Association of Financial Institutions

Economic Outlook Index Bulletin

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PREFACE

Within the scope of the protocol signed between the Association of Financial Institutions (AFI), which has an important mission for the development of the non-bank finance sector, and Istanbul University for the creation of *the Association of Financial Institutions Economic Outlook Index;* The Index and its sub-indices are produced based on the data contained in the Receivables Recording Center (RRC) and the Financial Leasing Contract Registration System (FLCRS) which are operated within AFI under Law No. 6361 on Financial Leasing, Factoring, Financing and Saving Finance Companies and the Financing Sector data used in the reporting and statistical activities of the AFI.

The RRC and FLCRS, which were established within the Association according to Law No. 6361 and have been in operating since 2015 with the inclusion of additional functions in line with the importance we attach to digitalization, and the data on the Financing Sector provide essential input to the index formation. To date, 48.3 million documents have been processed through the RRC, which records trade receivables and payment instruments assigned to factoring companies and banks. Furthermore, over 215 thousand contracts have been registered in the FLCRS, which registers financial leasing contracts signed by financial leasing companies, participation, development and investment banks.

The index, which is created with instant data from these two systems and data on the transaction volume and number of contracts in the Financing Sector, is intended to be the leading indicator measuring Turkey's trade and investment trend. At the same time, the Economic Outlook Expectations Survey, conducted with the participation of sector representatives, identifies the economic expectations and trends of the sector. The aforementioned surveys are conducted by the academic team at Istanbul University, and the results are periodically shared with the public every month.

Association of Financial Institutions

Statistics and Economic Research

1. Association of Financial Institutions Economic Outlook Index (AFI - EOI) Results

The Association of Financial Institutions Economic Outlook Index (AFI-EOI) is an index derived from the Receivables Recording Center (RRC) and Financial Leasing Contract Registration System (FLCRS) databases, along with the Financing Sector data subject to reporting and statistical activities of the AFI. AFI-EOI is a composite index that includes three sub-indices:

- AFI Factoring Sector Index
- AFI Financial Leasing Sector Index
- AFI Financing Sector Index

The metadata of the index is based on monthly frequency data starting from February 2015. As detailed in the methodology, as a result of the analysis, March 2019 data was determined as the base period. An *increase* in the value of the composite and sub-indices to be announced monthly should be interpreted positively for the economic outlook, while a *decrease* should be interpreted negatively.

AFI-EOI has been calculated monthly since February 2015. The index increased until March 2018, then declined starting in April 2018, reaching its lowest value in October 2018. The index, which began to increase again in November 2018, has been fluctuating according to the course of the sectors that make up the index. In **December**, the AFI-EOI increased by **0.81 points** compared to November and reached **100.99 points**.
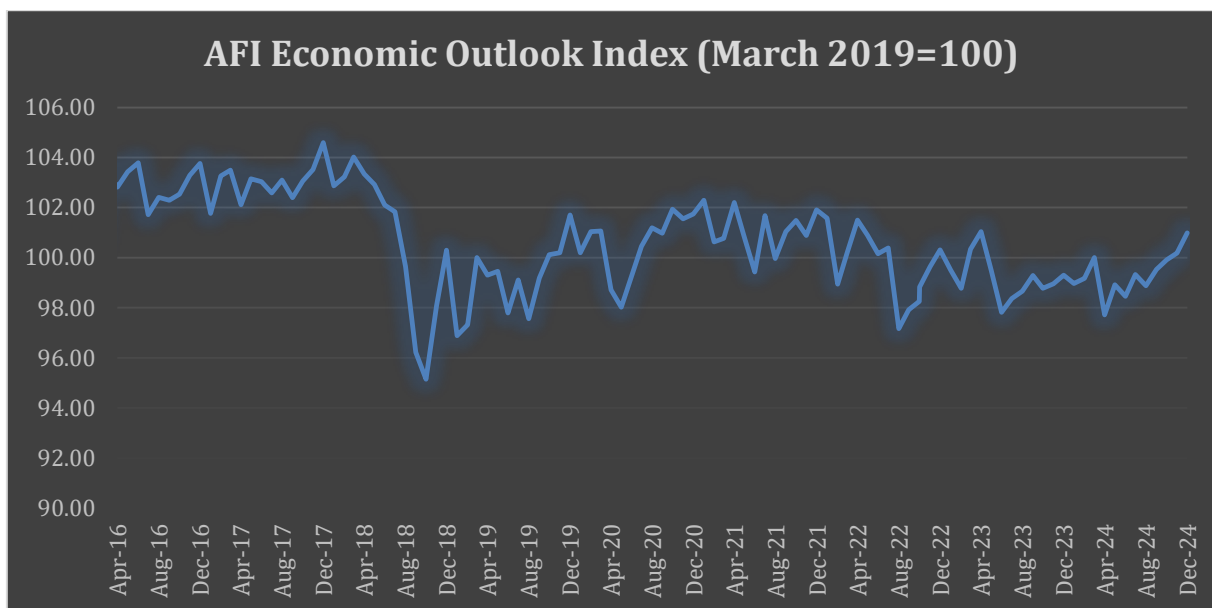
Graph 1: AFI-Economic Outlook Index

1.1. AFI Factoring Sector Index

The index, which is derived from the Receivables Recording Center (RRC) and the data used in reporting and statistical activities of the AFI, reached its lowest value in May 2020 with 97.57 points and its highest value in March 2015 with 103.59 points. The index fluctuates according to the course of the factoring sector. Looking at the change in the index in recent months, it is seen that the index value, which was **100.71** according to November 2024 data, increased by **1.56** points to **102.27** points in **December**.
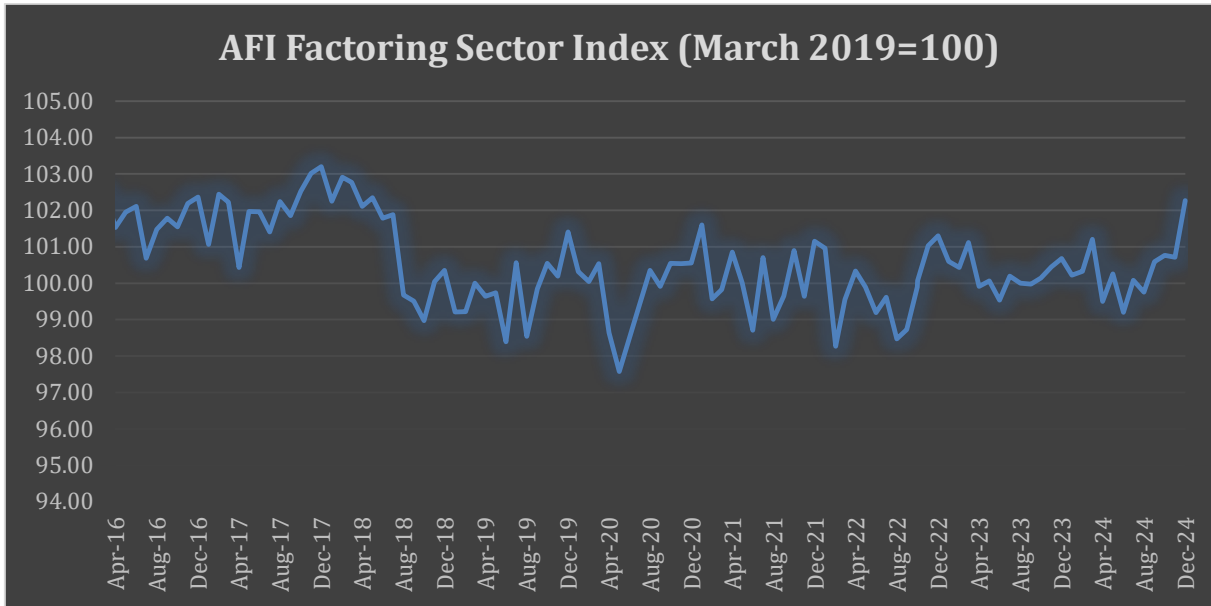
Graph 2: AFI Factoring Sector Index

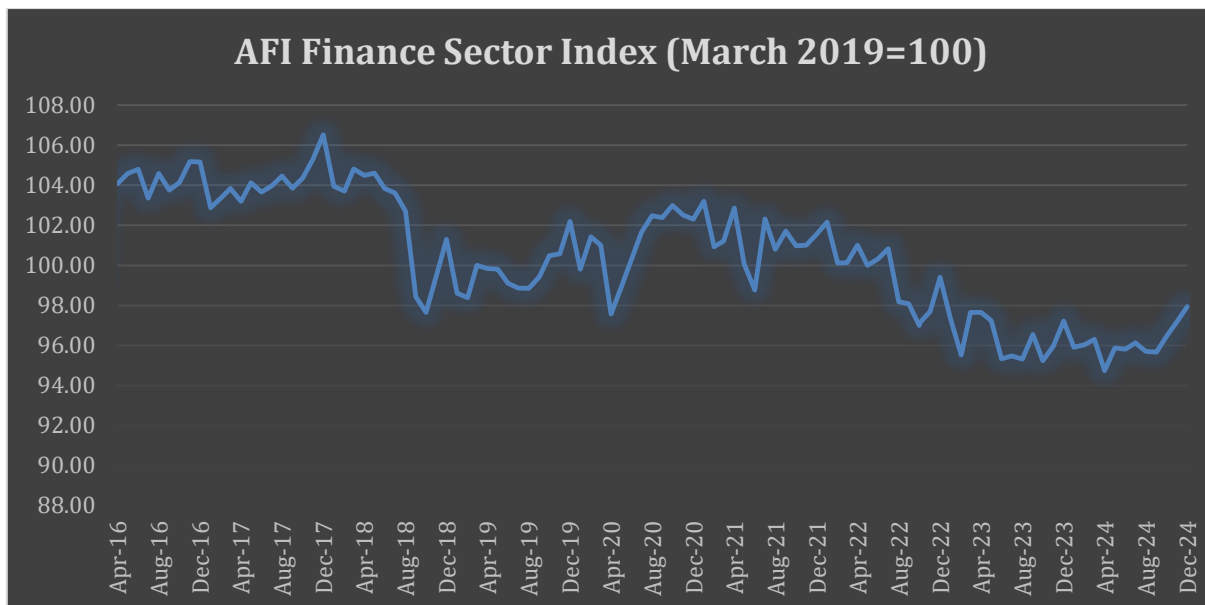**1.2. AFI Financial Leasing Sector Index**

The index, which is derived from the Financial Leasing Contract Registration System (FLCRS) database and the data used in reporting and statistical activities of the AFI, reached its lowest value in October 2018 with 88.82 points and its highest value in April 2023 with 105.55 points. The index fluctuates according to the course of the financial leasing sector. According to November 2024 data, the index value of **102.65** points <u>increased by</u> **0.1** points to **102.75** points in **December**.

Graph 3: AFI Financial Leasing Sector Index

1.3. AFI Financing Sector Index

The index, which is derived from data used in reporting and statistical activities of the AFI, reached its lowest value in October 2023 with 95.24 points and its highest value in December 2017 with 106.52 points. Looking at the data of the index in recent months, it is increased by **0.75** points from **97.19** points in November 2024 to **97.94** points in **December**.

Graph 4: AFI Financing Sector Index

2. Association of Financial Institutions Economic Outlook Expectations Survey Results

The January Economic Outlook Expectations Survey of the Association of Financial Institutions (AFI) was answered by 76 respondents between January 1, 2025 and January 9, 2025 and the results were evaluated by aggregating the responses of the respondents. The survey has been conducted with executives of AFI member companies operating in the Financial Leasing, Factoring, Financing, Asset Management and Savings Finance sectors. In addition, participation has also been obtained from the executives and experts of the AFI. The results of this survey, which will be conducted regularly every month, aim to monitor the expectations of AFI members regarding the economy and their sectors.

