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## THE ASSOCIATION OF FINANCIAL INSTITUTIONS

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# CORPORATE PROFILE

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

AFI is an umbrella organization for concerns in Turkey that provides

- **Financial Leasing**
- **Factoring**
- **Financing**
- **Asset Management**
- **Saving Finance**

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

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## VISION

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

## MISSION

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



## CHAIRPERSON'S MESSAGE

**Aynur Eke**  
Chairperson



The momentum that the pandemic conditions contributed to the digital transformation trend in 2020 was captured also in the AFI-members' activities in this respect and has been instrumental in our covering greater distance towards our strategic goals.

### **The Association of Financial Institutions successfully passed an endurance test amid the extraordinary conditions presented by 2020.**

Having domineered the whole world and recorded in the history of humanity as one of the most formidable health crises, the pandemic deeply impacted all of us with the unusual circumstances it has imposed upon life and the economy. Lockdown and quarantine measures caused a significant contraction in all fronts of the economy, from the supply chain to production and trade cycle and to investments.

Expansionary monetary and fiscal policies of our economy administration, coupled with the economic packages launched along with the initiatives taken, backed economic actors and played a significant part in dealing with the shock created by the pandemic.

In a turbulent and economically tough year for all our sectors, the AFI, jointly with all its sectors, did more than its part for keeping the wheels of production and trade turning; the AFI used every means available to it to facilitate access to financing, and more importantly, to expand its influence.

Having increased its efforts and initiatives to boost the efficiency of the financial leasing, factoring and financing sectors that it represents and to leverage the contribution they lend to the economy, our Association used 2020 as a year to highlight productivity, commitment and hard-work, and the understanding that "unity makes strength". Owing our mission together with all our members, the Association continued to stand by our real sector, our exporters, and our customers mostly made up of SMEs.

In the digitalization front that has been identified as our strategic priority, our efforts gained speed in 2020 with the goal of improving the operational processes of our members and of delivering products and services to our customers through digital channels. The momentum that the pandemic conditions contributed to the digital transformation trend in 2020 was captured also in the AFI-members' activities in this respect and has been instrumental in our covering greater distance towards our strategic goals.



## Pandemic support of the economy management

Expansionary monetary and fiscal policies of our economy administration, coupled with the economic packages launched along with the initiatives taken, backed economic actors and played a significant part in dealing with the shock created by the pandemic.

### **Despite all the negativities, our sectors performed strongly in 2020.**

After making a strong start to 2020 following the rebalancing process of 2019, the Turkish economy faced a deep contraction in the second quarter, as did all the other world economies; unfortunately, financial leasing, factoring and financing sectors were not immune from this contraction either. Having quickly adapted to the new normal thanks to the policy and measures implemented by our government, our sectors captured rise in their business volumes in the second half of the year.

According to 2020 consolidated data for all the three sectors represented by AFI, our business volume was TL 209.8 billion, our total assets were worth TL 154.4 billion, our shareholders' equity amounted to TL 27.7 billion and our customers reached 2.6 million. While the extraordinary circumstances of the reporting period forced a decline in the number of customers, all our sectors registered growth in their business volumes. Another important point that needs to be mentioned is the steps taken by our sectors to alleviate the economic pressure on customers such as deferments on repayments and maturity extensions, which resulted in lower NPL ratios for all sectors.

### **We are taking important steps regarding digitalization that is the driving engine behind development.**

Digitalization is one of the most important topics on our agenda. Our main purpose through digitalization is to devise life-easing projects for our members and their customers, and to offer solutions to our SMEs providing fast and affordable financing support.

Within the framework of digital transformation, at AFI, we are studying the practices across the world and developing original models fitting our country in order to facilitate access to financing. The way to reach the entire Turkey with our financing services and to grow together with our sectors passes through providing financing to customers through digital platforms. Accordingly, we are formulating our strategies based on digital transformation.

Serving as our iron horses in this context are our two initiatives, namely Receivables Recording Center (RRC) that we have introduced to the finance system in 2015 and preventing double assignment and financing of the same receivable, and the Contract Registration System where financial leasing contracts are registered.

Moreover, we regard it as a priority target to ensure that the Trade Chain Finance System (TCFS) launched in 2019 and serving as a milestone in the digitalization of our factoring sector is actively used by our supplier SMEs, and to expand the use of the system.

We believe that the TCFS, which will achieve a broader scope once the regulatory framework we have demanded is enacted, will fill a crucial gap in the finance ecosystem. Through the TCFS, we are aiming to give centralized reach to our SMEs that contribute significant added value to the national economy to a multitude of financial instruments, and most importantly, to fast, safe and affordable financing.

Furthermore, we continue to contribute maximum support to our sectors and the national economy alike with our Private Integrator, Documented/Undocumented Export Credits Module and Central Software projects.



## Financial inclusion

The AFI now brings together some 130 companies with the new additions, which also presented our Association with the opportunity to carry further the role it has undertaken for the sake of financial inclusion.

Following the Banking Regulation and Supervision Agency's (BRSA) regulation allowing finance institutions to outsource system infrastructure service through private cloud systems, we have completed the installation of the first cloud service exclusive to the finance sector, "AFI Shared Data Center", during the reporting period, and initiated members' infrastructure relocation and transition process. Put into use at the onset of 2021, AFI Cloud's default services include backing up and disaster recovery as well as system infrastructure service, and member companies also have the option to receive cyber security, database management and similar services upon request.

### **Legislative arrangement will increase the non-bank finance sector's contribution to the economy.**

Following the regulation concerning digital transactions through remote access, we believe that our non-bank finance sector will gain further momentum with the enforcement of the law amendment paving the way for digital execution of financial leasing, factoring and financing contracts and upon the anticipated publication of the ancillary regulation.

As monitored closely by yourselves, the amendment to the Financial Leasing, Factoring and Financing Companies Law obligates asset management companies and saving finance companies providing interest-free housing, working place and vehicle financing must join the Association of Financial Institutions as members. This is an extremely solid step for the growth of our Association and its access to targeted audiences, and at the same time for enlarging the 14.5% share non-bank finance gets from the finance sector. Formed of 92 members as at year-end 2020, the AFI now brings together some 130 companies with the new additions, which also presented our Association with

the opportunity to carry further the role it has undertaken for the sake of financial inclusion. I wholeheartedly believe that, as always, we will fulfill this mission that bears importance for our sectors by banding together.

Betterment of the operation of the non-bank finance sector that offers added value to the sectors that act as the bloodline of the Turkish economy populated mostly by the SMEs, which will be enabled by the regulatory framework to be issued by the public authority, is vital for our goal to share the funding responsibility incumbent upon the banks and for increasing the support we extend to the real sector.

### **The learnings from the pandemic period and the digitalization trend provide guidance to us for our future strategies.**

As AFI, we believe that the financing demand we anticipate in the coming period as a result of postponed digital infrastructure investments of 2020 will be substantially fulfilled by our non-bank finance companies and that it will evolve into a powerful move towards growth.



## With our faith in the power of the Turkish economy

With our faith in the power of the Turkish economy and its fast adaptability to changes, we hope that the growth tendency will become pronounced with new investments in the second half of 2021.

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On another note, we are going through phases that make it the perfect time and setting for turning crisis into opportunity with respect to digital investment. In this vein, I believe that also non-bank finance companies ought to invest in their own digital infrastructures in this period. To the extent they do that, non-bank financial institutions that succeed in digitalizing all their processes from application to approval and their operational flows will upgrade their productivity and will have made use of this period to tip the scales in their favor.

We are working for leasing and financing companies to devise strategies to finance the purchasing of small-scale but high quantity machinery, equipment, vehicles, and even package software programs. Our 2021 agendas also cover funding planning and diversification of borrowing instruments. For factoring companies, we regard 2021 as a year of major opportunity, even one that will put pressure on competition, for introducing the digital infrastructures that will finance a broad-based and high number of supplier receivables.

The hope instilled by the vaccines available in our country and in the rest of the world, coupled with the state's reformist steps allow us to hold a more positive outlook for 2021. With our faith in the power of the Turkish economy and its fast adaptability to changes, we hope that the growth tendency will become pronounced with new investments in the second half of 2021.

As the non-bank finance sector, we are ready to extend all sorts of support to back this growth. We will continue under any circumstance to provide funds to the real economy for sustainable growth through access to financing methods developed by our Association.

I would like to thank you, our distinguished members, and our stakeholders, and wish you all good health and success.

Sincerely,

**Aynur Eke**

Chairperson

Association of Financial Institutions

As the non-bank finance sector, we are ready to extend all sorts of support to back this growth.



# MESSAGE FROM THE FINANCIAL LEASING SECTOR REPRESENTATIVES BOARD

**Mehmet Karakılıç**  
Deputy Chairperson

*Chairperson of the Financial Leasing Sector  
Representatives Board*



2020 has been a year in which ensuring the sustainability of the components making up our ecosystem was targeted and solidarity gained the foreground.

Distinguished stakeholders,

## **In 2020, our sector outperformed the projections.**

The combat against the coronavirus pandemic that started in March 2020 affected the Turkish economy as it did all the others, and 2020 has been a year in which ensuring the sustainability of the components making up our ecosystem was targeted and solidarity gained the foreground. In this period, the Association of Financial Institutions regularly advised sector players about possible deferments during the repayment of leasing installments.

Although the GDP shrank by 10.3% on a year-over-year basis in the second quarter of 2020 but expanded by 1.8% throughout the full year, the financial leasing sector finance investments amounted to USD 3.3 billion, up by 29% in USD terms. While the actual transaction volume is not very high when compared to the sector's potential, it is satisfactory given the prevailing circumstances.

What we ought to mention amid the ongoing process is the high level of safety leasing presents as a financing instrument, especially for these days. As known, leasing is a medium- and long-term financing instrument; it is an investment loan. Its characteristics that make it an investment loan is the guarantee that repayment terms stay unchanged for the investor who obtained financing through leasing, no matter how severe the economic fluctuation may be. This characteristic is inconspicuous when the economy is stable; however, in volatile times such as the present period, the value of leasing or financial leasing is discerned.

Despite the adverse effects stemming from the pandemic conditions, our sector increased the number of contracts signed to 13,802 in 2020, up by 32%.

Paralleling the business volume, the overall sector's financial leasing receivables increased by 17.6% to TL 57.3 billion and total assets by 20.8% to TL 70.3 billion. With total shareholders' equity amounting to TL 12.4 billion, our sector booked TL 1.5 billion in net profit for the period in 2020.



## Gains of digitalization

While the fast adaptation of the sector players to the digital and enhanced customer experience through digitalized work processes acted as important factors underlying increased business volume.

The ratio of private sector fixed investment expenditures financed through leasing, which had declined from 5.5% in 2017 to 2.7% in 2019, edged up to 3.5% in 2020.

In terms of the distribution of investments in the financial leasing sector, heavy-duty and construction machinery take the top spot with a share of 17.9%, followed in second and third places by real estate and other machinery and equipment with respective shares of 14% and 13.9%, while textile machinery get 12% share and land vehicles get 11.1% share.

Although funding in foreign currency outweighs in the financial leasing sector, funding in Turkish lira increased significantly in 2020 in response to historic-low interest rates, resulting in a TL-weighted portfolio composition.

### **The Contract Registration System is a key component of our sector's technological infrastructure.**

Established by the Central Registry Agency (in Turkish: MKK) and operating completely on the electronic medium, the Financial Leasing Contract Registration System has been successfully in use for six years by leasing companies,

participation banks, investment banks and development banks. Running in integration with the Ministry of Finance, e-government and the Central Civil Registration System (in Turkish: MERNİS), the system registers the contracts that are electronically signed and time stamped.

In 2020, the number of contracts registered in the system almost doubled to reach 18,001.

### **Our fundamental strategy and targets regarding digitalization acquired higher priority in the wake of the pandemic.**

While the fast adaptation of the sector players to the digital and enhanced customer experience through digitalized work processes acted as important factors underlying increased business volume, the same will also serve as important contributors to tap the emerging potential.

The rising sectors of the pandemic, being e-commerce, logistics, food packaging, food safety, healthcare, textile, plastics, chemicals and energy, will offer opportunities with respect to financing of investments in the coming period.

Additionally, we are expecting increased demand from our SMEs, especially regarding their digital transformation investments.

We are forecasting that the economic recovery process will positively impact the markets and new investments, and in turn, our sector, in 2021. We are also predicting elevated customer acquisition and business volumes on the back of digital onboarding and digital signing of contracts enabled by the regulatory framework introduced.

Embracing hope and new goals for the future, I thank and wish all the best to our members and all our stakeholders.

**Mehmet Karakılıç**  
Deputy Chairperson

*(on behalf of the Financial Leasing Sector  
Representatives Board)*



# MESSAGE FROM THE FACTORING SECTOR REPRESENTATIVES BOARD

**Aynur Eke**  
Chairperson

*Chairperson of the Factoring Sector  
Representatives Board*



Amid the unprecedented formidable conditions of 2020, we remained by the side of our SMEs and kept putting our maximum effort in a bid to contribute to production and exports.

Distinguished stakeholders,

**We are targeting uninterrupted continuity of the supply chain for our country.**

Amid the unprecedented formidable conditions of 2020, we remained by the side of our SMEs, believing that our support was needed more than ever before, and kept putting our maximum effort in a bid to contribute to production and exports.

As we kept producing solutions to let companies generate the working capital through their own forward receivables without needing additional collateral in line with our goal of uninterrupted continuity of the supply chain in the marketplace, we extended the necessary support to the SMEs also through deferment of due payables and restructuring solutions.

In 2020, the factoring sector maintained its growth momentum despite the pressure the pandemic put on the economy, and increased its business volume to TL 148.5 billion, up by 14.3%. Our sector's receivables also grew by 31% to reach TL 44.6 billion. Total assets available to the overall sector expanded by 30% to TL 48 billion and total shareholders' equity increased by 10% to TL 8.9 billion.

**We are among the sectors with the highest degree of internalization and effective utilization of digitalization.**

In an effort to contribute as efficiently as possible to the real economy, we are developing various projects making use of the possibilities offered by digitalization.

Recording all sorts of documents and information about receivables subject to factoring and preventing unregistered economy and double assignment and financing of the same receivable, the Receivables Recording Center (RRC) System is one of our most important projects successfully used by the factoring sector since 2015.

The number of risky transactions precluded by RRC, into which 30.7 million invoices and any documents substituting the invoices worth TL 914.2 billion have been recorded in the 6 years since its establishment, reached 953 thousand by 2020 year-end. The ratio of e-documents in the system used by 56 factoring companies and 24 banks leapfrogged to 82% particularly in the last one year.

The integration of RRC and the Movable Pledge Registry System (MPRS), which will give access to the information whether the factoring receivables has been previously pledged in part or in whole, will be completed in 2021.



## Faster and more effective solutions

In a bid to take our targets higher and further, and most importantly, to produce faster and more effective solutions for our companies, we will work with all our strength and increase the effectiveness of digitalization in our sectors.

Companies wishing to carry their business processes to the digital environment are offered end-to-end e-transformation service, led by e-invoice, e-archive and e-ledger applications. The services furnished to user companies under the private integrator project ensure improvement on the axes of cost, efficiency and quality, and are received with growing interest. We will continue to develop diverse e-transformation projects to consolidate our technological competence drawing on our powerful vision.

Launched in 2019, the Trade Chain Finance System (TCFS) is the trade finance application platform which provides all trade finance services including supply chain finance and allows viewing all kinds of flows technologically. We are targeting to expand the scope of TCFS that currently covers supply chain finance, confirmed factoring, payment instrument-based factoring, and refactoring transactions, to encompass supplier finance aligned with participation banking principles, export factoring, credit insurance system and financing of insured receivables, integration with the State-Subsidized Trade Receivable Insurance (SSTRI) System, payment of trade payables with trade receivables and distributor finance transactions in the short term. We believe that the TCFS that lessens unregistered economy and lays the foundation of a strong supply chain ecosystem will make its mark in the coming period.

In 2021, it is planned to complete the development of the Documented Export Loans Module allowing electronic recording of exemptions from taxes, charges and duties in accordance with the Ministry of Trade in addition to the Undocumented Export Loans Module launched in 2019.

AFI Shared Data Center, for which we have finalized the preparations in 2020 with the objective of giving our members low-cost access to the current technology and to help them with their system infrastructure requirements, developed on private cloud architecture and launched by early 2021, was put into life in alignment with the legislation governing the finance sector, digressing in this respect from the regular cloud system. Our Data Center offers to our member companies all the IT-related services end-to-end, including information security.

### **We will keep taking our targets higher and further.**

We will carry on with our breakthrough initiatives aimed at reinforcing the power of the real sector and our exporters within our economy, which we believe that will start rising in the second half of 2021 by fully adjusting to the new normal in keeping with the success of the vaccination campaign and as the global balances are re-established.

The experiences gained during the pandemic reveal that digitalization is the pivot of progress and competition. In a bid to take our targets higher and further, and most importantly, to produce faster and more effective solutions for our companies, we will work with all our strength and increase the effectiveness of digitalization in our sectors.

