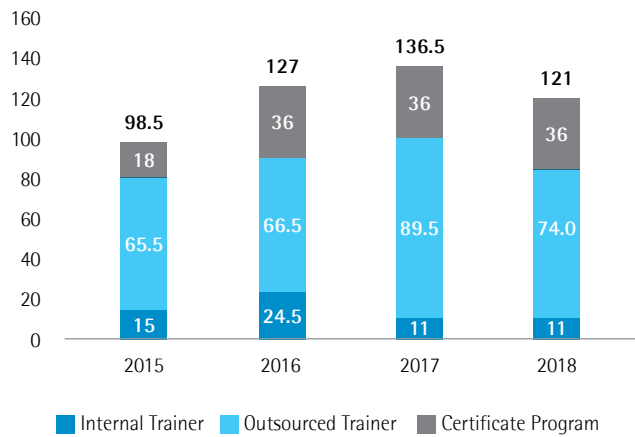
Trainer: Abdurrahman Özciğer

2018 ACTIVITIES

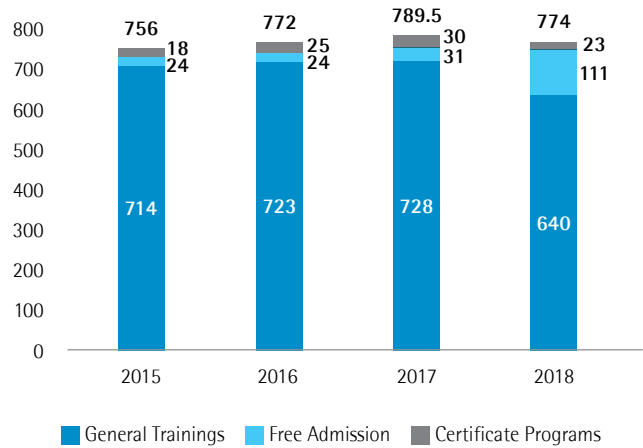
RESULTS OF TRAINING EVALUATION SURVEYS



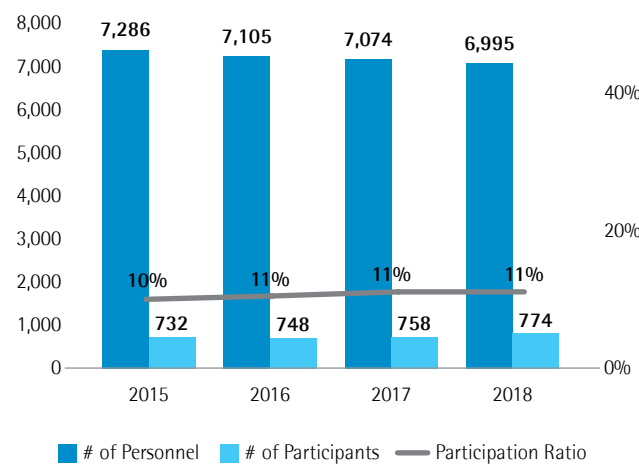
OF TRAINING DAYS



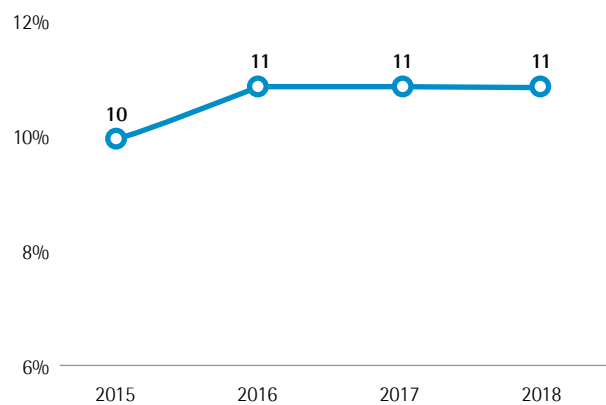
OF PARTICIPANTS



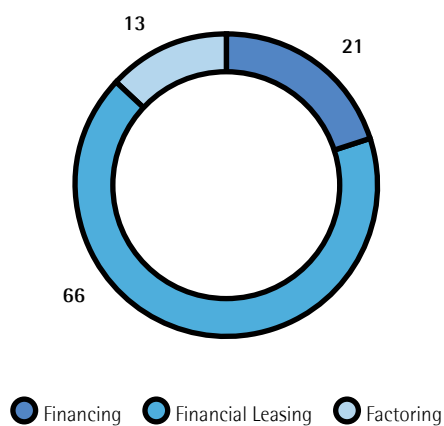
OF PERSONNEL VS # OF PARTICIPANTS



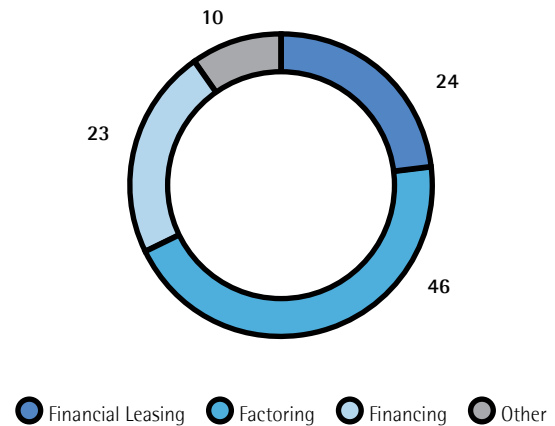
PARTICIPATION RATIO



BREAKDOWN OF PERSONNEL (%)



BREAKDOWN OF APPLICATIONS (%)



Leasing-Faktoring-Finansman

2018'de 230 milyar TL işlem hacmi

Önceki yıl hedeflerini aşamayan banka dışı finans sektörü, 2017 yılında yüzde 15'ler üzerinde büyümeye ilave yaklaşık 190 milyar TL işlem hacmine ulaştı. Yeni projelere baktıkça, bu sektörün büyümesi önümüzdeki yıllarda da hızlanmaya devam edecektir.

PERFORMANS ÖZETİ

• Kredi Garanti Fonu'nun faaliyetleri

2017 yılında Kredi Garanti Fonu'nun faaliyetleri, 2016 yılına göre %15 artışla 230 milyar TL'ye ulaşmıştır.

• Kredi Faktoring

2017 yılında Kredi Faktoring, 2016 yılına göre %15 artışla 230 milyar TL'ye ulaşmıştır.

• Kredi Finansman

2017 yılında Kredi Finansman, 2016 yılına göre %15 artışla 230 milyar TL'ye ulaşmıştır.

• Kredi Leasing

2017 yılında Kredi Leasing, 2016 yılına göre %15 artışla 230 milyar TL'ye ulaşmıştır.

• Kredi Yatırım

2017 yılında Kredi Yatırım, 2016 yılına göre %15 artışla 230 milyar TL'ye ulaşmıştır.

• Kredi Ziraat

2017 yılında Kredi Ziraat, 2016 yılına göre %15 artışla 230 milyar TL'ye ulaşmıştır.

• Kredi Diğer

2017 yılında Kredi Diğer, 2016 yılına göre %15 artışla 230 milyar TL'ye ulaşmıştır.

İŞLEM HACMI 190 MİLYAR TL'YE YÜKSELDE

2017 yılı 4. çeyreğinde bankalar dışı finansman sektörü, 2016 yılına göre %15 artışla 230 milyar TL işlem hacmine ulaştı. Bu artışın %15'ini Kredi Faktoring, %15'ini Kredi Finansman, %15'ini Kredi Leasing, %15'ini Kredi Yatırım, %15'ini Kredi Ziraat ve %15'ini Kredi Diğer oluşturdu.

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EKONOMİYE KATKISI YÜZDE 13

"Finansman sektörü, 2017 yılında 230 milyar TL işlem hacmiyle, 2016 yılına göre %15 artışla 230 milyar TL işlem hacmine ulaştı. Bu artışın %15'ini Kredi Faktoring, %15'ini Kredi Finansman, %15'ini Kredi Leasing, %15'ini Kredi Yatırım, %15'ini Kredi Ziraat ve %15'ini Kredi Diğer oluşturdu."



Bu fotoğraf, Kredi Garanti Fonu'nun faaliyetleri ile ilgili bir görüntüdür.

500 BİN KOBİ'YE ULAŞTI

"Finansman sektörü, 2017 yılında 230 milyar TL işlem hacmiyle, 2016 yılına göre %15 artışla 230 milyar TL işlem hacmine ulaştı. Bu artışın %15'ini Kredi Faktoring, %15'ini Kredi Finansman, %15'ini Kredi Leasing, %15'ini Kredi Yatırım, %15'ini Kredi Ziraat ve %15'ini Kredi Diğer oluşturdu."

Leasingde aracılari maliyetlerini azaltan düzenlemeler yatırımları destekler

İç Finansman Kurulu Genel Müdürlüğü, 2018 yılında 230 milyar TL işlem hacmine ulaşarak, 2017 yılına göre %15 artışla 230 milyar TL işlem hacmine ulaştı.

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Garanti Faktoring'de KOBİ'nin payı artacak

Garanti Faktoring Genel Müdürlüğü, 2018 yılında 230 milyar TL işlem hacmine ulaşarak, 2017 yılına göre %15 artışla 230 milyar TL işlem hacmine ulaştı.