Table 1: Participant Profile

| Participant Profile	Respondent
Factoring	33
Financial Leasing	8
Financing	13
Savings Finance	1
Asset Management	14
Professionals	7
TOTAL	**76**

2.1. Inflation Expectations

In the survey, sector executives were asked about their inflation expectations for the end of the current month, the end of the current year, and the end of the following year. In January 2025 survey period, 1.5 percent of the participants' monthly inflation expectations are below 1.11, 39.1 percent are in the range of 1.12-2.23, 30.4 percent are in the range of 2.24-3.36, 17.4 percent are in the range of 3.37-4.48 and 11.6 percent are above 4.49.
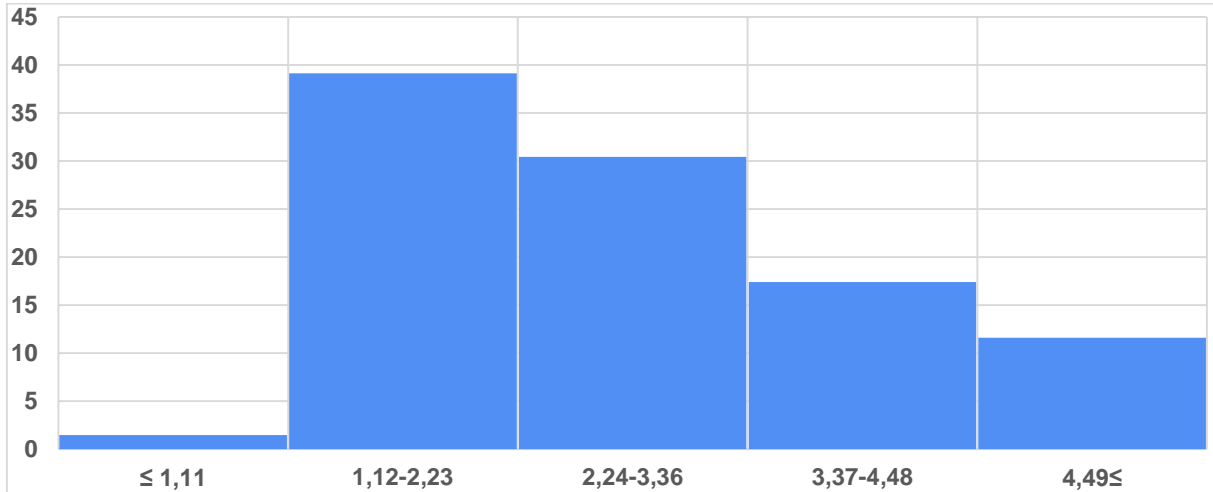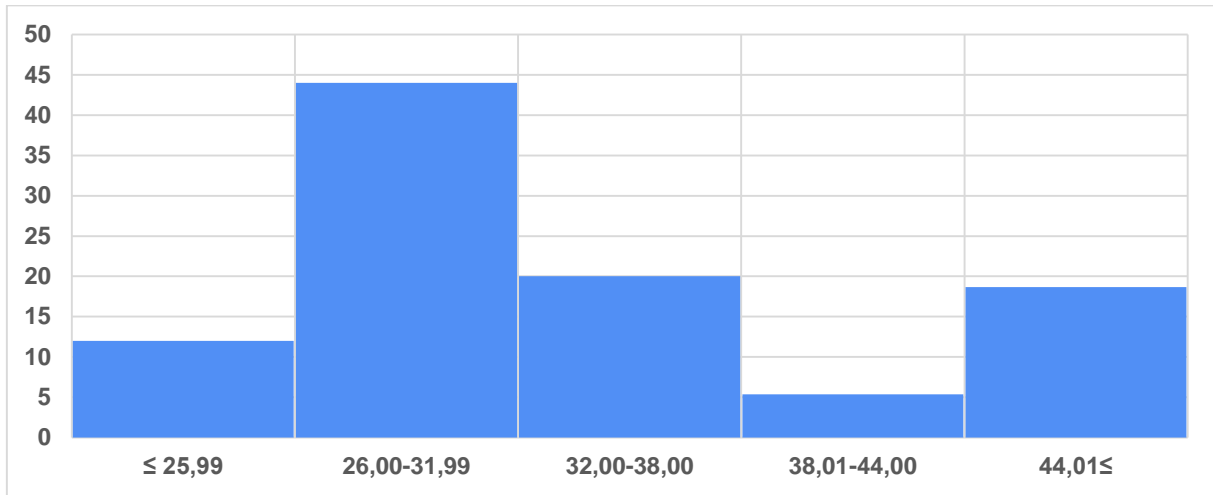

Graph 5: Monthly Inflation Expectations

After excluding outliers from the calculation, it is determined that **the average inflation expectation for the end of January is 2.77%.** When the course of the average monthly inflation expectation for the last 6 months is analyzed, participants, according to their response, anticipated a general decrease in the initial months and an increase in the last month.
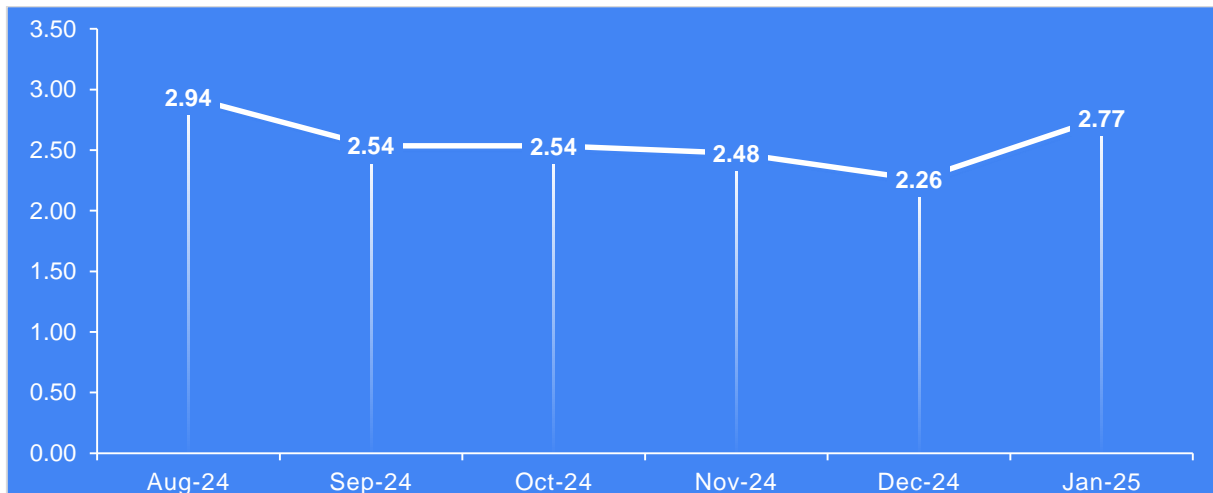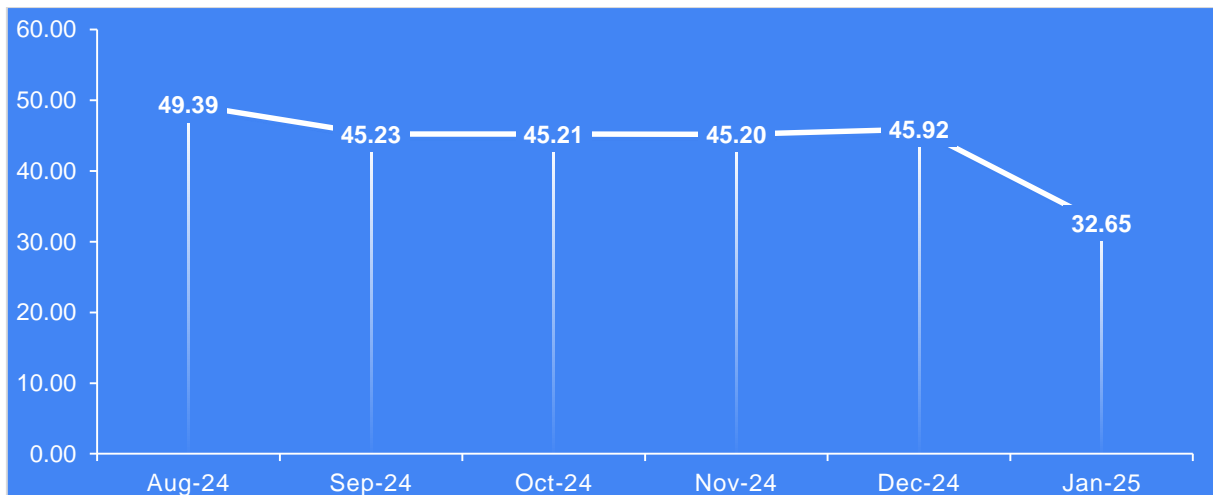

Graph 6: Change in Monthly Inflation Expectations

When the current year-end inflation expectations of the respondents are analyzed, it is observed that 12 percent of them are below 25.99, 44 percent are in the range of 26.00-31.99, 20 percent are in the range of 32.00-38.00, 5.3 percent are in the range of 38.01-44.00 and 18.7 percent are above 44.01.

Graph 7: Current Year-End Inflation Expectations

After excluding outliers from the calculation, it is determined that **the average current year-end inflation expectation is 32.65% for the end of 2025 in January.** When the course of the average current year-end inflation expectation for the last 6 months is analyzed, it is observed that respondents generally stated that they expect a decrease in the change of the current year-end inflation.

