

# **Association of Financial Institutions**

## **Economic Outlook Index Bulletin**

### **APRIL 2025**

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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, 49.5 million documents have been processed through the RRC, which records trade receivables and payment instruments assigned to factoring companies and banks. Furthermore, over 224 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**

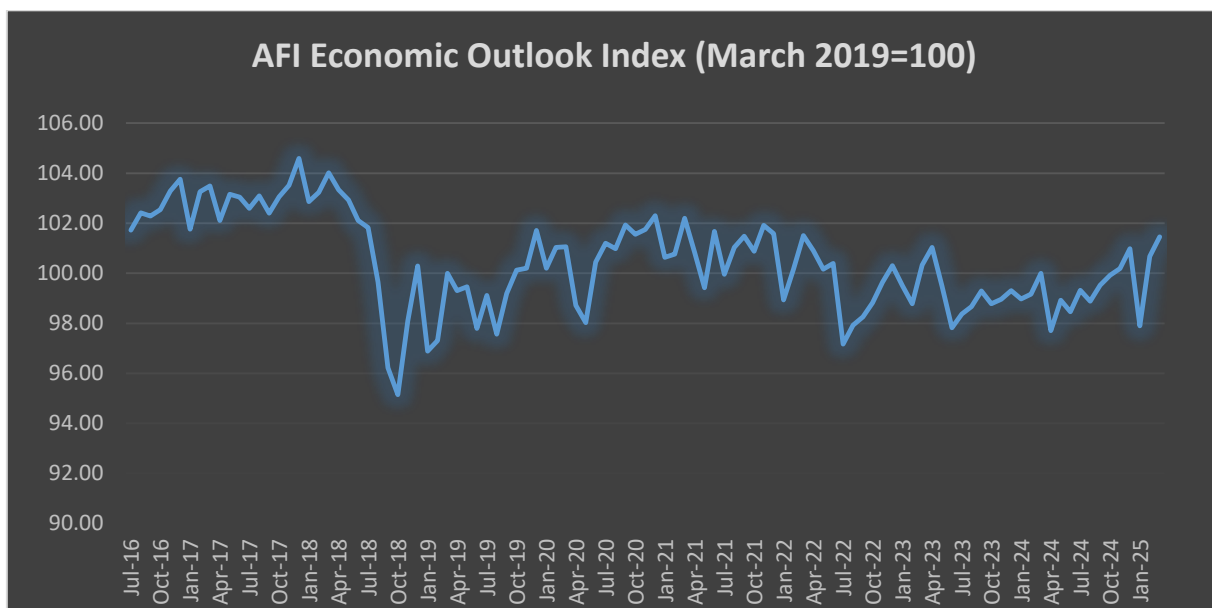
## 1. Association of Financial Institutions Economic Outlook Index (AFI - EOI) Results

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.

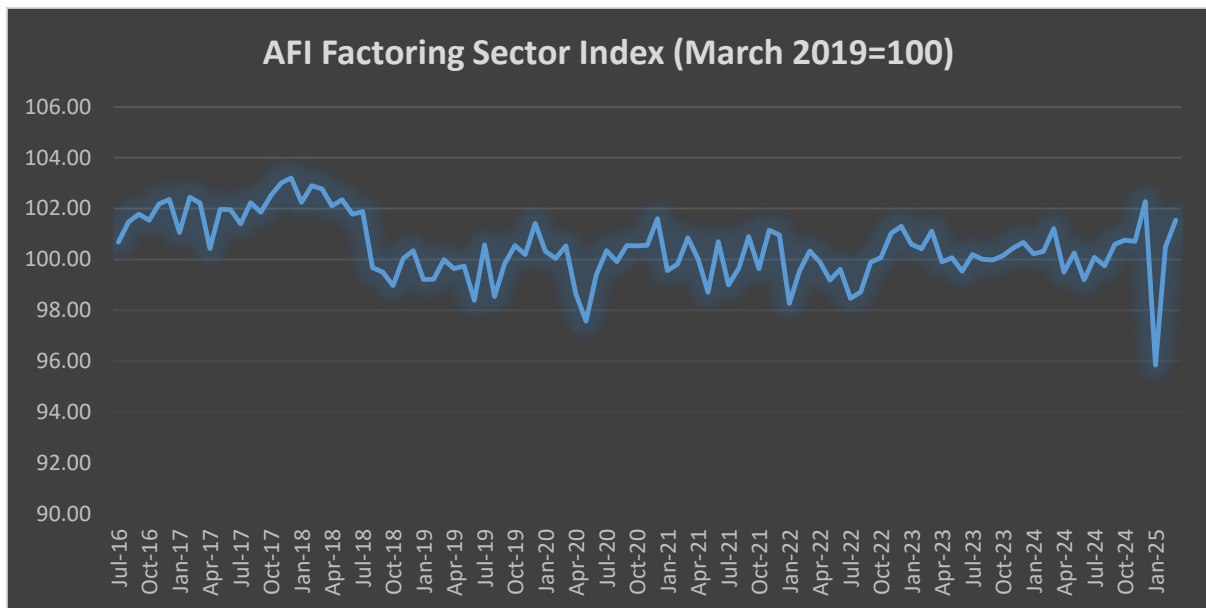
AFI-EOI has been calculated monthly since February 2015. The index increased until March 2018, then declined starting in April 2018, reaching its lowest value in October 2018. The index, which began to increase again in November 2018, has been fluctuating according to the course of the sectors that make up the index. **In March**, the AFI-EOI increased by 0.77 points compared to February and reached **101.45 points**.



**Graph 1 : AFI-Economic Outlook Index**

### 1.1.AFI Factoring Sector Index

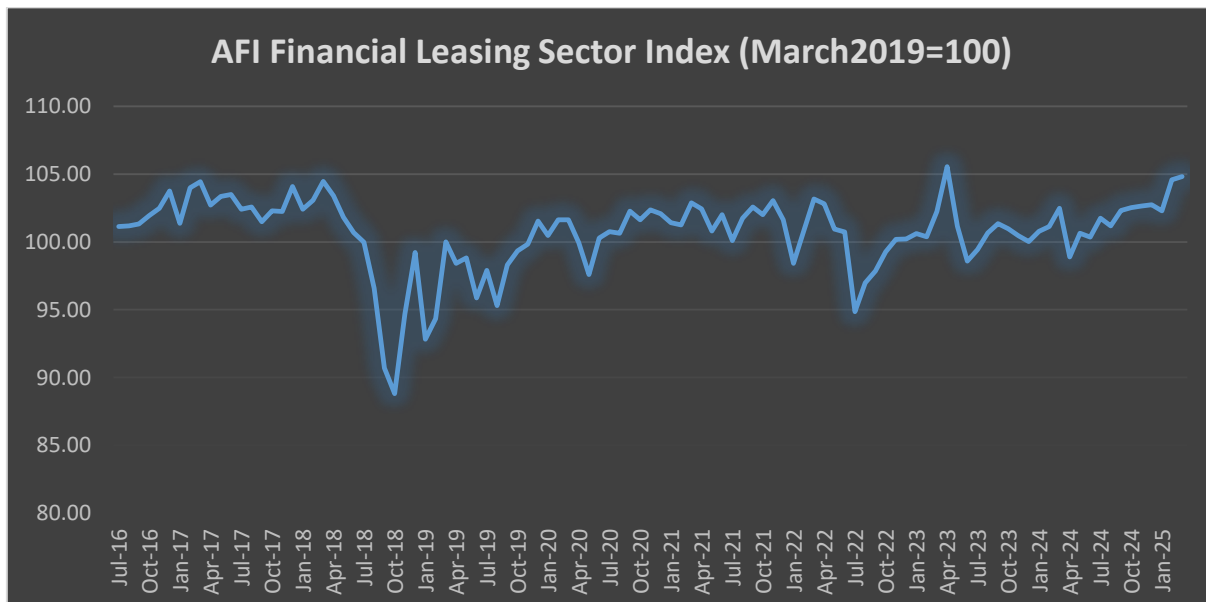
The index, which is derived from the Receivables Recording Center (RRC) and the data used in reporting and statistical activities of the AFI, reached its lowest value in January 2025 with 95.85 points and its highest value in March 2015 with 103.59 points. The index fluctuates according to the course of the factoring sector. Looking at the change in the index in recent months, it is seen that the index value, which was **100.48** according to February 2025 data, increased by 1.07 points to **101.55 points** in **March**.



**Graph 2 : AFI Factoring Sector Index**

### 1.2.AFI Financial Leasing Sector Index

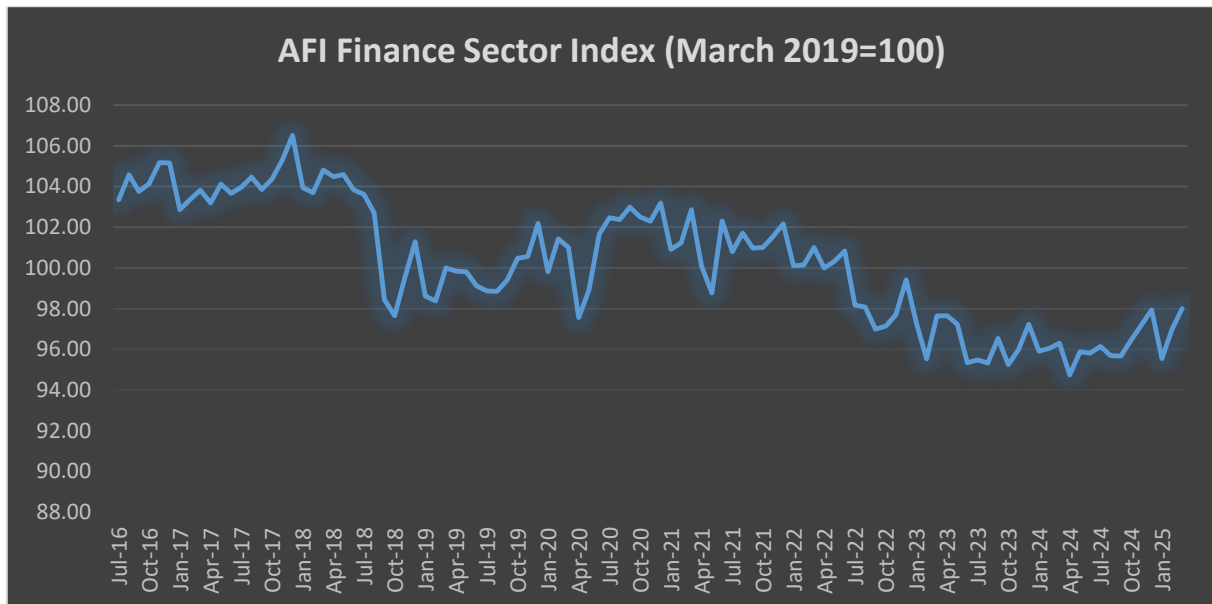
The index, which is derived from the Financial Leasing Contract Registration System (FLCRS) database and the data used in reporting and statistical activities of the AFI, reached its lowest value in October 2018 with 88.82 points and its highest value in April 2023 with 105.55 points. The index fluctuates according to the course of the financial leasing sector. According to February 2025 data, the index value of **104.59** points increased by 0.22 points to **104.81** points in **March**.



**Graph 3 : AFI Financial Leasing Sector Index**

### 1.3. AFI Financing Sector Index

The index, which is derived from data used for reporting and statistical activities within the AFI, reached its lowest value in April 2024 with 94.75 points and its highest value in December 2017 with 106.52 points. Looking at the data of the index in the recent months, the index increased by 1.03 points from **96.97** points in February 2025 to **98.00** points in **March**.