Recognizing that the continuous and smooth running of the supply chain is the basis of the trade cycle, we are determined to speed up our efforts to bring factoring to wider audiences. Drawing strength and confidence from being an association, we will continue to undersign new initiatives, as always.

I extend my heartfelt thanks to all our members and stakeholders, and wish good health to all.

**Aynur Eke**  
Chairperson

*(on behalf of the Factoring Sector Representatives Board)*



# MESSAGE FROM THE FINANCING COMPANIES REPRESENTATIVE BOARD

**Korhan Bilek**  
Deputy Chairperson

*Chairperson of the Financing Companies Sector  
Representatives Board*



In 2020 as the demand for the products we finance increased, the credit volume provided by finance companies showed a strong expansion.

Distinguished stakeholders,

## **A strong rise was secured in the business volume of finance companies in 2020.**

2020 has been an unpredictable year. With its impact upon the economy began to be felt from March onwards, the pandemic period affected the finance sector in which we are engaged, as it did all the other sectors, throughout the initial phase dominated by a high degree of uncertainty. The actions rapidly taken by the public authorities and support measures implemented produced results in relation to domestic consumption in the second quarter, which triggered a growth trend in credit demand. As the demand for the products we finance increased, the credit volume provided by finance companies showed a strong expansion.

During 2020, business volume of our finance companies grew by 113.5% to TL 37.9 billion, and credits were made available to 2.5 million customers.

Total assets of the overall sector increased by 30.8% to TL 36 billion, while total receivables augmented by 39.2% to TL 32 billion. Our shareholders' equity reached TL 6.3 billion with a 21.2% rise, whereas TL 1 billion was posted in net profit.

The share of commercial loans, which increased by 186% as compared to the previous year, rose to 56% in the breakdown of loans disbursed by finance companies.

The pandemic's most important effect upon finance companies' activities emerged in the form of increased demand for vehicle loans. Pandemic-induced avoidance of public transport and increased prices in connection with the exchange rate movements resulted in a high level of demand for vehicles, stimulated by an urge to safeguard the asset. As brand new vehicle manufacturing and importation were restricted by the pandemic conditions, part of the demand was directed to second-hand vehicles. In this period, our companies fulfilled loan demands both for brand new and second-hand vehicles, thus creating a significant business volume. As teleworking and distance learning made tablets, PCs, and communication devices staple products, their financing contributed to our sector's growth.

## **Our sector strengthens its indispensable role in the economy by supporting digital transformation.**

The finance sector addresses a broad customer segment with the commercial and consumer finance service for purchase of products and services in numerous sectors led by automotive, commercial vehicles, telecommunication, durable consumer goods, education and mortgage sectors.



## Standing by the customers

The companies operating in our sector once again exhibited their support to their customers by satisfying credit deferral demands, as well as offering low-cost financing solutions to all their individual and commercial customers.

Generating significant added value for the economy with their role that supports manufacturing and trade while increasing the competition in the market, the companies operating in our sector once again exhibited their support to their customers by satisfying credit deferral demands, as well as offering low-cost financing solutions to all their individual and commercial customers amid the tough circumstances presented by 2020.

In 2020, digitalization has become the mainstream value generator, and the main determinant of business models and competition. As a result of this fact, credit demands for digital transformation of numerous businesses of varying scales also increased. Our sector players gave momentum to developing digital transformation financing solutions to help real persons, SMEs and trade companies reach the technology that they need more easily and for their smart device, computer, server, software and similar investment demands.

We will continue to devise our strategies in keeping with our commitment to exhibit through the actions we take that we are by the side of our SMEs and commercial enterprises also along their digitalization journeys and that we will extend support to strengthen their competitiveness.

### **We are targeting inclusive finance through digitalization.**

Inevitably rising within non-bank financial institutions in the world, fintechs are boosting their importance and strengths through new technologies including blockchain, augmented/virtual reality (AR/VR), robotic process automation (RPA), cloud solutions etc.

Our finance companies that lead the way in capturing the developments in financial technologies in their processes and service models add momentum to their investments in digitalization, given the multiplier effect the pandemic produced in this respect, while concentrating on improving customers' experience on digital channels.

Our finance companies capture the current technology by making use of RPA and artificial intelligence (AI) applications in their information technology infrastructures, credit scoring systems and operational processes. Efforts are being spent to increase technological means through collaborations and digital projects are being developed with payment systems and insurance companies.

Our Association continues to share the policies we formulate with the regulatory authority with the objective of growing our sector and increasing its service efficacy in an effort to contribute to progress in regulatory and practical terms, as well as seizing the age through technological moves.

In the first quarter of 2021, the Law no. 7247 Amending Certain Laws and Decrees amended Article 39 of the Law no. 6361; accordingly, it is stipulated that finance contracts can be made in writing or also by means of telecommunication devices. We predict that 2021 will be a more productive year in terms of new customer acquisition with the digital onboarding that we had long been working on together the BRSA officials and the introduction of electronic contract signing processes.

Our ultimate goal for our sector that reaches a broad individual and corporate customer segment is to accelerate digitalization, carry risk management, productivity, speed and customer experience further, and increase access to finance and our financial inclusion.

I would like to thank the finance sector actors for their committed work, valuable contribution and continuous support, and all our stakeholders.

**Korhan Bilek**  
Deputy Chairperson

*(on behalf of the Financing Companies Sector  
Representatives Board)*



## BOARD OF DIRECTORS



**Aynur Eke**  
Chairperson of the Board  
Vakıf Faktoring A.Ş.



**Korhan Bilek**  
Deputy Chairperson of the Board  
Turkcell Finansman A.Ş.



**Mehmet Karakılıç**  
Deputy Chairperson of the Board  
İş Finansal Kiralama A.Ş.



**Bozkurt Çöteli**  
Member of the Board  
Yapı Kredi Faktoring A.Ş.



**Cafer Sadık Karabüber**  
Member of the Board  
Kent Faktoring A.Ş.



**Özgür Öztürk**  
Member of the Board  
Orfin Finansman A.Ş.



**Rahime Özlem Baysal**  
Member of the Board  
Şeker Finansal Kiralama A.Ş.



**T. Fatih Torun**  
Member of the Board  
Yapı Kredi Finansal Kiralama A.O.



**Yeşim Pınar Kitapçı**  
Member of the Board  
Koç Finansman A.Ş.



**Oğuz Çaneri**  
Member of the Board  
De Lage Landen Finansal  
Kiralama A.Ş.



**Tijan Akdoğan Ünver**  
Member of the Board  
Volkswagen Doğuş Finansman A.Ş.



**Coşkun Çabuk**  
Member of the Board  
Halk Finansal Kiralama A.Ş.



**Fidan Sevilmiş**  
Member of the Board  
Koç Fiat Kredi Finansman A.Ş.



**Nurcan Taşdelenler**  
Member of the Board  
Arena Faktoring A.Ş.



**Selahattin Süleymanoğlu**  
Member of the Board  
Halk Faktoring A.Ş.



## MEMBER COMPANIES

### Financial Leasing Sector

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

### Factoring Sector

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

- 64 Sardes Faktoring A.Ş.
- 65 Sümer Faktoring A.Ş.
- 66 Şeker Faktoring A.Ş.
- 67 Şirinoğlu Faktoring A.Ş.
- 68 Tam Finans Faktoring A.Ş.
- 69 TEB Faktoring A.Ş.
- 70 Tradewind Faktoring A.Ş.
- 71 Tuna Faktoring A.Ş.
- 72 Ulusal Faktoring A.Ş.
- 73 Vakıf Faktoring A.Ş.
- 74 VDF Faktoring Hizmetleri A.Ş.
- 75 Yapı Kredi Faktoring A.Ş.
- 76 Yaşar Faktoring A.Ş.
- 77 Yeditepe Faktoring A.Ş.
- 78 Zorlu Faktoring A.Ş.

### Financing Sector

- 79 ALJ Finansman A.Ş.
- 80 Doruk Finansman A.Ş.
- 81 Evkur Finansman A.Ş.
- 82 Hemenal Finansman A.Ş.
- 83 Koç Fiat Kredi Finansman A.Ş.
- 84 Koç Finansman A.Ş.
- 85 Mercedes Benz Finansman Türk A.Ş.
- 86 Orfin Finansman A.Ş.
- 87 Şeker Mortgage Finansman A.Ş.
- 88 TEB Finansman A.Ş.
- 89 Tırsan Finansman A.Ş.
- 90 Turkcell Finansman A.Ş.
- 91 Turk Finansman A.Ş.
- 92 VFS Finansman A.Ş.
- 93 Volkswagen Doğuş Finansman A.Ş.





**Vahit Altun**

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Deputy Secretary General /  
Financial Leasing

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**Zülfiye Yeşilçimen**  
Assistant of Secretary General



**Hande Demirkol**  
Assistant



**Kerim Koca**  
Office Assistant



**Mevlüt Karakuş**  
Office Assistant



# **WE ARE INCREASING OUR CONTRIBUTION TO THE ECONOMY.**

WE ARE WORKING TO GROW THE NON-BANK FINANCE SECTOR'S CONTRIBUTION TO THE ECONOMY THAT OFFERS ADDED VALUE TO THE REAL SECTOR, TURKISH EXPORTERS AND SME-INTENSIVE SECTORS THAT MAKE THE BLOODLINE OF THE TURKISH ECONOMY.







## FINANCIAL INDICATORS

### TL 23,375 million

As of year-end 2020, total business volume of financial leasing companies grew by 57.6% year-over-year to TL 23,375 million. While heavy equipment and construction machinery got the biggest share out of total financial leasing receivables with 17.9%, real estate accounted for 14%.

#### Financial Leasing

(TL million)	2019	2020	% CHANGE
Transaction Volume	14,831	23,375	57.6%
Total Assets	58,176	70,277	20.8%
Receivables	48,721	57,278	17.6%
NPL	4,416	4,096	-7.2%
Special Provisions (-)	2,836	3,407	20.1%
Shareholders' Equity	10,376	12,431	19.8%
Borrowings	41,007	49,604	21.0%
Net Profit	1,125	1,502	33.5%

(units)			
Number of Companies	23	22	-4.3%
Number of Branches	119	116	-2.5%
Number of Employees	1,232	1,206	-2.1%
Number of Customers	40,457	36,240	-10.4%

Return on Equity	11.3%	13.2%	1.9 pps
Return on Assets	1.8%	2.3%	0.6 pps
NPL Ratio	8.3%	6.7%	-1.6 pps

### TL 148,501 million

Total business volume of factoring companies was up by 14.3% to TL 148,501 million in the twelve months to end-2020. Domestic and international factoring transactions made up 86.4% and 13.6% of the total business volume, respectively.

#### Factoring

(TL million)	2019	2020	% CHANGE
Transaction Volume	129,912	148,501	14.3%
Total Assets	37,017	48,044	29.8%
Receivables	34,026	44,565	31.0%
NPL	2,140	1,828	-14.6%
Special Provisions (-)	1,730	1,598	-7.6%
Shareholders' Equity	8,136	8,946	10.0%
Borrowings	25,590	33,786	32.0%
Net Profit	1,374	979	-28.7%

(units)			
Number of Companies	56	55	-1.8%
Number of Branches	352	343	-2.6%
Number of Employees	4,269	4,098	-4.0%
Number of Customers	83,636	74,414	-11.0%

Return on Equity	18.4%	11.5%	-7.0 pps
Return on Assets	3.8%	2.3%	-1.5 pps
NPL Ratio	5.9%	3.9%	-2.0 pps



## TL 37,931 million

Total business volume of financing companies, which increased 113.5% year-over-year, was TL 37,931 million in 2020. 85.8% of the new loans extended during 2020 consisted of personal and corporate auto loans.

### Finance

(TL million)	2019	2020	% CHANGE
Transaction Volume	17,766	37,931	113.5%
Total Assets	27,560	36,046	30.8%
Receivables	22,797	31,735	39.2%
NPL	2,169	1,524	-29.7%
Special Provisions (-)	1,331	1,193	-10.4%
Shareholders' Equity	5,227	6,333	21.2%
Borrowings	19,528	26,266	34.5%
Net Profit	633	1,090	72.2%

(units)			
Number of Companies	15	15	0.0%
Number of Branches	1	0	0.0%
Number of Employees	901	853	-5.3%
Number of Customers	3,386,999	2,504,978	-26.0%

Return on Equity	12.9%	18.9%	5.9 pps
Return on Assets	1.9%	3.4%	1.5 pps
NPL Ratio	8.7%	4.6%	-4.1 pps

## TL 209,806 million

The aggregate business volume of financial leasing, factoring and financing companies rose by 29.1% and amounted to TL 209,806 million in 2020 and had a 4.2% share in GDP.

### Total

(TL million)	2019	2020	% CHANGE
Transaction Volume	162,509	209,806	29.1%
Total Assets	122,753	154,367	25.8%
Receivables	105,544	133,578	26.6%
NPL	8,725	7,448	-14.6%
Special Provisions (-)	5,897	6,198	5.1%
Shareholders' Equity	23,739	27,710	16.7%
Borrowings	86,125	109,656	27.3%
Net Profit	3,132	3,571	14.0%

(units)			
Number of Companies	94	92	-2.1%
Number of Branches	472	459	-2.8%
Number of Employees	6,402	6,157	-3.8%
Number of Customers	3,511,092	2,615,632	-25.5%

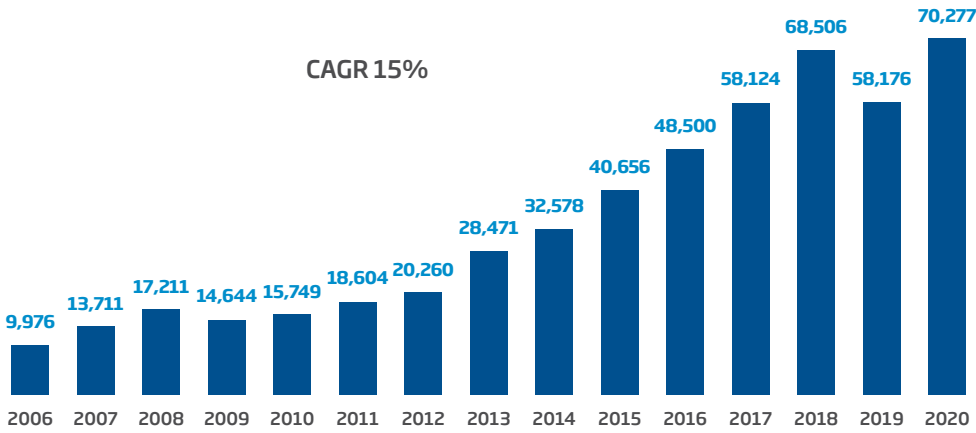
Return on Equity	14.0%	13.9%	-0.1 pps
Return on Assets	2.4%	2.6%	0.2 pps
NPL Ratio	7.6%	5.3%	-2.4 pps



# FINANCIAL INDICATORS

## ASSETS

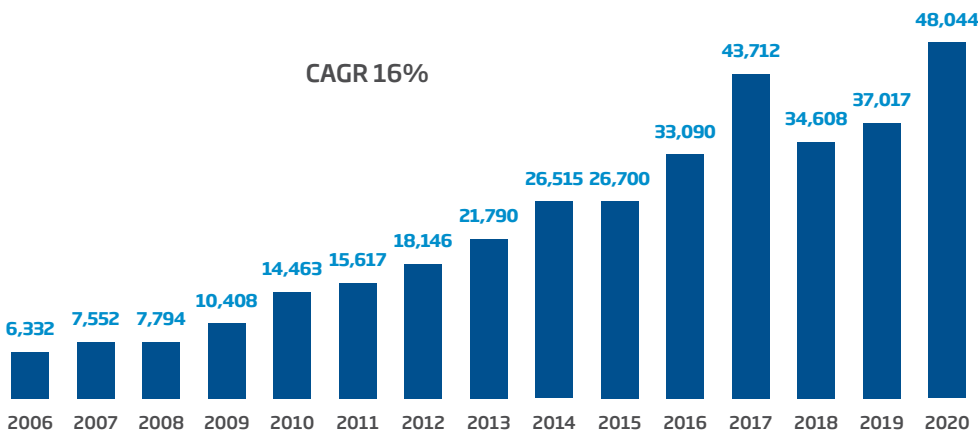
Financial Leasing Sector - Total Assets  
(TL million)



**TL 70,277 million**

In 2020, total assets of the financial leasing sector increased by 20.8% and amounted to TL 70,277 million.