Graph 8: Change in Current Year-End Inflation Expectations

When the year-end inflation expectations of the participants for the next year are evaluated, it is observed that 13.9 percent of the participants' inflation expectations are below 15.19, 41.7 percent are in the range of 15.20-21.39, 22.2 percent are in the range of 21.40-27.60, 11.1 percent are in the range of 27.61-33.80 and 11.1 percent are above 33.81.
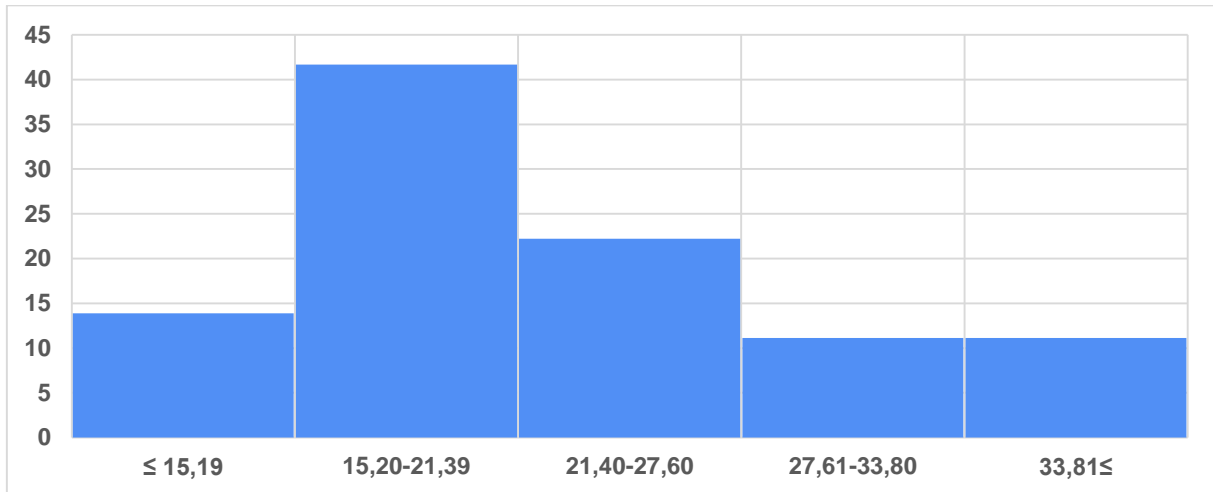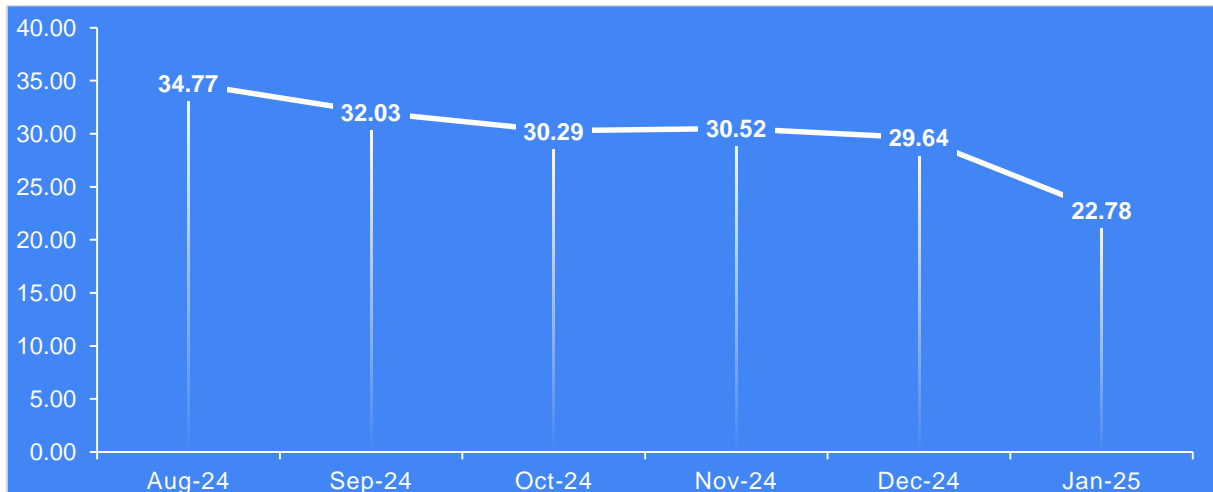

Graph 9: Inflation Expectations for the End of Next Year

After excluding outliers from the calculation, it is determined that **the average inflation expectation for the end of next year is 22.78% for the end of 2026 in January.** When the last 6-month course of the average inflation expectation for the end of next year is analyzed, it is seen that the participants generally stated that they expect a decrease in the change of the inflation for the end of next year.

Graph 10: Change in Inflation Expectations for the End of Next Year

2.2. Exchange Rate Expectations

In the survey, sector executives were asked about their US dollar exchange rate expectations for the end of the current month, the end of the current year, and the end of the following year. When the current month-end US dollar exchange rate expectations of the participants are evaluated, it is observed that 12.7 percent of the participants' are below 35.33, 21.1 percent are in the range of 35.34-35.67, 56.3 percent are in the range of 35.68-36.02, 4.2 percent are in the range of 36.03-36.36 and 5.6 percent are above 36.37.
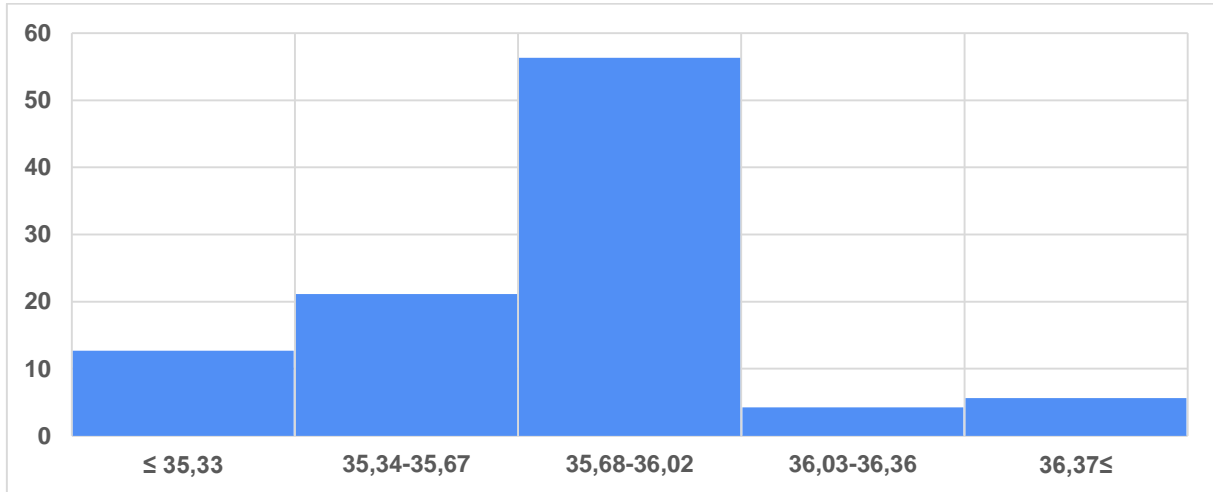
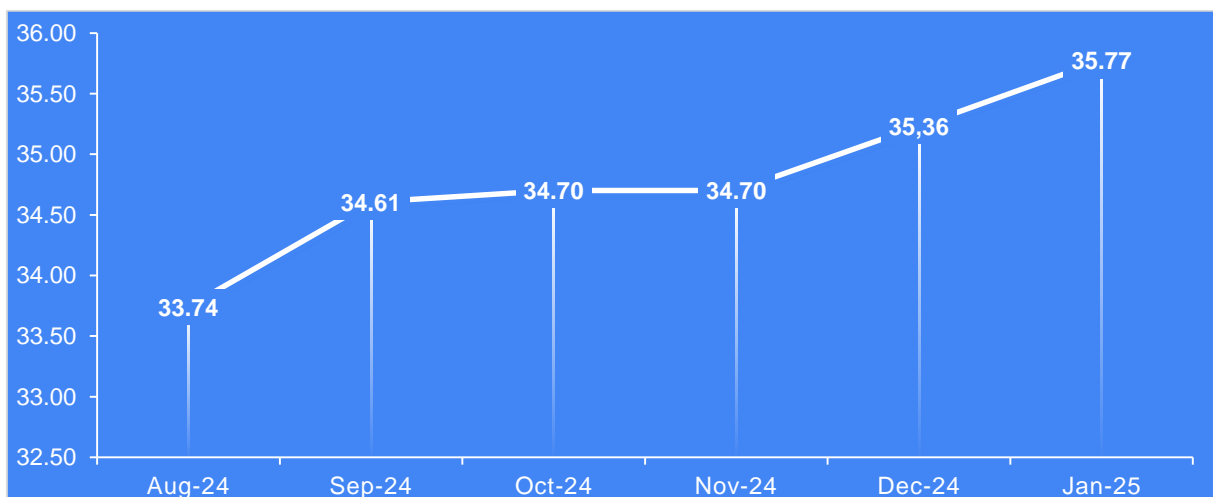*Graph 11: Current Month-end US Dollar Exchange Rate Expectations*

After excluding outliers from the calculation**,** it is determined that **the average US dollar exchange rate expectation for the end of January is 35.77 TRY.** When the last 6-month course of the averages of the current month-end US dollar exchange rate expectation is analyzed, the participants stated that they generally anticipate an increase in the change in the current month-end US dollar exchange rate.

Graph 12: Change in Current Month-end US Dollar Exchange Rate Expectations

In the survey, sector executives were asked about their expectations for the US dollar exchange rate at the end of the current month, the end of the current year and the end of the next year. When the current year-end US dollar exchange rate expectations of the participants are evaluated, it is observed that 9.5 percent of them are below 37.59, 13.5 percent are in the range of 37.60-40.19, 28.4 percent are in the range of 40.20-42.80, 39.2 percent are in the range of 42.81-45.40 and 9.5 percent are above 45.41.
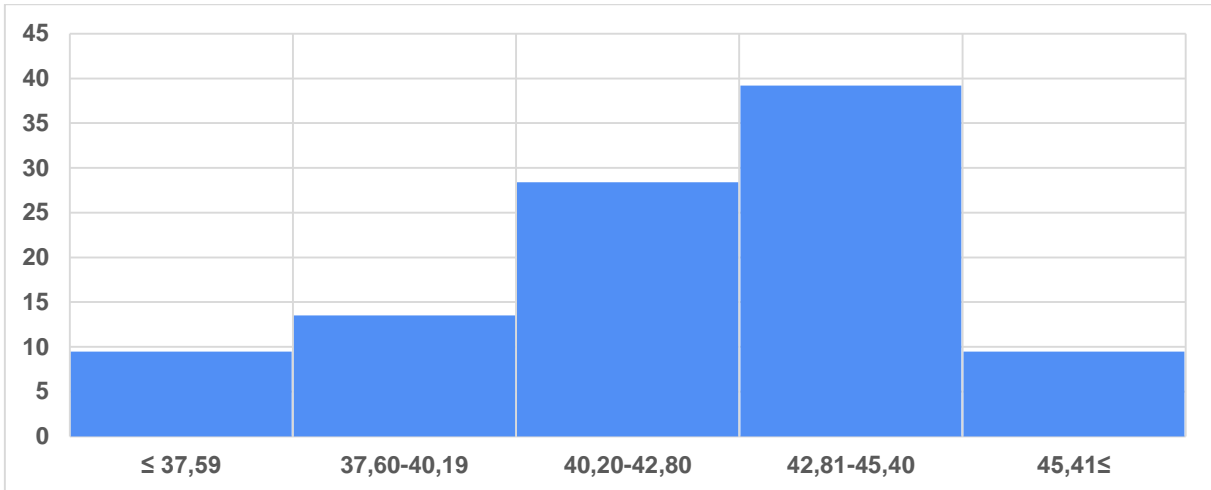

Graph 13: Current Year-End US Dollar Exchange Rate Expectations

After excluding outliers from the calculation, it is determined that **the average current year-end US dollar exchange rate expectation is 42.32 TRY for the end of 2025 in January.** When the course of the average current year-end US dollar exchange rate expectation for the last 6 months is analyzed, the participants stated that they expect a general decrease in the change in the current year-end US dollar exchange rate during the initial months and an increase in the last month.