**Graph 4 : AFI Financing Sector Index**

## 2. Association of Financial Institutions Economic Outlook Expectations Survey Results

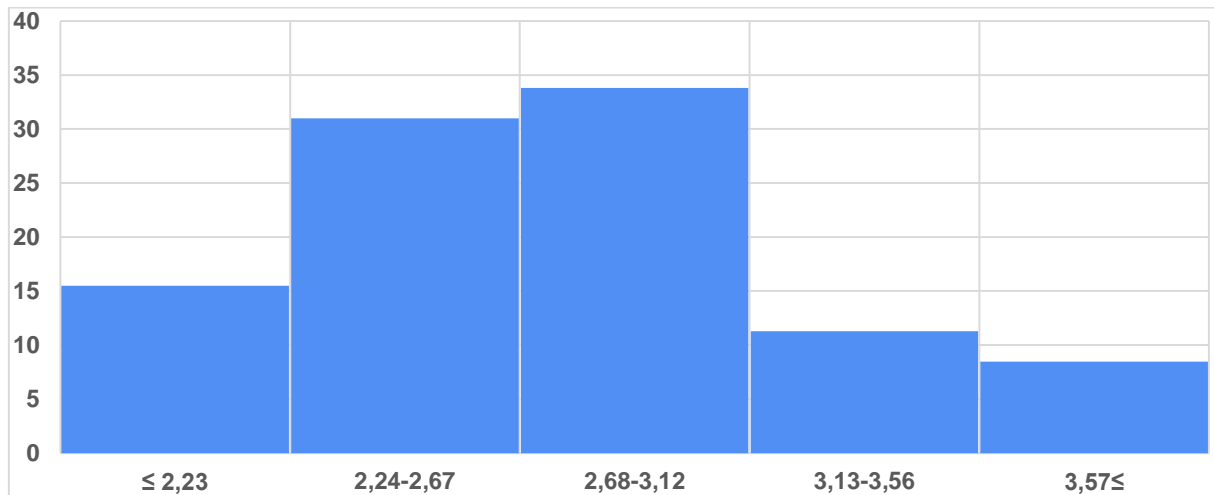
The April Economic Outlook Expectations Survey of the Association of Financial Institutions (AFI) was answered by 81 respondents between April 1, 2025 and April 8, 2025 and the results were evaluated by aggregating the responses of the respondents. The survey was conducted with executives of AFI member 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	10
Financing	12
Savings Finance	1
Asset Management	18
Professionals	7
<b>TOTAL</b>	<b>81</b>

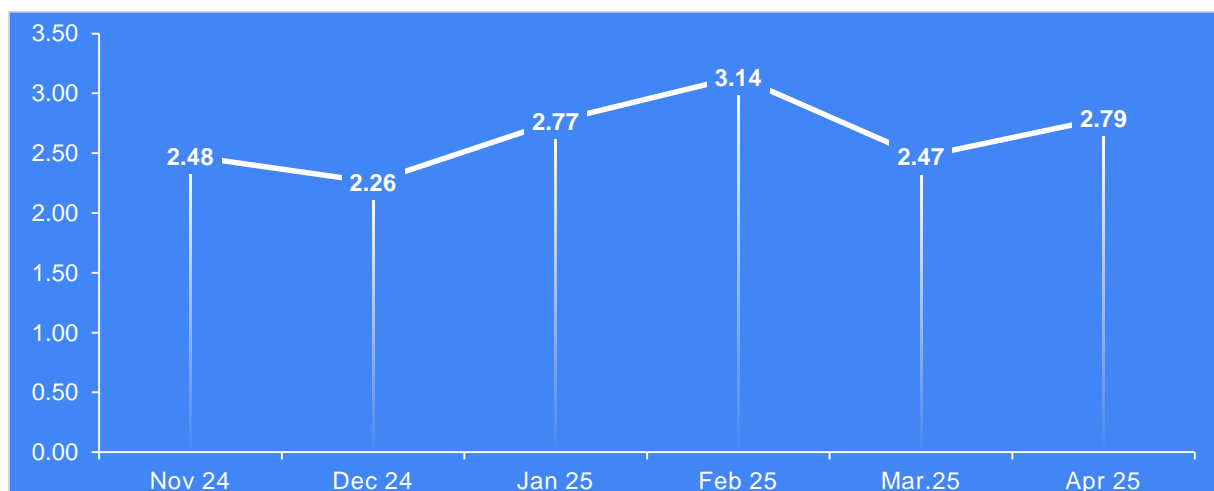
## 2.1. Inflation Expectations

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 the April 2025 survey period, 15.5 percent of the participants' monthly inflation expectations are below 2.23, 31 percent are in the range of 2.24-2.67, 33.8 percent are in the range of 2.68-3.12, 11.3 percent are in the range of 3.13-3.56 and 8.5 percent are above 3.57.



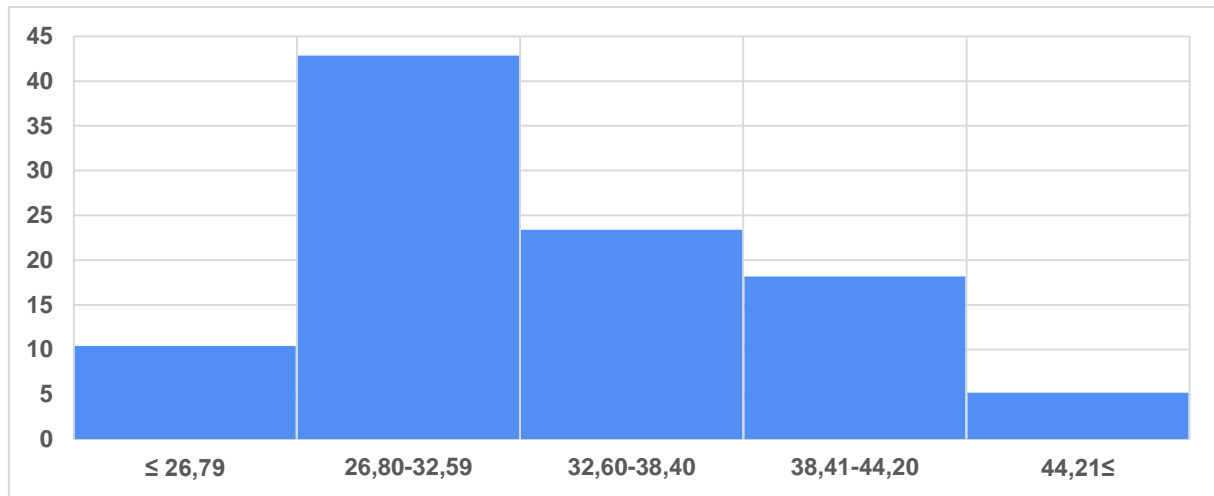
**Graph 5 : Monthly Inflation Expectations**

After excluding outliers from the calculation, it is determined that **the average inflation expectation for the end of April was 2.79%**. When the course of the average monthly inflation expectation for the last 6 months is analyzed, participants, according to their response, reflected a fluctuating pattern in their expectations.



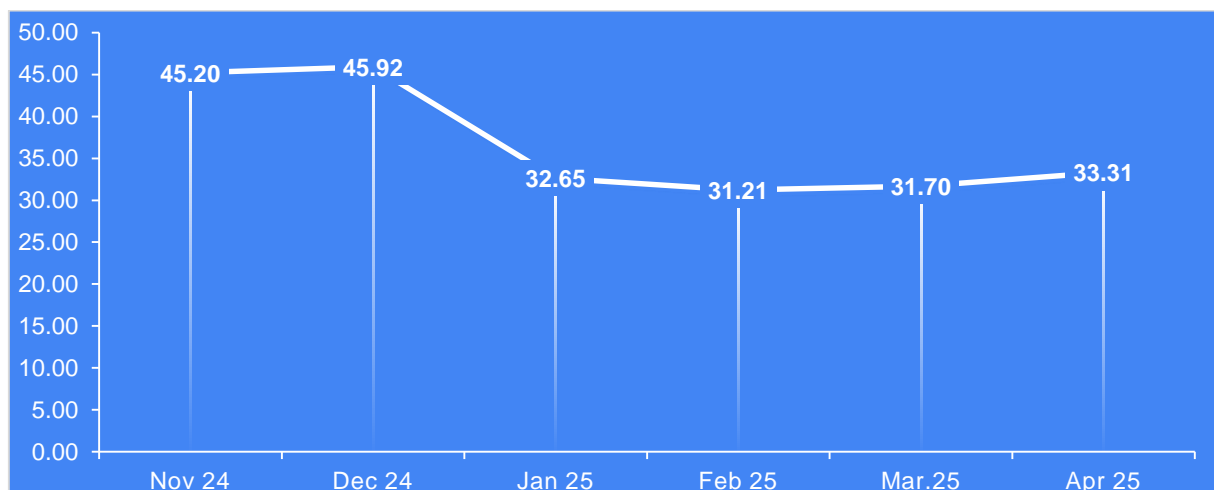
**Graph 6 : Change in Monthly Inflation Expectations**

When the current year-end inflation expectations of the respondents are analyzed, it is observed that 10.4 percent of the participants' inflation expectations are below 26.79, 42.9 percent are in the range of 26.80-32.59, 23.4 percent are in the range of 32.60-38.40, 18.2 percent are in the range of 38.41-44.20 and 5.2 percent are above 44.21.



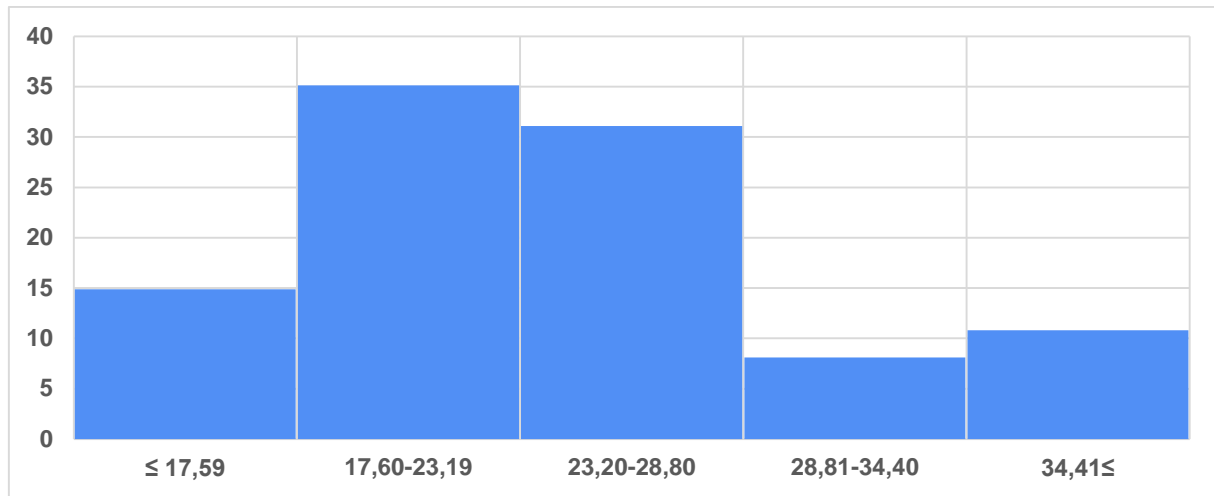
**Graph 7 : Current Year-End Inflation Expectations**

After excluding outliers from the calculation, it is determined that **the average current year-end inflation expectation is 33.71% for the end of 2025 in April**. 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 expected a decrease in the earlier months, while in the following months, they anticipated a relatively stable outlook.