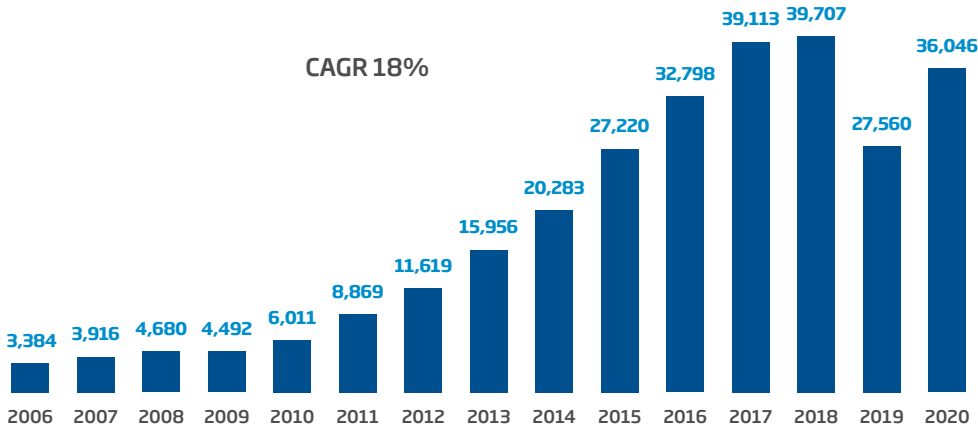
Factoring Sector - Total Assets  
(TL million)



**TL 48,044 million**

The factoring sector's total assets reached TL 48,044 million in 2020, up by 29.8%.

Financing Sector - Total Assets  
(TL million)

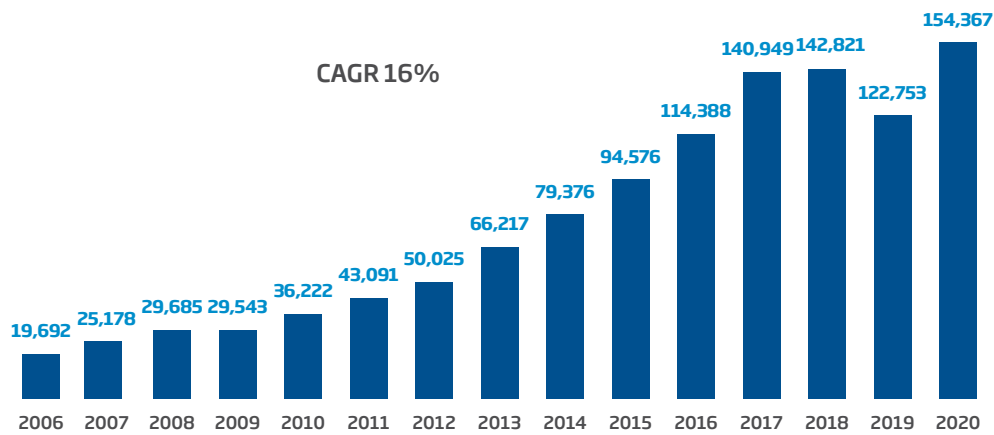


**TL 36,046 million**

Total assets of the financing sector amounted to TL 36,046 million in 2020, translating into a year-on increase by 30.8%.



## Aggregate Total Assets of the Financial Leasing, Factoring and Financing Sectors (TL million)



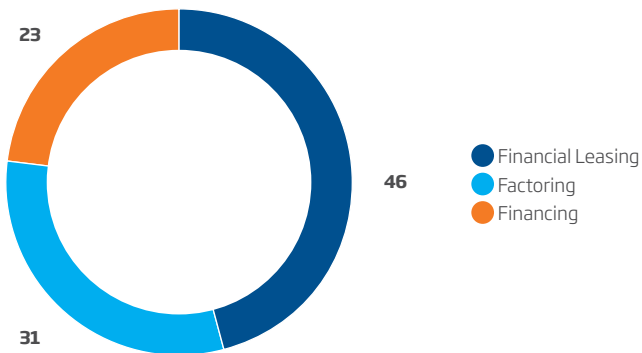
**TL 154,367 million**

During 2020, consolidated total assets of the financial leasing, factoring and financing sectors grew by 25.8% and amounted to TL 154,367 million. Total return on assets was registered as 2.6%. Annual average growth rate of total assets of the sectors between 2006 and 2020 is 16%.

## Sectoral Breakdown of Total Assets (%)

**46%**

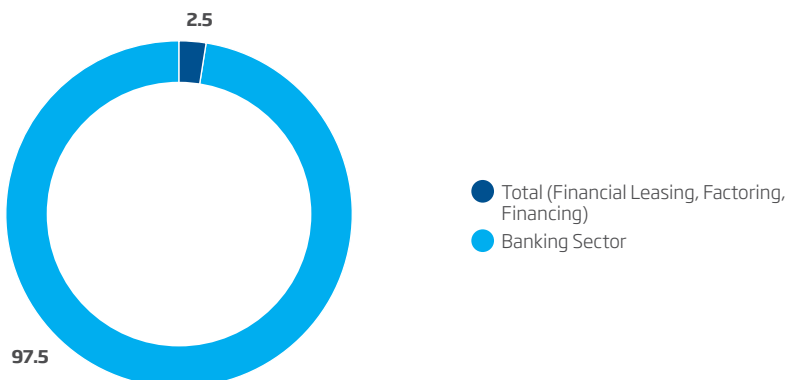
In 2020, the financial leasing sector claimed the highest share out of total assets with 46%.



## Position in the Finance Sector (%)

**2.5%**

Factoring, financial leasing and financing sectors represent 2.5% of the Turkish finance sector in terms of total assets.

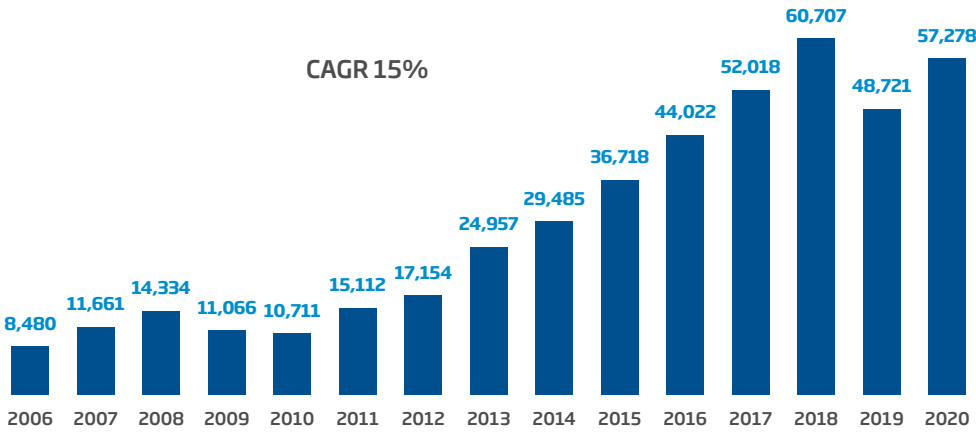




## FINANCIAL INDICATORS

### RECEIVABLES

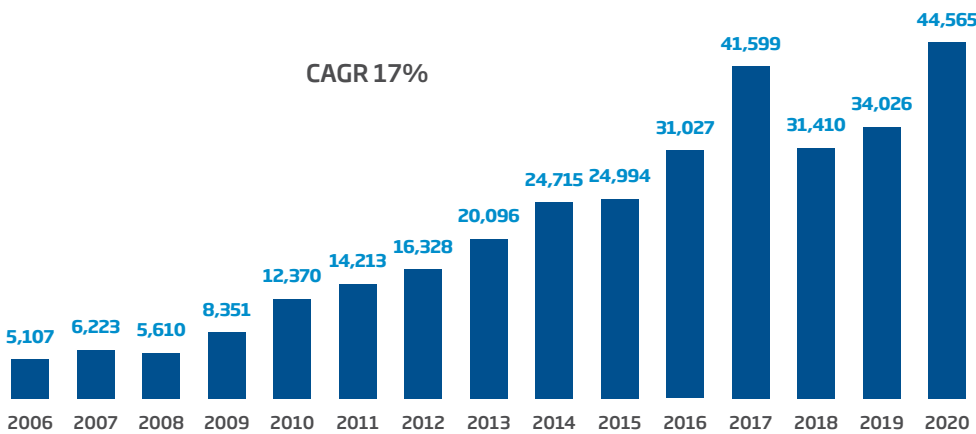
#### Financial Leasing Sector - Receivables (TL million)



**TL 57,278 million**

Total receivables of the financial leasing sector were up by 17.6% in 2020 and amounted to TL 57,278 million.

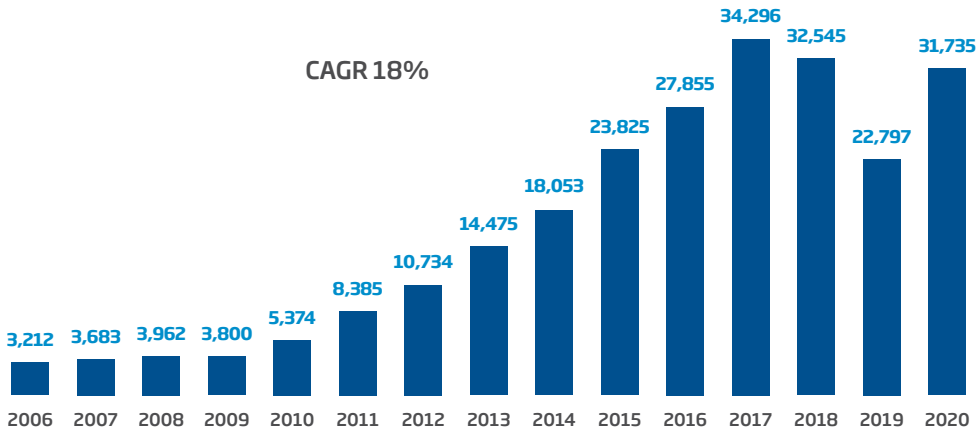
#### Factoring Sector - Receivables (TL million)



**TL 44,565 million**

Having grown by 31% in 2020, total receivables of the factoring sector reached TL 44,565 million.

#### Financing Sector - Receivables (TL million)

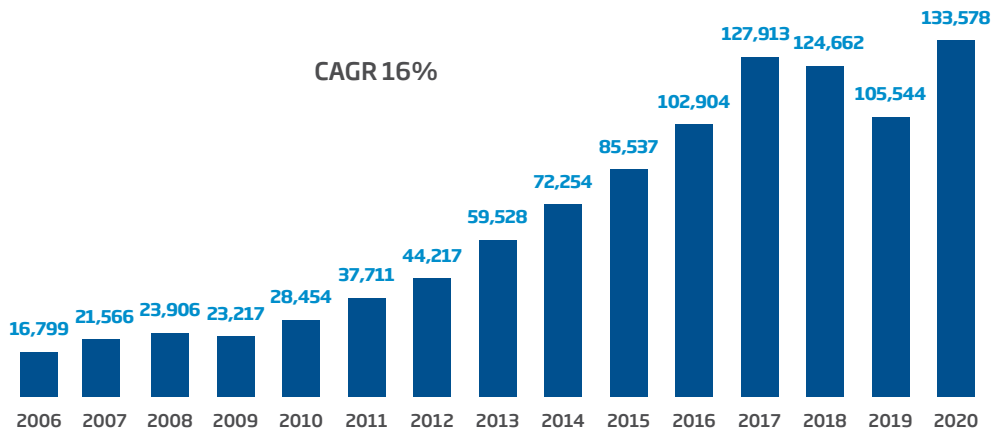


**TL 31,735 million**

Total receivables of the financing sector were worth TL 31,735 million in 2020, up by 39.2%.



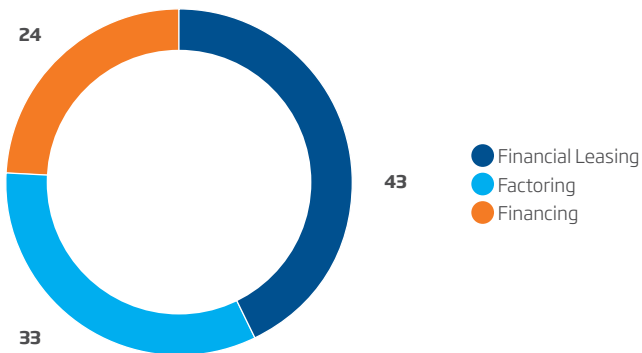
## Total Receivables of the Financial Leasing, Factoring and Financing Sectors (TL million)



**TL 133,578 million**

Total receivables of the three sectors increased to TL 133,578 million in 2020, up by 26.6% year-over-year. Total receivables of the sectors grew by 16% on average between 2006 and 2020.

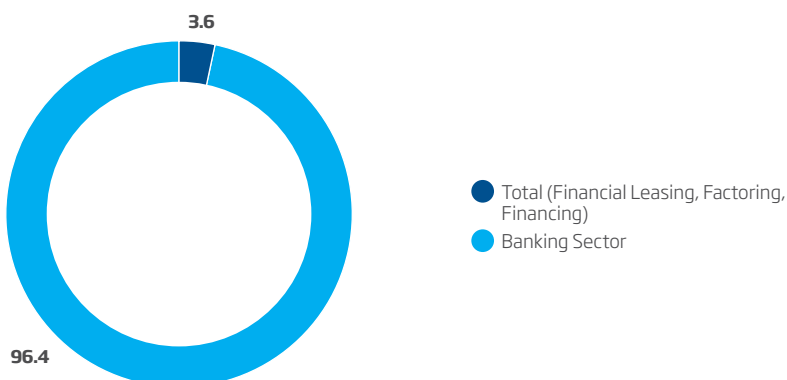
## Sectoral Breakdown of Total Receivables (%)



**43%**

In 2020, the financial leasing sector got the highest share out of total receivables with 43%.

## Position in the Finance Sector (%)



**3.6%**

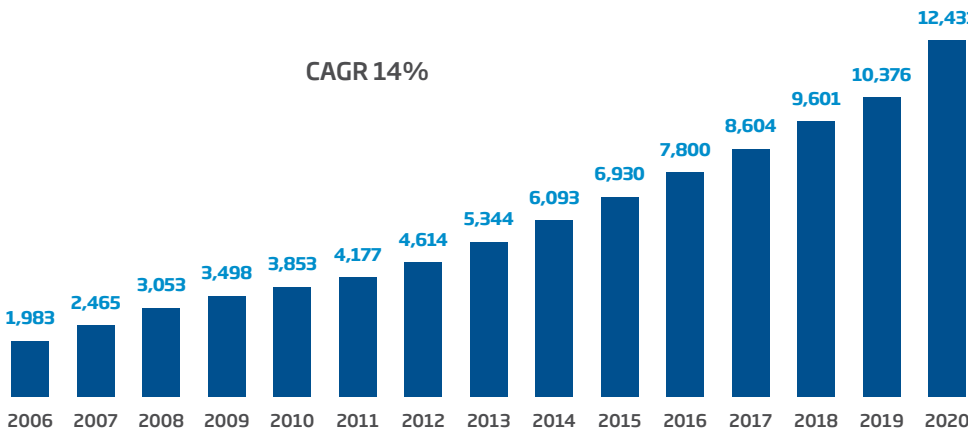
All three sectors account for 3.6% of the Turkish finance sector in terms of total receivables.



# FINANCIAL INDICATORS

## SHAREHOLDERS' EQUITY

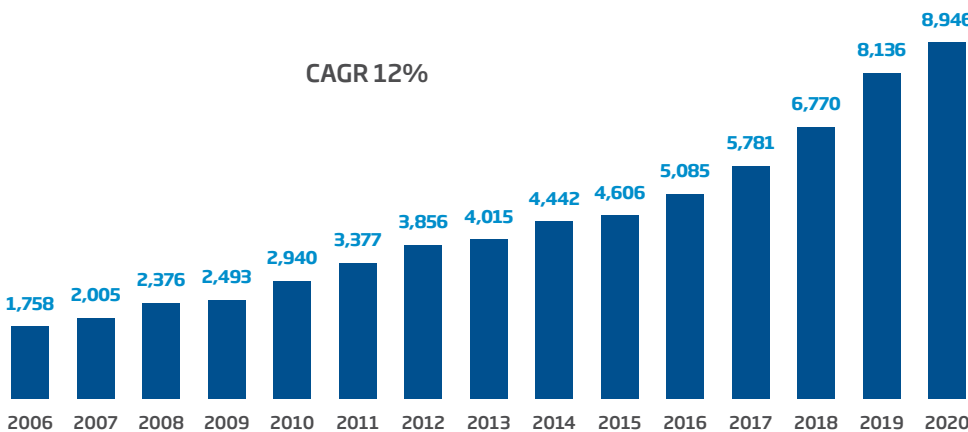
Financial Leasing Sector - Shareholder' Equity  
(TL million)



TL 12,431 million

Total shareholders' equity of the financial leasing sector grew by 19.8% in 2020 and reached TL 12,431 million.