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DenizLeasing, KOBİ'ye yoğunlaşarak Operasyonel kiralamada agresif büyüyecek

DenizLeasing, 2017 yılında KGF desteklerinden yararlanmadı ama KOBİ'ye yoğunlaşarak kira alacağına yüzde 18 büyümeye sağladı. DenizLeasing, 2018'de ise operasyonel kiralamada agresif büyümeye odaklanacak.

Üçüncü ekonomisi 2017 yılı için başarılı bir büyüme performansı gerçekleştirdi. Rakamların gerçekleşmesinde Kredi Garanti Fonu'nun (KGF) etkisi yadsanamaz. Finansman sektörü, 2017 yılında 230 milyar TL işlem hacmiyle, 2016 yılına göre %15 artışla 230 milyar TL işlem hacmine ulaştı.

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Bu fotoğraf, Kredi Garanti Fonu'nun faaliyetleri ile ilgili bir görüntüdür.



TÜM TÜRKİYE İZLEDİ!

HaberTürk Tv'den de yayınlanan Çerçerköy'de düzenlenen "Kobilerle Güçlü ve Güvenli Yarınlara" konferansında konuşan Belediye Başkanı Vahap Akay, "Çerçerköy'ü olarak sunay i kimliğimizle gurur duyuyoruz. Fakat vergi diliminden"

TALEP AZALDI, ORTAK ÇÖZÜM BULALIM İHRACATA LEASING DESTEĞİ

Finansal kurumlara başvuran KOBİ'lerin, 2018 yılında 230 milyar TL işlem hacmiyle, 2017 yılına göre %15 artışla 230 milyar TL işlem hacmine ulaştı.

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Finansal kiralamada işlem hacmi (TL)	2017	2018	Değişim (%)
Finansal kiralama	4.486.977	4.883.419	+8
Operasyonel kiralama	3.475.570	3.871.276	+9
Finansal kiralama	1.875.492	2.131.095	+14
Operasyonel kiralama	1.753.878	1.983.501	+13
Finansal kiralama	403.761	798.828	+98
Operasyonel kiralama	446.708	760.571	+69
Finansal kiralama	369.138	961.169	+161
Operasyonel kiralama	274.479	467.322	+70
Finansal kiralama	229.270	317.530	+38
Operasyonel kiralama	274.537	298.470	+9
Finansal kiralama	298.220	231.204	-19
Operasyonel kiralama	179.008	127.118	-29
Finansal kiralama	179.448	124.441	-31
Operasyonel kiralama	238.173	94.562	-60
Finansal kiralama	91.378	1.642	-98
Operasyonel kiralama	16.065.647	17.479.821	+9
Finansal kiralama	16.065.647	17.479.821	+9

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Ekonominin ana güdüm maddesi olduğu bir yılda bizler de faktöring sektörü vasıtasıyla ihracatımızı desteklemeye çalışıyoruz. Bu desteklimizi 2008 yılında da devam ettireceğiz. Sektörümüzün önünü açan, gelişim ekonomilerinde olduğu gibi bankacılık dışı finansın ekonomi içine aktarılmasını arttırmaya olanak sağlayan yasal düzenlemeler, bizim için kritik önemde. Bu yasal düzenlemeler ile birlikte ihracata yönelik KOBİ'lerimiz daha da desteklenecek. Dolayısıyla Finansal Kurumlar Birliği (FKB) olarak sektörümüzün önünü açacak yasal düzenlemeye taleplerimiz üzerinde çalışıyoruz.

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En 2012, el país de los mil lagos se convirtió en el país de los mil negocios. En 2012, el país de los mil lagos se convirtió en el país de los mil negocios. En 2012, el país de los mil lagos se convirtió en el país de los mil negocios.



Sei la legge di distribuzione GGE per l'ETD, con la stessa ipotesi per

Finansal Kurumlar Birliği (FİB) öncülüğünde düzenlenen "KOBİ'lerde Güçlü ve Güvenli Yarımlar" buluşmasının yeni durağı Antalya oldu. Organizasyonda KOBİ'lere finansierende faktöringini nasıl kullanacakları hakkında bilgi verildi. FİB Başkanı Kurul Başkanı Vali M. Çakıcı, Antalya'daki faaliyetleri yeni öncüllere parantez halinde veriyor, vadesinde tahsilatını yapıyor. KOBİ'nin vadesinde önce finansmanı ihtiyacı; para niteliği ihtiyacı karşılıyor" dedi. Bıyıld, finansman, tahsil ve parantez hizmetinin üçünü broder verilebilir; başka bir finans kuruluşun olmalıdır; dikkat çekti. Ertanbey, Genel Müdür Adnan Özdemir ise "2017'den bu yana portfolyo(güçlüğü) KOBİ'lerin oranı yüzde 53'ten yüzde 65'e çıktı. 2019 sonunda bu oranı yüzde 70'e çıkarmayı planlıyoruz" dedi.

KOBİ'lerin finansmana erişimini kolaylaştırmak için hareket eden faktörlerdir. Finansman, tahsilat ve garanti hizmetini tek bir irin altında sunuyor. Böylece KOBİ'ler, banka kredisi yerine alternatif finansman temin edip, gerekirse ticaret yapabilir hem de işletme sermayesi sağlıyor.



Alternatif finansman needed untuk fakir miskin Kenya Tercat Odundo adalah pendidik.

Merkez Bankası verilene göre, toplam özotom bnyasal kredilerinde Türkiye finansman şirketlerinde payı yüzde 61 gibi büyük bir oranda. Özotom alması isteyenlerin finansman şirketlerinde bu kadar rahat etmenin en önemli sebebi her. Özotom finansman şirketleri birkak saat içinde kredileri hazırlıyor ve bankalar gibi pek çok prosedür e uğraşın talep etmeden işlem yapıyor.

Saudi Arabistan İslami ALI Grup, Türkiye'de Toyota'nın distribütörlüğünü yapan Toyota araçların özotom finansmanını yöneten ALI Finans şirketinde de sahibi. ALI Finansın, Türkiye'deki tüm Toyota bayiiyle ne Toyota tarzı yapıp tüm gelenlere hizmet veriyor. ALI Finansın, dünya çapında hizmet veren ALI Group'un özotom finansmanı alanında hizmet verisi 43 şikâletinden biri. Diğer şirketler ise İran ve Saudi Arabistan'da. Yakın zamanda bu üç ülkedeki üç şirketin birleştiği altında toplamda planları var.

ALI Finansın Genel Müdürü Soner İrmak, Türkiye'de taşıt kredilerinin büyüklüğünü 47 milyar TL'e ulaştırıyor, bunun yüzde 34'ünün bnyasal kredilerden ve yüzde 64'ünün bir ticari kredilerden oluştuğunu söylüyor. Şirket olarak 2017'de 16 bin 300 adetlik satışa imza attıklarını ve toplamda 705 milyon TL'lik kredi hazırladıklarını anlatıyor. "2018'te bu 17 bin 300 adetlik satışa ve yaklaşık 750 milyon TL'lik kredi hacmiyle kapatacağız" diyor. Ekonomisi her alanda olduğu gibi özotomide de güçlüyecekleri düşünülmüş 2019'a değinleştirecek. Soner İrmak, 2018'deki ilk satış rakamına rağmen, 2019'da satışlarda yüzde 50 artış beklediklerini kaydediyor. "Geleneğiyle şirketimizin satış beklemesi 6 bin adet civarında" diyor İrmak, 2018'de 6 bin satış adedyle kapatacağız, bekledikleri özotom pazarının da 2019'da 400 bin adedine gelebileceğini düşünüyor.

Şirket bu nedenle 2019 yılında ikinci özotom pazarına giriş yapmak istiyor. Kasım 2018 sonu itibarıyla ikinci kredilerin toplam kredilerin adedinde yüzde 40'ına, satış borsada ise yüzde 36'ine karşılık gelişmiş ifade eden Soner İrmak, şunları söylüyor: "Bu yıl bizim 17 bin 300 adetlik satışımız 10 bin 500'ü aşar olacaktır. Olanursun, gün kalını ikinci adedine ulaştı. 2019'da bir artışla talebin düşeceğimiz öngörüdeyiz için, gelecek yıl ikinci adedine artışımız 100 bin olacaktır. Bu alandaki gelişmelerimizi sergileyen. Ancak aktif kalitemizi korumak için kredi talebinde artış olacağız."

KOBİ'lere kesintisiz destek

Faktoring sektörünün KOBİ'lere 145 milyar TL destek verdiğini belirten FKB Genel Sekreteri Ahmet Candan, "5,6 milyon fatura KOBİ'lere dokunduğumuzu gösteriyor" dedi

Giriş Tarihi: 14.4.2018



Banka dışı finans kesimini temsil eden Finansal Kurumlar Birliği (FKB) Genel Sekreteri Ahmet Candan, faktoring sektörünün ekonominin kılcaldamaları olan küçük ve orta boy işletmelerin (KOBİ) finansman ihtiyacında önemli bir rol üstlendiğini söyledi. Medipol Üniversitesi Öğretim Üyesi Prof. Dr. Kerem Alkin'in katıldığı, A Haber Ekonomi Müdürü Özlem Doğaner'in "Finansın Merkezi" programına, Kapital Faktoring Genel Müdürü Yiğit Özkes ile birlikte konuk olan Candan, banka dışı finans kesiminin büyütülmesi gerektiğine işaret etti.