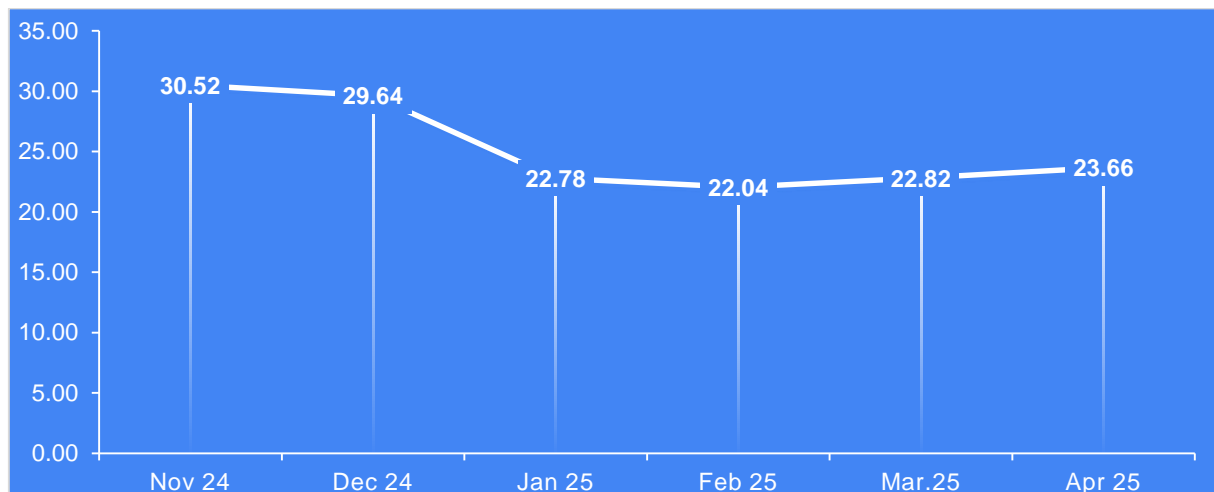
**Graph 8 : Change in Current Year-End Inflation Expectations**

When the year-end inflation expectations of the participants for the next year are evaluated, it is observed that 14.9 percent of the participants' inflation expectations are below 17.59, 35.1 percent are in the range of 17.60-23.19, 31.1 percent are in the range of 23.20-28.80, 8.1 percent are in the range of 28.81-34.40 and 10.8 percent are above 34.41.



**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 23.66% for the year-end 2026 in April**. When the last 6-month course of the average inflation expectation for the end of the next year is analyzed, participants stated that they anticipate that there will be a general decrease in the earlier months and that it will remain partially at the same level in the following months.

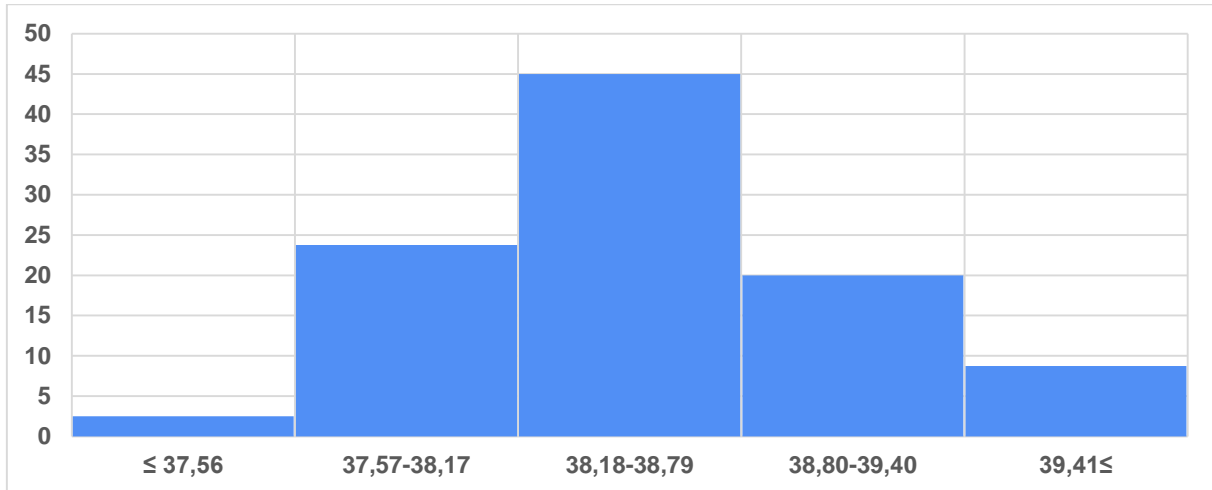


**Graph 10 : Change in Inflation Expectations for the End of Next Year**



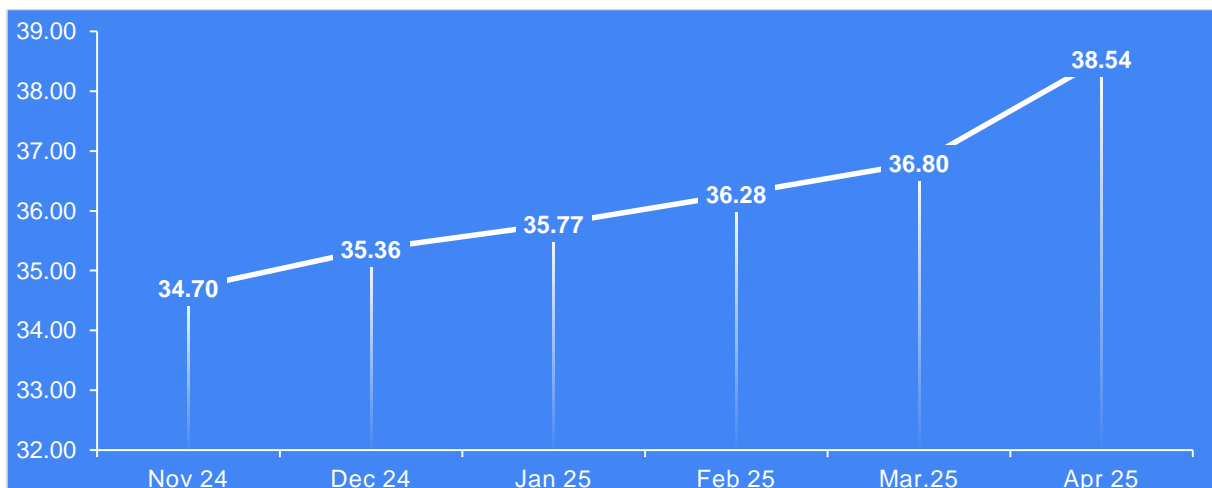
## 2.2. Exchange Rate Expectations

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 2.5 percent of participants' are below 37.56, 23.8 percent are in the range of 37.57-38.17, 45 percent are in the range of 38.18-38.79, 20 percent are in the range of 38.80-39.40 and 8.8 percent are above 39.41.



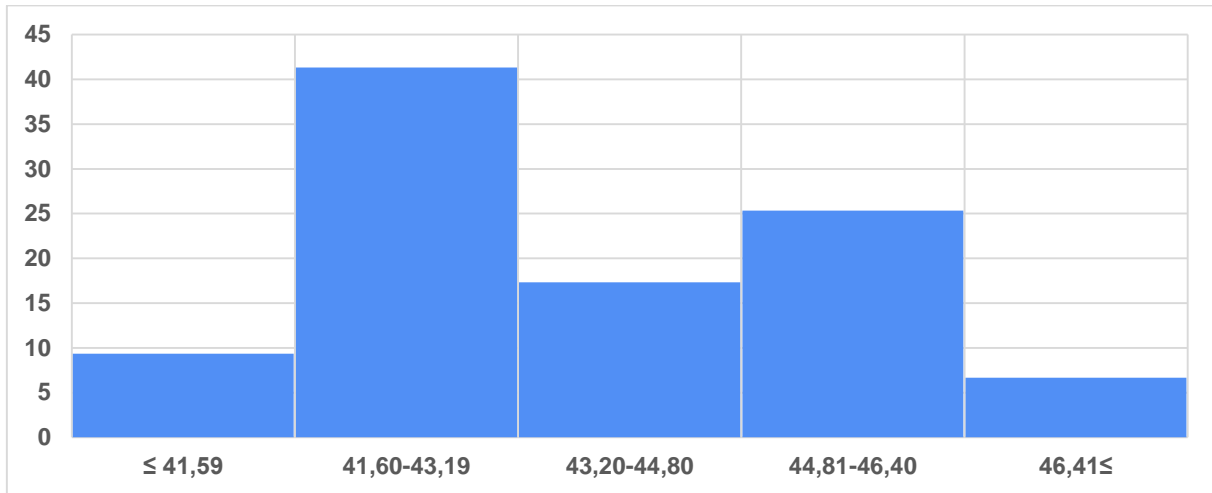
**Graph 11 : Current Month-end US Dollar Exchange Rate Expectation**

After excluding outliers from the calculation, it is determined that **the average US dollar exchange rate expectation for the end of April is 38.54 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 expectation.



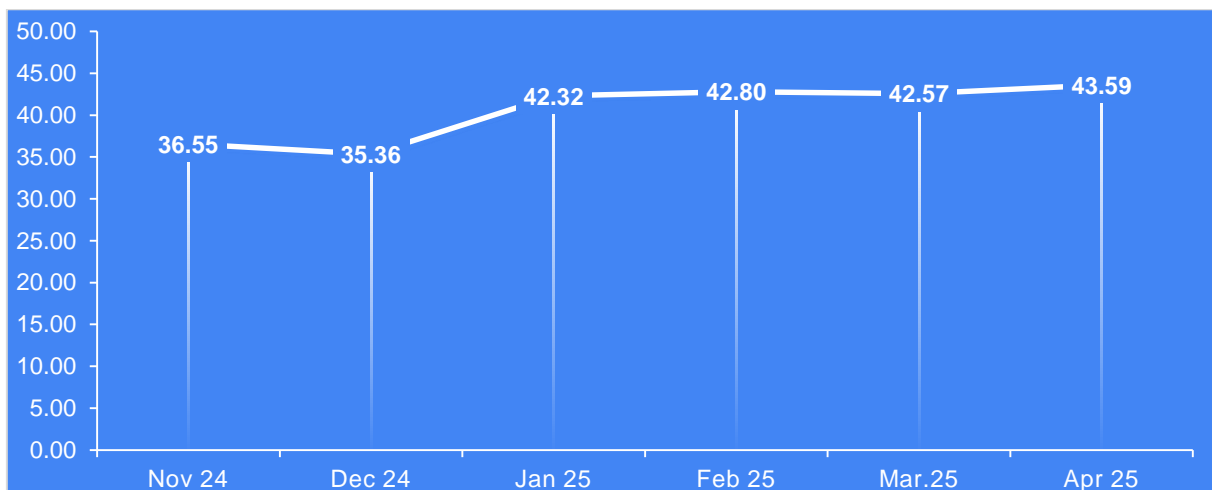
**Graph 12 : Change in Current Month-end US Dollar Exchange Rate Expectation**

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 9.3 percent of the participants' expectations are below 41.59, 41.3 percent are in the range of 41.60-43.19, 17.3 percent are in the range of 43.20-44.80, 25.3 percent are in the range of 44.81-46.40 and 6.7 percent are above 46.41.



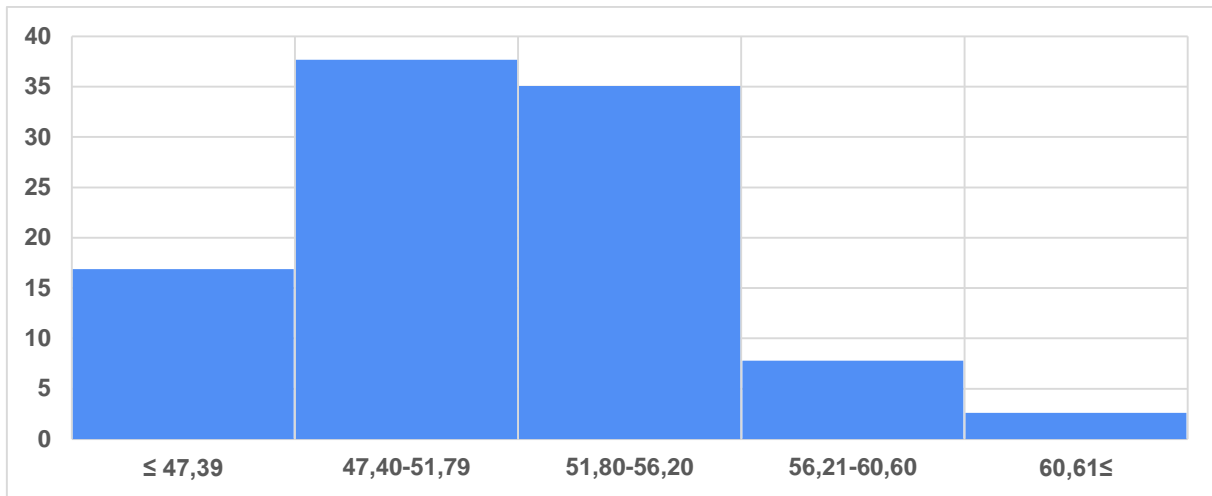
**Graph 13 : Current Year-End US Dollar Exchange Rate Expectation**

After excluding outliers from the calculation, it is determined that **the average current year-end US dollar exchange rate expectation is 43.59 TRY for the end of 2025 in April**. 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 the change in the current year-end US dollar exchange rate expectation was generally expected to decrease in the earlier months and increase in the following months.