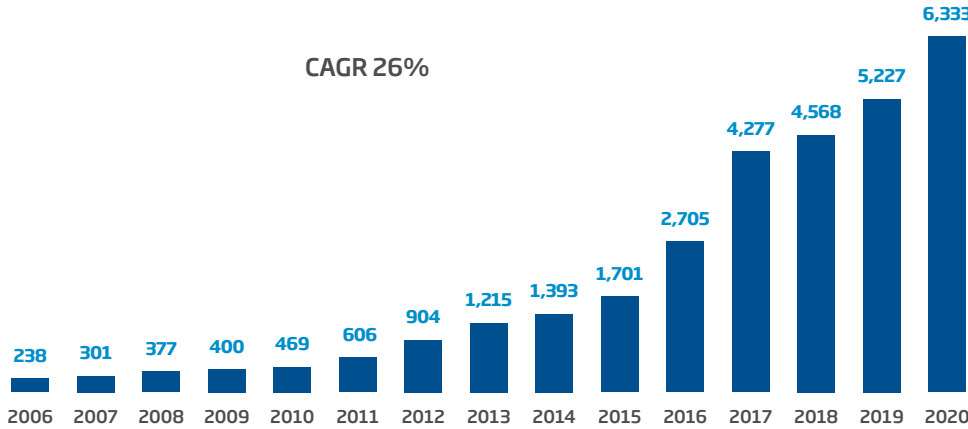
Factoring Sector - Shareholder' Equity  
(TL million)



TL 8,946 million

Total shareholders' equity of the factoring sector was up by 10% in 2020 and amounted to TL 8,946 million.

Financing Sector - Shareholders' Equity  
(TL million)

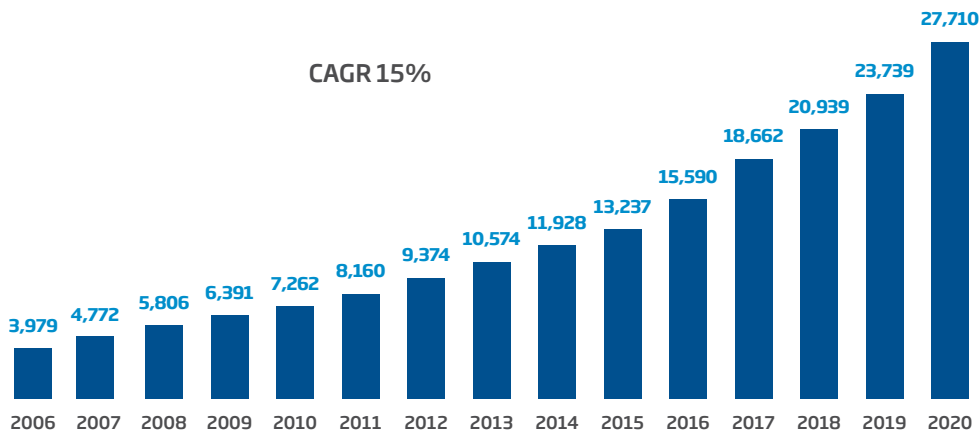


TL 6,333 million

Total shareholders' equity of the financing sector reached TL 6,333 million in 2020, translating into a year-on rise by 21.2%.



## Total Shareholders' Equity of the Financial Leasing, Factoring and Financing Sectors (TL million)



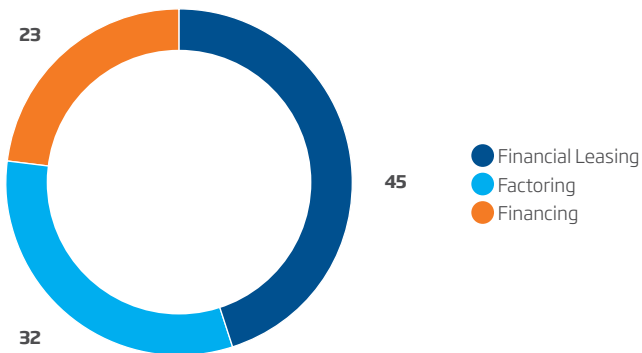
**TL 27,710 million**

Total shareholders' equity of the sectors displayed a year-on rise by 16.7% and reached TL 27,710 million in 2020. Return on equity, on the other hand, was 13.9%. Average annual growth rate of total shareholders' equity of the sectors between 2006 and 2020 was registered as 15%.

## Sectoral Breakdown of Total Shareholders' Equity (%)

**45%**

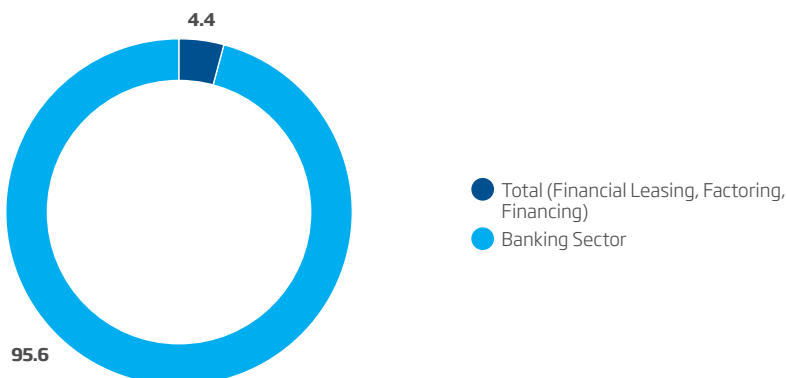
In 2020, the financial leasing sector got the highest share out of total shareholders' equity with 45%.



## Position in the Finance Sector (%)

**4.4%**

The three sectors constitute 4.4% of the Turkish finance sector in terms of total shareholders' equity.

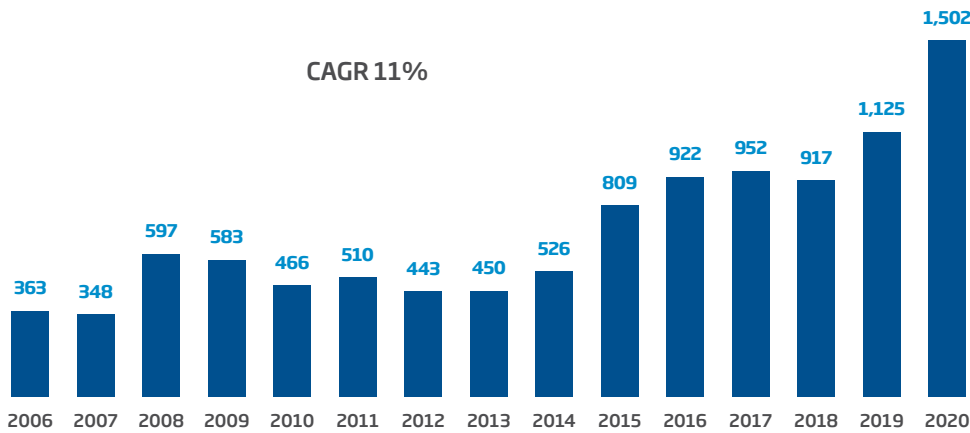




# FINANCIAL INDICATORS

## NET PROFIT

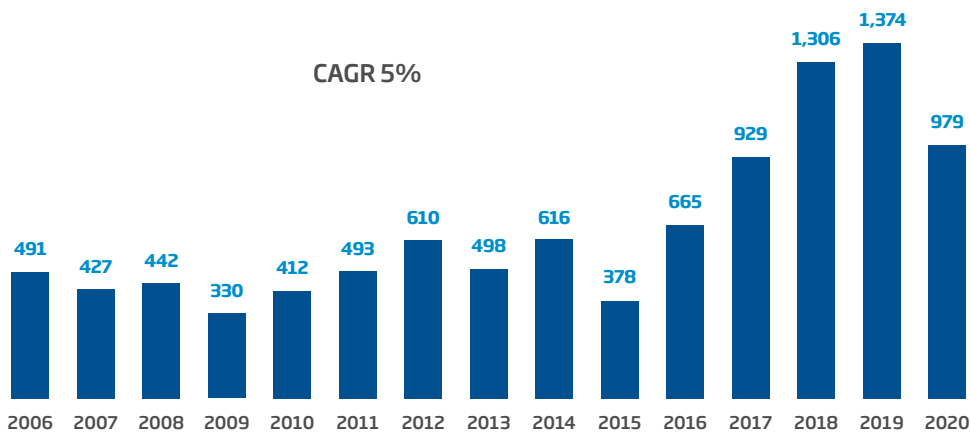
Financial Leasing Sector - Net Profit  
(TL million)



TL 1,502 million

Total net profit of the financial leasing sector was up by 33.5% in 2020 and reached TL 1,502 million.

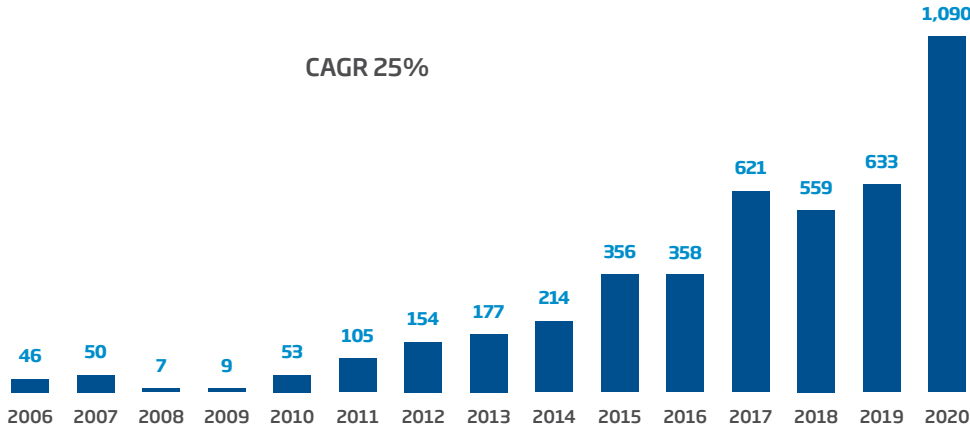
Factoring Sector - Net Profit  
(TL million)



TL 979 million

Having gone down by 28.7% in 2020, the factoring sector's total net profit amounted to TL 979 million.

Financing Sector - Net Profit  
(TL million)

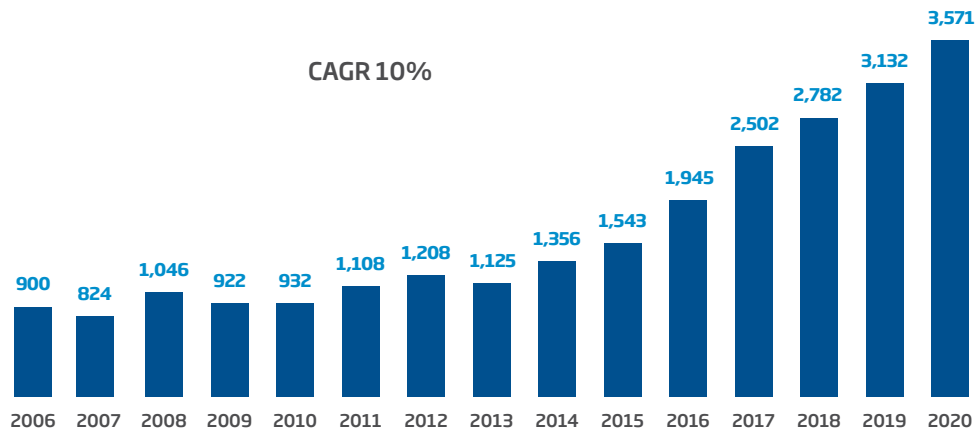


TL 1,090 million

The financing sector booked TL 1,090 million in net profit in 2020, which increased by 72.2% year-on-year.



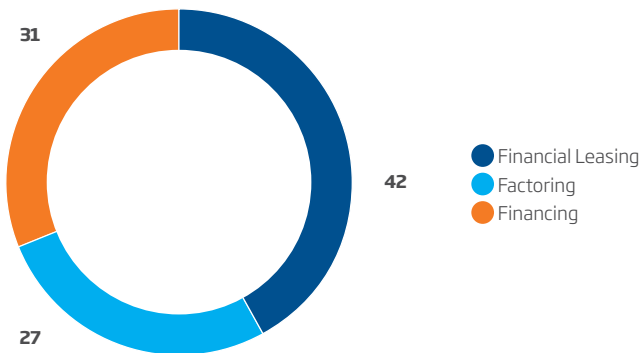
### Total Net Profit of the Financial Leasing, Factoring and Financing Sectors (TL million)



**TL 3,571 million**

As at year-end 2020, total net profit of the sectors increased to TL 3,571 million, which was 14% higher than what it was in 2019. Total net profit of the three sectors combined grew by 10% on average from 2006 to 2020.

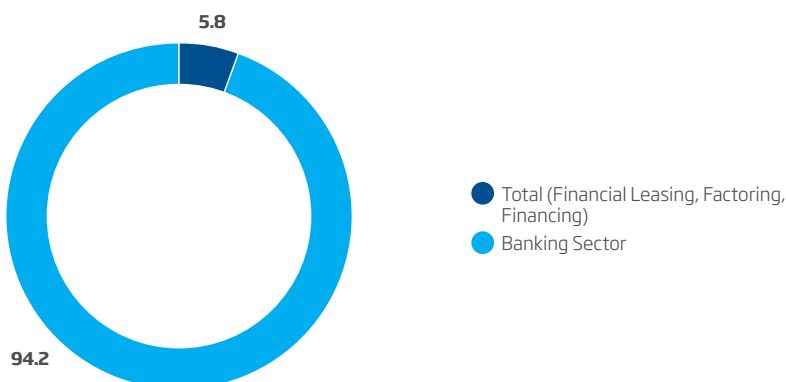
### Sectoral Breakdown of Total Net Profit (%)



**42%**

In 2020, the financial leasing sector was the greatest contributor to total net profit with a share of 42%.

### Position in the Finance Sector (%)



**5.8%**

With the net profit they generated, the sectors got 5.8% share in the Turkish finance industry.



# **WE ARE CAPTURING PROGRESS THROUGH DIGITALIZATION.**

WE ARE WORKING TO FACILITATE ACCESS TO FINANCE WITHIN THE FRAMEWORK OF DIGITAL TRANSFORMATION AND WE ARE PRODUCING LIFE-EASING PROJECTS FOR OUR MEMBERS AND THEIR CUSTOMERS; WE ARE OFFERING SOLUTIONS IN ORDER TO PROVIDE FAST AND LOW-COST FINANCING SUPPORT.







## DEVELOPMENTS IN THE WORLD AND TURKISH ECONOMIES

### THE WORLD ECONOMY

#### Global growth took a hammering in 2020 due to the Covid-19 pandemic.

Having failed to capture the targets in the efforts for recuperation in 2019, global economy was confronted with the battering effects of the pandemic in 2020.

As the measures that sought to take the Covid-19 pandemic under control brought production and trade almost to a standstill, the world economy adopted a shrinking trend on both supply and demand sides.

In an effort to mitigate the pandemic effect upon the economy, effective fiscal measures were enforced on a global scale. In this process, many countries introduced extensive support packages targeted at households, while central banks implemented expansionary monetary policies through rate cuts. Economic activity gathered some momentum with the normalization steps taken in the third quarter of the year,

and avoidance of total lockdowns by the countries as opposed to the initial phase of the pandemic kept the deceleration of growth limited as compared to that in the second quarter.

Although the success achieved with vaccine development efforts heightened expectations, the rise in case numbers and the emergence of new variants of the virus in the last quarter bared the existence of risks upon medium-term outlook.

The IMF revised its estimations about the world economy with its World Economic Outlook released in April 2021, pointing at the above-anticipated revival in global economic activity in the second half of the year. The IMF updated its contraction projection for 2020 as 3.3%, announcing an estimated shrinkage by 4.7% for developed economies and 2.2% for emerging economies.

In the same report, the IMF projects 6% growth for global economy in 2021, which is forecasted to decline to 4.4% in 2022.

#### World Economic Growth (2019-2022) (%)

	Realization	Estimate	Projection	
	2019	2020	2021	2022
<b>WORLD OUTPUT</b>	<b>2.8</b>	<b>-3.3</b>	<b>6.0</b>	<b>4.4</b>
<b>Advanced Economies</b>	<b>1.6</b>	<b>-4.7</b>	<b>5.1</b>	<b>3.6</b>
USA	2.2	-3.5	6.4	3.5
Europe (Euro Area)	1.3	-6.6	4.4	3.8
Germany	0.6	-4.9	3.6	3.4
France	1.5	-8.2	5.8	4.2
Italy	0.3	-8.9	4.2	3.6
Spain	2.0	-11.0	6.4	4.7
Japan	0.3	-4.8	3.3	2.5
UK	1.4	-9.9	5.3	5.1
Canada	1.9	-5.4	5.0	4.7
Other Advanced Economies	1.8	-2.1	4.4	3.4
<b>Emerging Market and Developing Economies</b>	<b>3.6</b>	<b>-2.2</b>	<b>6.7</b>	<b>5.0</b>
<b>Emerging and Developing Europe</b>	<b>2.4</b>	<b>-2.0</b>	<b>4.4</b>	<b>3.9</b>
Russia	2.0	-3.1	3.8	3.8
<b>Emerging and Developing Asia</b>	<b>5.3</b>	<b>-1.0</b>	<b>8.6</b>	<b>6.0</b>
China	5.8	2.3	8.4	5.6
India	4.0	-8.0	12.5	6.9
<b>MENA</b>	<b>0.8</b>	<b>-3.4</b>	<b>4.0</b>	<b>3.7</b>
<b>Latin America</b>	<b>0.2</b>	<b>-7.0</b>	<b>4.6</b>	<b>3.1</b>

Source: IMF World Economic Outlook, April 2021



## Pandemic effect

Having failed to capture the targets in the efforts for recuperation in 2019, global economy was confronted with the battering effects of the pandemic in 2020.