TÜRKİYE SERMAYE PİYASALARI KONGRESİ "GELECEK"



Neden Banka Dışı Finansal Kurumlar

14 Kasım 2018, 14.45 - 15.45
Wyndham Grand İstanbul Levent

Euro
newsport



Uluslararası Bölgesel Faktoring Konferansı'na ilgi büyüktü

Türk faktoring sektörünün uluslararası seviyede yakaladığı başarıları anlatılan FCI (Dünya Faktoring Organizasyonu), bölgesel etkinliğini ilmini de İstanbul'da gerçekleştirdi. Yapılan konferans dünyaya bir çok ülkeden gelen faktoring yöneticileri sektörün geleceği konusundaki görüşlerini, Türkiye'nin faktoring sektöründeki rolüne ilişkin beklentilerini ve yapıları konularında faktoring açısından çıkarılabilecek fırsatları tartıştı. Konferans sonrasında gerçekleştirilen bir basın toplantısında, FCI Başkanı Adem Duman ve Başkan Nektar Çakır, konferansın başarılı olduğunu belirtti.

Sayın Çakır, "Büyük bir başarıyla gerçekleşen konferansın İstanbul'da gerçekleştirilmesini çok mutluyuz"

Büyük bir başarıyla gerçekleşen konferansın İstanbul'da gerçekleştirilmesini çok mutluyuz"

İçin Uluslararası Bölgesel Faktoring Konferansı'na gelenler, ilgililer büyük memnuniyet duyuyorlar. Bölgenin genel FCI ilmi kez bölge etkinliğini İstanbul'da gerçekleştirdi. İlmi 2012 yılında yapıldığı konferansın 6 yıl sonra tekrar bu toplantıda bir araya gelmeleri için mutluyuz.

Tüm dünyada faktoring sektörünün yakaladığı başarıları anlatılan FCI Uluslararası Bölgesel Faktoring Konferansı'nda Türkiye Ziraat Bankası, Türkiye-Orta Doğu ve Orta ve Doğu Avrupa ülkelerinde faktoring, EBRD ülkeleri ve gelişmekte olan pazarlarda finansal, İleri Finans Ürünleri, Dijitalleşme, Kredi Sigortası-Faktoring iş birliği gibi önemli konular masaya yatırıldı. Türkiye'nin de bu ve benzeri beklentiler bir köprü olduğu bir finansal geleceği açısından çıkarılabilecek fırsatları tartıştı.

Sayın Adem Duman, sektörün geleceği açısından faktoring 4.0 teknolojilerinden bahsetti. Bu uygulamaların sektörde katkılarını

Yeni pazarlara açılma fırsatı



DENİZ Faktoring Genel Müdürü Alper Tunga Emecan, faktoringin ihracat yapan firmaların yeni pazarlara minimum risk ile açılabilmesi ve

riskli gördükleri sektörlerde yönelebilmeleri konusunda önemli olduğunu belirterek, şunları söyledi:
"Özellikle KOBİ'ler için rekabetin ağırlaştığı bir ortamda, faktoring ile ülke ağlarını büyütürken, hem alıcılarına vade imkanı sağlayıp hem de nakit akışlarını düzenleme imkanı bulabilmektedirler. İhracat faktoringinden yararlanmak isteyen KOBİ'lerin mal mukabili ve vadeli ihracat alacakları için riski minimize edebilmek adına uluslararası pazarı



Finansal Kiralama Faktoring ve Finansman Şirketleri Birliği and Subsidiaries
Consolidated Financial Statements together with
Independent Auditor's Report for the year Ended 31 December 2018

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Independent Auditor's Report



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To the General Assembly of Finansal Kiralama, Faktoring ve Finansman Şirketleri Birliği

A) Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Finansal Kiralama, Faktoring ve Finansman Şirketleri Birliği ("the Association") and its subsidiaries (together will be referred to as "the Group"), which comprise the consolidated statement of financial position as at 31 December 2018, the consolidated statements of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, 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 Company Group as at 31 December 2018, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Turkish Financial Reporting Standards ("TFRS").

Basis for Opinion

We conducted our audit in accordance with Standards on Auditing which is a component of the Turkish Auditing Standards published by the Public Oversight Accounting and Auditing Standards Authority ("POA") ("Standards on Auditing issued by POA"). Our responsibilities under Standards on Auditing issued by POA are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We declare that we are independent of the Group in accordance with the Code of Ethics for Auditors issued by POA ("POA's Code of Ethics") and the ethical requirements in the regulations issued by POA that are relevant to audit of consolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with the POA's Code of Ethics and regulations. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

It was decided that we did not have a key audit matter to report in our report.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Group's management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with TFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

Independent Auditor's Report

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Responsibilities of auditors in an audit are as follows:

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing issued by POA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Standards on Auditing issued by POA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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) Other Legal and Regulatory Requirements

- 1) Pursuant to the fourth paragraph of Article 402 of the Turkish Commercial Code ("TCC") numbered 6102; no significant matter has come to our attention that causes us to believe that for the period between 1 January 2018 and 31 December 2018, the Association's bookkeeping activities and consolidated financial statements are not in compliance with TCC and provisions of the Association's articles of association in relation to financial reporting.
- 2) Pursuant to the fourth paragraph of Article 402 of the TCC; the Board of Directors provided us the necessary explanations and required documents in connection with the audit.

KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi
A member firm of KPMG International Cooperative


Ali Tugrul Uzun, SMMM
Engagement Partner
15 March 2019
İstanbul, Turkey

Consolidated Statement of Financial Position (Balance Sheet)
For the Year Ended 31 December 2018

(All amounts expressed in Turkish Lira ("TL"))

		Current period	Prior period
		Audited	Audited
	Notes	31 December 2018	31 December 2017
Assets			
Current assets			
Cash and cash equivalents	3	9,766,188	10,475,414
Trade receivables	4	129,747	267,683
Current tax assets	8	120,242	22,588
Other current assets	5	100,597	18,176
Total current assets		10,116,774	10,783,861
Non-current assets			
Tangible assets	6	380,050	819,574
Intangible assets	7	1,239,542	1,239,618
Deferred tax asset	12	9,313	15,051
Other non-current assets		804	8,088
Total non-current assets		1,629,709	2,082,331
Total assets		11,746,483	12,866,192

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

Consolidated Statement of Financial Position (Balance Sheet)
For the Year Ended 31 December 2018

(All amounts expressed in Turkish Lira ("TL"))

		Current period	Prior period
		Audited	Audited
	Notes	31 December 2018	31 December 2017
Liabilities and Equity			
Current liabilities			
Trade payables	9	529,634	492,343
Employee termination benefits obligations	10	225,374	218,255
Deferred income	11	2,268,667	1,906,000
Current provisions for employee termination benefits	10	162,441	111,192
Tax payables	12	25,282	124,592
Other current liabilities	13	207,643	282,002
Total current liabilities		3,419,041	3,134,384
Non-current liabilities			
Deferred tax liabilities	12	6,107	17,676
Provisions for long-term employee benefits	10	282,423	199,043
Total non-current liabilities		288,530	216,719
Total liabilities		3,707,571	3,351,103
Shareholders' equity			
Other accumulated expenses that will not be reclassified to profit or loss		(83,976)	(50,662)
- Defined benefit plans re-measurement (losses)/gains		(83,976)	(50,662)
Legal Reserves		15,000	-
Retained earnings		9,550,751	10,605,116
Net period income/(loss)		(1,442,863)	(1,039,365)
Total equity		8,038,912	9,515,089
Total liabilities and shareholders' equity		11,746,483	12,866,192

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

Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 31 December 2018

(All amounts expressed in Turkish Lira ("TL"))

		Current period	Prior period
		Audited	Audited
	Notes	January 1 - 31 December 2018	January 1 - 31 December 2017
Profit or loss			
Sales	14	14,204,152	13,405,914
Cost of sales (-)	14	(4,610,872)	(3,935,875)
Gross profit	14	9,593,280	9,470,039
General administrative expenses (-)	15	(12,096,125)	(10,135,496)
Other operating income		117,609	40,074
Other operating expense (-)	16	(831,535)	(1,459,703)
Operating profit		(3,216,771)	(2,085,086)
Financial income	17	2,211,597	1,475,748
Financial expense (-)	18	(265,780)	(54,725)
Profit/(loss) before tax from continuing operations		(1,270,954)	(664,063)
- Tax expense for the period	12	(180,732)	(378,001)
- Deferred tax income	12	8,823	2,699
Net period income		(1,442,863)	(1,039,365)
Other comprehensive income or loss			
Will not be reclassified to income or loss			
-Actuarial income/(loss)	10	(30,322)	(59,050)
-Deferred income/(expense)	12	(2,992)	288
Other comprehensive income or loss		(33,314)	(58,762)
Total comprehensive income or loss		(1,476,177)	(1,098,127)

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

Consolidated Statement of Changes in Equity For the Year Ended 31 December 2018

(All amounts expressed in Turkish Lira ("TL"))