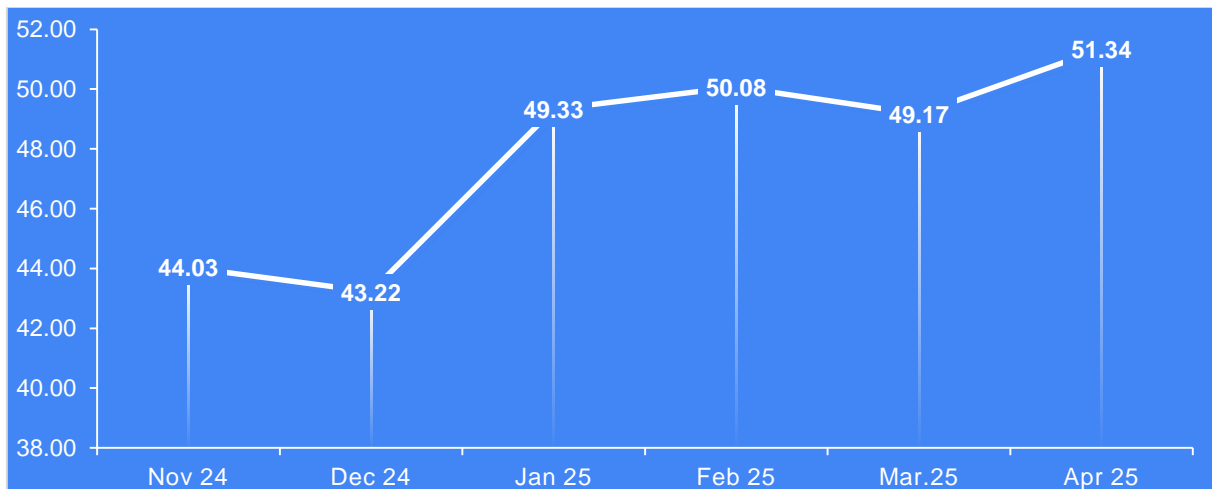
**Graph 14 : Change in Current Year-End US Dollar Exchange Rate Expectation**

When the participants' expectations for the US dollar exchange rate at the end of next year are evaluated, it is observed that 16.9 percent of the participants' expectations are below 47.39, 37.7 percent are in the range of 47.40-51.79, 35.1 percent are in the range of 51.80-56.20, 7.8 percent are in the range of 56.21-60.60 and 2.6 percent are above 60.61.



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

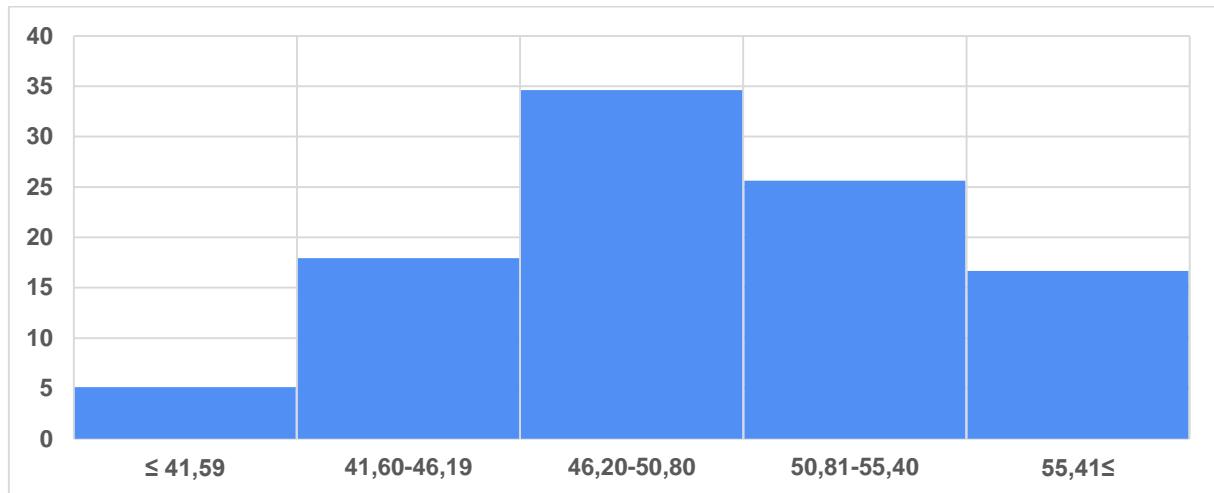
After excluding outliers from the calculation, it is determined that **the average of the US dollar exchange rate expectation for the end of 2026 was 51.34 TRY in April**. When the last 6-month course of the average of the US dollar exchange rate expectation for the end of next year is analyzed, it is 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 Expectation for the End of Next Year**

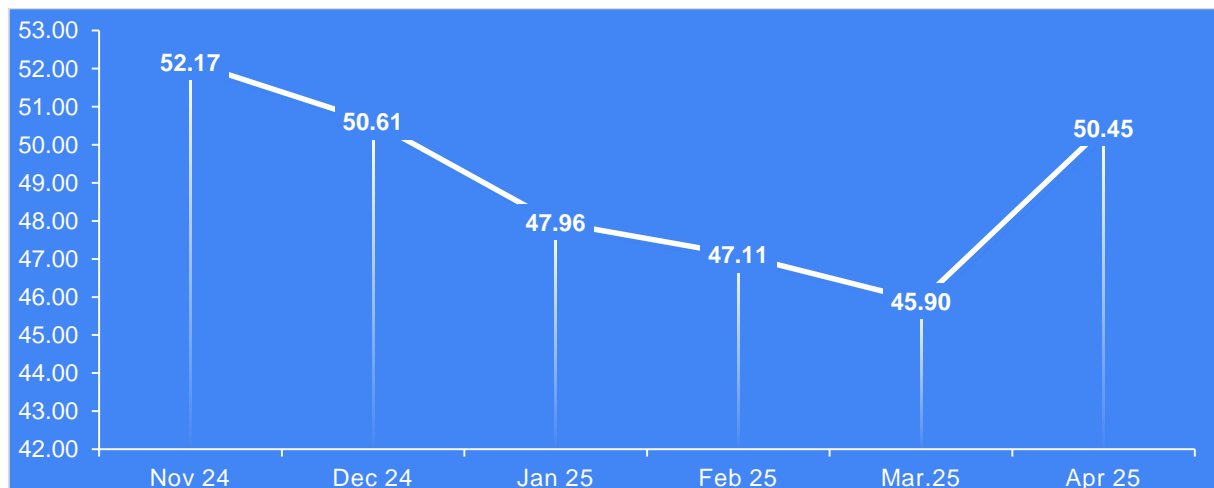
### 2.3. Interest Rate Expectations

In the survey, sector executives were asked 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 5.1 percent of them are below 41.59, 18 percent are in the range of 41.60-46.19, 34.6 percent are in the range of 46.20-50.80, 25.6 percent are in the range of 50.81-55.40 and 16.7 percent are above 55.41



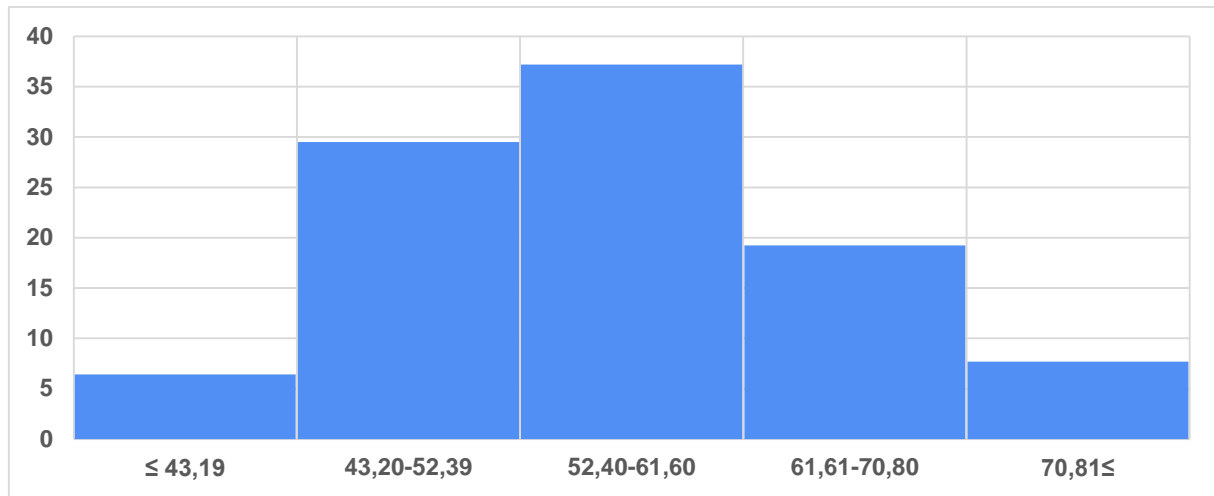
**Graph 17 : Short-Term Commercial Loan Interest Rate Expectations**

After excluding outliers from the calculation, it is determined that **the average short-term commercial loan interest rate expectation in April is 50.45%**. When the course of the average short-term commercial loan interest rate expectations for the last 6 months is analyzed, the participants stated that they generally anticipated a decrease in the earlier months and an increase in the last month.



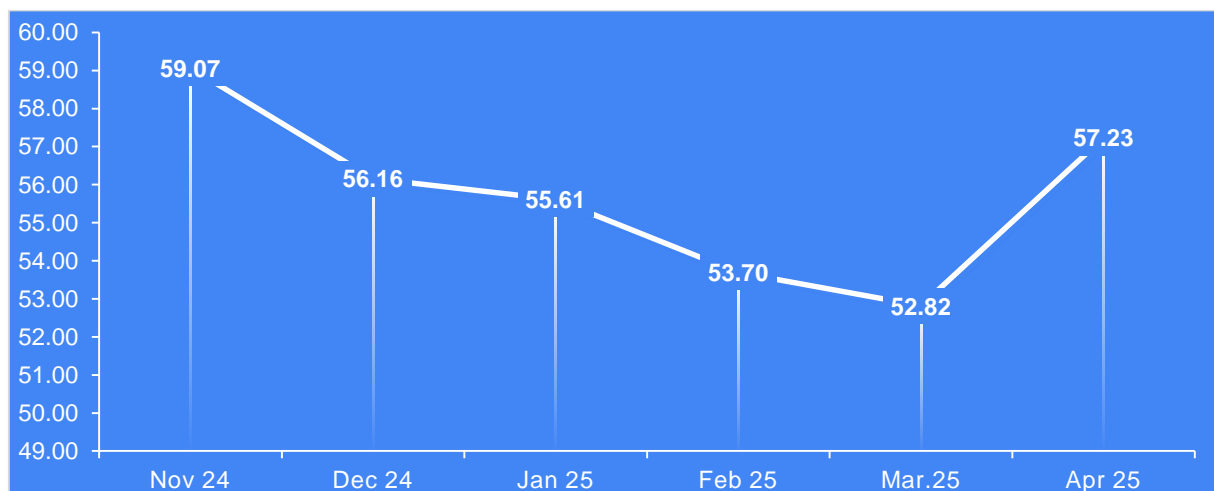
**Graph 18 : Change in Short-Term Commercial Loan Interest Rate Expectations**

When the sector average interest rate expectations of the participants are analyzed, it is observed that 6.4 percent of the participants' expectations are below 43.19, 29.5 percent are in the range of 43.20-52.39, 37.2 percent are in the range of 52.40-61.60, 19.2 percent are in the range of 61.61-70.80 and 7.7 percent are above 70.81.