Graph 14: Change in Current Year-End US Dollar Exchange Rate Expectations

When the participants' expectations for the US dollar exchange rate at the end of next year are evaluated, it is observed that 4.1 percent of the participants' expectations are below 41.59, 28.8 percent are in the range of 41.60-46.19, 31.5 percent are in the range of 46.20-50.80, 27.4 percent are in the range of 50.81-55.40 and 8.2 percent are above 55.41.
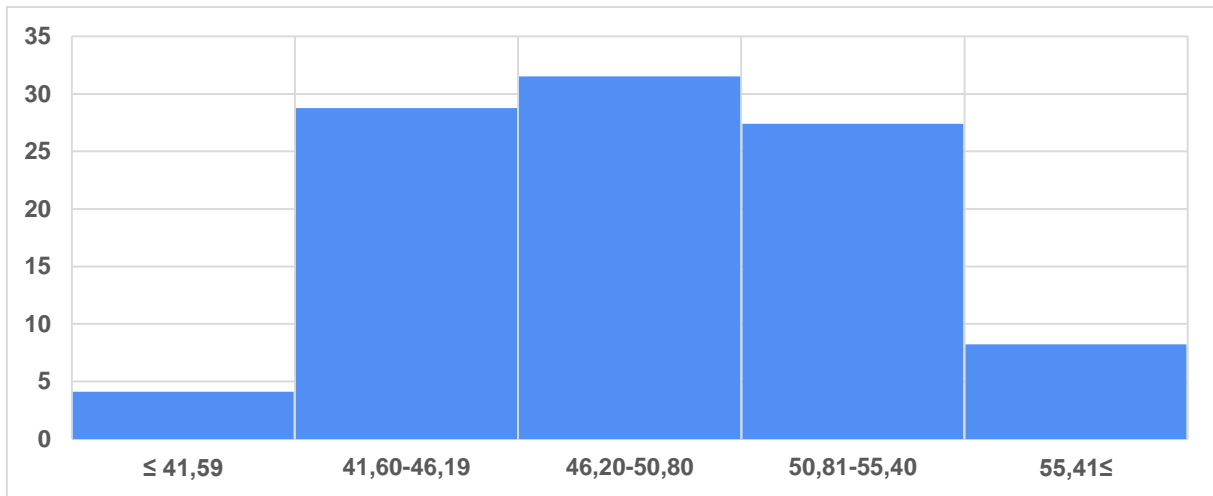

Graph 15: US Dollar Exchange Rate Expectations for the End of Next Year

After excluding outliers from the calculation, it is determined that **the average of the US dollar exchange rate expectation is 49.33 TRY for the end of 2026 in January.** When the last 6-month course of the average of the US dollar exchange rate expectation for the end of next year is analyzed, it is seen that there is a fluctuating outlook in the change in the US dollar exchange rate expectation for the end of next year.
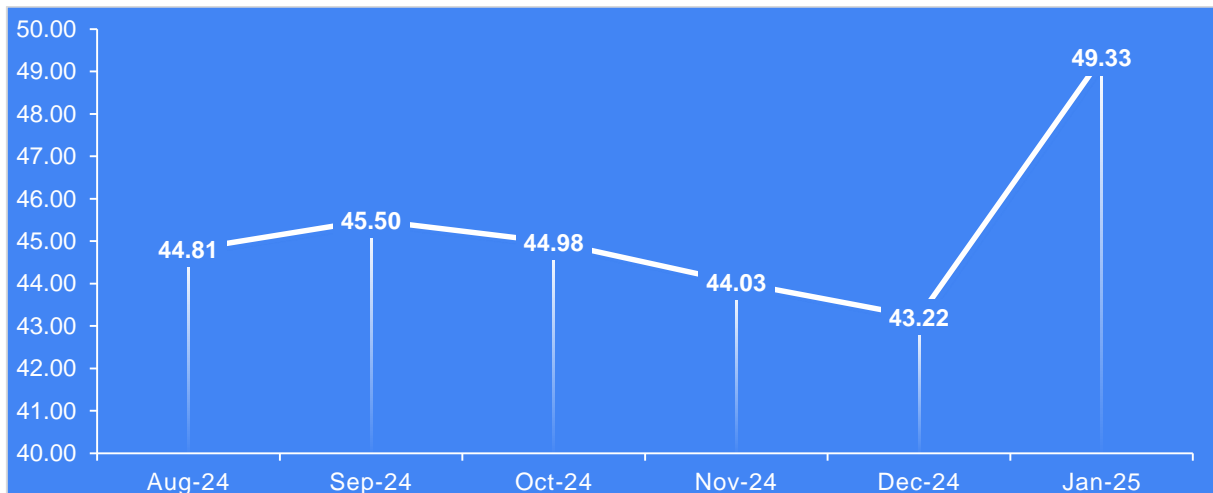
Graph 16: Change in US Dollar Exchange Rate Expectations for the End of Next Year

2.3. Interest Rate Expectations

The survey asked sector executives about their short-term commercial loan interest rate and sectoral average interest rate expectations. When the short-term commercial loan interest rate expectations of the respondents are evaluated, it is observed that 8.5 percent of them are below 44.49, 15.3 percent are in the range of 44.50-46.99, 44.1 percent are in the range of 47.00-59.50, 25.4 percent are in the range of 49.51-52.00 and 6.8 percent are above 52.01
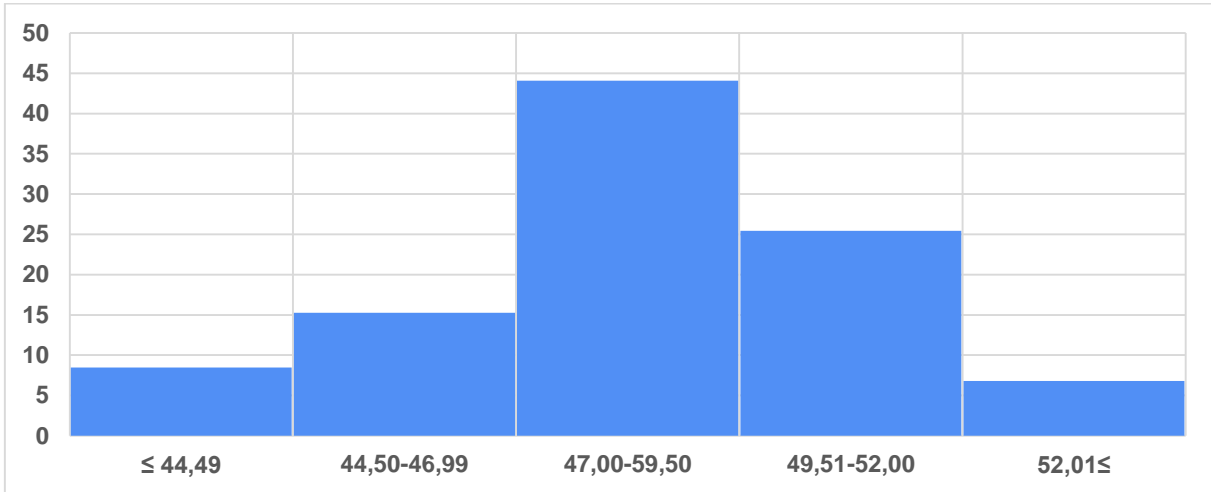
Graph 17: Short-Term Commercial Loan Interest Rate Expectations

After excluding outliers from the calculation, it is determined that **the average short-term commercial loan interest rate expectation in January is 47.96%.** Analyzing the course of the average short-term commercial loan interest rate expectation for the last 6 months, the participants generally stated that they expect a decrease.

Graph 18: Change in Short-Term Commercial Loan Interest Rate Expectations

When the sector average interest rate expectations of the participants are analyzed, it is observed that 8.5 percent of the participants' expectations are below 46.39, 29.6 percent are in the range of 46.40-52.79, 31 percent are in the range of 52.80-59.20, 22.5 percent are in the range of 59.21-65.60 and 8.5 percent are above 65.61.
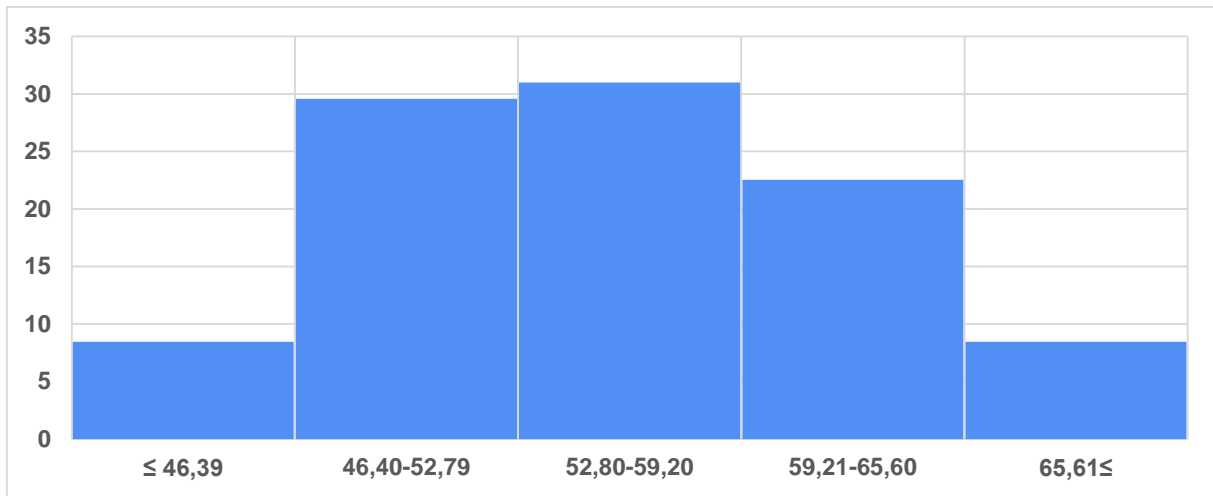

Graph 19: Sector Average Interest Rate Expectations

After excluding outliers from the calculation, it is determined that **the average sectoral average interest rate expectation is 55.61% in January.** Analyzing the course of the sector average interest rate expectation averages for the last 6 months, it is seen that the participants generally expressed that they expect a decrease in the change of the sector average interest rate.

Graph 20: Change in Sector Average Interest Rate Expectations

2.4. GDP Growth Expectations

In the survey, sector executives were asked about their current year-end and next year-end Gross Domestic Product (GDP) growth expectations. When the current year-end GDP growth expectations of the respondents are evaluated, it is observed that 11.7 percent of them are below 2.63, 5 percent are between 2.64-2.97, 55 percent are between 2.98-3.32, 16.7 percent are between 3.33-3.66 and 11.7 percent are above 3.67.
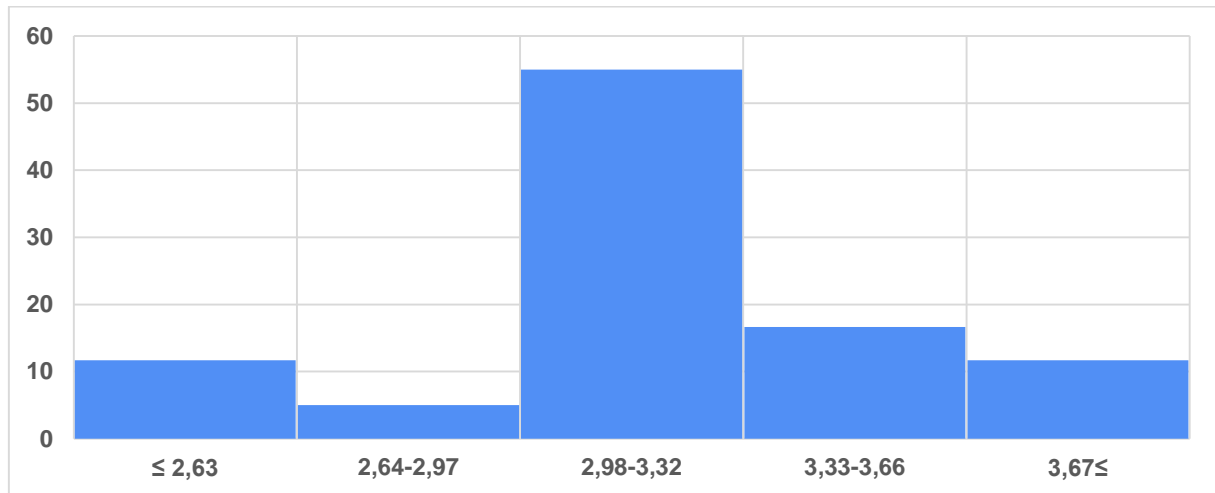
Graph21 : Current Year-End GDP Growth Expectations