	Other comprehensive income and expenses not to be reclassified to profit or loss				
	Defined benefit plans remeasurement losses	Legal reserves	Net Profit/ (Loss)	Retained Earning	Total shareholders' equity
Balance as of January 1, 2017	8,100	-	831,165	9,773,951	10,613,216
Transfers	-	-	(831,165)	831,165	-
Net income/(loss) for the period	-	-	(1,039,365)	-	(1,039,365)
Other comprehensive income/(loss)	(58,762)	-	-	-	(58,762)
Total comprehensive income/(loss)	(58,762)	-	(1,039,365)	-	(1,098,127)
Balance as of December 31, 2017	(50,662)	-	(1,039,365)	10,605,116	9,515,089
Balance as of January 1, 2018	(50,662)	-	(1,039,365)	10,605,116	9,515,089
Transfers	-	15,000	1,039,365	(1,054,365)	-
Net income/(loss) for the period	-	-	(1,442,863)	-	(1,442,863)
Other comprehensive income/(loss)	(33,314)	-	-	-	(33,314)
Total comprehensive income/(loss)	(33,314)	-	(1,442,863)	-	(1,476,177)
Balance as of December 31, 2018	(83,976)	15,000	(1,442,863)	9,550,751	8,038,912

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

Consolidated Statement of Cash Flows For the Year Ended 31 December 2018

(All amounts expressed in Turkish Lira ("TL"))

		Current period	Prior period
		Audited	Audited
	Notes	1 January- 31 December 2018	1 January- 31 December 2017
Cash flows from operating activities:			
Net profit/(loss) for the year		(1,442,863)	(1,039,365)
Adjustments for the reconciliation of net profit and net cash gained from operating activities:			
Entrance fees and accrued shareholding costs	11	362,667	57,333
Depreciation and amortization	6, 7	637,624	520,903
Tax adjustments	12	171,909	375,302
Provision for employee termination benefits	10	53,058	57,416
Provision for unused vacation liability	10	67,245	52,746
Provision for doubtful receivables	4	(15,250)	(46,750)
Interest income	17	(2,120,001)	(1,447,005)
Cash flows from operating activities before changes in operating assets and liabilities		(2,285,611)	(1,469,420)
Changes in trade receivables, other receivables	4	153,186	(107,948)
Changes in current period tax assets	7	-	-
Changes in other current assets	5	(82,421)	(1,725)
Changes in other non current assets		7,284	(6,569)
Changes in trade payables	9	37,291	15,137
Changes in employee benefit obligations	10	7,119	(27,610)
Changes in other payables and other liabilities		(90,354)	178,962
Tax paid	12	(377,696)	(343,764)
Net cash used from operating activities		(2,631,202)	(1,762,937)
Cash flows from investing activities			
Interest received	17	2,201,272	1,306,723
Cash flow from tangible and intangible asset purchase	6,7	(198,025)	(400,134)
Cash inflow from tangible asset	6	-	78,943
Cash flows from investing activities		2,003,247	985,532
Net cash/(used in) financing activities			
		-	-
Net changes in cash and cash equivalents		(627,955)	(777,405)
Cash and cash equivalents at the beginning of the period	3	10,273,447	11,050,852
Period-end cash and cash equivalents	3	9,645,492	10,273,447

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

Notes to the Consolidated Financial Statements As of 31 December 2018

(All amounts expressed in Turkish Lira ("TL"))

1. Group's organization and nature of activities

The associations which undertook similar activities before the Law No.6361, Finansal Kiralama Derneği ("Leasing Association"), Faktoring Derneği ("Factoring Association") and Tüketici Finansmanı Şirketleri Derneği ("Consumer Financing Companies Association") were decided to liquidate since they are not required after the foundation of the Finansal Kiralama, Faktoring ve Finansman Şirketleri Birliği ("The Association"). The Association was established in accordance with the Financial Leasing, Factoring and Financing Companies Law numbered 6361 and dated 25 July 2013. Temporary Board of Directors was established with the combination of members of the Leasing Association, Factoring Association and Financing Companies Association's board of directors. Thenceforth the main Board of Directors were elected for 3 years with the decision of the General Assembly meeting held on 22 October 2013. During the General Assembly held on 10 May 2016, the Board of Directors was re-elected for 3 years.

To assist the realization of the objectives of the Association pursuant to the decisions of the Board of Directors dated 7 January 2014, 2014/2, 2014/3 and 2014/4 and to establish three commercial enterprises with the following titles in accordance with the provisions of the Law, decided. (Subsidiary)

- 1) Finansal Kiralama, Faktoring ve Finansman Şirketleri Birliği Finansal Kiralama İktisadi İşletmesi
- 2) Finansal Kiralama, Faktoring ve Finansman Şirketleri Birliği Faktoring İktisadi İşletmesi,
- 3) Finansal Kiralama, Faktoring ve Finansman Şirketleri Birliği İktisadi İşletmesi

Finansal Kiralama, Faktoring ve Finansman Şirketleri Birliği together as the "Group" The Association and its subsidiaries are operating in Turkey and located in Esentepe Mahallesi, Büyükdere Caddesi, Bahar Sokak, No:13 River Plaza Kat:18 Ofis No: 48-49 34394 Şişli, İstanbul, Türkiye. As of the balance sheet date the number of personnel of the Group is 22 (December 31, 2017: 23).

According to the law provisions, all financial leasing, factoring and financing companies that operate in Turkey, as of the date they receive permission to operate, have to join the Association within one month, comply with the provisions of the Statute, and must implement the decisions taken by the Association's competent body.

Associations's subject of activity:

The Association was established according to the law of Financial Leasing, Factoring and Financing Companies numbered 6361 and is a professional organization having an incorporated body specificity and quality of a public authority.

Within the framework of free market economy and full competition principles and in line with regulation principles and rules of the industry, the aim of the Association is to defend the rights and interests of the companies to work for the sectors' growth, trusted work and the development of relevant professions and raise the competitiveness.

The Association performs the following tasks to accomplish this aim:

- a) Create policies for the development of sectors and relevant professions and take decisions,
- b) Determine the professional principles and standards that companies have to comply,
- c) To provide the companies to work in the unity, dignity and discipline that the profession requires according to the needs of the economy, by determining the principles and ethics of the profession,
- d) Inform the companies about the decisions taken by relevant legislation and by the Agency and the measures,
- e) Take the necessary measures to protect the competitive environment,
- f) Represent the sectors in the country and abroad, to promote and to make efforts to enlighten the public on this issue,
- g) Transfer the information which is collected through the economy, the financial sector and domestic and international developments in their system by monitoring; to its members and relevant persons
- h) Giving advices to official authorities and organizations about the issues of the companies and sectors,
- i) Take decisions that will strengthen professional solidarity relations between the companies,
- j) Ensure the cooperation on joint projects between the members,
- k) Collect the companies'and sectors' unconfidential statistics and announce to public,
- l) Follow up the regulations related to the sectors and to publicize these regulations to companies,
- m) Identify the principles to be followed in advertisements and announcements of the companies under the relevant legislation
- n) Follow up the implementation of the decisions and measures and decide to administrative penalty about the companies do not exactly comply with these totally and on time, within the context of the law,
- o) Organize seminars symposiums, conferences and such education programs on issues related to industry,
- p) Litigate about the common interests of the companies according to the Board of Directors' decision,

Notes to the Consolidated Financial Statements As of 31 December 2018

(All amounts expressed in Turkish Lira ("TL"))

- r) Take the measures which are required to be taken by the Agency,
- s) Determine the principles and procedures related to the registration of lease contracts to the special registry, by taking the relevant opinion of the Board,
- t) Consolidate the information about the assigned receivables including the invoice information of the factoring companies and banks with approval of the Association under the consideration of the Risk Center, determine the procedures and principles about sharing the information.
- u) Carry out other tasks given by the legislation

Finansal Kiralama, Faktoring ve Finansman Şirketleri Birliği Faktoring İktisadi İşletmesi was established on 27 February, 2014. The Factoring Commercial Enterprise's purpose and scope are as follows:

- a) Making required investments in order to establish the system on which the information regarding transferred receivables including the data of invoices will be consolidated; as it is mentioned in article 43, titled as 'Central Invoice Recording', of Financial Leasing, Factoring and Financing Companies Law numbered 6361;
- b) Making operating and personnel expenses for the system to be run on a regular basis,
- c) Achieving service revenue related to the registration process that is performed in order for the system to operate in a well-ordered manner by performing any kind of activity and collecting fees for them
- d) Generating revenue via organizing training and consultancy activities like seminars and conferences about system operations,
- e) Claiming extra fee, in case the information which is demanded by the Association members and banks is not provided in a full and timely manner,
- f) Providing revenue on books, magazines and all kind of publications related to Central Invoice Recording System,
- g) Generating income via other activities performed according to the regulations to be published in accordance with the Financial Leasing, Factoring and Financing Companies Law numbered 6361, Article 43 with the title Central Invoice Recording,
- h) Investing the revenue collected as a result of its financial activities, and depositing the revenue to the bank accounts that are deemed appropriate, being authorized for such actions.
- i) Acting as a private integrator within the scope of the Tax Procedure Law General Notification numbered 421.
- j) Providing electronic invoice storage services under the Tax Procedure Law General Notification numbered 416, 421 and 424.
- k) Providing "e-Archives" service under the Tax Procedure Law General Notification numbered 433.
- l) Manufacturing, developing, handling and reproducing software in every kind of physical and electronic atmosphere, trading of them and acting as a service provider for them which are electronic invoicing, electronic books, electronic invoice software derived from or an integrated part of mentioned software and the service packages consisting of this software,
- m) Producing services on internet, communication medium and all kinds of informatics and exporting, importing domestically trading every kind of computer hardware, software whilst obeying the legislation.
- n) Maintaining, repairing, modifying and leasing the mentioned hardware and software, performing activities for software development and licencing, importing, exporting and domestically trading the related hardware and software.
- o) Servicing for establishing and operating of computer systems
- p) Organizing, seminars, symposiums, conferences and such education and consulting services on issues related to the activities and services within the Factoring Commercial Enterprise and generating income for them.