### Central banks implemented expansionary monetary policies entailing rate cuts, asset purchases and liquidity support.

The US Federal Reserve (the Fed) pulled the policy rate down from the 1.50%-1.75% interval at 2019 year-end first to 1%-1.25% interval in March 2020, and subsequently to the 0.00%-0.25% band. On another hand, the FED made treasury and corporate bond purchases, and took steps fulfilling the short-term liquidity needs. Swap agreements were made with major central banks and the dollar liquidity need in the global system was fulfilled.

While the European Central Bank (ECB) kept the policy rate and deposits rate unchanged at 0% and -0.50%, respectively, it increased asset purchases and targeted long-term refinancing operations. The ECB sustained its support by increasing its Pandemic Emergency Purchase Plan (PEPP) that envisages purchasing private sector and public debt securities by EUR 500 billion in the last month of the year. In addition to that, the ECB set up a repo facility for providing Euro liquidity to non-euro area central banks against adequate collateral. The Bank of England (BoE) and the Bank of Japan (BoJ) took similar steps and augmented their balance sheets. Likewise, many emerging economies loosened their monetary policy stance and implemented asset buying programs.

### Global trade volume shrank pronouncedly with the pandemic effect.

The trade wars between the US and China that made the top agenda item of global trade embarked upon a less tense phase in the wake of the Covid-19 pandemic. Although "Phase 1 Trade Deal" was signed between the two parties by early 2020, no steps have been taken as yet for the "Phase 2" deal where more challenging topics like reduction of customs duties will be addressed.

In Europe, on the other hand, the Brexit process was finalized with the enforcement of the deal that set the legal framework of trade relations between the UK and the EU by 2020 year-end; however, economic, social and regulatory uncertainties between the parties have not been fully eliminated.

The World Trade Organization (WTO) estimates 9.2% contraction in the global commodity trade volume for 2020 full-year, and 7.2% rise for 2021. The IMF, on the other hand, forecasts 8.5% contraction in global trade volume for 2020 and projects 8.4% growth for 2021.





## DEVELOPMENTS IN THE WORLD AND TURKISH ECONOMIES

Furthermore, services trade will presumably recuperate more slowly than commodity trade due, particularly, to recessed tourism as a result of travel restrictions.

### Base metal prices adopted a recovering trend from the second half of 2020.

Base metal prices suffered a plunge following shrank demand caused by the pandemic in the first half of 2020. In the second half of the year, demand picked up intensively as the industrial production gained speed especially in China, and base metal prices recovered strongly.

Base metal prices recorded a 25.5% rise year-over-year in the fourth quarter of 2020.

The World Bank's Global Economic Prospects Report released in January 2021 projects 5% rise in base metal prices in view of the anticipated recuperation in global demand.

### World Trade Growth Rates (2019-2022) (%)

	Realization		Estimate	
	2019	2020	2021	2022
<b>World Trade Volume</b>	<b>0.9</b>	<b>-8.5</b>	<b>8.4</b>	<b>6.5</b>
Imports- Advanced Economies	1.7	-9.1	9.1	6.4
Imports - Emerging Market and Developing Economies	-1.0	-8.6	9.0	7.4
Exports - Advanced Economies	1.3	-9.5	7.9	6.4
Exports - Emerging Market and Developing Economies	0.5	-5.7	7.6	6.0

Source: IMF World Economic Outlook, April 2020





## Repressed inflation

Repressed particularly by weak domestic and external demand in a great majority of developed and emerging countries, inflation was low throughout 2020.

On another note, prices in Precious Metals group that makes up a sub-index of the Non-Energy Commodity Price Index registered 26.8% increase year-over-year in the last quarter of 2020.

While silver and copper prices displayed rapid rises on an annual basis, gold prices closed 2020 at 1,896 USD/ounce, up by 25%.

### **Brent crude oil prices followed a fluctuating course during 2020.**

Traded across a large price range across 2020, Brent crude oil dipped from its average level of USD 64 in January to USD 18 in April, the lowest monthly average in real terms since February 1999. This was driven by the rapid enlargement of oil stocks due to the global demand shrinkage that was caused by Covid-19.

Following the uptrend in November, oil prices registered a rise also in December. Low oil stocks in the US and optimistic anticipations regarding the vaccination campaigns have been the underlying factors of this development. Having ended December at USD 51.8 with 8.8% rise, Brent oil per barrel price declined by 21.5% on the basis of the whole year in 2020.

Short-Term Energy Outlook published in January 2021 by the U.S. Energy Information Administration (EIA) projects that Brent crude oil per barrel price will average at the order of USD 53 both in 2021 and 2022 after averaging 42 USD/barrel in 2020.

The decision by OPEC+ countries to gradually decrease supply interruptions and to increase oil production by 500 thousand barrels in January 2021 are among the top factors affecting the developments on the supply side.

## **Inflation was low globally.**

Repressed particularly by weak domestic and external demand in a great majority of developed and emerging countries, inflation was low throughout 2020.

Having exceeded 2% at end-2019 in the USA, inflation plunged at the initial stages of the pandemic, to be followed by an upturn to end the year at 1.4%.

The pandemic-induced vulnerability in the Euro Area was evident particularly in demand indicators. The ongoing disinflationary process in the Area continued and further intensified, and the consumer prices index declined from 1.3% at the onset of the year to -0.3% at year-end.

Increased commodity prices and potential revival in demand might possibly increase inflationist pressures for 2021. Fiscal and monetary expansion in all countries as part of the measures against the pandemic would act as another factor that would potentially drive the prices upwards as the delayed demand kicks in.

### **Sources:**

IMF World Economic Outlook reports, OECD Economic Outlook reports, CBRT, Presidency of Turkey, Presidency of Strategy and Budget

## Decline in oil prices

Brent oil per barrel price declined by 21.5% on the basis of the whole year in 2020.



## DEVELOPMENTS IN THE WORLD AND TURKISH ECONOMIES

### TURKISH ECONOMY

**With a rate of 1.8%, the Turkish economy has been one of the few countries to register positive growth in 2020.**

After making a strong start to 2020 following the rebalancing process of 2019, the Turkish economy lost momentum amid the ongoing pandemic-imposed conditions in parallel with the global trends.

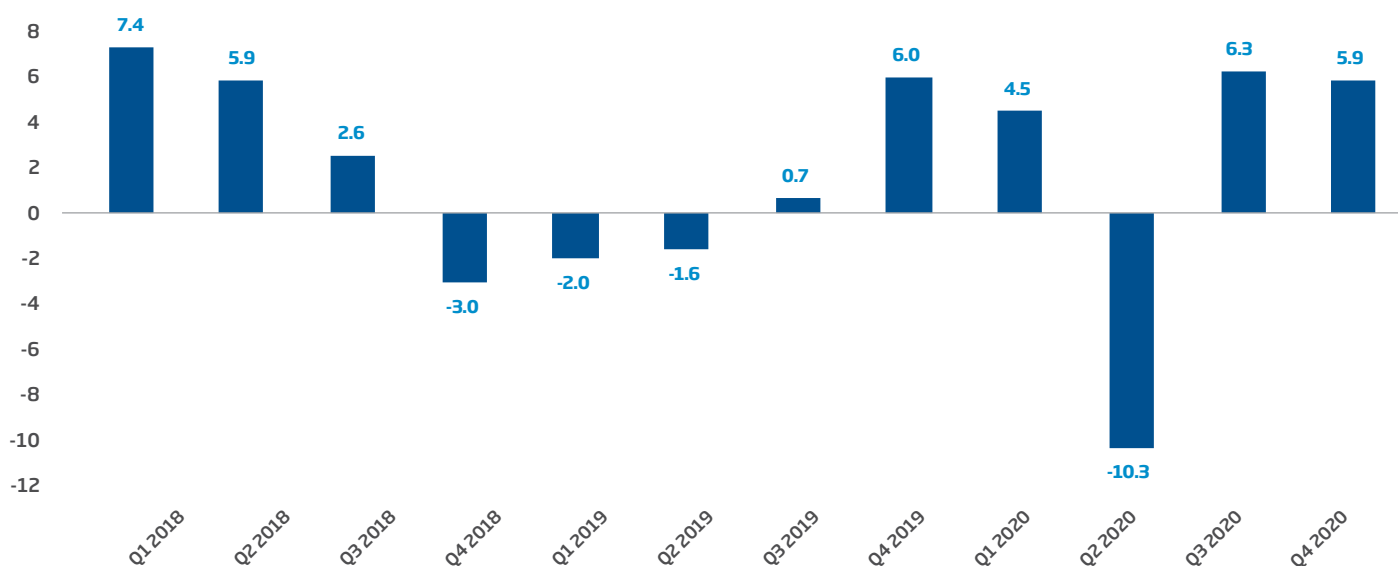
Having grown by 4.5% in the first quarter of the year according to chained volume index, the Turkish economy recorded a harsh contraction of 10.3% in the second quarter when the effects of the pandemic were felt the most intensely. In the third quarter when economic and physical measures taken began to produce results, the GDP made a V-turn to register 6.3% growth. Together with the 5.9% rise in the fourth quarter of the year, annual GDP growth was 1.8% as compared to the previous year.

GDP at current prices by production approach was up by 16.8% year-over-year and reached TL 5,047,909 million in 2020. Per capita GDP, on the other hand, was calculated as TL 60,537 at current prices and 8,599 in USD terms.

On a chained-volume-index basis, total added value of financial and insurance activities increased by 21.4% year-over-year in 2020, while that of information and communications went up by 13.7%, the agricultural sector by 4.8%, public administration, education, human health and social services by 2.8%, real estate activities by 2.6%, other service activities by 2.5% and the industry sector by 2.0%. The total added value of professional, administrative and support services activities was down by 5.2%, and that of services by 4.3% and that of the construction sector by 3.5%.

Household final consumption expenditures went up by 3.2% annually in 2020 according to chained volume index and accounted for 56.4% of the GDP.

GDP Growth (buyer prices)



Source: TurkStat



## 1.8% growth

The Turkish economy grew by 1.8% compared to the previous year, losing momentum in line with global trends in the prevailing pandemic conditions.

Having returned to growth path as of the third quarter of the year, the Turkish economy is anticipated to up its growth momentum depending on the success of the measures adopted against the pandemic and on the rapid and efficient running of the vaccination campaign.

### Rate of unemployment was 13.2% in 2020.

The negative impact of the pandemic measures on employment lessened relatively in parallel with the recovery in the Turkish economy in the third quarter of the year.

According to seasonally adjusted data, as a result of the recovery that expanded over the past six periods in total employment, 65% of the loss of employment suffered in February, March and April was offset.

In 2019, unemployment rate was down by 0.5 points to 13.2% and non-agricultural unemployment was registered as 15.3%, down 3.7 points.

The rate of employment in 2020 decreased by 2.9 points to 42.8%, where labor participation rate declined by 3.7 points to 59.3%.

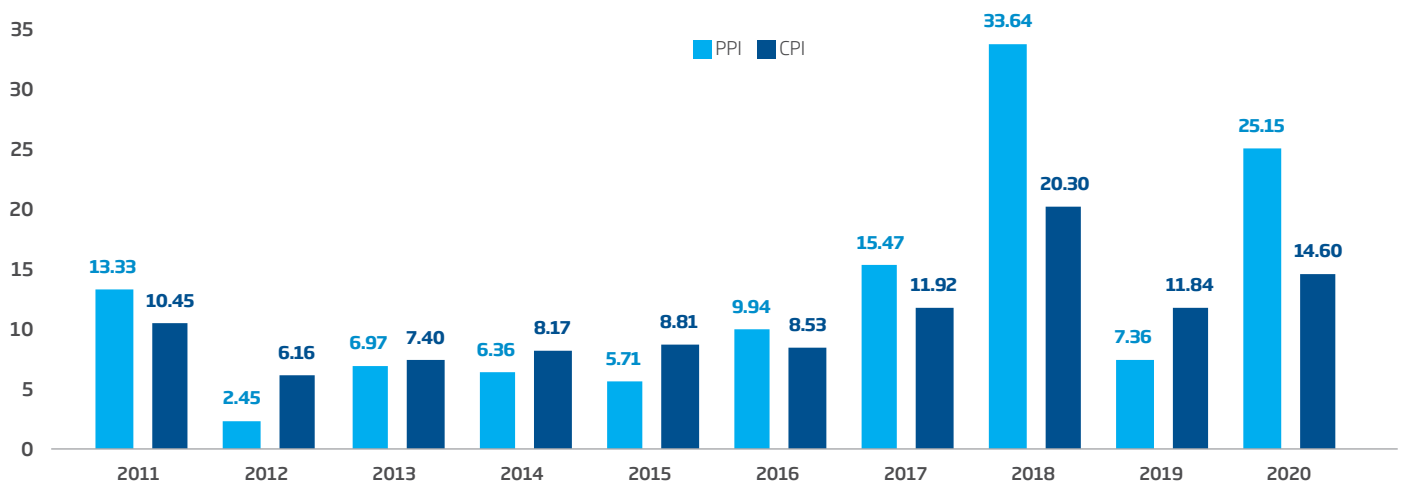
Covering the 15-24 age group, youth unemployment rate marginally decreased by 0.1 points year-over-year to 25.3%, while employment rate decreased by 3.9 points to 29.2%. The age group's labor force participation rate was down by 5.3 points to 39.1%.

### The rise in inflation indicators could not be forestalled.

The steps the government took to speed up economic activity at the onset of the pandemic resulted in increased inflation. The CBRT's postponement of its decision to tighten its monetary policies in order to back the process has acted as another factor driving inflation upwards. Domestic demand conditions, accumulated cost effects led by exchange rates, the escalated international food and other commodity prices were among the main factors that negatively affected inflation outlook.

While goods and services items that presented weak demand conditions in connection with the pandemic restrained consumer inflation, inflation was high in groups that are relatively more sensitive to the developments in loan and exchange rates.

## Inflation (Annual - %)



Source: TurkStat



## DEVELOPMENTS IN THE WORLD AND TURKISH ECONOMIES

### CPI inflation 14.60%

In 2020, an increase of 14.60% was recorded in CPI and 25.15% in PPI.

CPI was up by 1.25% in December on a month-over-month basis, by 14.60% as compared to December 2019, and 12.28% on the basis of 12-month averages.

The main groups that presented a high rise on a year-over-year basis were various goods and services with 28.12%, transportation with 21.12% and food and beverages with 20.61%.

Consumer prices escalated rapidly due to the depreciated Turkish lira and the uptrend of commodity prices, coupled with strengthened demand conditions and supply restrictions that gained a marked outlook in certain sectors, and further increased the cost pressure on consumer inflation.

In December 2020, domestic producer price index (D-PPI) was up by 2.36% on a month-over-month basis, by 25.15% on year-over-year basis, and by 12.18% on the basis of 12 month averages.

The New Economy Program (NEP) announced in September, covering the years 2021-2023 and the government's medium-term goals, defined inflation as the main cockpit. The NEP forecasts that the Turkish economy will grow by 5.8% in 2021 and inflation will go down to 8% at 2021 year-end.

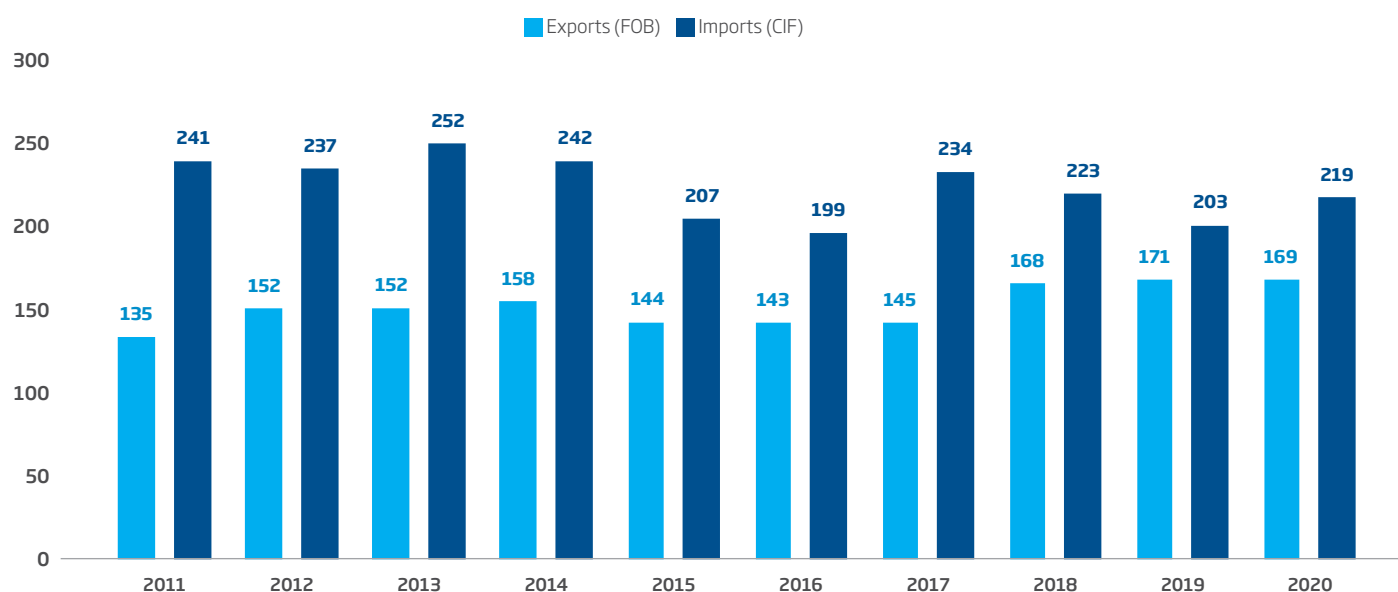
### The CBRT turned to tightening monetary policy.