After excluding outliers from the calculation, it is determined that **the average *GDP* growth expectation for end-2025 is 3.14% in January.** Analyzing the course of the average current year-end GDP growth expectation for the last 6 months, it is seen that there is a fluctuating outlook in the change of the participants' current year-end GDP growth expectation.
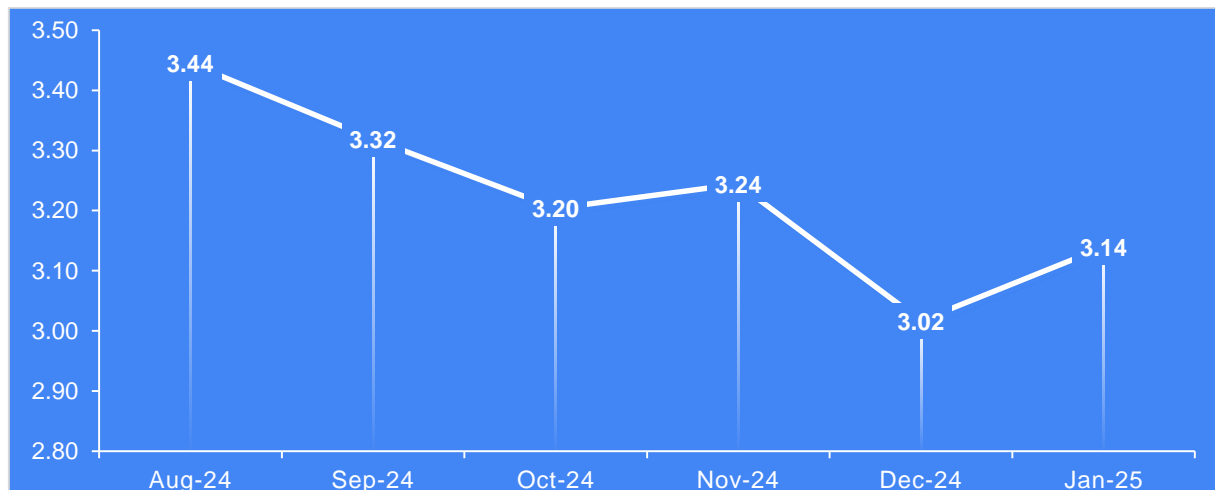
Graph 22: Change in Current Year-End GDP Growth Expectations

When the GDP growth expectations of the participants for the end of next year are analyzed, it is observed that 7.1 percent of the participants' GDP growth expectations are below 2.59, 30 percent are in the range of 2.60-3.19, 25.7 percent are in the range of 3.20-3.80, 21.4 percent are in the range of 3.81-4.40 and 15.7 percent are above 4.41.
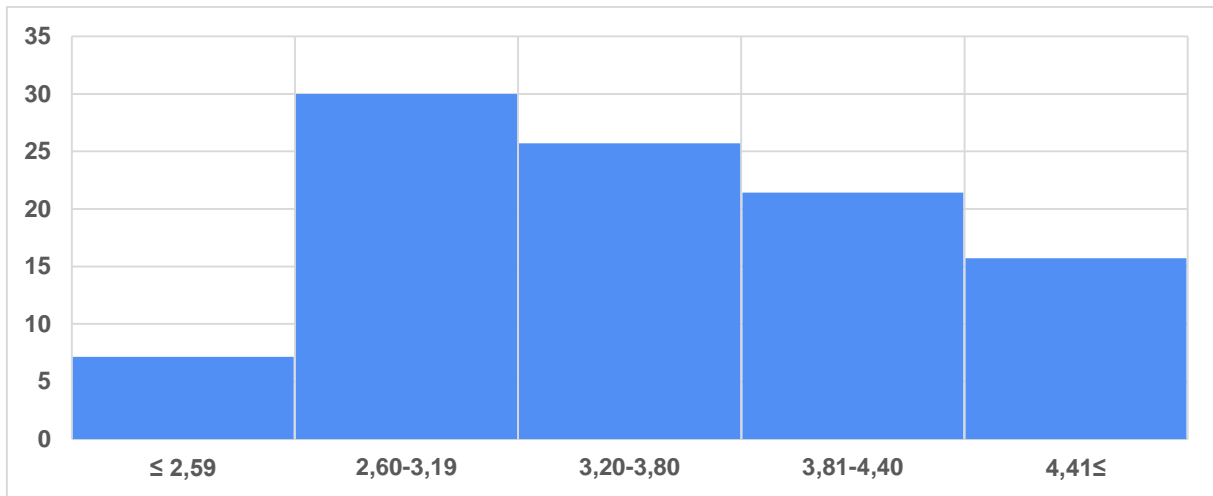
Graph23 : GDP Growth Expectations for the End of Next Year

After excluding outliers from the calculation, **the average *GDP* growth expectation for the end-2026 is 3.53% in January.** Analyzing the last 6-month course of the average GDP growth expectation for the end of next year, it is seen that there is a fluctuating outlook in the change of the GDP growth expectation for the end of next year.
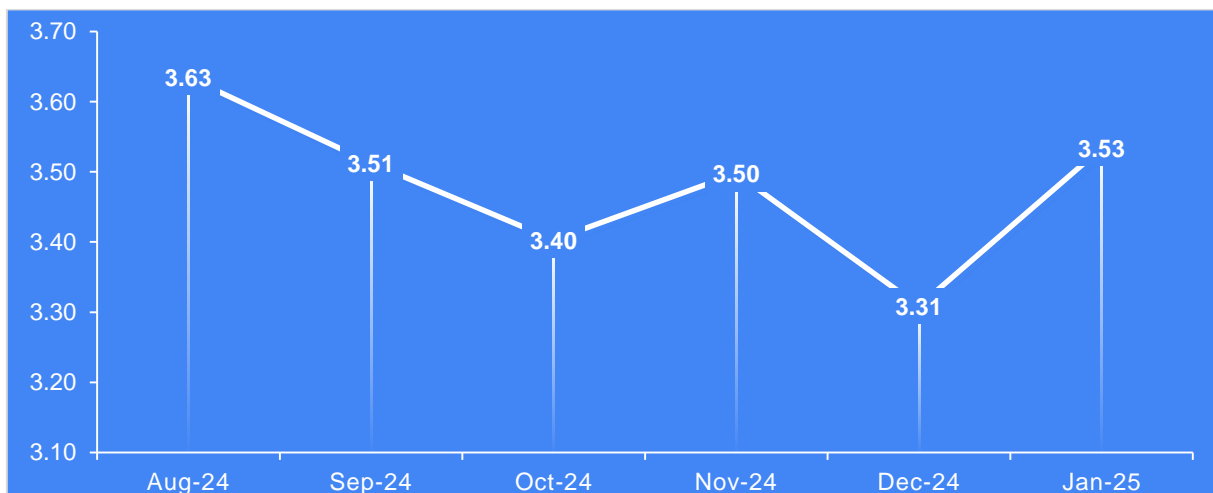
Graph 24: Change in GDP Growth Expectations for the End of Next Year

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2.5. Sectoral Expectations

In the survey, sector executives were asked about their expectations regarding the transaction volume, non-performing loan ratio, change in collection, and general course of events in their sectors. According to the responses of the participants in **January**, 59 percent stated that the transaction volume in their sectors would increase, 15 percent stated that it would decrease, and 26 percent stated that it would remain the same in the next 3 months, compared to the previous 3-month period.
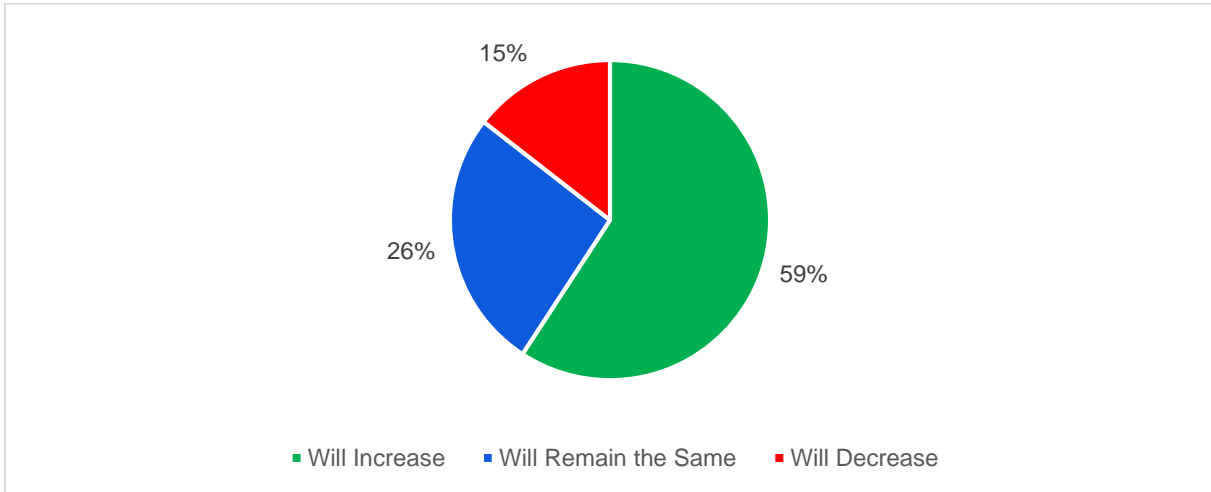
Graph 25: Trading Volume Expectations

When the last 6-month course of the change in the participants' expectations for the transaction volume in their sectors in the next 3-month period compared to the previous 3-month period is analyzed, it is seen that the participants generally anticipate an increase in the expectation of the increase in transaction volume in their sectors for the next 3-month period compared to the previous 3-month period.
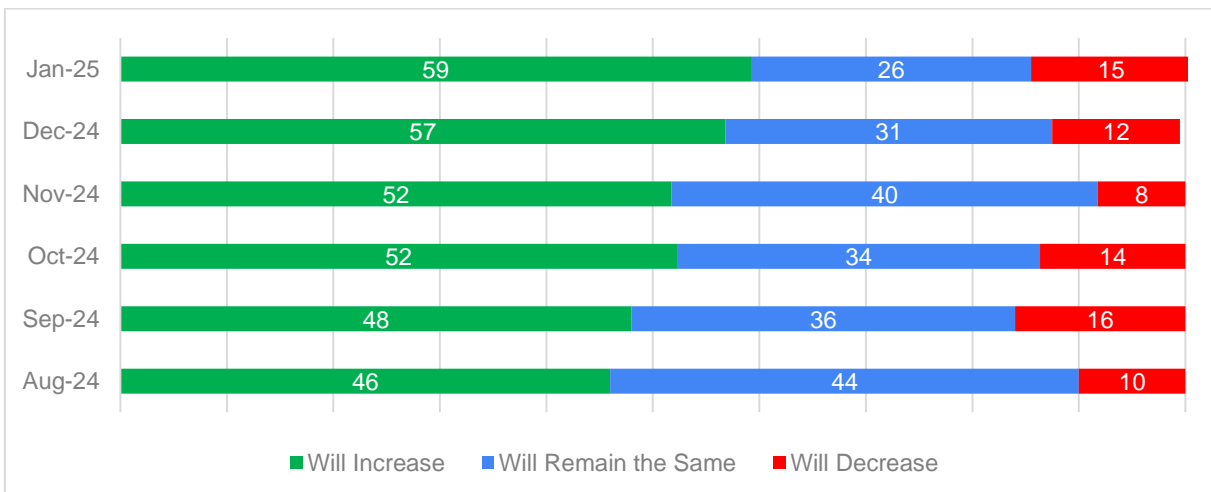
Graph 26 : Change in Trading Volume Expectations