Finansal Kiralama, Faktoring ve Finansman Şirketleri Birliği İktisadi İşletmesi was established on 24 March, 2014. The Commercial Enterprise's purpose and scope are as follows:

- a) To conduct activities related to the expansion and development of the financial leasing, factoring ve financing companies in Turkey,
- b) Conducting and promoting studies and research regarding financial leasing, factoring and financing companies in order to provide highest level of service and quality,
- c) To make necessary investments for the establishment of the systems for certification, training, testing and evaluation of the creation and development of human resources of the sectors,
- d) Making operational and personnel expenses for the system to be run on a regular basis,
- e) To prepare and implement educational programs in order to increase the number of specialized staff in the sectors and to promote related sectors,
- f) Organizing required promotions in order to ensure enhancing the sector image to the highest level, to publish books, magazines and brochures, preparing video band, CD, DVD etc., to take ads, to assume, import and sell the publication rights of related books, to make periodical and non-periodical publications, to organize seminars, symposiums, and conferences with technicality, to organize training courses towards the training of personnel working at member institution and other entities,
- g) To organize various organizations, including dinner meetings to improve the feeling of social solidarity among employees of the Association's member companies,
- h) Engaging activities in the areas which focus on generating revenues from services within the area of its activity

Notes to the Consolidated Financial Statements As of 31 December 2018

(All amounts expressed in Turkish Lira ("TL"))

Finansal Kiralama, Faktoring ve Finansman Şirketleri Birliği Finansal Kiralama İktisadi İşletmesi was established on 27 February, 2014. The Financial Leasing Commercial Enterprise's purpose and scope are as follows:

- a. Making necessary investments according to Financial Leasing, Factoring and Financing Companies Law numbered 6361, Articles 21 and 22 for the establishment of the system related to registration process,
- b. Making operational and personnel expenses for the system to be run on a regular basis,
- c. Performing all kind of activities in order to generate service revenue from registration process,
- d. Organizing trainings, conferences, publications and consulting activities regarding the registration process,
- e. Investing the revenue collected as a result of financial activities and depositing the revenue to the bank accounts that are deemed appropriate, being authorized for such actions.

2. Basis of presentation of financial statements

A. Explanations on basis of presentation

Declaration of conformity with applied accounting standards and TAS

The financial statements have been prepared in accordance with the Communiqué No: II-14.1 "Communiqué on Principles of Financial Reporting in Capital Market" issued by the Capital Markets Board ("CMB") dated 13 June 2013 and numbered 28676 and in accordance with Article 5 of the Communiqué Turkish Accounting Standards ("TAS") issued by the Public Oversight Accounting and Auditing Standards Authority (KGK) have been applied. TAS; Turkish Accounting Standards include Turkish Financial Reporting Standards ("TFRS") and related attachments and comments.

The financial statements are presented in accordance with the TAS Taxonomy published by the POA and the formats specified in the Financial Statements Examples and User Guidelines published by the CMB.

The Company complies with the principles and conditions set out by the CMB, the Turkish Commercial Code ("TCC"), the tax legislation and the requirements of the Uniform Chart of Accounts issued by the Ministry of Finance in the preparation of the statutory financial statements. Financial statements are prepared on the basis of historical cost; The necessary corrections and classifications have been reflected in the statutory records in order to make a correct presentation in accordance with TAS.

Approval of consolidated financial statements:

The consolidated financial statements prepared related to the accounting period which end up on 31 December 2018 have been approved by the Management of the Group on 15 March 2019 and will be submitted for approval in the first General Assembly that will take place. In the framework of the legislation, the Group's authorized Boards and the regulatory institutions have the authority to alter the financial statements.

Applied accounting standards

The Group holds its legal books in accordance with the Turkish Commercial Code no. 6102, tax legislation and the Uniform Chart of Accounts published by the Ministry of Finance.

The Group is responsible for accounting for all transactions in line with the principles and procedures set by the Board of Public Oversight, Accounting and Auditing Standards in accordance and has to prepare its financial reports in a timely and accurate manner that is understandable, reliable and comparable, timely, analytical and interpretable in form and content to meet the need for information.

In the preparation of the financial statements and footnotes, "Financial Statements and Examples Use Guide" principles has been used which was announced by the POA as of April 20, 2013.

The financial statements are based on the Group's legal records and represented with TL balances and they have been subjected to certain adjustments and classifications in order to properly present the position of the Group which have been published by the Public Oversight Accounting and Auditing Standards.

Functional and presentation currency of the Group is Turkish Lira (TL).

Netting/Offset

With all kinds of significant financial amounts, even with similar characteristics, are presented separately in the financial statements Non significant amounts are material or shown in terms of consolidating as similar items. As a result of the transaction and to make the event the necessary offsetting these transactions and the net amount of the event or the presence of the monitoring over the amount after impairment losses are not considered as a violation of the rule of offsetting. The income earned as a result of the transactions in the normal course of business of the Group, is presented as net value provided with the clause of being appropriate with the nature of the transaction or event.

Notes to the Consolidated Financial Statements As of 31 December 2018

(All amounts expressed in Turkish Lira ("TL"))

Basis of consolidation

The Association and the subsidiaries are included in the consolidated financial statements.

Consolidated financial statements include the financial statements of the Association and its subsidiaries as of 31 December 2018. The balance sheet prepared in accordance with the Turkish Financial Reporting Standards ("TFRS") of the subsidiaries has been consolidated with the Association's balance sheet.

According to board decisions which are numbered 2014/2, 2014/3 and 2014/4 dated 7 January 2014, it is decided to establish commercial enterprises to provide continually income and assist for realization of the objectives for the Association of Financial Leasing, Factoring and Finance Companies in line with the law numbered 6361.

Field of activity of commercial enterprises, respectively are;

- To make the necessary investments for the establishment of related systems about registration process specified in articles 21 and 22 of the relevant law and operates in accordance,
- According to 'Central Invoice Recording' entitled under Article 43 at related law, to make required investments in order to establish the system that consolidate the information concerning the receivables (including invoice information) that are assigned to factoring companies and banks,
- To expand and develop activities of the Financial Leasing, Factoring and Finance Companies in Turkey.

Commercial enterprises consolidated are as follows:

Title	Address (City/ Country)	Share Rate	Paid in Capital
Finansal Kiralama Faktoring ve Finansman Şirketleri Birliği Finansal Kiralama İktisadi İşletmesi	Istanbul/Turkey	100%	100,000
Finansal Kiralama Faktoring ve Finansman Şirketleri Birliği Faktoring İktisadi İşletmesi	Istanbul/Turkey	100%	100,000
Finansal Kiralama Faktoring ve Finansman Şirketleri Birliği İktisadi İşletmesi	Istanbul/Turkey	100%	105,000
Total			305,000

B. Summary of Significant Relevant Accounting Policies

Standards issued but not yet effective and not early adopted

A number of new standards, interpretations of and amendments to existing standards are not effective at reporting date and earlier application is permitted; however the Group has not early adopted are as follows.

TFRS 16 Leases

On 16 April 2018, POA issued the new leasing standard which will replace TAS 17 *Leases*, TFRS Interpretation 4 *Determining Whether an Arrangement Contains a Lease*, TAS Interpretation 15 *Operating Leases – Incentives*, and TAS Interpretation 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease* and consequently changes to TAS 40 *Investment Properties*. TFRS 16 *Leases* eliminates the current dual accounting model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. Instead, there is a single, on-balance sheet accounting model that is similar to current finance lease accounting. Lessor accounting remains similar to current practice. The standard is effective for annual periods beginning on or after 1 January 2019, with early adoption permitted provided that an entity also adopts TFRS 15 *Revenue from Contracts with Customers*.

The Group is assessing the potential impact on its consolidated financial statements resulting from the application of TFRS 16.

TFRS Interpretation 23 –Uncertainty Over Income Tax Treatments

On 24 May 2018, POA issued TFRS Interpretation 23 *Uncertainty over Income Tax Treatments* to specify how to reflect uncertainty in accounting for income taxes. It may be unclear how tax law applies to a particular transaction or circumstance, or whether a taxation authority will accept a company's tax treatment. TAS 12 *Income Taxes* specifies how to account for current and deferred tax, but not how to reflect the effects of uncertainty. TFRS Interpretation 23 provides requirements that add to the requirements in TAS 12 by specifying how to reflect the effects of uncertainty in accounting for income taxes. The Interpretation is effective from 1 January 2019 with earlier application is permitted. The Group is assessing the potential impact on its consolidated financial statements resulting from the application of TFRS Interpretation 23.