**Graph 19 : Sector Average Interest Rate Expectations**

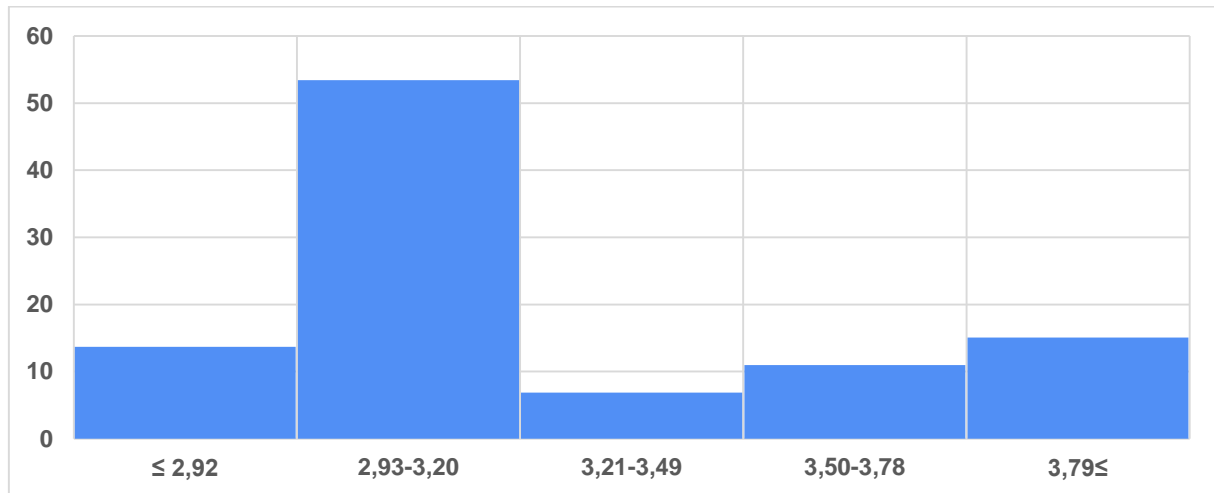
After excluding outliers from the calculation, it is determined that **the sectoral average interest rate expectation was 57.23% in April**. When the last 6-month course of the sectoral average interest rate expectation is analyzed, it is seen that the participants stated that they expect a decrease in the earlier months and an increase in the last month.



**Graph 20 : Change in Sector Average Interest Rate Expectations**

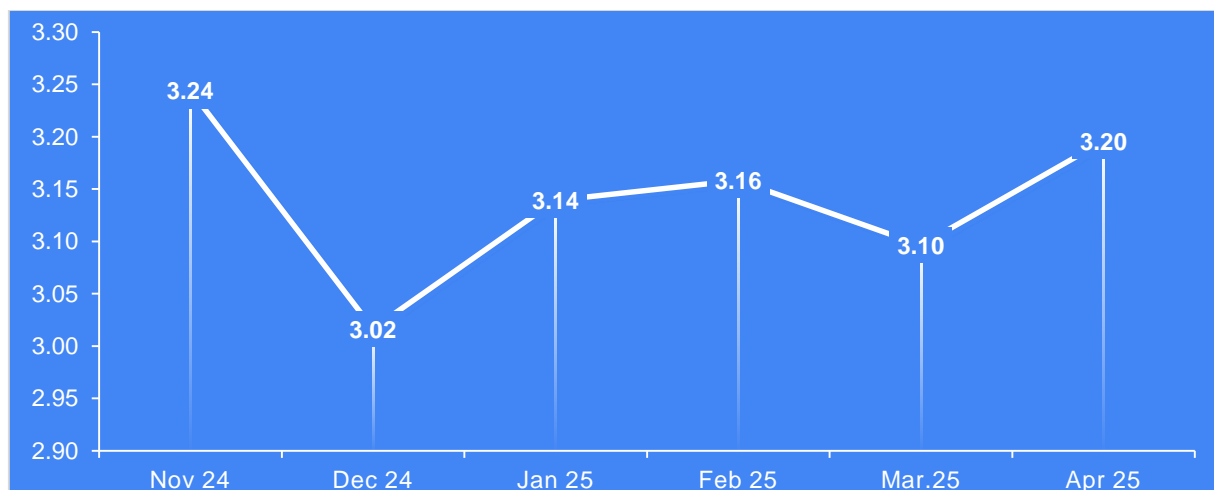
## 2.4. GDP Growth Expectations

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 13.7 percent of them are below 2.92, 53.4 percent are in the range of 2.93-3.20, 6.9 percent are in the range of 3.21-3.49, 11 percent are in the range of 3.50-3.78 and 15.1 percent are above 3.79



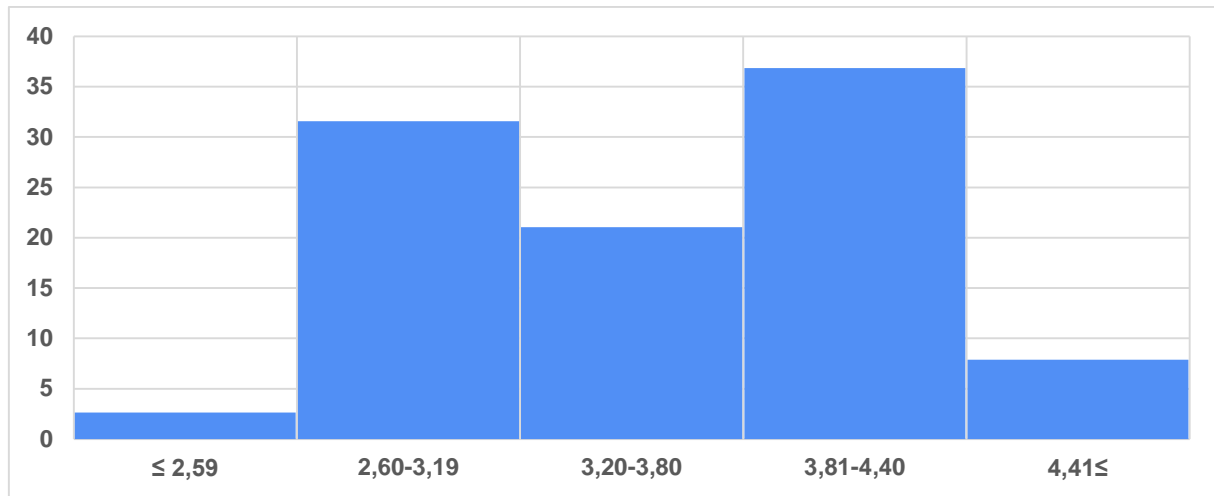
**Graph 21 : Current Year-End GDP Growth Expectation**

After excluding outliers from the calculation, it is determined that **the average GDP growth expectation for the end of 2025 was 3.20% in April**. 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 .



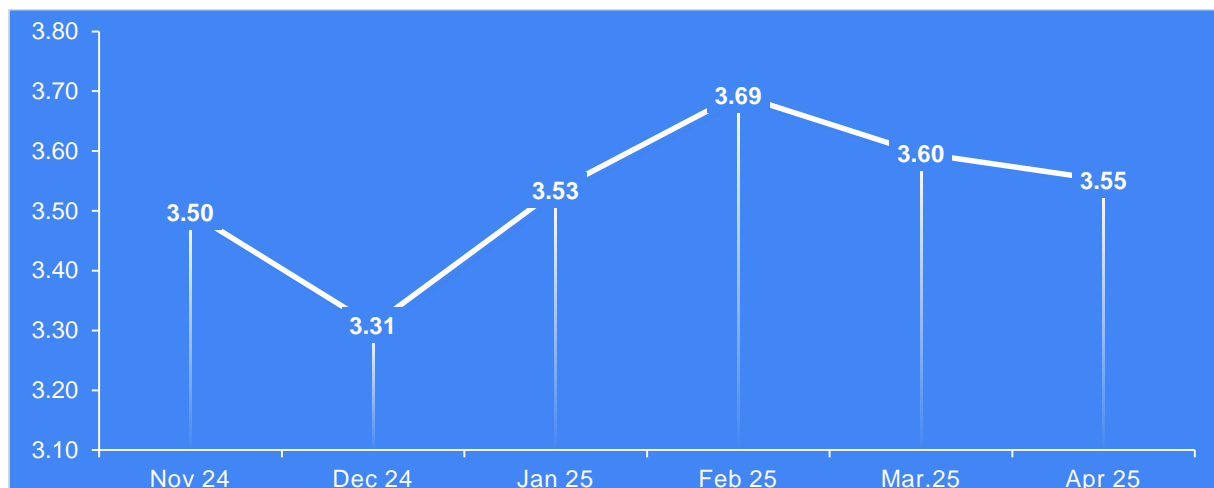
**Graph 22 : Change in Current Year-End GDP Growth Expectation**

When the GDP growth expectations of the participants for the end of next year are analyzed, it is observed that 2.6 percent of the participants' GDP growth expectations are below 2.59, 31.6 percent are in the range of 2.60-3.19, 21.1 percent are in the range of 3.20-3.80, 36.8 percent are in the range of 3.81-4.40 and 7.9 percent are above 4.41.



**Graph 23 : GDP Growth Expectations for the End of Next Year**

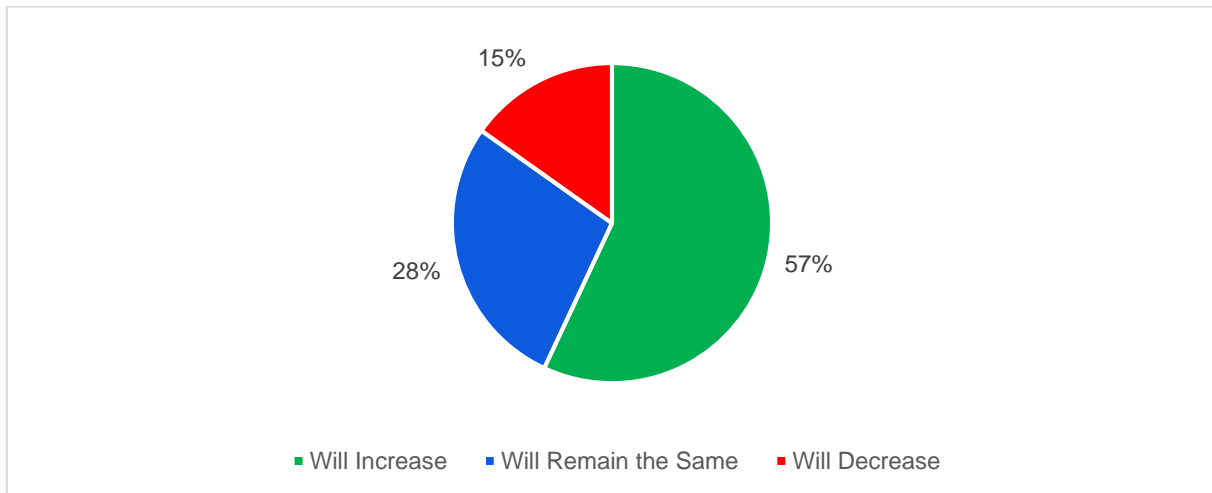
After excluding outliers from the calculation, **the average GDP growth expectation for the end-2026 was 3.55% in April.** Analyzing the course of the average GDP growth expectation for the end of next year for the last 6 months, it is seen that there is a fluctuating outlook in the change of the GDP growth expectation for the end of next year.