Regarding the expectations for the change in the non-performing loan ratio (NPL) in the next 3 months in **January**; 71 percent of the participants stated that it would increase, 3 percent stated that it would decrease and 26 percent stated that it would remain the same.
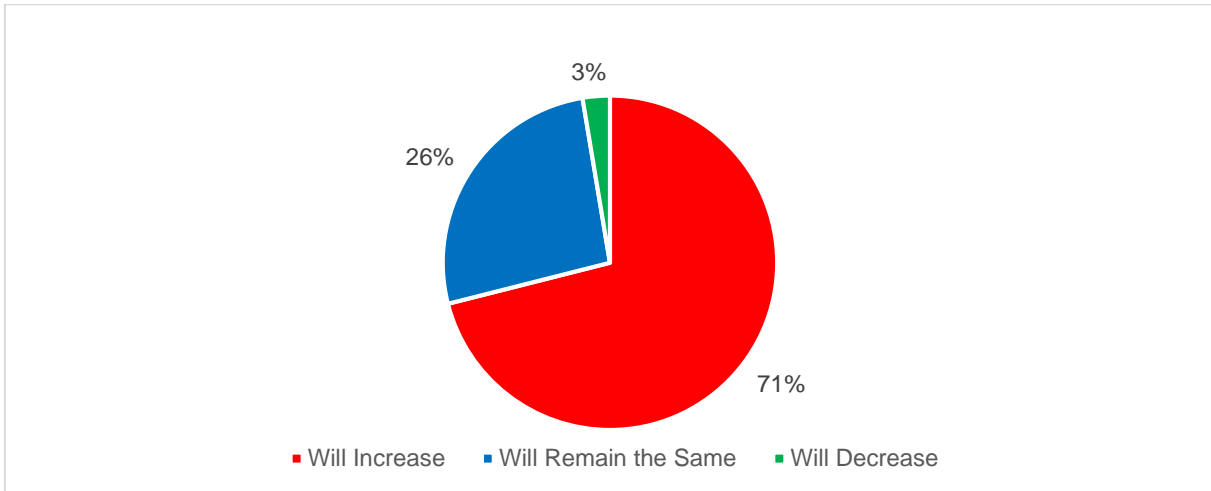
Graph 27: Non-Performing Loan Ratio Expectations

An analysis of the last 6-month course of the participants' expectations for the change in the non-performing loan ratio (NPL) in the next 3 months reveals a fluctuating outlook in the participants' expectations for an increase in the NPL change in the next 3 months.
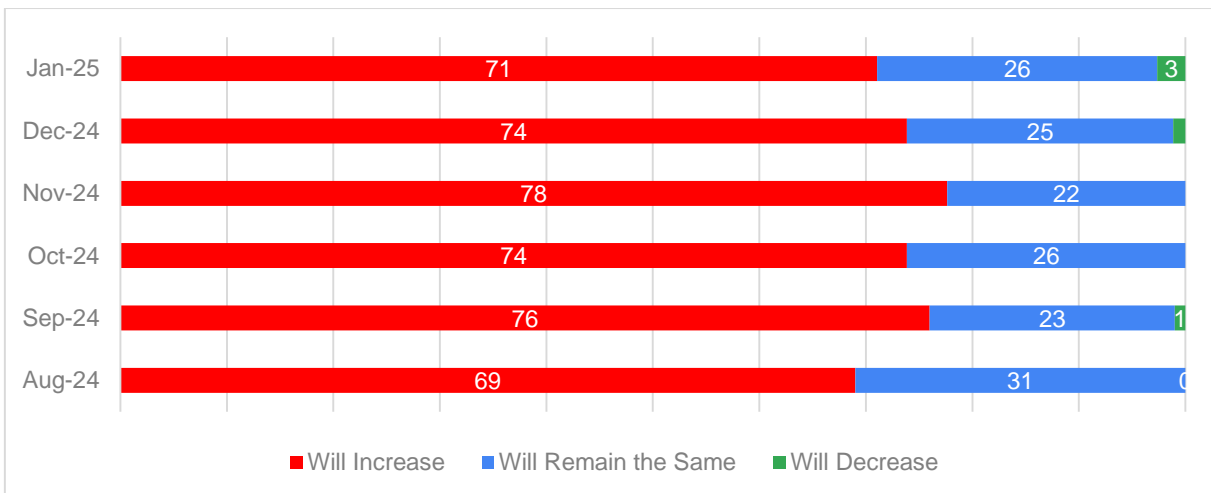
Graph 28: Change in Non-Performing Loan Ratio Expectations

When the expectations of the participants about the change in collections in their sectors in the next 3 months in **January** are evaluated; 24 percent of the participants stated that it would increase, 25 percent stated that it will would decrease and 51 percent stated said that it would remain the same.
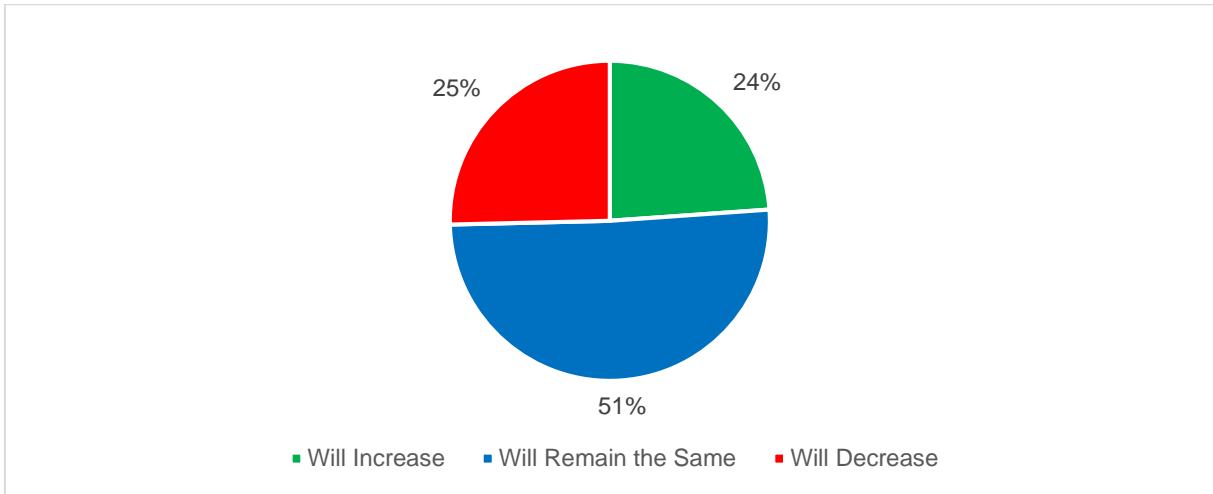
Graph 29: Collection Change Expectations

When the last 6-month course of the expectations of the respondents about the change in collections in their sectors in the next 3 months is analyzed, it is seen that there is a fluctuating outlook in the expectations of an increase about the change in collections in their sectors for the next 3 months.
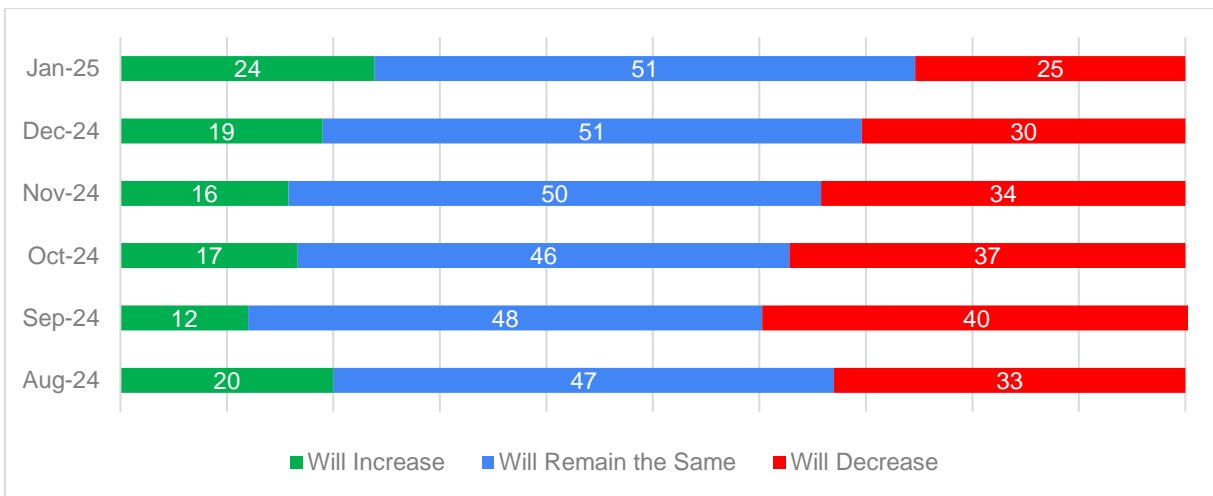
Graph 30: Change in Collection Change Expectations

When evaluating the expectations of the participants in **January** about the general course of their sectors in the next 3 months compared to the previous 3-month period, 28 percent of the participants stated that they would be more optimistic, 13 percent more pessimistic and 59 percent the same.
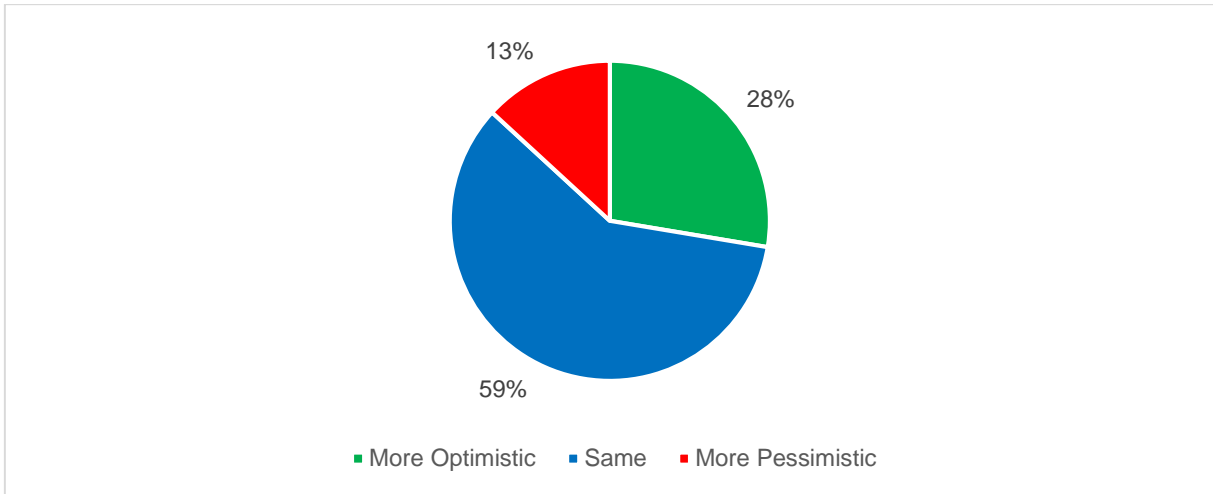
Graph 31: Expectations for General Outlook