Notes to the Consolidated Financial Statements As of 31 December 2018

(All amounts expressed in Turkish Lira ("TL"))

The significant accounting policies followed in the preparation of these financial statements are summarized below:

(a) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, time deposits and demand deposits at banks.

(b) Financial instruments

Trade receivables and provision for doubtful receivables

Trade receivables for which the Group is not in a cash flow forecast for the foreseeable future are deleted from the asset. The provision for doubtful receivables is reserved for receivables whose collectibility is doubtful and for which it is unclear whether the receivables are worthless. The amount of the provision is the difference between the recorded value of the receipt and the possible amount of receivable. Collectable amount is the amortized cost of all cash flows, including amounts recoverable from guarantees and collateral, discounted based on the original effective interest rate of the originated transaction.

If all or part of the doubtful receivable is collected, the amount collected is deducted from the provision for doubtful receivables and recorded in other operating income. Interest and other income from trading securities is also included into "Other income" in the income statement.

(c) Tangible assets

Tangible assets are carried at cost value excluding accumulated depreciation and impairment. Depreciation on the tangible assets is provided on straight-line method according to their useful lives from the date of recognition or assembly of the related asset. The estimated useful lives of assets are as follows:

	Years
Furnitures and fixtures	3-10
Leasehold improvements	4-5

Disposal of tangible fixed assets or asset gain or loss arising on the difference between the sales proceeds and the carrying amount of the asset is included in the income statement. Further expenses are capitalised only if the expenses increase the future economic benefits. All other expenses are recognized in the comprehensive income report as expenses.

(d) Intangible Assets

Amortization is charged on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

	Years
Rights	3-10

(e) Employee benefits

Employment termination benefits

In accordance with existing social legislation lump-sum termination indemnities are paid to each employee whose employment is terminated due to the retirement or dismissal. In the context of TAS 19 Employee benefits ("TAS 19") mentioned type of payments are specified as defined retirement benefit plans.

The reserve has been calculated by estimating the present value of the future obligation of the Group that may arise from the retirement of the employees.

The liability is not funded as there is no funding requirement.

The Group accounts for employee termination benefits, vacation rights and other benefits to employees in accordance with "International Accounting Standard for Employee Rights" ("TAS 19"). TAS 19 requires actuarial valuation methods to be developed to estimate the Group's obligations under defined benefit plans.

Notes to the Consolidated Financial Statements As of 31 December 2018

(All amounts expressed in Turkish Lira ("TL"))

The discount rate for pension commitments consistent with the maturity period and will be used for the payment of commitments, is estimated liabilities denominated in currencies, according to the changing discount rate that has been used over the years regarding the calculation as of December 31, 2018 and December 31, 2017. In line with a discount rate estimation for long-term inflation rate, the changing inflation rate has been used over the years.

The estimated rate of severance indemnity amounts that have not been paid as a result of on-demand departures and that have remained in the Group are also taken into consideration. It is assumed that, the rate of optional separation will be subject to past service period and to assume by calculating total retirement benefit obligation with making the analysis of past experience, expectations are reflected in the calculation of expected future demand separation.

Accordingly, in actuarial calculations, the possibility of employees leave voluntarily is included in the calculation as decreasing rate whilst having increased past service period.

(f) Shareholding charges, entrance fee and interest income/expense

Share of participation cost and entrance fee

The entrance fee revenues consist of fees allocated to the budget by the companies for once and the amount is determined by the Board of the Association. The share of participation cost consist of the fees for the Association and sectoral costs in the budget and are determined by the Board of the Association and approved by the General Assembly.

Revenues are recorded according to giving the service, having the transfer of risks and benefits associated with the service, determination of the amount of revenue reliably and economic benefits associated with the transaction that are or will be probable to be taken over to flow to the Association on an accrual basis over the fair value.

The entrance fees are reflected to income statement after the membership process is completed and the shares of participation cost are reflected regarding the following service period.

Interest income and expense

Interest income and expenses are booked in the income statement in the period to which they relate on an accrual basis.

(g) Taxes on income

The Association has exemption from the corporate tax and the value-added tax ("VAT"). However, the Association has obligation on stamp duty for papers issued in relation with its transactions. The subsidiaries are subject to corporate tax at 20%.

To be effective from January 1, 2006, in Turkey, whilst the corporate income is subject to corporate tax at 20%; according to the regulation numbered 7061, which is published in the Official Gazette dated December 5, 2017 and numbered 30261, the "Law on Amendments to Certain Tax Laws and Other Certain Laws" it is set at 22% to be applied to the corporate earnings of the tax years 2018, 2019 and 2020. In addition, the Council of Ministers was authorized to reduce the rate of 22% to 20% (31 December 2017: 20%).

The temporary taxes are calculated and accrued quarterly in Turkey.

Tax losses can be carried forward to offset against future taxable income for up to 5 years. But tax losses cannot be carried back to offset profits from previous periods.

In Turkey, there is no procedure for a final and definite agreement on tax assessments. Corporations file their tax returns within the 25th of the fourth month following the close of the financial year to which they relate. Tax returns and the related accounting records might be changed within 5 years by the tax authorities.

(h) The Effects of Changes in Foreign Currency

Foreign currency valuations are recorded by calculation with the exchange rate of the period; foreign currency assets and liabilities are valued with the buying exchange rate declared by the Central Bank of the Republic of Turkey of the balance sheet date. Income and expenses resulting from translation of foreign currency items are included in the income statement for the period.

(i) Trade payables

Trade payables contain related goods and services billed or unbilled amounts, consist of debts having maturities of less than three months.

Notes to the Consolidated Financial Statements As of 31 December 2018

(All amounts expressed in Turkish Lira ("TL"))

(j) Subsequent Events

Subsequent events cover any events which arise between the date of approval of the financial statements and the balance sheet date, even if they occurred after declaration of the net profit for the period or specific financial information is publicly disclosed. The Group adjusts its financial statements if such subsequent events require an adjustment to the financial statements.

(k) Provisions and contingent assets and liabilities

Provisions are booked when there is a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. When the amount of the obligation cannot be estimated and an outflow of resources is not probable, it is considered that a "contingent" liability exists and it is disclosed in the related notes to the financial statements. As of 31 December 2018 and 31 December 2017 the Group has no provision, contingent liabilities and assets.

(l) Related parties

a) A person or that person's immediate family are considered as related party to the Group if the following conditions have been met:

Certain party,

- (i) If it has control or joint control over the Group,
- (ii) If it has significant influence over the Group
- (iii) In the case of being a member of the Group or the parent Association's key management personnel

b) If any of the following conditions are present, the entity is considered as related party of the Group:

- (i) Entity and Group are members of the same group
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity has a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group. (If the Group itself has such a plan, the sponsoring employers are also related to the Group.)
- (vi) The entity is controlled or jointly controlled by a person identified in (a).
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity)

3. Cash and cash equivalents

	31 December 2018	31 December 2017
Cash	4,244	4,163
Bank		
- Demand deposits	53,276	39,199
- Time deposits	9,708,668	10,432,052
Total	9,766,188	10,475,414

As of 31 December 2018, the yearly weighted average interest rates of the TL deposits in the banks range between 15% and 24% (31 December 2017: 6% - 14.5%) and the accrued interest amount is TL 120,696 (31 December 2017: 201,967 TL) The maturity dates of the TL deposits in the banks vary between 2 January 2019 and 19 January 2019. (31 December 2017: 2 January 2018 - 29 January 2018).

As of 31 December 2018 and 31 December 2017, cash and cash equivalents of the Group are presented by deducting interest accruals from cash and cash equivalents:

	31 December 2018	31 December 2017
Cash and cash equivalents	9,766,188	10,475,414
Minus (-): Interest accruals	(120,696)	(201,967)
Cash and cash equivalents in the cash flow statement	9,645,492	10,273,447

Notes to the Consolidated Financial Statements As of 31 December 2018

(All amounts expressed in Turkish Lira ("TL"))

4. Trade receivables

	31 December 2018	31 December 2017
Receivables from "MFKS" operations ^(*)	53,100	10,443
Receivables from factoring operations (Special Integration)	18,401	-
Receivables from registration process ^(*)	35,166	248,036
Receivables from members ^(**)	23,080	9,204
Doubtful trade receivables	196,765	181,515
Provision for doubtful receivables	(196,765)	(181,515)
Total	129,747	267,683

^(*) One of the entities subject to consolidation "Finansal Kiralama İktisadi İşletmesi", performs registration of domestic and foreign leasing contracts. As a result of cooperation with "Merkezi Kayıt Kuruluşu", registration process of leasing contracts are started being executed by "Finansal Kiralama İktisadi İşletmesi" since 9 February 2015.

^(**) Since 1 January 2015, "Faktoring İktisadi İşletmesi" with cooperation with "Kredi Kayıt Bürosu", serves the Central Invoice Recording System (MFKS) by which Factoring Companies and banks aggregate invoice information about the receivables they assign.