Having displayed a supportive stance in connection with the weakened economic activity in the first half of 2020, the CBRT gradually decreased its policy rate that started 2020 at 12.00% to 8.25% until May, and phased out the measures adopted during the pandemic in the second half of the year, upping the said rate to 10.25% in September.

Having announced that the entire funding would be through one-week repo rate that is its basic policy tool for simplification its monetary policy in November, the CBRT increased its policy rate to 15%. In an effort to reestablish the disinflation process as soon as possible, the CBRT strengthened monetary tightening and brought the policy rate to 17% in December.

In 2021, the CBRT will likely maintain its tight monetary policy stance, and a stable outlook will possibly form in exchange rates with the contribution of the tightening monetary policy and global liquidity conditions. Such an outlook would potentially drive TL savings domestically, thereby contributing to balancing domestic demand and alleviating inflationist pressures.

### Foreign Trade (USD Billion)



Source: TurkStat



## Increase in current account deficit

Having produced a surplus of USD 6.8 billion in 2019, current balance generated a deficit of USD 36.7 billion in 2020.

## The current account balance is deteriorating.

In 2020, exports slimmed down by 6.3% to USD 169,482 million, whereas imports increased by 4.3% to USD 219,397 million.

In 2020, foreign trade deficit augmented by 69.1% to USD 49,915 million. The ratio of imports to exports declined from 86% in 2019 to 77.2% in 2020.

Exchange rates maintained their uptrend due to accelerated capital outflows and dollarization within the country. The foreign trade deficit that expanded also due to the restrictive measures that were increasingly applied in the European countries that represent Turkey's key export market, and fast dwindling transportation and tourism revenues continue to act as pressure elements upon the current balance.

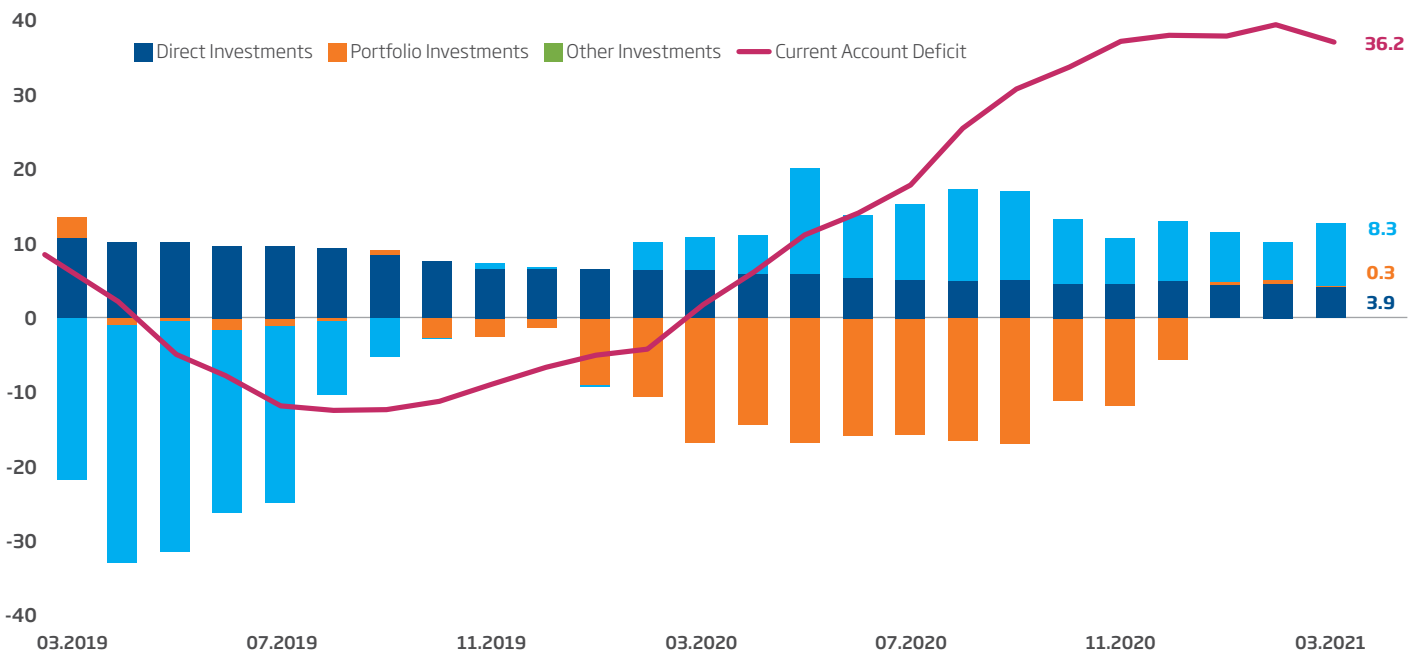
While Germany took the first spot among Turkey's export destinations in 2020, exports to the first five countries make up 32.2% of total exports.

In the same period, China took the top spot in imports, and 38% of imports consisted of imports from the top 5 countries.

Having produced a surplus of USD 6.8 billion in 2019, current balance generated a deficit of USD 36.7 billion in 2020. The main drivers behind this development included gold imports that amounted to USD 25.2 billion and tourism revenues that remained weak in connection with the pandemic. Net tourism revenues declined to USD 9.2 billion in 2020, whereas current accounts surplus excluding gold and energy amounted to USD 9.9 billion.

**Source:** TurkStat, CBRT, Ministry of Treasury and Finance, Presidency of Turkey, Presidency of Strategy and Budget

## Current Account And Financial Account (Net) (12 Months, USD Billion)



Source: TurkStat





# **WE ARE TARGETING TO EXPAND OUR INFLUENCE.**

CAPITALIZING ON THE MEANS OFFERED BY DIGITALIZATION AND THE STRONG PRODUCT MIX OF OUR COMPANIES, WE ARE TARGETING TO CATER TO THE NEEDS OF ALL SEGMENTS FROM INDIVIDUALS TO MICRO BUSINESSES AND SMEs, AND TO EXPAND OUR INFLUENCE TO ENSURE SUSTAINABILITY OF PRODUCTION, TRADE AND LIFE CYCLES.







## 2020 ACTIVITIES

### HIGHLIGHTS OF 2020 DEVELOPMENTS AND PROJECTS

#### Receivables Recording Center (RRC)



#### The ratio of e-invoices 82%

The ratio of e-invoices, which was 23% back when the system was established, reached 82% as of year-end 2020. The uptrend in records is ongoing.

Among the major tasks assumed by the Association of Financial Institutions under the Financial Leasing, Factoring, Financing and Saving Finance Companies Law no. 6361 is to set up Receivables Recording Center (RRC) where invoices and any documents substituting the invoices used in factoring transactions are recorded.

Supporting formal economy and preventing double assignment and financing of the same receivable, RRC was set up under the AFI by the factoring sector and started to be used in January 2015.

RRC, into which all kinds of documents and information pertaining to receivables subject to factoring transactions are entered, precluded 953 thousand risky transactions until the end of 2020 thanks to recurrence and amount overrun controls performed during such recording.

E-documents recorded into RRC are verified by Revenue Administration (RA) through integration with the RA.

In brief, RRC;

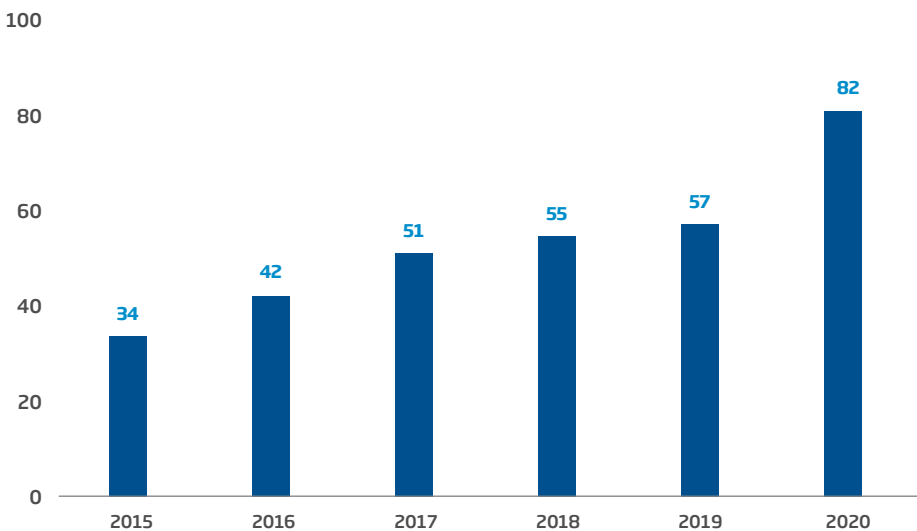
- is utilized by factoring companies and banks,
- prevents double assignment and financing of the same receivable,
- runs online and integrated with the e-invoice system of the RA,
- verifies the accuracy of e-invoices and e-archives through integration with the RA,
- allows verification of the T.R. ID No. and VAT No. of buyer and seller companies through the Credit Bureau,
- allows tracking payments and collections in relation to the documents pertaining to a given receivable,
- maintains records of data for all assigned receivable documents in relation to the finance sector,
- provides reporting service on assigned receivables.

#### RRC provides a new perspective to the global factoring sector.

Introduced as a first in the world, RRC is cited as a model in the international arena and provides a new perspective to the global factoring sector.

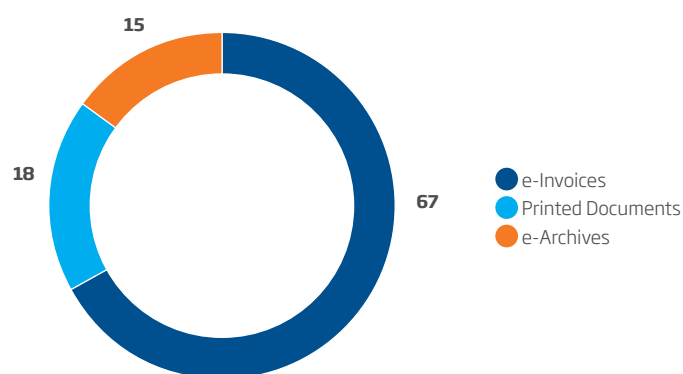
By the end of 2020, commercial receivables intermediated by 55 factoring companies and 24 banks were registered with the RRC. According to the RRC data, 30.7 million invoices and receivable documents worth TL 914.2 billion in total have been recorded in the system since its establishment. The ratio of e-invoices, which was 23% when the system was established, reached 82% as of year-end 2020. The uptrend in records is ongoing.

Ratio of E-documents Registered at the RRC (%)





## Breakdown of Document Types (quantity basis %)



## Quantity and Ratio of Documents by Type

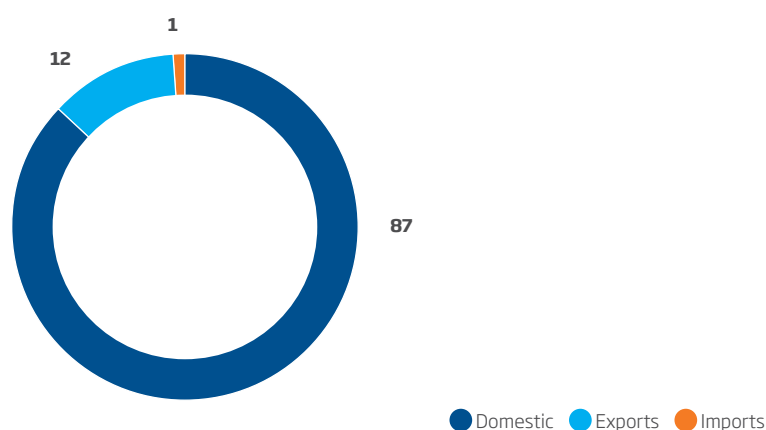
Document Type	Quantity	Average Amount of Documents (TL thousand)	Quantity Ratio (%)
e-Archives	936,915	29	15
e-Invoices	2,518,547	47	67
Printed Documents	712,948	44	18
<b>Grand Total</b>	<b>4,168,410</b>	<b>42</b>	<b>100</b>

## Quantity and Ratio of Documents by Category

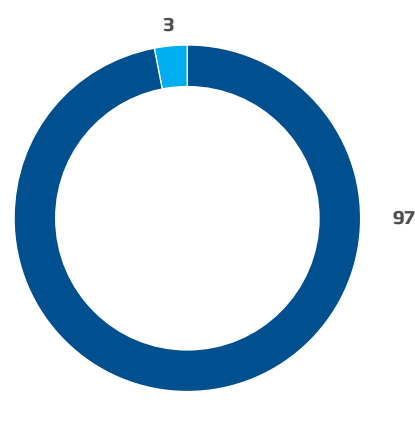
Category	Quantity	Amount (TL thousand)	Average Amount of Documents (TL thousand)	Quantity Ratio (%)	Amount Ratio (%)
Exports	114,789	20,365,578	177	3	12
Imports	3,043	1,921,828	631	0	1
Domestic	4,050,578	153,600,185	38	97	87
<b>Grand Total</b>	<b>4,168,410</b>	<b>175,887,593</b>	<b>42</b>	<b>100</b>	<b>100</b>

\* Represents Banks and Factoring Companies combined.

## Breakdown of Category Types (amount basis %)



## Breakdown of Category Types (quantity basis %)





### RRC-MPRS integration

The integration between RRC and MP RS is planned to go live in 2021

#### **RRC serves as an important data warehouse for the sector.**

In the second phase of the RRC, which is a live system, payment instruments associated with the assigned receivable documents have also begun to be recorded in the system since September 2016. In this way, a significant data pool is created in the industry. In order to meet the reporting needs of RRC-user companies, data analyses studies on the basis of user factoring companies, banks and sectors were completed and launched for access.

In addition, work was initiated for system updates for refactoring transactions; for inclusion of retail sales receipts, e-self-employment receipts, e-producer receipts in the system; and for performance of additional controls for payment instruments associated with receivable documents. These initiatives are slated for introduction in 2021.

#### **The Receivables Recording Center (RRC) and the Movable Pledge Registry System (MP RS) will be integrated.**

The Movable Pledge Registry System (MP RS) is used to register, amend and cancel mortgage agreements, to transfer pledged movable property and the right of mortgage, and to register the right to move a subordinated mortgage up to higher priority ranks, to inquire about the registered matters and to create documents pertaining to the same. A protocol was signed between the Ministry of Trade and AFI for the integration of RRC and MP RS. The following will be enabled by the integration between RRC and MP RS:

- RRC members will be able to simultaneously and electronically inquire pledged receivables, which are registered with the Chattel Mortgage Registry by the Ministry, based on criteria to be set according to types of receivable documents, to find out whether a given receivable was previously pledged in part or in whole;
- Similarly, MP RS users will be able to simultaneously inquire electronically the information regarding pledges of receivables that are registered with the RRC to find out whether a given receivable has been previously subject to transfer in part or in whole.

- Moreover, members will be able to access MP RS via RRC, and to perform mortgage procedures under the Law no. 6750 concerning the Chattel Mortgage in Commercial Transactions).

The integration between RRC and MP RS is planned to go live in 2021

#### **DIGITAL TRANSFORMATION AT AFI**

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

In July 2017, the Trade Finance Commercial Enterprise organized under the AFI became an e-invoice private integrator. Within the scope of the private integrator project, user companies are provided with the following services:

- custody
- e-invoice
- e-archive
- e-book (of account)
- e-waybill
- e-self-employed invoice
- e-producer receipt
- e-reconciliation
- e-bank balance

With the above-listed applications provided under AFI, enterprises are furnished with end-to-end e-transformation service. The infrastructure has been set up which lets companies wishing to move their work processes to the digital environment register with the AFI e-portal via [www.fkb.org.tr](http://www.fkb.org.tr) and help them digitalize all their processes.



## End-to-end e-transformation service

Enterprises are furnished with end-to-end e-transformation service with applications such as e-Invoice, e-Archive and e-Ledger offered under the umbrella of AFI.