**Graph 24 : Change in GDP Growth Expectations for the End of Next Year**

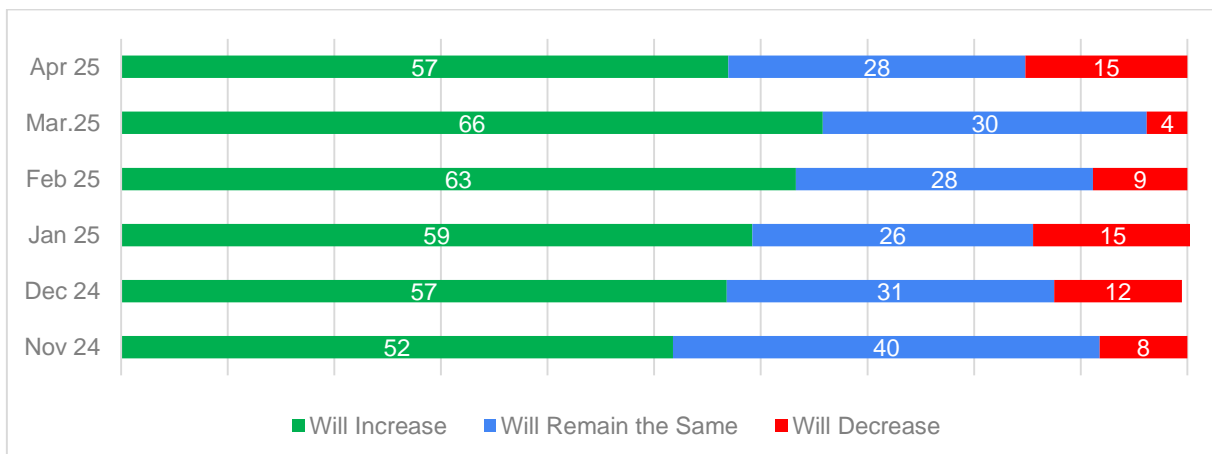
## 2.5. Sectoral Expectations

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. Compared to the previous 3-month period in **April**, 57 percent of the participants stated that the transaction volume in their sectors would increase, 15 percent stated that it would decrease and 28 percent stated that it would remain the same in the next 3 months.



**Graph 25 : Trading Volume Expectation**

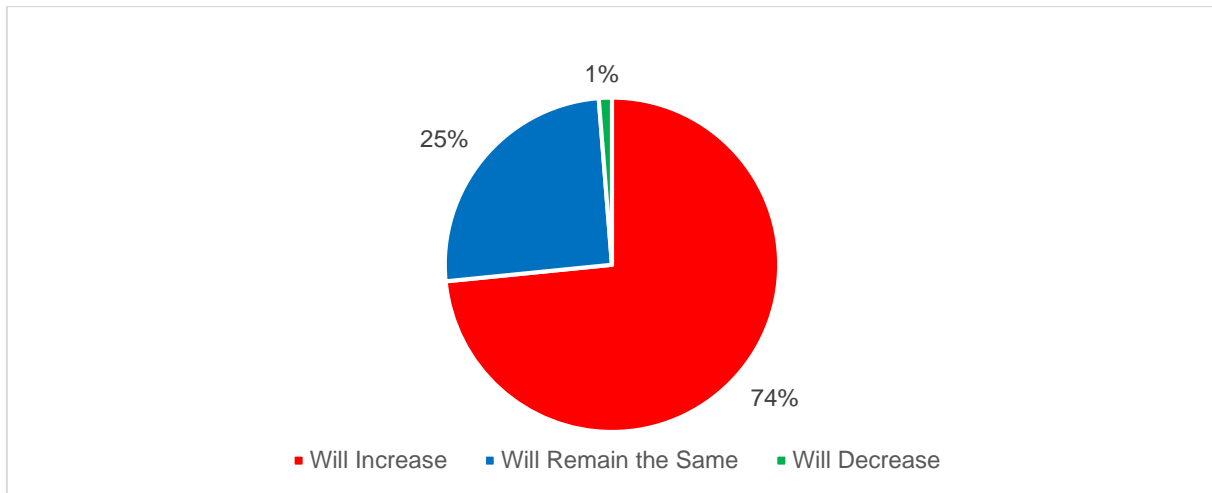
An analysis of the last 6-month course of the change in the participants' expectations for the transaction volume in their sectors in the next 3-month period compared to the previous 3-month period reveals that the participants' generally expected to be an increase in the earlier months and a decrease in the last month.



**Graph 26 : Change in Trading Volume Expectation**

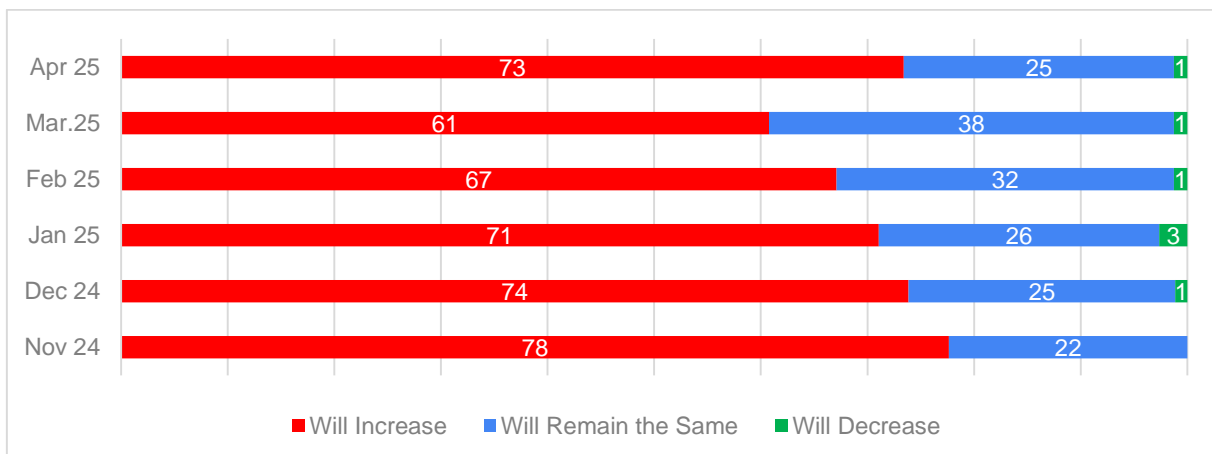


Regarding the expectations for the change in the non-performing loan ratio (NPL) in the next 3 months in **April**; 74 percent of the participants stated that it would increase, 1 percent stated that it would decrease and 25 percent stated that it would remain the same.



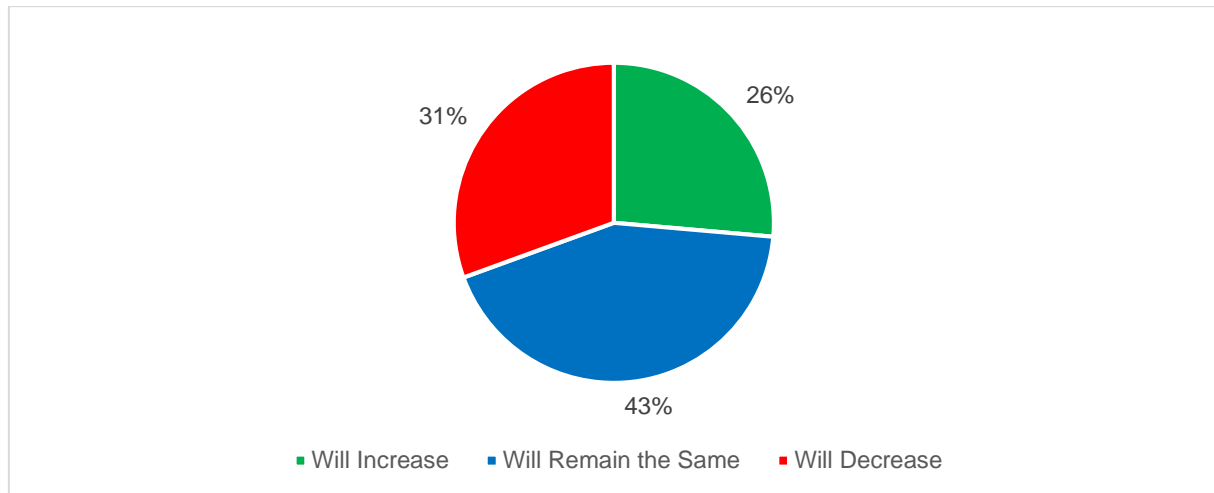
**Graph 27 : Non-Performing Loan Ratio Expectation**

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-month period reveals that the participants' expectations for the next 3-month period were generally for a decrease in the earlier months and an increase in the last month.



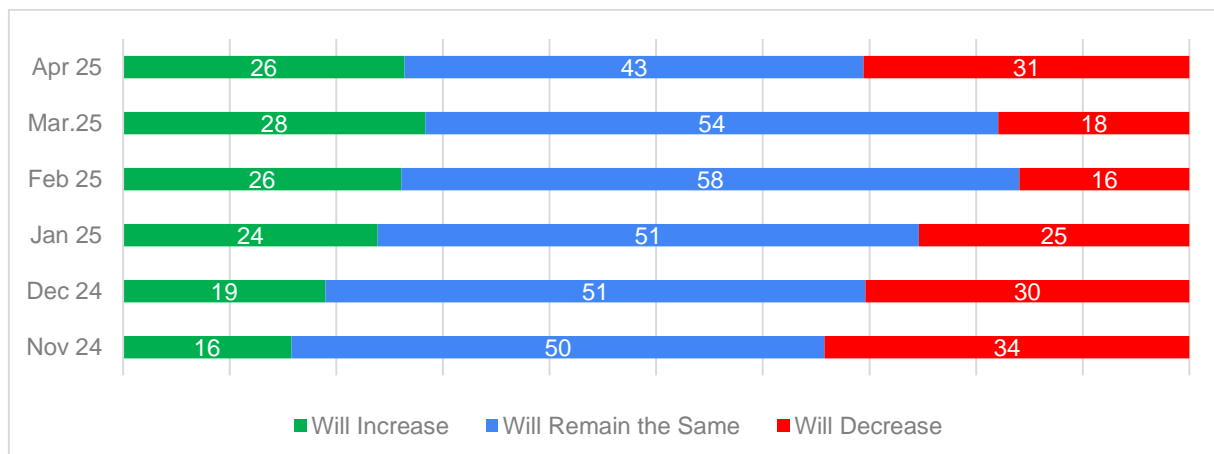
**Graph 28 : Change in Non-Performing Loan Ratio Expectation**

When the expectations of the participants about the change in collections in their sectors in the next 3 months in **April** are evaluated; 26 percent of the participants stated that it will increase, 31 percent stated that it will decrease and 43 percent stated that it will not change.



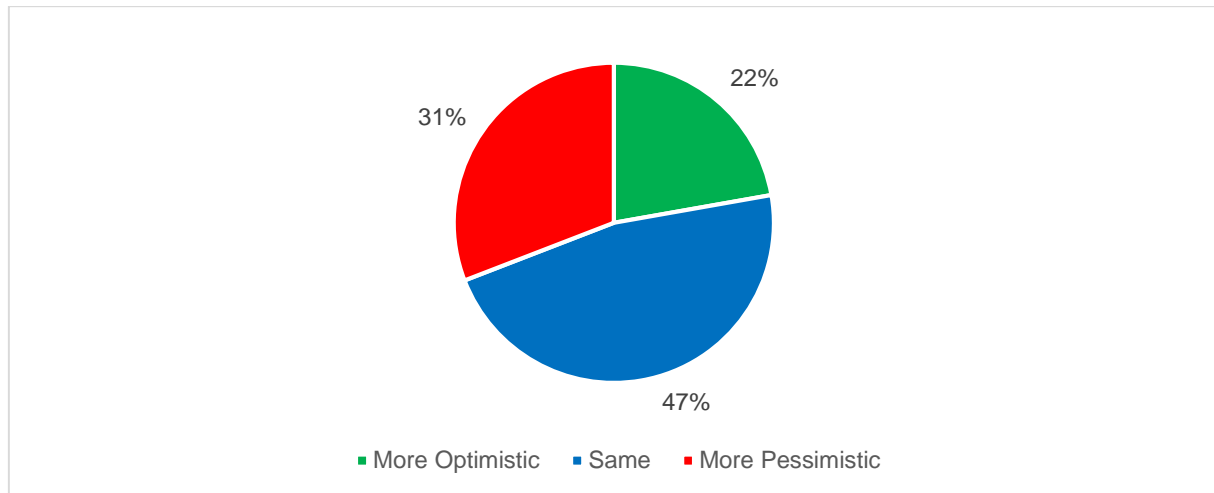
**Graph 29 : Collection Change Expectation**

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 the respondents' expectations about the change in collections in their sectors in the next 3 months are generally predicted to increase in the earlier months and to decrease in the last month.