An analysis of the course of respondents' expectations for the general outlook in their sectors for the next 3 months compared to the previous 3-month period, the last 6 months reveals that there is a fluctuating outlook in respondents' expectations for an increase in the general outlook in their sectors.
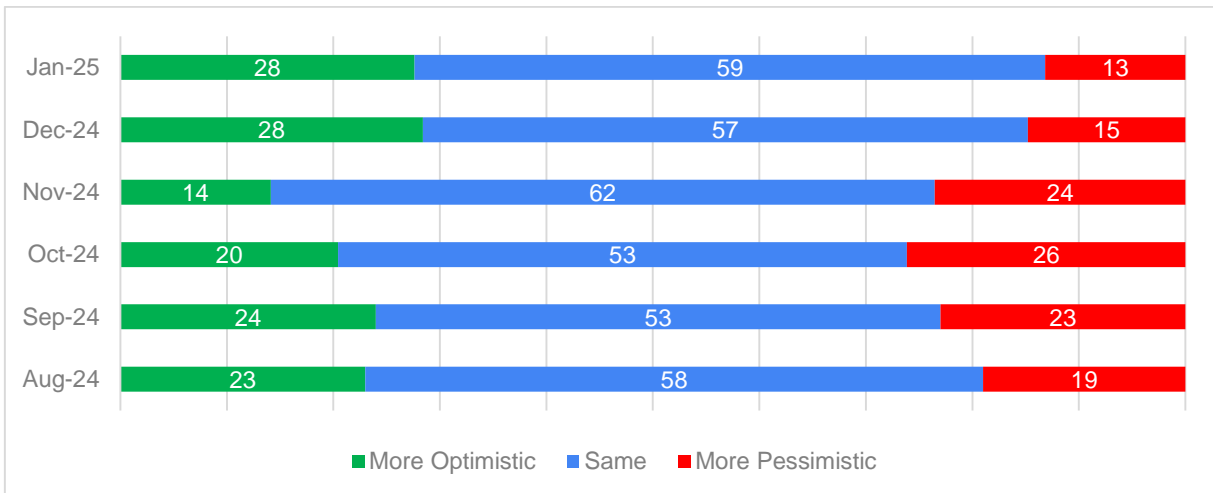
Graph 32: Change in Expectations for General Outlook

General Evaluation

The AFI Economic Outlook Index, which has been calculated since **February 2015** and followed an upward trend until **March 2018**, displayed a downward trend after this date and reached its lowest level in **October 2018** with a value of 95.15. The index, which has followed a fluctuating course since **November 2018**, *increased by* 0.81 points in **December 2024** compared to the previous month and reached 100.99.

The Factoring Sector Index, a subcomponent of **the AFI Economic Outlook Index**, *increased by* 1.56 points to 102.27 in **December 2024**.

The Financial Leasing Sector Index, a subcomponent of **the AFI Economic Outlook Index**, *increased by* 0.1 points to 102.75 in **December 2024**.

The Financing Sector Index, one of the subcomponents of **the AFI Economic Outlook Index**, *increased by* 0.75 points to 97.94 in **December 2024**.

The increases observed in all sub-sector indices also led to an increase in the AFI Economic Outlook Index. The 2.29 point decrease in **April 2024** was followed by a 1.21 point increase in **May 2024**. The index decreased by 0.46 points in **June 2024** and increased by 0.86 points in **July 2024**, decreased by 0.44 points in **August 2024**, increased by 0.65 points in **September 2024**, increased by 0.39 points in **October 2024**, increased by 0.26 points in **November 2024** and increased by 0.81 points in **December 2024**. In this context, except for **August**, the AFI Economic Outlook Index displayed an upward trend in the last 6 months of 2024. The value of the index in **December 2024** was realized above both the highest point of **March 2024** (100) and the average value of **2024** (99.33). Considering that the **AFI Economic Outlook Index** is an indicator that reflects economic expectations, the likelihood of the expectations that started in February and March to remain positive showed a downward trend with a decline in April. Nevertheless, this trend turned to an upward trend in May and compensated for the decline in the previous month. Although there was a partial decline in the index in June, the index compensated for this decline and increased in July. In August, the increase in the previous month was partially offset by a decline, and the index increased continuously in September, October, November, and December. The general course of the index suggests that the months with a decline were compensated by months with an increase and the index values generally exhibit small oscillations around a clear average. In order to make a clear judgment on the permanence of the monthly changes due to the effects of the tightening economic policies, it would be appropriate to consider the medium and medium-long term time horizon and observe the course of the index in the following periods.

According to the **January** results of the **AFI Economic Outlook Expectations Survey**, participants' *inflation expectations* for **January 2025**, **end-2025**, and **end-2026** were realized as 2.77%, 32.65% and 22.78%, respectively. Considering that the survey results for **December 2024** were 2.26% for the **end of December**, 45.92% for the **end of 2024** and 29.64% for the **end of 2025**, there is a significant decrease in year-end expectations. Survey participants' inflation expectations for 2025 and 2026 were higher than the Medium-Term Programme **(MTP)** forecasts of 17.5% and 9.7%, respectively, and the International Monetary Fund **(IMF)** forecasts of 24% and 17.2%, respectively. Due to the nature of expectations formation, the speed and degree of reflection of factors affecting the inflation rate in the short term are relatively low. In contrast, expectations in the medium and long term are formed within a relatively different formation compared to the short term. Therefore, it would be appropriate to accept changes in inflation expectations from one survey period to another as normal. To understand the path that inflation will follow, it is important to evaluate the monetary policy stance and the determinants of inflation by taking into account the time horizon over which expectations are formed. In this context, taking into account the changes in expectations, especially for the year-end, it is

observed that the tightening of monetary policy in the medium and medium-long term continues to be reflected in inflation expectations and inflation expectations have settled on a declining path, as seen in *Chart 8* and *Chart 10.*

According to the **January** results of the **AFI Economic Outlook Expectations Survey**, participants' *expectations for the dollar exchange rate* were realized as 35.77, 42.32 and 49.33 for **January 2025, end-2025** and **end-2026**, respectively. Considering that the results of the **December 2024** survey were 35.36 for the **end of December**, 35.36 for the **end of 2024** and 49.33 for the **end of 2025**, participants' expectations for the level of the exchange rate exhibit an increasing outlook, especially for **year-end** values, as can be seen in *Chart 14* and *Chart 16*. Considering the year-end expectations of the participants, a depreciation of around 16.56% is expected in the TRY in 2026 compared to the previous year-end. Compared to the 19.60%, 18.23%, 18.81%, 18.27%, 18.27%, 18.07%, 20.49%, 20.62%, 20.46% and 22.22% depreciation rates calculated according to the survey results for **April, May, June, June, July, August, September**, **October, November** and **December**, respectively, the depreciation expectation in the TRY decreased **in January**. According to the **January** survey results, the expectation for the rate of depreciation in the TRY at the end of 2026, which was 16.56%, was below the inflation rate expectation of 22.78% for the same period. In this context, it can be said that respondents consider the pass-through from the exchange rate to inflation as an important, if not the entire, cause of price increases in the upcoming periods. Compared to the **IMF** forecasts of 52.57 and 62.97 and the **MTP** forecasts of 42 and 44.6 for **end-2025** and **end-2026**, respectively (*the average dollar exchange rate expectation derived from the annual national income forecasts in TRY and USD*), it is observed that survey participants have an expectation pattern **for 2025** that is below the **IMF** forecast and consistent with the **MTP** forecast, and **for 2026** that is below the **IMF** forecast and above the **MTP** forecast. The fluctuating downward trend **in** Turkey's **CDS premium** since **January 2024** (on average: February 288; March 300.79; April 293.65; May 259.20; June 271.35; July 255.61; August 265.75; September 256.81; October 266.16; November 251.12) and in **December 2024**, the CDS premium increased by 8.56 points compared to the previous month and reached 259.68. Changes in the CDS premium, as an indicator of risk perceptions regarding the country's economy, are reflected in the exchange rate expectations of market participants.

According to the **January** results of the **AFI Economic Outlook Expectations Survey,** *the short-term commercial loan interest rate expectation* for the next 3 months decreased by 2.65% MoM to 47.96% and the *sector average interest rate expectation* for **AFI** member institutions decreased by 0.55% MoM to 55.61%. Participants' expectations for the future values of loan rates have been decreasing, and as can be seen in *Charts 18* and *20*, a steady downward trend continues to be observed. According to the Central Bank of the Republic of Türkiye **(CBRT)** data, **the average annualized commercial loan rate applied to loans extended by banks** (all in the first week) was 67.42% in April 2024; 65.74% in May 2024; 63.18% in June 2024; 63.10% in July 2024; 61.66% in August 2024; 60.93% in September 2024; 60.74% in October 2024; 60.34% in November 2024 and 61.25% in December 2024. Although there was a partial increase in December 2024, it can be seen that the sector average interest rate expectations aligned with the realized market rates.

According to the **January** results of the **AFI Economic Outlook Expectations Survey**, participants' *GDP growth rate expectations* for **end-2025** and **end-2026** were realized as 3.14% and 3.53%, respectively. Compared to the **MTP** forecasts of 4% and 4.5% and **IMF** forecasts of 2.7% and 3.2%, respectively, participants' GDP growth rate expectations were realized below the **MTP** and above the **IMF** forecasts for both end-2025 and end-2026. Compared to the results of the **December** Expectations Survey, *Chart 22* and *Chart 24* show a partial increase in growth rate expectations, and the growth rate appears to have settled on a fluctuating downward path for both periods.

According to the **January** results of the **AFI Economic Outlook Expectations Survey**, 59% of the participants stated that the *trading volume* would increase in the next 3 months compared to the previous 3-month period, 26% stated that it would remain unchanged and 15% stated that it would decrease. Considering that these rates were 57%, 31% and 12% in the **December** survey, the positive stabilization trend in the expectations for **trading volume** is dominant, as can be seen in *Chart 26*. According to the results of the **January** survey, the *expectation for the change in the NPL ratio* for the next 3 months, 71% of respondents expect an increase, while 26% expect the ratio to remain unchanged. A comparison of the survey results with the **December** survey values of 74% and 25%, respectively, reveals that, as can be seen in *Chart 28*, the decline in the **NPL ratio expectation** and the positive-stable expectation in trading volume continue to be reflected as a positive-stable outlook in the NPL ratio expectations. In the **January** survey, 24% of respondents expect the *collection rate* to increase, 51% expect it to remain unchanged and 25% expect it to decrease in the next 3 months. Considering that these rates were 19%, 51% and 30%, respectively, in the December survey, as can be seen in Chart 30, there is an increase in the **expectation of change in the collection rate** and a positive-stable stance in the change in the collection rate.

According to the **January** results of the **AFI Economic Outlook Expectations Survey**, 28% of the participants stated that the next 3 months would be better than the current situation, 59% stated that it would be no different and 13% stated that it would be worse. These results regarding *expectations for the general outlook*, comparing with the December results of 28%, 57%, and 15%, respectively, it is seen that there is a stable stance in optimism and a predominance of optimistic-stable expectations. **In 2024**, the expectations for **April** and **October** showed two different periods in which pessimism was at its highest, the likelihood of moving away from the stable situation increased, and the overall expectation of preserving stability remained proportionally low. However, **May** and **November** were the two periods in which the likelihood of moving away from the stable situation observed in **April** and **October** shifted in the direction of returning to stability in terms of expectations for the general outlook. **January 2025** was a month in which the rate of optimism stabilized compared to the previous month. When the expectations regarding the transaction volume, the NPL ratio, and the change in collections are evaluated together, it can be stated that the survey participants will continue to have stable expectations for the sector in general for the upcoming period. It would be appropriate to accept that it is normal for the expectation pattern to change in each survey period. Therefore, in order to make a clear judgment on long-term trends and the permanence of monthly changes, it is necessary to observe the evolution of expectations in the future.