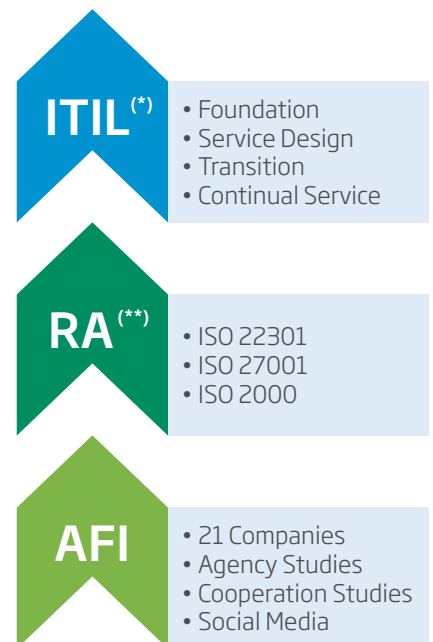
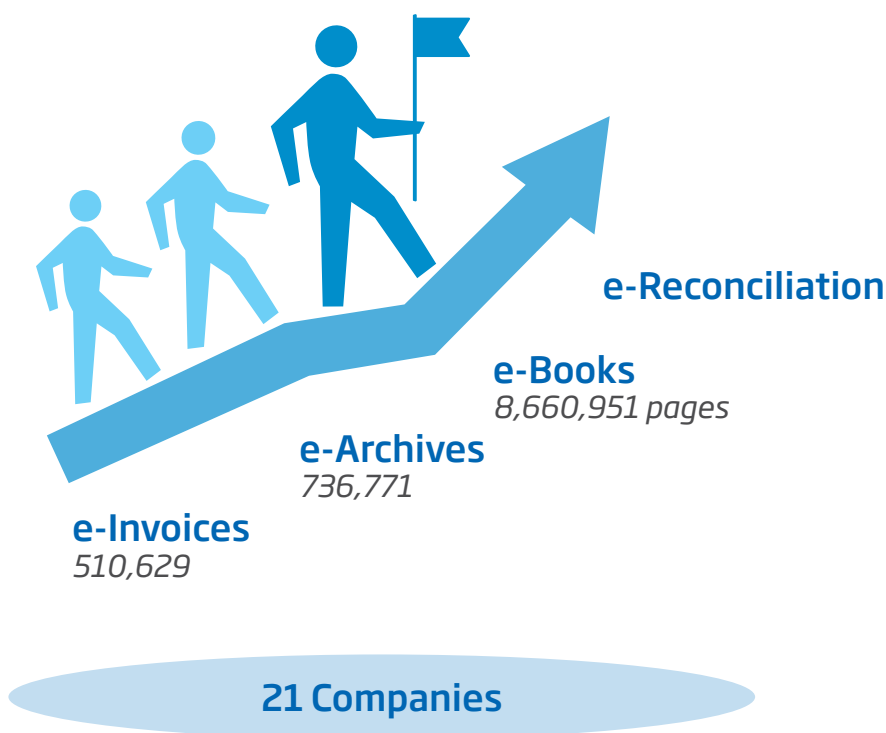
Under the private integrator services began to be offered under the AFI assurance, the companies are being proposed e-transformation applications, which are aligned with their needs, save labor, time and cost, enhancing the productivity of their work processes and making financial data accessible electronically.

E-invoice and e-archive applications take the lead among the Private Integrator-supplied services, which are critical for recording the economy. These services provided as a Private Integrator lets companies work more easily and faster with a much more reliable system.

E-books (of account) application is another important phase of the digital transformation process. This application enables the preparation of journals and ledgers, which are compulsory to be kept, to be prepared and printed in electronic file format in compliance with

all regulatory and technical requirements, guaranteeing their inalterability, integrity and authenticity, thus allowing them to be used as proof before relevant parties. E-booking of accounts is a system that keeps all financial data of organizations secure, while also facilitating reporting and analyses. In addition, all e-invoices, e-archive, e-waybills, e-self-employed invoices, e-producer receipts and e-books (of account) records received/sent through the private integrator can be retained on this platform throughout the legally prescribed period of time.

The first one of the biennial Revenue Administration E-Document Private Integrators Information Systems Audit was completed successfully in 2020, and the ISO 20000, ISO 22301, ISO 27001 certifications were revised during 2020 both for RRC and Private Integrator activities.



(\*) ITIL (Information Technology Infrastructure Library)

(\*\*) RA: Revenue Administration



## 2020 ACTIVITIES

### Access to financing

TCFS gives the SMEs a faster, more secure and low-cost access to financing through electronical receivable assignment and confirmation to be received from the buyer companies.

### Trade Chain Finance System (TCFS)

The Trade Chain Finance System (TCFS) is the trade finance application platform that encompasses buyer and seller real or legal persons, factoring companies, banks, financial institutions defined in the Banking Law no. 5411 and other persons deemed fitting by the Banking Regulation and Supervision Agency within an information technology system, through which all trade finance services including supply chain finance is offered and which technologically enables viewing the entire flow.

Launched in 2019, TCFS gives the SMEs a faster, more secure and low-cost access to financing through electronical receivable assignment and confirmation to be received from the -mostly large-scale- buyer companies. Currently enabling supply chain finance, confirmed factoring, payment instrument-based factoring, and refactoring transactions, the TCFS is targeted to be used for supplier finance in accordance with participation banking principles, export factoring, credit insurance system and financing of insured receivables, integration with the State-Subsidized Trade Receivable Insurance (SSTRI) System, payment of trade payables with trade receivables (Faturam Para) and distributor finance transactions in the near future.

From a macroeconomic standpoint, the TCFS Platform will bring along the following advantages:

- It will be useful for predicting the economic variables and will enable proactive measures as instant information about commercial activity will be available,
- Unregistered economy will lessen significantly.
- The supply chain system incorporating the SMEs, large-scale companies and financial institutions will acquire a more institutionalized structure.

### Core Factoring Software Project

For fulfilling the software need of the factoring sector, detailed analyses have been undertaken and contacts have been held with technology companies regarding the Core Factoring Software. The project will be revisited in 2021 according to the sector's needs.

### Documented and Undocumented Export Credits Module

Launched in 2019, the Undocumented Export Credits Module gives all user companies quick reach from a single point to the latest version of customs declarations, which are critical in closing export credits.

Through these services, financial institutions can annotate the declarations they use for closures, and these annotations can be viewed by other financial institutions querying declarations. This precludes recurrent uses of declarations.

### Undocumented Export Credits Module



On 20 August 2019, General Directorate of Customs launched paperless declaration system.



## Shared Data Center is at the service of members

Infrastructure relocation and transition of the members that will use the Shared Data Center started in 2020, and service began to be offered actively to our members from the onset of 2021.

The financial institutions using the module can use the system via their internal web service or via AFI application. During 2021, DEC Module development, which allows record entry of tax, duty and charge exemptions electronically, are planned to be completed in alignment with the Ministry of Trade, and upgrades are intended to be carried out in line with the demands from the sector

### AFI Cloud Shared Data Center

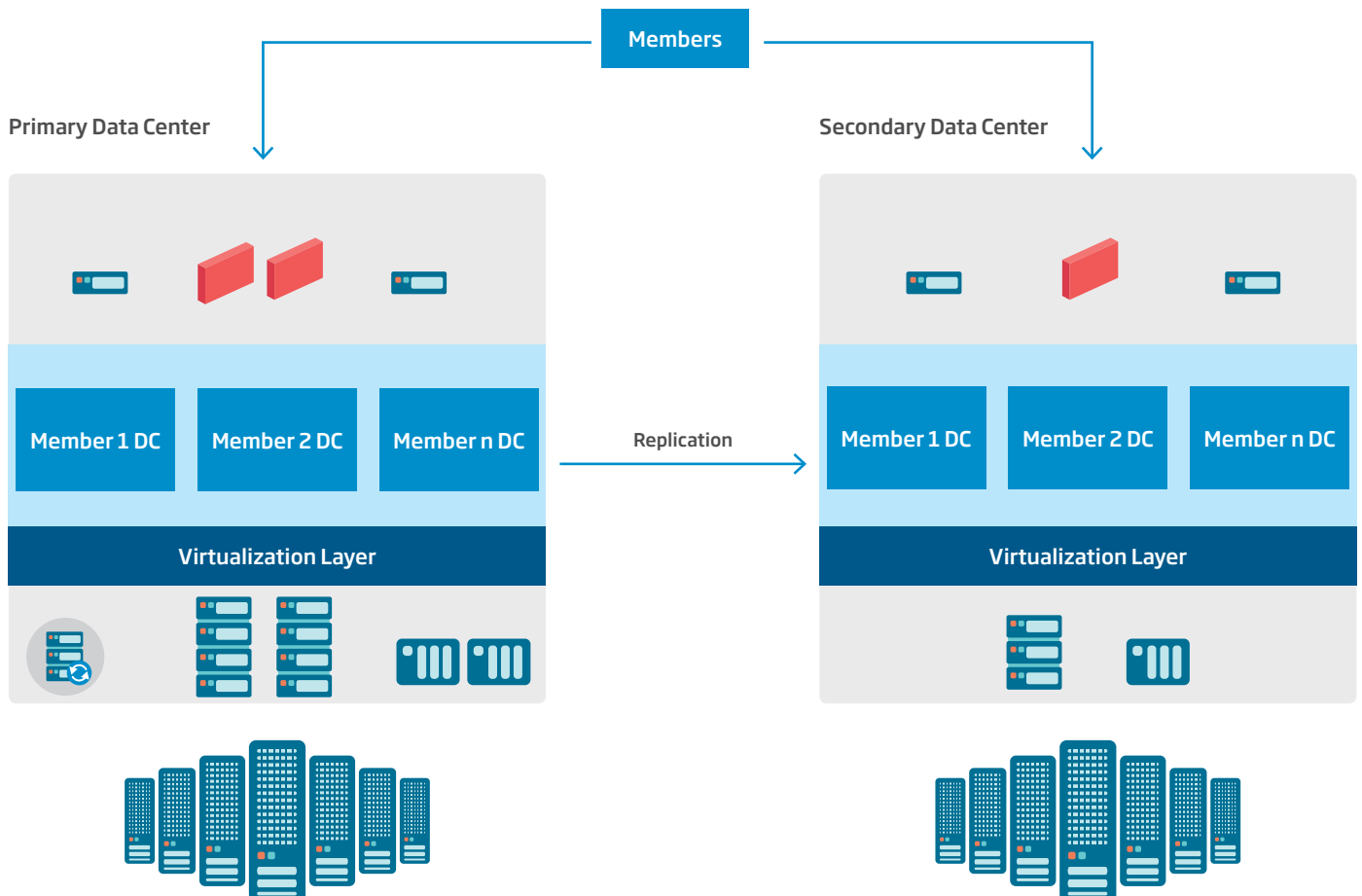
Based on the provisions allowing use of private cloud of the “Communiqué on the Information System Management and Audit of Financial Leasing, Factoring and Financing Companies”, which came into effect on 6 April 2019, “Shared Data Center” project was initiated at the AFI, which will be made available for use by the finance sector.

The tender for the project that was commenced in 2019 was carried out in 2020, and the subcontractor finalized the installation of the Shared Data Center during the same year. Infrastructure relocation and transition of the members that will use the Shared Data Center started during the reporting period, and service began to be offered actively to our members from the onset of 2021.

The services offered within the scope of the Shared Data Center include:

- **Infrastructure:** the system infrastructure where the AFI-members that will use the Shared Data Center will be able to host their primary and secondary systems on the data centers located in İstanbul and Ankara,
- **Managed Services:** Management of the systems hosted in the Shared Data Center and the infrastructure; management of cyber security, application and database.

### Architectural Structure





## 2020 ACTIVITIES

### High rise in contract registrations

The amount of contracts registered with the Financial Leasing Contract Registration System doubled in 2020 and reached TL 34.1 billion.

### Financial Leasing Contract Registration System

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

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

The contracts, which are electronically signed, are being entered into the system by financial leasing companies, participation, investment and development banks, and can be retrieved 24/7 bearing the Registered Document time stamp. At present, the system users include 22 financial leasing companies, seven participation banks, three investment banks and two development banks.

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

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

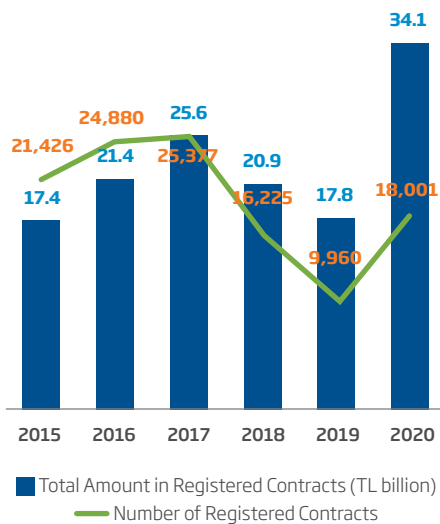
Within the scope of the protocols executed with Istanbul Regional Directorate of Forestry, 23,125 saplings were planted for 23,125 financial leasing contracts financed in 2015 and 23,751 saplings were planted for 23,751 financial leasing contracts financed in 2016. Subsequently, necessary steps were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

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

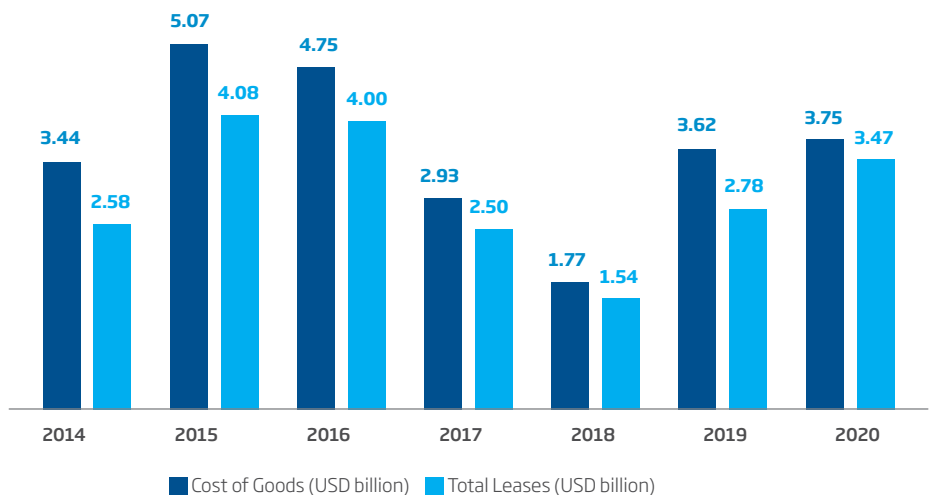
### Register for Leasing Transactions Provided by Non-Resident Financial Leasing Companies to Resident Companies

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

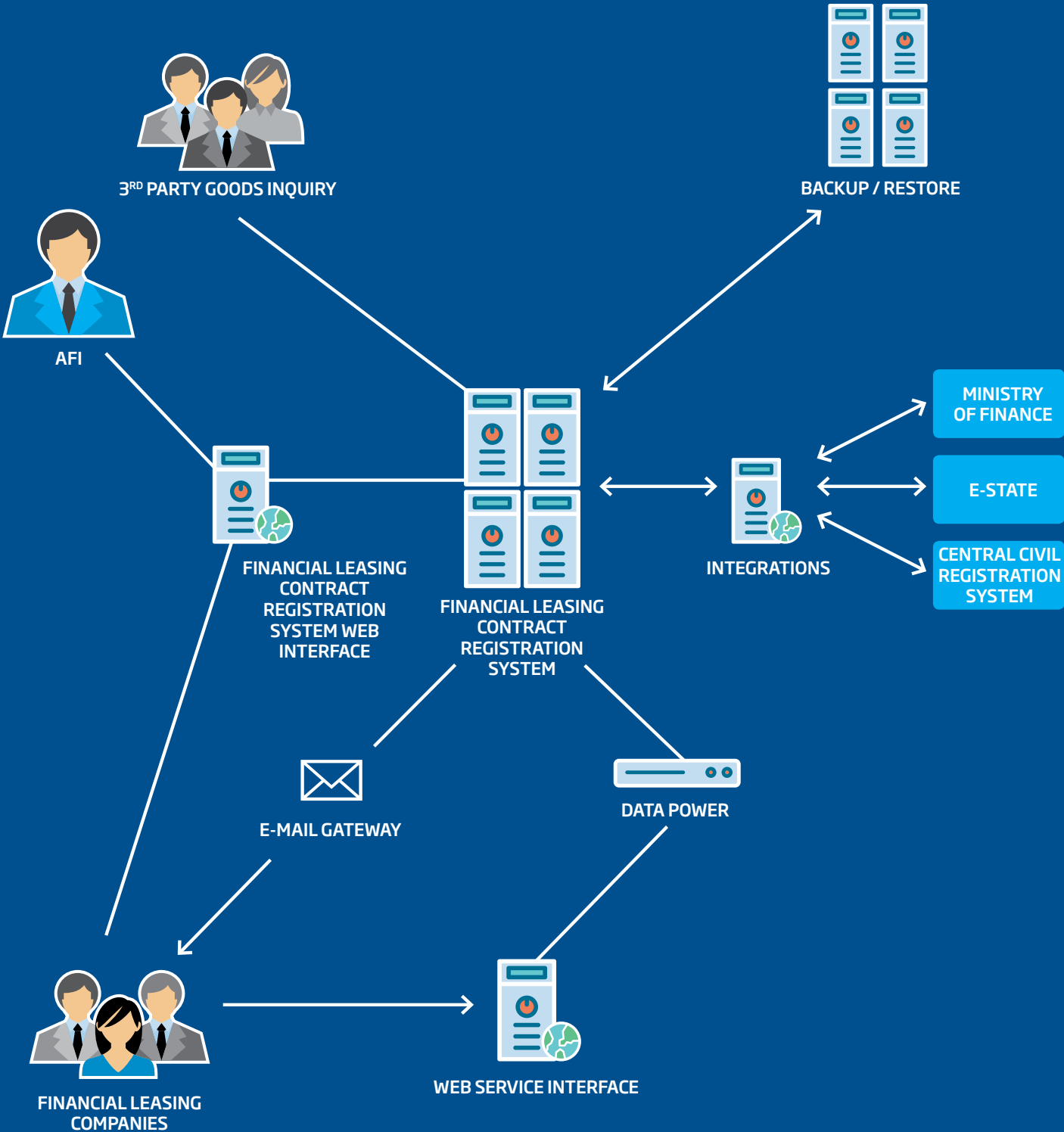
### Contract Registration Statistics



### Cross-Border Financial Leasing Contracts Statistics (from 31 July 2013)









## 2020 ACTIVITIES

### DEVELOPMENTS CONCERNING THE MEMBERS

#### Revoked Operating Licenses

**Atak Faktoring A.Ş.:** operating license of the company was revoked at the company's request pursuant to Article 50(1) of the Financial Leasing, Factoring and Financing Companies Law no. 6361. (25 December 2020)