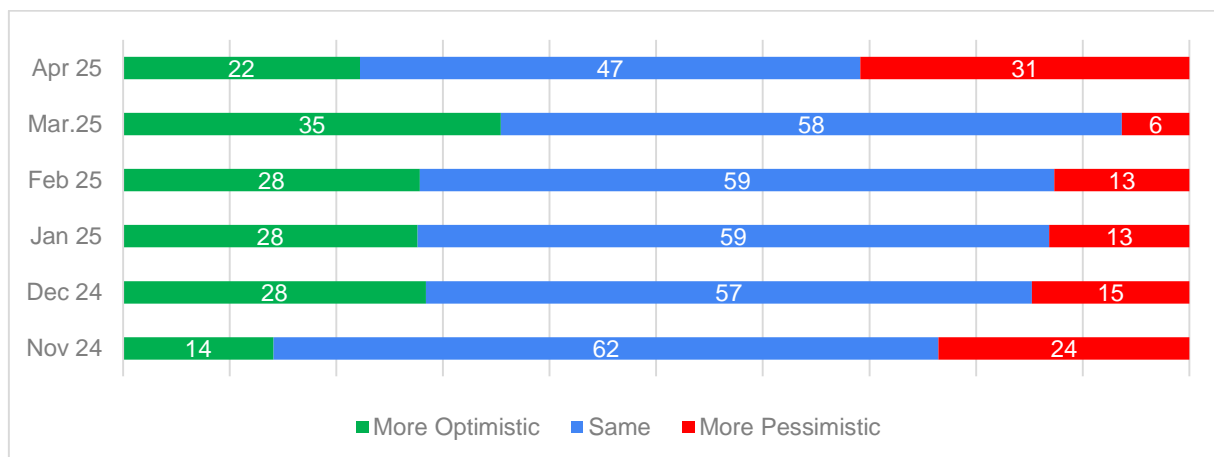
**Graph 30 : Change in Collection Change Expectation**

When the expectations of the participants about the general course of their sectors in the next 3 months in **April** compared to the previous 3-month period are evaluated; 22 percent of the participants stated that they would be more optimistic, 31 percent more pessimistic and 47 percent the same.



**Graph 31 : Expectations for the General Outlook**

When the course of the last 6 months of the expectations of the participants about the general course in their sectors in the next 3-month period compared to the previous 3-month period is analyzed; the participants stated that their expectations for an increase in the general course in their sectors were generally an increase in the earlier months and a decrease in the last month.



**Graph 32 : Change in Expectations for the 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 been fluctuating since **November 2018**, increased by 0.77 points in **March 2025** compared to the previous month and reached 101.45.

**The Factoring Sector Index**, a subcomponent of the **AFI Economic Outlook Index**, increased by 1.07 points to 101.55 in **March 2025**.

**The Leasing Sector Index**, a subcomponent of the **AFI Economic Outlook Index**, increased by 0.22 points to 104.81 in **March 2025**.

**The Financing Sector Index**, one of the subcomponents of the **AFI Economic Outlook Index**, increased by 1.03 points to 98.00 in **March 2025**.

Along with the increases observed in all sub-sector indices, the AFI Economic Outlook Index also increased. The 2.29-point decrease in the AFI Economic Outlook Index in **April 2024** was followed by a 1.21-point increase in **May 2024**. The index, which 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**, 0.39 points in **October 2024**, 0.26 points in **November 2024** and 0.81 points in **December 2024**. The **AFI Economic Outlook Index** displayed an upward trend in the last 6 months of 2024, except for **August**. While this upward trend was replaced by a decrease of 3.09 points in **January 2025**, this decrease was compensated by an increase of 2.78 points in **February 2025** and the index rose by 0.77 points in **March 2025**. The value of 101.45 in **March 2025** was above both the **December 2024** value of 100.99, which was the highest observed value in 2024, and the **2024** annual average of 99.34. It is understood from the general course of the index that the months with a decline are compensated by the months with an increase and that the index values have recently shown small fluctuations around a significant average. Keeping in mind that the **AFI Economic Outlook Index** is an indicator that reflects economic expectations, 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 in order to make a clear judgment on the permanence of monthly changes, along with the effects of economic policies implemented in the direction of tightening and stabilization.

According to the **April** results of the **AFI Economic Outlook Expectations Survey**, participants' **inflation expectations** for **April 2025**, **end-2025** and **end-2026** were realized as 2.79%, 31.31% and 23.66%, respectively. Considering that the **March 2025** survey results were 2.47% for **the end of the month**, 31.70% for **the end of 2025** and 22.82% for **the end of 2026**, there is a negligible increase in inflation expectations for **April 2025** and the **end of 2025 and 2026**. 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. Although inflation expectations exhibit a fluctuating trend from period to period, expectations for the year-end remain on a stable path. Due to the nature of inflation, the rate and degree to which factors affecting inflation are reflected on the inflation rate differ in the short, medium and long run. Therefore, it would be appropriate to accept changes in inflation expectations from one survey period to another as normal and to evaluate the monetary policy stance and the determinants of inflation by taking into account the time horizon over which expectations are formed in order to understand the path that inflation will follow. In this context, taking into account the changes in expectations especially at the end of the year, it is observed that the monetary policy stance continues to be reflected on inflation expectations in the medium and medium-long term, as shown in *Chart 8* and *Chart 10*, and inflation expectations have settled on a stable path.

According to the **April** results of the **AFI Economic Outlook Expectations Survey**, participants' **USD exchange rate expectations** for **end-April 2025**, **end-2025** and **end-2026** were realized as 38.54, 43.59 and 51.34, respectively. Considering that the survey results for **March 2025** were 36.80 for **the end of the month**, 42.57 for **the end of 2025** and 49.17 for **the end of 2026**, respondents' expectations for the level of the exchange rate increased at **the end of April 2025** and at **the end of 2025 and 2026**, as can be seen in *Chart 12*, *Chart 14* and *Chart 16*. Considering the year-end expectations of the participants, a depreciation of around 17% is expected in the TRY in 2026 compared to the previous year-end. Compared to the depreciation rates calculated according to the survey results for **April, May, June, June, July, August, September, October, November, December, January, February and March**, which were 19.60%, 18.23%, 18.81%, 18.27%, 18.07%, 20.49%, 20.62%, 20.46%, 22.22%, 16.56%, 17% and 15%, respectively, it is observed that the depreciation expectation in the TRY follows fluctuations and increased in **April** compared to the previous month. According to the **April** survey results, the expectation for the rate of depreciation in the TRY at the end of 2026, which was 17%, was below the inflation rate expectation of 23.66% 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 coming periods. Compared to **the IMF** forecasts of 52.57 and 62.97 and the **MTP** forecasts of 42.6 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*), survey participants' expectations for **2025** are below the **IMF** forecast and consistent with the **MTP** forecast, while they are below the **IMF** forecast and above **the MTP** forecast for **2026**. It is observed that the fluctuations in Turkey's **CDS** premium, ongoing 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; December 259.68; January 249.68; February 254.36) have continued and in **March 2025**, the CDS premium increased by 59.23 points compared to the previous month, reaching 313.59. Changes in the CDS premium, as an indicator of the risk perceptions regarding the country's economy, are reflected in the exchange rate expectations of market participants.

According to the **April** results of the **AFI Economic Outlook Expectations Survey**, **the short-term commercial loan interest rate expectation** for the next 3 months increased by 4.55 percentage points compared to **March**, reaching 50.45% and the **sector average interest rate expectation** for AFI member companies increased by 4.41 percentage points to 57.23%. As can be seen in *Charts 18* and *20*, the downward trend in loan rate expectations observed in previous months was replaced by an increase in April expectations. Although the rise in interest rate expectations implies that the cautionary trend in the credit market has strengthened, it will be important to observe the results of future surveys to assess the duration and persistence of this trend. 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; 61.25% in December 2024; 62.19% in January 2025, 57.08% in February 2025 and 57.02% in March 2025. It is observed that expected values for sector average interest rates are in line with realized market rates.

According to the April results of the **AFI Economic Outlook Expectations Survey**, participants' **expectations for the GDP growth rate** increased by 0.10% to 3.20% for **end-2025** and decreased by 0.05% to 3.55% for **end-2026** compared to **March**. Compared to the results of the March Expectations Survey, *Chart 22* and *Chart 24* suggest that growth rate expectations continued to stabilize. Compared to the **MTP** of 4% and 4.5% and **IMF** forecasts of 2.7% and 3.2%, respectively, for the same years, respondents' GDP growth rate expectations for **end-2025** and **end-2026** were below the **MTP** and above the **IMF** forecasts.

According to the **April** results of the **AFI Economic Outlook Expectations Survey**, 57% of the participants stated that *the trading volume* would increase in the next 3 months compared to the previous 3-month period, 28% stated that it would remain unchanged and 15% stated that it would decrease. Considering that these percentages were 66%, 30% and 4% in the **March** survey, it can be seen from *Chart 26* that *the expectations for trading volume* displayed a downward trend. According to the results of the **April** survey, *the expectation for the change in the non-performing loan ratio* for the next 3 months increased to 74%, while 25% of the respondents expected the ratio to remain unchanged. Compared to the **March** survey results of 61% and 38%, the **NPL ratio** expectation displayed an upward trend, as can be seen in *Chart 28*. In the **April** survey, 26% of respondents expect *the collection rate* to increase, 43% expect it to remain unchanged and 31% expect it to decrease in the next 3 months. Considering that these rates were 28%, 54% and 18%, respectively, in the **March** survey, *Chart 30* shows that *the expectation for a change in the collection rate* displayed a downward trend. It can be stated that the expectation for a decline in transaction volume has a negative impact on both the NPL ratio and the expectations for the change in collection.

According to the **April** results of the **AFI Economic Outlook Expectations Survey**, 22% of the participants stated that the next 3 months would be better than the current situation, 47% stated that it would be no different and 31% stated that it would be worse. Comparing these results with the **March** results of 36%, 58% and 6%, respectively, *Chart 31* shows that the optimistic-stable expectation has turned into a negative trend. In **2024**, expectations for **April** and **October** showed two different time periods in which pessimism was at its highest, the probability of moving away from the stable situation increased and the expectation that stability would be maintained for the sector in general remained proportionally low. However, **May** and **November 2024** were the two periods in which the probability of moving away from the stable situation in **April** and **October** shifted in the direction of returning to stability. As can be seen in *Chart 32*, the rate of optimism stabilized from **December 2024** to **March 2025**. In **March**, *the outlook for the general outlook* increased positively from the positive stable trend of the previous months. In **April**, however, this situation reversed, and a positive upward trend was replaced by a negative cautious outlook. When the expectations regarding the transaction volume, NPL ratio and the change in collections are evaluated together, it is observed that the optimistic expectations for the sector in the coming period have replaced by a negative-prudent outlook. Nevertheless, it would be appropriate to accept that it is usual for the expectations pattern to change in each survey period and therefore, it would be appropriate to observe the course of expectations in the following periods in order to make a clear judgment on long-term trends and the permanence of monthly changes.