^(***) Receivables from members are consists of receivables from Atak Faktoring shareholding charges amounting TL 20,000, education services amounting TL 3,080.

Provision for doubtful receivables as of 2018 is as follows:

	2018	2017
Opening balance, 1 January	(181,515)	(134,765)
Provision on the current period	(15,250)	(46,750)
Ending balance, 31 December	(196,765)	(181,515)

5. Other current assets

	31 December 2018	31 December 2017
Reverse charge VAT	81,073	-
Prepaid insurance policies	12,738	11,066
Personnel health insurance	4,568	4,717
Advances given for business	1,134	1,673
Prepaid taxes and funds	1,084	720
Total	100,597	18,176

6. Tangible assets

Movements in tangible assets between 1 January - 31 December 2018 are as follows:

Property, plant and equipment	Furniture and fixtures	Leasehold improvement	Construction in progress	Total
Cost				
Opening balance, January 1, 2018	685,851	1,420,231	-	2,106,083
Additions	32,343	-	-	32,342
Closing balance as of December 31, 2018	718,194	1,420,231	-	2,138,425
Accumulated depreciation				
Opening balance, January 1, 2018	(289,363)	(997,146)	-	(1,286,509)
Charge for the period	(187,076)	(284,790)	-	(471,866)
Closing balance as of December 31, 2018	(476,439)	(1,281,936)	-	(1,758,375)
Net book value	241,755	138,295	-	380,050

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(All amounts expressed in Turkish Lira ("TL"))

Movements in tangible assets between 1 January - 31 December 2017 are as follows:

Property, plant and equipment	Furniture and fixtures	Leasehold improvements	Construction in progress	Total
Cost				
Opening balance, January 1, 2017	496,332	1,420,231	4,200	1,920,763
Additions	268,463	-	-	268,463
Disposals	(78,943)	-	-	(78,943)
Transfers (-) ^(*)	-	-	(4,200)	(4,200)
Closing balance as of December 31, 2017	685,852	1,420,231	-	2,106,083
Accumulated depreciation				
Opening balance, January 1, 2017	(194,200)	(712,356)	-	(906,556)
Charge for the period	(95,163)	(284,790)	-	(379,953)
Closing balance as of December 31, 2017	(289,363)	(997,146)	-	(1,286,509)
Net book value	396,489	423,085	-	819,574

^(*) There has been a transfer to the intangible assets

As of 31 December 2018, there is no pledge or blocage (31 December 2017: None.) Depreciation expenses are reflected in General Administrative Expenses and Costs of Sales accounts.

7. Intangible assets

Movements in intangible assets between 1 January 2018- 31 December 2018 are as follows:

	Rights	Other intangible assets	Total
Cost			
Opening balance, January 1, 2018	1,608,184	50,000	1,658,184
Additions	165,682	-	165,682
Closing balance as of December 31, 2018	1,773,866	50,000	1,823,866
Accumulated depreciation			
Opening balance, January 1, 2018	(403,566)	(15,000)	(418,566)
Charge for the period	(155,758)	(10,000)	(165,758)
Closing balance as of December 31, 2018	(559,324)	(25,000)	(584,324)
Net book value	1,214,542	25,000	1,239,542

Notes to the Consolidated Financial Statements As of 31 December 2018

(All amounts expressed in Turkish Lira ("TL"))

Movements in intangible assets between 1 January 2017 - 31 December 2017 are as follows:

	Rights	Other intangible assets	Total
Cost			
Opening balance, January 1, 2017	1,472,313	50,000	1,522,313
Additions	131,671	-	131,671
Transfers (+) ⁽¹⁾	4,200	-	4,200
Closing balance as of December 31, 2017	1,608,184	50,000	1,658,184
Accumulated depreciation			
Opening balance, January 1, 2017	(272,616)	(5,000)	(277,616)
Charge for the period	(130,950)	(10,000)	(140,950)
Closing balance as of December 31, 2017	(403,566)	(15,000)	(418,566)
Net book value	1,204,618	35,000	1,239,618

⁽¹⁾ There has been a transfer from the tangible assets.

As of 31 December 2018, there is no pledge or blocage (31 December 2017: None.) Amortisation expenses are reflected in General Administrative Expenses and Costs of Sales accounts.

8. Current period tax assets

As of 31 December 2018 the Group has TL 120,242 in taxable income account (31 December 2017: TL 22,588).

9. Trade payables

	31 December 2018	31 December 2017
Trade payables to third parties	529,634	492,343
Total	529,634	492,343

Trade payables to non-related parties, consist of; technical services, advertising, corporate communications, vendor liabilities and balances owed to the Merkezi Kayıt Kuruluşu. Regarding 21st and 22nd Articles of Law No. 6361, "Finansal Kiralama İktisadi İşletmesi" executes the registrations of domestic and cross border leasing agreements. Since 9 February 2015, as a result of cooperation with Merkezi Kayıt Kuruluşu, the registration process for leasing contracts are started to be executed by "Finansal Kiralama İktisadi İşletmesi" Trade payables' maturities are less than 30 days.

As of 31 December 2018, the Group has TL 235,783 part, classified under other payables, consists of debts sourcing from contracts concluded in scope of realization of system and infrastructure establishment which shall be used by the software developed towards aggregation, recording, inquiring and reporting of invoice information and other information and/or documents related to receivables transferred in scope of the Law by factoring companies and banks in scope of contracts made with Kredi Kayıt Bürosu (31 December 2017: TL 207,373).

10. Liabilities and provisions related to employee benefits

Liabilities related to employee benefits consist of social security premiums payable, income tax paid on behalf of employees; provisions for long-term benefits provided to employees consist of reserve for employment termination benefits.

Notes to the Consolidated Financial Statements As of 31 December 2018

(All amounts expressed in Turkish Lira ("TL"))

The indemnities payable amounts to one month salary for each term of service and the maximum amount is calculated on the TL 5,434.42 for 31 December 2018 (31 December 2017: TL 4,732.48).

	31 December 2018	31 December 2017
Provision for employment termination benefits	282,423	199,043
Total	282,423	199,043

	31 December 2018	31 December 2017
Unused vacation provision	162,441	111,192
Total	162,441	111,192

The following actuarial assumptions are used in the calculation of the total liability at the balance sheet date:

	31 December 2018	31 December 2017
Discount rate	4.50%	4.21%
Inflation rate	7.00%	7.00%

The movement of severance pay for 2018 and 2017 is as follows:

	2018	2017
Opening balance (1 January)	199,043	82,577
Interest cost	16,036	8,601
Service cost	37,022	48,815
Actuarial (gain)/loss	30,322	59,050
Closing balance (31 December)	282,423	199,043

The movement of unused vacation provision for 2018 and 2017 is as follows:

	2018	2017
Opening balance (1 January)	111,192	58,446
Vacation provision for the current period	51,249	52,746
Closing balance (31 December)	162,441	111,192

11. Deferred income

As of 31 December 2018, charges of shareholding and entrance fees which have been collected from the members are recorded as income for the period of 1 January – 31 December 2018 and the portion of the following years' amounting to TL 2,268,667 was accounted as deferred income (31 December 2017 : TL 1,906,000).

12. Tax and liabilities payable

	31 December 2018	31 December 2017
Corporate tax provision	180,732	378,001
Advance corporate tax	(275,692)	(253,409)
Total	(94,960)	124,592

Notes to the Consolidated Financial Statements As of 31 December 2018

(All amounts expressed in Turkish Lira ("TL"))

Deferred tax asset/(liability), net

	Taxable temporary differences		Deferred tax asset/(liability)	
	31 December 2018	31 December 2017	31 December 2018	31 December 2017
Depreciation correction of tangible and intangible assets	(9,362)	(4,817)	(1,872)	(963)
Provisions for severance pay	23,422	37,463	4,684	7,493
Provisions for accumulated leave	12,271	31,686	2,700	6,970
Accumulated financial losses	17,277	7,048	3,801	1,551
Deferred tax asset/(liability)	43,608	71,380	9,313	15,051

Deferred tax liability

	Taxable temporary differences		Deferred tax asset/(liability)	
	31 December 2018	31 December 2017	31 December 2018	31 December 2017
Depreciation correction of tangible and intangible assets	(78,061)	(120,364)	(15,612)	(24,073)
Provision for severance pay	42,623	28,326	8,525	5,665
Unused vacation liability	4,457	3,331	980	732
Deferred tax liability	(30,981)	(88,707)	(6,107)	(17,676)

Deferred tax assets/liabilities, net

	Taxable temporary differences		Deferred tax asset/(liability)	
	31 December 2018	31 December 2017	31 December 2018	31 December 2017
Depreciation correction of tangible and intangible assets	(87,423)	(125,181)	(17,484)	(25,036)
Provision for severance pay	66,045	65,789	13,209	13,158
Provision for accumulated leave	16,728	35,017	3,680	7,702
Accumulated financial losses	17,277	7,048	3,801	1,551
Deferred tax assets/liabilities, net	12,627	(17,327)	3,206	(2,625)

Reconciliation of tax expense for the years ended 2018 and 2017 is as follows:

	31 December 2018	31 December 2017
Profit/(loss) before tax	(1,270,954)	(664,063)
Tax amount due to profit/(loss) before tax	279,610	132,813
Non-deductible expenses	(287,961)	(239,850)
Tax exempt profit	6,098	4,273
Accumulated financial losses not subject to deferred tax	(169,656)	(272,559)
Additional discounts' effect	-	21
Total	(171,909)	(375,302)

The movement of deferred tax for the years ended 2018 and 2017 is as follows:

	31 December 2018	31 December 2017
Opening balance	(2,625)	(5,612)
Accounted on income statement	8,823	2,699
Accounted on shareholders' equity	(2,992)	288
Total deferred tax liability	3,206	(2,625)

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13. Other current liabilities

Other current liabilities consist of taxes and funds payable TL 147,443 and other liabilities TL 60,200 (31 December 2017: Other current liabilities consist of taxes and funds payable TL 265,901 and other liabilities TL 16,101).