Annex 1: Index Tables

Table 2: Association of Financial Institutions Economic Outlook Index

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec
2015		99,21	102,00	101,10	100,34	100,72	100,81	100,10	100,22	100,31	100,57	102,51
2016	99,58	100,64	103,50	102,81	103,43	103,79	101,72	102,41	102,29	102,54	103,28	103,76
2017	101,77	103,27	103,50	102,11	103,15	103,04	102,59	103,10	102,40	103,06	103,52	104,60
2018	102,87	103,23	104,02	103,34	102,92	102,10	101,83	99,65	96,22	95,15	98,09	100,29
2019	96,89	97,31	100,00	99,30	99,46	97,80	99,11	97,57	99,19	100,12	100,20	101,71
2020	100,20	101,04	101,06	98,72	98,02	100,45	101,20	100,98	101,94	101,56	101,75	102,30
2021	100,63	100,77	102,20	100,84	99,42	101,68	99,96	101,04	101,48	100,89	101,91	101,58
2022	98,94	100,17	101,51	100,90	100,16	100,39	97,17	97,92	98,25	98,82	99,64	100,31
2023	99,51	98,78	100,33	101,04	99,49	97,82	98,37	98,66	99,29	98,78	98,96	99,31
2024	98,97	99,17	100,00	97,71	98,92	98,46	99,32	98,88	99,53	99,92	100,18	100,99

Table 3: Association of Financial Institutions Factoring Sector Index

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec
2015		101,67	103,59	102,14	101,24	102,04	101,54	101,47	101,82	102,58	101,65	103,08
2016	100,76	102,20	102,46	101,53	101,95	102,11	100,69	101,48	101,78	101,55	102,19	102,37
2017	101,06	102,44	102,22	100,43	101,97	101,96	101,40	102,24	101,85	102,52	103,02	103,20
2018	102,25	102,91	102,77	102,11	102,35	101,79	101,88	99,67	99,51	98,98	100,04	100,35
2019	99,21	99,22	100,00	99,64	99,74	98,40	100,57	98,54	99,85	100,55	100,20	101,41
2020	100,32	100,04	100,54	98,64	97,57	99,40	100,35	99,91	100,54	100,54	100,56	101,60
2021	99,57	99,82	100,85	100,01	98,71	100,70	99,00	99,65	100,90	99,64	101,15	100,96
2022	98,27	99,56	100,33	99,89	99,19	99,61	98,48	98,72	99,90	100,07	101,03	101,30
2023	100,60	100,43	101,12	99,91	100,07	99,54	100,20	100,00	99,98	100,14	100,45	100,68
2024	100,22	100,32	101,21	99,50	100,26	99,21	100,08	99,75	100,59	100,76	100,71	102,27

Table 4: Association of Financial Institutions Leasing Sector Index

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec
2015		100,60	104,58	103,47	102,63	102,54	102,91	101,19	101,95	101,05	101,63	104,06
2016	102,38	102,20	103,96	102,83	103,73	104,46	101,13	101,18	101,33	101,94	102,49	103,76
2017	101,37	103,99	104,43	102,71	103,37	103,50	102,41	102,58	101,50	102,28	102,24	104,08
2018	102,41	103,08	104,47	103,41	101,81	100,69	99,99	96,58	90,70	88,82	94,70	99,23
2019	92,83	94,34	100,00	98,43	98,83	95,88	97,90	95,31	98,30	99,35	99,83	101,53
2020	100,47	101,64	101,63	99,95	97,58	100,29	100,77	100,63	102,27	101,62	102,37	102,09
2021	101,41	101,25	102,89	102,43	100,79	102,02	100,09	101,75	102,57	102,01	103,04	101,62
2022	98,43	100,81	103,17	102,82	100,96	100,73	94,86	96,98	97,86	99,27	100,20	100,22
2023	100,62	100,37	102,24	105,55	101,16	98,59	99,43	100,67	101,36	100,97	100,45	100,02
2024	100,79	101,14	102,49	98,88	100,64	100,35	101,75	101,18	102,32	102,53	102,65	102,75

Table 5: Association of Financial Institutions Financing Sector Index

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec
2015		95,37	97,81	97,69	97,15	97,59	97,98	97,63	96,90	97,31	98,42	100,39
2016	95,60	97,52	104,07	104,08	104,59	104,80	103,35	104,59	103,76	104,14	105,17	105,16
2017	102,87	103,36	103,83	103,19	104,12	103,67	103,96	104,47	103,85	104,37	105,30	106,52
2018	103,95	103,70	104,82	104,49	104,60	103,83	103,62	102,70	98,44	97,65	99,52	101,29
2019	98,62	98,38	100,00	99,84	99,81	99,11	98,86	98,86	99,42	100,48	100,57	102,19
2020	99,81	101,43	101,01	97,57	98,91	101,65	102,47	102,38	103,00	102,51	102,30	103,20
2021	100,92	101,22	102,87	100,07	98,77	102,32	100,79	101,71	100,98	101,01	101,54	102,16
2022	100,11	100,14	101,01	100,00	100,33	100,83	98,17	98,07	96,99	97,13	97,69	99,41
2023	97,30	95,52	97,64	97,65	97,23	95,34	95,48	95,32	96,54	95,24	95,98	97,22
2024	95,90	96,04	96,31	94,75	95,87	95,81	96,14	95,69	95,67	96,46	97,19	97,94

Annex 2: Methodology

Table 6: Association of Financial Institutions Economic Outlook Index - Methodology

Methodology	Association of Financial Institutions Economic Outlook Index
Purpose of the Study	Monitoring the market with a composite index based on indicators related to the financial leasing, factoring and financing sectors in the production, sales and consumption channels of the economy.
Definition of Data	Number of contracts/invoices, amount and duration indicators to monitor the economic course of the financial leasing, factoring and financing sectors over time.
Sectoral Scope	It covers financial leasing, factoring and financing sectors.
Time Scope	The base period of the index is March 2019; statistics on the results are available since January 2015.
Basic Period/Year	March 2019
Reference Period	The current month.
Unit of Measure	Number of Contracts/Invoices - Number Contract/Invoice Amount - TL Contract/Invoice Term – Month
Periodicity	Frequency of data collection: Monthly Frequency of publication of data: Monthly
Timeliness	The average production time for each published data is 4 days.
Publication Schedule	It is published on the website of the Association of Financial Institutions on Wednesday of the third week of each month and announced to the public.
Calculation Method	The Association of Financial Institutions Economic Outlook Index measures the change in the economic outlook over time by using variables indicating the production, sales and consumption channels of the financial leasing, factoring and financing sectors. After presenting the theoretical framework of the index, the dataset covering the period January 2015-September 2022 was analyzed, then March 2019 was set as the reference period in accordance with the nature of the data and monthly changes were monitored as of the following periods. The indicators and their weights are based on desk research and expert opinion surveys conducted during the index development period.

Main Groups of the Economic Outlook Index	Weights
Financial Leasing	
- Number of Contracts	0,16
- Contract Amount (TL)	0,40
- Contract Maturity (month)	0,44
Factoring	
- Number of Invoices	0,25
- Invoice Amount (TL)	0,28
- Invoice Term (month)	0,47
Financing Companies	
- Number of Contracts	0,29
- Contract Amount (TL)	0,20
- Contract Maturity (month)	0,51

The main groups of the Economic Outlook Index were included in the index calculation with equal importance, and the weights of the indicators in the calculation of subcomponents were determined using the Analytic Hierarchy Process (AHP) based on an expert opinion survey.

Data on the indicators included in the index are provided by the Association of Financial Institutions, and data editing and control procedures are carried out to make the raw data available for inclusion in the index. Using the data compiled on a monthly basis, the index bulletin is announced to the public on Wednesday of the third week of the following month.

Table 7: Association of Financial Institutions Economic Outlook Expectations Survey - Methodology

Methodology	Association of Financial Institutions Economic Outlook Expectations Survey
Purpose of the Study	Monitoring the expectations of decision makers and experts in the financial leasing, factoring, financing, asset management and savings finance sectors regarding various macroeconomic variables.
Definition of Data	These are indicators produced to monitor short- and long-term expectations for key macroeconomic variables such as consumer inflation, exchange rate, GDP growth rate, non-performing loan ratio and interest rates.
Sectoral Scope	The participant panel consists of decision makers, experts and professionals from the financial leasing, factoring, financing, asset management and savings finance sectors.
Time Scope	The Economic Outlook Survey has been conducted since October 2023 and statistics on the results have been available since then.
Basic Period/Year	October 2023
Reference Period	The current month.
Unit of Measure	Consumer Inflation Expectation - Percent US Dollar Rate Expectation - TRY Short-Term Commercial Loan Interest Rate Expectation - Percent Sector Average Interest Rate Expectation - Percent GDP Growth Expectation - Percent Trading Volume Expectation - Categorical Non-Performing Loan Ratio Expectation - Categorical Expectation of Change in Collection - Categorical Expectations for the General Outlook - Categorical
Periodicity	Frequency of data collection: Monthly Frequency of publication of data: Monthly
Timeliness	The average production time for each published data is 7 days.
Publication Schedule	It is published on the website of the Association of Financial Institutions on Wednesday of the third week of each month and announced to the public.
Calculation Method	In the data analysis of the Economic Outlook Survey, the data set is summarized using descriptive statistics. At this stage, the appropriate measure of central tendency is calculated considering the measurement level and frequency distribution of the data. In other words, the appropriate mean is selected to calculate the value that represents the data alone. In this process, outliers or extreme outliers in the dataset are analyzed and the most appropriate statistics are preferred among the means calculated by removing outlier[1] or extreme outlier[2] and trimmed means[3] .

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[1] Outlier Value: Calculated according to Tukey's Hinges method, Q1: Lower Quartile, Q3: Upper Quartile; values less than Q1-1.5*(Q3- Q1) and greater than Q3+1.5*(Q3-Q1) are considered outliers.

[2] Extreme Outlier Value: Calculated according to Tukey's Hinges method, Q1: Lower Quartile, Q3: Upper Quartile; values less than Q1- 3*(Q3-Q1) and greater than Q3+3*(Q3-Q1) are accepted as extreme values.

[3] Trimmed Mean: The arithmetic mean calculated by removing the highest and lowest values of a certain percentage from the data set.

Annex 3: Questionnaire Form

Table 8: Summary Results of the Survey of Economic Outlook Expectations

Association of Financial Institutions Economic Outlook Survey of Expectations

	Monthly	Yearly	
	End of Current Month	**End of Current Year (Jan-Dec)**	**End of Next Year (Jan-Dec)**
What is your expectation for consumer inflation? (%)	2,77	32,65	22,78
What is your expectation for the US Dollar exchange rate in the interbank foreign exchange market? (TL)	**End of Current Month** 35,77	**End of Current Year (Jan-Dec)** 42,32	**End of Next Year (Jan-Dec)** 49,33
What is your annual GDP growth expectation?(%)		**End of Current Year (Jan-Dec)** 3,14	**End of Next Year (Jan-Dec)** 3,53

	3 Months Later		
What is your short-term commercial loan interest rate expectation?	47,96		
What is your average interest rate expectation in your sector?	55,61		

	3 Months Later		
	Will Increase	**Same**	**Will Decrease**
What is your expectation for the transaction volume in your sector (compared to the previous 3-month period)?	59%	26%	15%
What is your expectation about the change in non-performing loan ratio (NPL)?	71%	26%	3%
What is your expectation about the collection change in your sector?	24%	51%	25%
	More Optimistic	**Same**	**More Pessimistic**
What is your expectation about the general trend in your sector (compared to the previous 3-month period)?	28%	59%	13%

● The Association of Financial Institutions Economic Outlook Index and Expectations Survey Statistics Project has been carried out by Istanbul University and the Association of Financial Institutions since March 2022.
● The results of the expectations survey are calculated based on the evaluations of the participants and do not reflect the opinions and estimates of the Association of Financial Institutions.
● The index results are the product of an academic research using data from the Receivables Recording Center (RRC), the Financial Leasing Contract Registration System (FLCRS) and data compiled by the AFI and do not reflect the views and estimates of the Association of Financial Institutions.