**Annex 1: Index Tables****Table 2: Association of Financial Institutions Economic Outlook Index**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>2015</b>		99,21	102,00	101,10	100,34	100,72	100,81	100,10	100,22	100,31	100,57	102,51
<b>2016</b>	99,58	100,64	103,50	102,81	103,43	103,79	101,72	102,41	102,29	102,54	103,28	103,76
<b>2017</b>	101,77	103,27	103,50	102,11	103,15	103,04	102,59	103,10	102,40	103,06	103,52	104,60
<b>2018</b>	102,87	103,23	104,02	103,34	102,92	102,10	101,83	99,65	96,22	95,15	98,09	100,29
<b>2019</b>	96,89	97,31	100,00	99,30	99,46	97,80	99,11	97,57	99,19	100,12	100,20	101,71
<b>2020</b>	100,20	101,04	101,06	98,72	98,02	100,45	101,20	100,98	101,94	101,56	101,75	102,30
<b>2021</b>	100,63	100,77	102,20	100,84	99,42	101,68	99,96	101,04	101,48	100,89	101,91	101,58
<b>2022</b>	98,94	100,17	101,51	100,90	100,16	100,39	97,17	97,92	98,25	98,82	99,64	100,31
<b>2023</b>	99,51	98,78	100,33	101,04	99,49	97,82	98,37	98,66	99,29	98,78	98,96	99,31
<b>2024</b>	98,97	99,17	100,00	97,71	98,92	98,46	99,32	98,88	99,53	99,92	100,18	100,99
<b>2025</b>	97,90	100,68	101,45									

**Table 3: Association of Financial Institutions Factoring Sector Index**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>2015</b>		101,67	103,59	102,14	101,24	102,04	101,54	101,47	101,82	102,58	101,65	103,08
<b>2016</b>	100,76	102,20	102,46	101,53	101,95	102,11	100,69	101,48	101,78	101,55	102,19	102,37
<b>2017</b>	101,06	102,44	102,22	100,43	101,97	101,96	101,40	102,24	101,85	102,52	103,02	103,20
<b>2018</b>	102,25	102,91	102,77	102,11	102,35	101,79	101,88	99,67	99,51	98,98	100,04	100,35
<b>2019</b>	99,21	99,22	100,00	99,64	99,74	98,40	100,57	98,54	99,85	100,55	100,20	101,41
<b>2020</b>	100,32	100,04	100,54	98,64	97,57	99,40	100,35	99,91	100,54	100,54	100,56	101,60
<b>2021</b>	99,57	99,82	100,85	100,01	98,71	100,70	99,00	99,65	100,90	99,64	101,15	100,96
<b>2022</b>	98,27	99,56	100,33	99,89	99,19	99,61	98,48	98,72	99,90	100,07	101,03	101,30
<b>2023</b>	100,60	100,43	101,12	99,91	100,07	99,54	100,20	100,00	99,98	100,14	100,45	100,68
<b>2024</b>	100,22	100,32	101,21	99,50	100,26	99,21	100,08	99,75	100,59	100,76	100,71	102,27
<b>2025</b>	95,85	100,48	101,55									

**Table 4: Association of Financial Institutions Leasing Sector Index**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>2015</b>		100,60	104,58	103,47	102,63	102,54	102,91	101,19	101,95	101,05	101,63	104,06
<b>2016</b>	102,38	102,20	103,96	102,83	103,73	104,46	101,13	101,18	101,33	101,94	102,49	103,76
<b>2017</b>	101,37	103,99	104,43	102,71	103,37	103,50	102,41	102,58	101,50	102,28	102,24	104,08
<b>2018</b>	102,41	103,08	104,47	103,41	101,81	100,69	99,99	96,58	90,70	88,82	94,70	99,23
<b>2019</b>	92,83	94,34	100,00	98,43	98,83	95,88	97,90	95,31	98,30	99,35	99,83	101,53
<b>2020</b>	100,47	101,64	101,63	99,95	97,58	100,29	100,77	100,63	102,27	101,62	102,37	102,09
<b>2021</b>	101,41	101,25	102,89	102,43	100,79	102,02	100,09	101,75	102,57	102,01	103,04	101,62
<b>2022</b>	98,43	100,81	103,17	102,82	100,96	100,73	94,86	96,98	97,86	99,27	100,20	100,22
<b>2023</b>	100,62	100,37	102,24	105,55	101,16	98,59	99,43	100,67	101,36	100,97	100,45	100,02
<b>2024</b>	100,79	101,14	102,49	98,88	100,64	100,35	101,75	101,18	102,32	102,53	102,65	102,75
<b>2025</b>	102,30	104,59	104,81									

**Table 5: Association of Financial Institutions Financing Sector Index**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>2015</b>		95,37	97,81	97,69	97,15	97,59	97,98	97,63	96,90	97,31	98,42	100,39
<b>2016</b>	95,60	97,52	104,07	104,08	104,59	104,80	103,35	104,59	103,76	104,14	105,17	105,16
<b>2017</b>	102,87	103,36	103,83	103,19	104,12	103,67	103,96	104,47	103,85	104,37	105,30	106,52
<b>2018</b>	103,95	103,70	104,82	104,49	104,60	103,83	103,62	102,70	98,44	97,65	99,52	101,29
<b>2019</b>	98,62	98,38	100,00	99,84	99,81	99,11	98,86	98,86	99,42	100,48	100,57	102,19
<b>2020</b>	99,81	101,43	101,01	97,57	98,91	101,65	102,47	102,38	103,00	102,51	102,30	103,20
<b>2021</b>	100,92	101,22	102,87	100,07	98,77	102,32	100,79	101,71	100,98	101,01	101,54	102,16
<b>2022</b>	100,11	100,14	101,01	100,00	100,33	100,83	98,17	98,07	96,99	97,13	97,69	99,41
<b>2023</b>	97,30	95,52	97,64	97,65	97,23	95,34	95,48	95,32	96,54	95,24	95,98	97,22
<b>2024</b>	95,90	96,04	96,31	94,75	95,87	95,81	96,14	95,69	95,67	96,46	97,19	97,94
<b>2025</b>	95,54	96,97	98,00									



## Annex 2: Methodology

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

<b>Methodology</b>	<b>Association of Financial Institutions Economic Outlook Index</b>																										
<i>Purpose of the Study</i>	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.																										
<i>Definition of Data</i>	Number of contracts/invoices, amount and duration indicators to monitor the economic course of the financial leasing, factoring and financing sectors over time.																										
<i>Sectoral Scope</i>	It covers financial leasing, factoring and financing sectors.																										
<i>Time Scope</i>	The base period of the index is March 2019; statistics on the results are available since January 2015.																										
<i>Basic Period/Year</i>	March 2019																										
<i>Reference Period</i>	The current month.																										
<i>Unit of Measure</i>	Number of Contracts/Invoices - Number Contract/Invoice Amount - TRY Contract/Invoice Term - Month																										
<i>Periodicity</i>	Frequency of data collection: Monthly Frequency of publication of data: Monthly																										
<i>Timeliness</i>	The average production time for each published data is 4 days.																										
<i>Publication</i>	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.																										
<i>Schedule</i>																											
<i>Calculation Method</i>	<p>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.</p> <p>The indicators and their weights are based on desk research and expert opinion surveys conducted during the index development period.</p> <table> <tr> <th>Main Groups of the Economic Outlook Index</th><th>Weights</th></tr> <tr> <td>Financial Leasing</td><td></td></tr> <tr> <td>- Number of Contracts</td><td>0,16</td></tr> <tr> <td>- Contract Amount (TRY)</td><td>0,40</td></tr> <tr> <td>- Contract Maturity (month)</td><td>0,44</td></tr> <tr> <td>Factoring</td><td></td></tr> <tr> <td>- Number of Invoices</td><td>0,25</td></tr> <tr> <td>- Invoice Amount (TRY)</td><td>0,28</td></tr> <tr> <td>- Invoice Term (month)</td><td>0,47</td></tr> <tr> <td>Financing Companies</td><td></td></tr> <tr> <td>- Number of Contracts</td><td>0,29</td></tr> <tr> <td>- Contract Amount (TRY)</td><td>0,20</td></tr> <tr> <td>- Contract Maturity (month)</td><td>0,51</td></tr> </table> <p>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 the subcomponents were determined using the Analytic Hierarchy Process (AHP) based on an expert opinion survey.</p> <p>Data for 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.</p>	Main Groups of the Economic Outlook Index	Weights	Financial Leasing		- Number of Contracts	0,16	- Contract Amount (TRY)	0,40	- Contract Maturity (month)	0,44	Factoring		- Number of Invoices	0,25	- Invoice Amount (TRY)	0,28	- Invoice Term (month)	0,47	Financing Companies		- Number of Contracts	0,29	- Contract Amount (TRY)	0,20	- Contract Maturity (month)	0,51
Main Groups of the Economic Outlook Index	Weights																										
Financial Leasing																											
- Number of Contracts	0,16																										
- Contract Amount (TRY)	0,40																										
- Contract Maturity (month)	0,44																										
Factoring																											
- Number of Invoices	0,25																										
- Invoice Amount (TRY)	0,28																										
- Invoice Term (month)	0,47																										
Financing Companies																											
- Number of Contracts	0,29																										
- Contract Amount (TRY)	0,20																										
- Contract Maturity (month)	0,51																										

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

<b>Methodology</b>	<b>Association of Financial Institutions Economic Outlook Expectations Survey</b>
<i>Purpose of the Study</i>	Monitoring the expectations of decision makers and experts in the financial leasing, factoring, financing, asset management and savings finance sectors regarding various macroeconomic variables.
<i>Definition of Data</i>	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.
<i>Sectoral Scope</i>	The participant panel consists of decision makers, experts and professionals from the financial leasing, factoring, financing, asset management and savings finance sectors.
<i>Time Scope</i>	The Economic Outlook Survey has been conducted since October 2023 and statistics on the results have been available since then.
<i>Basic Period/Year</i>	October 2023
<i>Reference Period</i>	The current month.
<i>Unit of Measure</i>	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
<i>Periodicity</i>	Frequency of data collection: Monthly Frequency of publication of data: Monthly
<i>Timeliness</i>	The average production time for each published data is 7 days.
<i>Publication Schedule</i>	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.
<i>Calculation Method</i>	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 <sup>1</sup> or extreme outlier <sup>2</sup> and trimmed means <sup>3</sup> .

<sup>1</sup> Outlier Value: Calculated according to Tukey's Hinges method, Q1: Lower Quartile, Q3: Upper Quartile; values less than  $Q1 - 1.5 \cdot (Q3 - Q1)$  and greater than  $Q3 + 1.5 \cdot (Q3 - Q1)$  are considered outliers.

<sup>2</sup> Extreme Outlier Value: Calculated according to Tukey's Hinges method, Q1: Lower Quartile, Q3: Upper Quartile; values less than  $Q1 - 3 \cdot (Q3 - Q1)$  and greater than  $Q3 + 3 \cdot (Q3 - Q1)$  are accepted as extreme values.

<sup>3</sup> 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 Economic Outlook Expectations Survey

Financial Institutions Association Economic Outlook Expectation Survey			
	Monthly	Yearly	
	End of Current Month	End of Current Year (Jan-Dec)	End of Next Year (Jan-Dec)
What is your expectations for consumer inflation? (%)	2,79	33,31	23,66
What is your expectation for the US Dollar exchange rate in the interbank foreign exchange market? (TRY)	38,54	43,59	51,34
What is your annual GDP growth expectation? (%)		3,20	3,55
What is your short-term commercial loan interest rate expectation?	3 Months Later 50,45		
What is your average interest rate expectation in your sector?	3 Months Later 57,23		
What is your expectation for the transaction volume in your sector (compared to the previous 3-month period)?	3 Months Later Will Increase 57%	Same 28%	Will Decrease 15%
What is your expectation regarding the change in the non-performing loan (NPL) ratio?	3 Months Later Will Increase 74%	Same 25%	Will Decrease 1%
What is your expectation regarding the change in collections in your sector?	3 Months Later Will Increase 26%	Same 43%	Will Decrease 31%
What is your expectation about general outlook in your sector (compared to the previous 3-month period)	3 Months Later More Optimistic 22%	Same 47%	More Pessimistic 31%

- 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) and 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.