14. Sales and cost of sales

	1 January– 31 December 2018	1 January– 31 December 2017
"MFKS" income ⁽¹⁾	4,616,218	3,156,600
Association participation share costs	4,425,584	4,099,667
Domestic registration fee income	2,580,290	3,816,723
Financing company participations share costs	849,333	690,667
Factoring sector participation share cost	796,250	613,333
Education expenses	522,477	638,981
Financial leasing participations share cost	398,000	291,000
Foreign registration fee income	16,000	20,000
Other revenue	-	78,943
Total	14,204,152	13,405,914
Sales returns (-)	-	-
Net Sales	14,204,152	13,405,914
Cost of sales (-)	(4,610,872)	(3,935,875)
Gross profit	9,593,280	9,470,039

⁽¹⁾ "MFKS" revenues, as stated in Article 43 as Central Invoice Recording, of the Financail Leasing, Factoring and Finance Companies Law no 6361; consist of the centralized invoice record infrastructure cost of participation and centralized invoice record system service fee, related to the system by which Factoring Companies and banks aggregate invoice information about the receivables they assign.

15. General administrative expenses

	1 January– 31 December 2018	1 January– 31 December 2017
Personnel expenses	(6,057,360)	(5,119,454)
Rent expenses	(1,593,232)	(1,372,220)
Consultancy and audit expenses	(875,751)	(855,946)
Promotion and advertising expenses	(1,073,559)	(931,232)
Depreciation and amortization charges	(424,151)	(414,128)
FCI conference expense	(462,996)	--
General office expenses	(412,832)	(382,298)
Outsourced benefits and services	(333,283)	(252,931)
Travel expenses	(252,487)	(176,635)
Conference and organization expenses	(160,854)	(235,229)
Banks' withholding deductions	(143,746)	(110,524)
Representation and hospitality expenses	(117,662)	(107,853)
Membership fees	(83,974)	(66,296)
Accounting costs	(32,750)	(30,706)
Stamp tax	(25,545)	(18,889)
Taxes and other legal duties	(305)	(20)
Donation and aid expenses	(100)	--
Other expenses	(45,538)	(61,135)
Total	(12,096,125)	(10,135,496)

Notes to the Consolidated Financial Statements As of 31 December 2018

(All amounts expressed in Turkish Lira ("TL"))

16. Other operational expenses

	1 January– 31 December 2018	1 January– 31 December 2017
Anadolu Tour	(200,132)	(326,133)
Travel expenses	(195,383)	(159,789)
Advertisement design expense	(121,202)	(161,070)
Withholding tax	(111,014)	(179,819)
Provision expense	(90,615)	(54,362)
Leaseurope membership expense	(83,830)	(66,300)
Organization expense	(23,748)	(52,128)
Representation expense	(5,501)	(13,007)
Donation expense	(100)	(143,391)
Search Conference	-	(179,189)
Sales loss of fixed assets	-	(63,155)
Perception survey expense	-	(61,360)
Other expense	(10)	-
Total	(831,535)	(1,459,703)

17. Financial income

Financial income consists of interest income from deposits amounting to TL 1,944,039 and foreign exchange gains amounting to TL 267,558. Interest income includes interest accrual income amounting to 120,696 (31 December 2017: TL 1,431,015 interest income, foreign exchange gain amounting to TL 44,733, interest accrual income amounting to TL 201,967).

18. Financial expense

Financial expenses consist of commission expenses amounting to TL 6,270 and foreign exchange difference expenses amounting to TL 259,510 (31 December 2017: commission expenses amounting to TL 3,442 and foreign exchange difference expenses amounting to TL 51,283).

19. Related party transactions

As of 31 December 2018 and 31 December 2017 the Group has no related party transactions and balances.

There are no compensations to key management personnel as of 31 December 2018 and 31 December 2017.

20. Subsequent events following the balance sheet date

None.

21. Financial instruments and financial risk management

Risk management objectives and principles

The Group's activities expose it to a variety of financial risks, including the effects of changes in debt and equity market prices, foreign currency exchange rates and interest rates. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the Group.

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Credit risk

Having the financial instruments carries out an element of risk that the counterparties may be unable to meet the terms of the agreements. Group Management front these risks by limiting the aggregate risk to any individual counterparty and also in case, by obtaining collaterals. Group's collection risk arises mainly from receivables from members.

As of 31 December 2018				
	Other Receivables	Trade Receivables	Deposits at bank	Financial investments
Maximum exposure to credit risk at the reporting date (A+B+C+D+E) (1)	-	129,747	9,761,944	-
- The part of maximum risk guarantee with collateral or etc (2)	-	-	-	-
A. Net book value of financial assets that are neither past due nor impaired the net book value		129,747	9,761,944	
B. Having renegotiated conditions otherwise due to the carrying amount of financial assets accepted as past due or impaired	-	-	-	-
C. Net book value of financial assets that are past due but not impaired the net book value	-	-	-	-
- The part of net values under guarantee with collateral.	-	-	-	-
D. Net book value of financial assets that are impaired the net book value	-	196,765	-	-
- Past due (gross carrying amount)	-	(196,765)	-	-
- Impairment (-)	-	-	-	-
- The part of net values under guarantee with collateral.	-	-	-	-
- Not past due (gross carrying amount)	-	-	-	-
- Impairment (-)	-	-	-	-
- The part of net values under guarantee with collateral.	-	-	-	-
E. Off-balance sheet items with credit risk	-	-	-	-
As of 31 December 2017				
	Other Receivables	Trade Receivables	Deposits at bank	Financial investments
Maximum exposure to credit risk at the reporting date (A+B+C+D+E) (1)	-	267,683	10,471,251	-
- The part of maximum risk guarantee with collateral or etc (2)	-	-	-	-
A. Net book value of financial assets that are neither past due nor impaired the net book value		267,683	10,471,251	
B. Having renegotiated conditions otherwise due to the carrying amount of financial assets accepted as past due or impaired	-	-	-	-
C. Net book value of financial assets that are past due but not impaired the net book value	-	-	-	-
- The part of net values under guarantee with collateral.	-	-	-	-
D. Net book value of financial assets that are impaired the net book value	-	181,515	-	-
- Past due (gross carrying amount)	-	(181,515)	-	-
- Impairment (-)	-	-	-	-
- The part of net values under guarantee with collateral.	-	-	-	-
- Not past due (gross carrying amount)	-	-	-	-
- Impairment (-)	-	-	-	-
- The part of net values under guarantee with collateral.	-	-	-	-
E. Off-balance sheet items with credit risk	-	-	-	-

Notes to the Consolidated Financial Statements As of 31 December 2018

(All amounts expressed in Turkish Lira ("TL"))

Liquidity risk

The risk of funding of existing and prospective debt requirements is managed by arranging sustainable accessibility to sufficient number of high-qualified lenders.

Prudent liquidity risk management refers to the ability to hold sufficient cash and securities, the availability of adequate utilizing funding sources and credit transactions, and the ability to close market positions.

The table below shows the Group's distribution of non-derivative financial liabilities' maturity profile as of 31 December 2018 and 2017:

December 31, 2018	Book values	Total cash outflow in accordance with agreement (=I+II+III)	Less than 3 months (I)	Between 3-12 months (II)	Between 1-5 years (III)
Maturities in accordance with agreement					
Non-derivative financial liabilities					
Trade payables	529,634	529,634	529,634	-	-
Total	529,634	529,634	529,634	-	-
December 31, 2017	Book values	Total cash outflow in accordance with agreement (=I+II+III)	Less than 3 months (I)	Between 3-12 months (II)	Between 1-5 years (III)
Maturities in accordance with agreement					
Non-derivative financial liabilities					
Trade payables	492,343	492,343	492,343	-	-
Total	492,343	492,343	492,343	-	-

Interest rate risk

The Group has no interest rate risk as of 31 December 2018 since it has no asset with flexible interest. (31 December 2017: None).

Foreign currency risk

The Group is exposed to foreign currency risk due to exchanging of the foreign currency assets and liabilities amounts to TL. The Group follows balanced foreign exchange policy in order to reduce its foreign currency risk.

As of 31 December 2018 the Group has no foreign currency balance and was not exposed to exchange rate risk (31 December 2017: None).

22. Other issues that have significant effect on the balance sheet or that are ambiguous and/or open to interpretation and require clarification:

None.



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