**Haliç Finansal Kiralama A.Ş.:** The operating license of the company was revoked at the company's request pursuant to Article 50(1) of the Financial Leasing, Factoring and Financing Companies Law no. 6361. (4 June 2020)

#### Recently Granted Operating Licenses

**Bien Finans Faktoring A.Ş.**  
(15 January 2021)

## MEETINGS IN 2020

### Meetings Attended or Organized

Date	Explanation	Sector
2 January	Shared Data Center Company Meeting	Factoring
3 January	Shared Data Center Company Meeting	Factoring
7 January	Albaraka Türk, Supply-Chain Finance Meeting	Factoring
7 January	Kuveyt Türk, Supply-Chain Finance Meeting	Factoring
8 January	Information Systems Security Training Given by KPMG	AFI
8 January	Shared Data Center Company Meeting	Factoring
8 January	Private Integrators Meeting	Factoring
9 January	Shared Data Center Company Meeting	Factoring
9 January	Supply-Chain Finance Introductory Meeting	Factoring
13 January	Shared Data Center Company Meeting	Factoring
13 January	Supply-Chain Finance Introductory Meeting	Factoring
14 January	Shared Data Center Company Meeting	Factoring
15 January	Halk Yatırım, Meeting on Securitization of Factoring Receivables	Factoring
17 January	KEP (Registered E-mail) Software Company Meeting	Factoring
17 January	KEP (Registered E-mail) Software Company Meeting	Factoring
17 January	Shared Data Center Company Meeting	Factoring
20 January	Supply-Chain Finance Introductory Meeting	Factoring
20 January	Vakıfbank, Supply-Chain Finance Meeting	Factoring
21 January	Shared Data Center Company Meeting	Factoring
21 January	Supply-Chain Finance Introductory Meeting	Factoring
22 January	Factoring Software Analysis Meeting	Factoring
22 January	Shared Data Center Company Meeting	Factoring
22 January	Technology Company Introductory Meeting	Factoring
23 January	Credit Bureau of Turkey, RRC Meeting	Factoring
23 January	Kuveyt Türk, Supply-Chain Finance Meeting	Factoring
24 January	Halk Yatırım, Meeting on Securitization of Factoring Receivables	Factoring
27 January	Shared Data Center Company Meeting	Factoring
27 January	Supply-Chain Finance Introductory Meeting	Factoring
28 January	Cybersoft, Supply-Chain Finance Meeting	Factoring
28 January	Supply-Chain Finance Introductory Meeting	Factoring
29 January	AFI Website and Social Media Communication Planning Meeting	AFI
29 January	Supply-Chain Finance Introductory Meeting	Factoring
3 February	Credit Bureau of Turkey, RRC Meeting	Factoring
3 February	Shared Data Center Company Meeting	Factoring
3 February	Technology Company Introductory Meeting	Factoring
4 February	Shared Data Center Company Meeting	Factoring
4 February	Technology Company Introductory Meeting	Factoring
5 February	Shared Data Center Company Meeting	Factoring
5 February	Technology Company Introductory Meeting	Factoring
5 February	The Union of Chambers and Commodity Exchanges of Turkey Machinery and Equipment Manufacturing Assembly / Rental Committee Meeting	Leasing
6 February	Supply-Chain Finance Introductory Meeting	Factoring



Date	Explanation	Sector
7 February	Shared Data Center Company Meeting	Factoring
7 February	Technology Company Introductory Meeting	Factoring
10 February	AFI Website and Social Media Communication Information Meeting	AFI
10 February	Shared Data Center Company Meeting	Factoring
12 February	Odeabank, RRC Meeting	Factoring
12 February	Shared Data Center Company Meeting	Factoring
12 February	TEB, Supply-Chain Finance Meeting	Factoring
12 February	Supply-Chain Finance Introductory Meeting	Factoring
13 February	Evaluation Meeting on the Results of the Information Systems Security Audit Conducted by KPMG at MKK Regarding the Leasing Registration System	Leasing
14 February	KEP (Registered E-mail) Software Company Meeting	Factoring
14 February	Supply-Chain Finance Introductory Meeting	Factoring
17 February	Shared Data Center Company Meeting	Factoring
18 February	Shared Data Center Company Meeting	Factoring
18 February	Supply-Chain Finance Introductory Meeting	Factoring
19 February	Supply-Chain Finance Introductory Meeting	Factoring
24 February	Personal Data Protection Law Compliance Meeting with Our Law Firm	Leasing
25 February	Odeabank, Private Integrator Meeting	Factoring
26 February	CEO Club Non-Bank Finance Summit	AFI
26 February	Meeting on "Commercial Loan and Credit Limit Credit Risk Notification to Financial Leasing Companies Risk Center"	Leasing
27 February	Banks Association of Turkey, TLREF Applications Workshop	AFI
28 February	Shared Data Center Project Meeting	Factoring
3 March	Presentation of Softtech Software Company on RPA Technologies and Applications	AFI
3 March	Technology Company Introductory Meeting	Factoring
9 March	Faturampara Meeting	Factoring
10 March	Fibabanka, RRC Meeting	Factoring
10 March	Vakıfbank, Supply-Chain Finance Meeting	Factoring
11 March	Shared Data Center Supplier Presentation	AFI
11 March	TEB, Supply-Chain Finance Meeting	Factoring
13 March	Private Integrators Meeting	Factoring
15 March	Shared Data Center Project Meeting	Factoring
16 March	Shared Data Center Project Meeting	Factoring
19 March	Credit Bureau of Turkey, RRC Meeting	Factoring
26 March	Joint Project Development Meeting with sahibinden.com Representatives	Leasing
31 March	CEO Club Meeting	AFI
31 March	PwC, Consultancy Meeting	Factoring
8 April	Credit Bureau of Turkey, RRC Meeting	Factoring
16 April	KPMG, Private Integrator Audit Meeting	Factoring
20 April	Cybersoft, Undocumented Export Credits Module Meeting	Factoring
21 April	Shared Data Center Project Meeting	Factoring
21 April	Vakıfbank, Supply-Chain Finance Meeting	Factoring
24 April	Credit Bureau of Turkey, RRC Meeting	Factoring
27 April	Supply-Chain Finance Introductory Meeting	Factoring
28 April	Halkbank, Private Integrator Meeting	Factoring
28 April	Shared Data Center Project Meeting	Factoring
29 April	Cybersoft, Undocumented Export Credits Module Meeting	Factoring
1 May	Halkbank, Private Integrator Meeting	Factoring
4 May	Supply-Chain Finance Introductory Meeting	Factoring
4 May	Vakıfbank, Supply-Chain Finance Meeting	Factoring
6 May	Shared Data Center Project Meeting	Factoring
7 May	Shared Data Center Company Meeting	Factoring
8 May	Vakıfbank, Supply-Chain Finance Meeting	Factoring
13 May	Meeting at Banks Association of Turkey on the Tax Aspect of the Financial Restructuring Framework Agreement	AFI
13 May	Shared Data Center Project Meeting	Factoring
15 May	Kalitest, ISO Audit Meeting	Factoring
18 May	Shared Data Center Project Meeting	Factoring
20 May	E&Y, Supply-Chain Finance Audit Meeting	Factoring
20 May	Financial Crimes Investigation Board - Studies Performed in the Scope of the FATF 4 <sup>th</sup> Round Turkey Evaluation	AFI



## 2020 ACTIVITIES

Date	Explanation	Sector
20 May	Shared Data Center Project Meeting	Factoring
20 May	PwC, Private Integrator Audit Meeting	Factoring
22 May	Halkbank, Private Integrator Meeting	Factoring
22 May	Shared Data Center Project Meeting	Factoring
28 May	Shared Data Center Project Meeting	Factoring
28 May	Supply-Chain Finance Introductory Meeting	Factoring
29 May	Albaraka Türk, Faturampara Meeting	Factoring
2 June	Shared Data Center Project Meeting	Factoring
3 June	Faturampara Meeting	Factoring
3 June	Shared Data Center Project Meeting	Factoring
4 June	Shared Data Center Project Meeting	Factoring
5 June	E&Y, Supply-Chain Finance Audit Meeting	Factoring
5 June	Shared Data Center Project Meeting	Factoring
8 June	Shared Data Center Project Meeting	Factoring
9 June	Shared Data Center Project Meeting	Factoring
11 June	Credit Bureau of Turkey, RRC Meeting	Factoring
11 June	Shared Data Center Project Meeting	Factoring
12 June	Shared Data Center Project Meeting	Factoring
15 June	Leasing Joint Software Supplier Meeting	Leasing
15 June	Shared Data Center Project Meeting	Factoring
16 June	QNB Finansbank, RRC Meeting	Factoring
17 June	Shared Data Center Project Meeting	Factoring
18 June	Shared Data Center Project Meeting	Factoring
19 June	E&Y, Supply-Chain Finance Audit Meeting	Factoring
19 June	Shared Data Center Project Meeting	Factoring
22 June	Leasing Joint Software Supplier Meeting	Leasing
24 June	Shared Data Center Project Meeting	Factoring
25 June	Halkbank, Private Integrator Meeting	Factoring
26 June	Shared Data Center Project Meeting	Factoring
1 July	Shared Data Center Project Meeting	Factoring
2 July	Shared Data Center Project Meeting	Factoring
3 July	Technology Company Introductory Meeting	Factoring
3 July	Supply-Chain Finance Introductory Meeting	Factoring
6 July	E&Y, Supply-Chain Finance Audit Meeting	Factoring
6 July	Credit Bureau of Turkey, RRC Meeting	Factoring
7 July	Shared Data Center Project Meeting	Factoring
8 July	Shared Data Center Project Meeting	Factoring
9 July	Leasing Joint Software Supplier Meeting	Leasing
10 July	Leasing Joint Software Project Working Group & PwC Meeting	Leasing
10 July	Shared Data Center Project Meeting	Factoring
13 July	Leasing Joint Software Supplier Presentation	Leasing
13 July	Shared Data Center Project Meeting	Factoring
14 July	Presentation on E-Pledging and E-Cancellation Application	Leasing
14 July	Leasing Joint Software Supplier Presentation	Leasing
14 July	Shared Data Center Project Meeting	Factoring
16 July	Leasing Joint Software Supplier Presentation	Leasing
16 July	Shared Data Center Project Meeting	Factoring
16 July	Participation in KOSGEB Supports Webinar Organized by the Union of Chambers and Commodity Exchanges of Turkey	Leasing
17 July	Halkbank, Private Integrator Meeting	Factoring
17 July	Leasing Joint Software Supplier Presentation	Leasing
17 July	Shared Data Center Project Meeting	Factoring
21 July	Shared Data Center Project Meeting	Factoring
24 July	PwC Presentation on Leasing Joint Software Supplier Presentations	Leasing



Date	Explanation	Sector
24 July	Shared Data Center Project Meeting	Factoring
6 August	Shared Data Center Project Meeting	Factoring
7 August	Shared Data Center Project Meeting	Factoring
10 August	Plekom, AFI Technology Infrastructure Meeting	Factoring
11 August	E&Y, Supply-Chain Finance Audit Meeting	Factoring
12 August	Shared Data Center Project Meeting	Factoring
13 August	PwC, Private Integrator Audit Meeting	Factoring
14 August	Shared Data Center Project Meeting	Factoring
19 August	Koç Sistem, AFI Technology Infrastructure Meeting	Factoring
19 August	Shared Data Center Company Meeting	Factoring
19 August	Shared Data Center Project Meeting	Factoring
24 August	Koç Sistem, AFI Technology Infrastructure Meeting	Factoring
25 August	Credit Bureau of Turkey, RRC Meeting	Factoring
26 August	Koç Sistem, AFI Technology Infrastructure Meeting	Factoring
26 August	Shared Data Center Project Meeting	Factoring
28 August	Karel, AFI Technology Infrastructure Meeting	Factoring
28 August	Koç Sistem, AFI Technology Infrastructure Meeting	Factoring
2 September	Shared Data Center Project Meeting	Factoring
4 September	E&Y, Supply-Chain Finance Audit Meeting	Factoring
7 September	Leasing Joint Software Supplier Presentation	Leasing
8 September	Shared Data Center Project Meeting	Factoring
8 September	Technology Company Introductory Meeting	Factoring
8 September	Technology Company Introductory Meeting	Factoring
9 September	Shared Data Center Project Meeting	Factoring
10 September	Koç Sistem, AFI Technology Infrastructure Meeting	Factoring
10 September	Leasing Joint Software Supplier Presentation	Leasing
10 September	Shared Data Center Project Meeting	Factoring
11 September	E&Y, Supply-Chain Finance Audit Meeting	Factoring
11 September	Leasing Joint Software Supplier Presentation	Leasing
11 September	Shared Data Center Project Meeting	Factoring
11 September	Uyumsoft, Message Management System Meeting	Factoring
11 September	Vakıfbank, Supply-Chain Finance Meeting	Factoring
14 September	Leasing Joint Software Supplier Presentation	Leasing
14 September	Shared Data Center Company Meeting	Factoring
14 September	Shared Data Center Project Meeting	Factoring
15 September	Leasing Joint Software Supplier Presentation	Leasing
15 September	Shared Data Center Project Meeting	Factoring
16 September	Leasing Joint Software Supplier Presentation	Leasing
17 September	Shared Data Center Project Meeting	Factoring
18 September	Kuveyt Türk, RRC Meeting	Factoring
18 September	Leasing Joint Software Supplier Presentation	Leasing
18 September	Shared Data Center Project Meeting	Factoring
21 September	Invigors, Global Leasing Practices Webinar	Leasing
21 September	Shared Data Center Project Meeting	Factoring
21 September	PwC, Private Integrator Audit Meeting	Factoring
23 September	Shared Data Center Project Meeting	Factoring
24 September	The Union of Chambers and Commodity Exchanges of Turkey Machinery and Equipment Manufacturing Assembly / Rental Committee Meeting	Leasing
25 September	Shared Data Center Project Meeting	Factoring
28 September	Koç Sistem, AFI Technology Infrastructure Meeting	Factoring
30 September	E&Y, Supply-Chain Finance Audit Meeting	Factoring
30 September	Shared Data Center Project Meeting	Factoring
1 October	Credit Bureau of Turkey, RRC Meeting	Factoring
2 October	Shared Data Center Project Meeting	Factoring
5 October	Shared Data Center Project Meeting	Factoring
5 October	The Union of Chambers and Commodity Exchanges of Turkey, Factoring Presentation	Factoring
6 October	Shared Data Center Project Meeting	Factoring
6 October	PwC, Private Integrator Audit Meeting	Factoring
7 October	Shared Data Center Project Meeting	Factoring
8 October	E&Y, Supply-Chain Finance Audit Meeting	Factoring



## 2020 ACTIVITIES

Date	Explanation	Sector
11 October	PwC, Private Integrator Audit Meeting	Factoring
12 October	Leasing Joint Software Supplier Presentation	Leasing
14 October	Shared Data Center Project Meeting	Factoring
15 October	Shared Data Center Project Meeting	Factoring
21 October	Koç Sistem, AFI Technology Infrastructure Meeting	Factoring
21 October	Shared Data Center Project Meeting	Factoring
21 October	Technology Company Introductory Meeting	Factoring
22 October	The Union of Chambers and Commodity Exchanges of Turkey, Leasing and Factoring Webinar	AFI
23 October	Shared Data Center Project Meeting	Factoring
26 October	Leasing Joint Software Supplier Presentation	Leasing
30 October	Shared Data Center Project Meeting	Factoring
2 November	Shared Data Center Project Meeting	Factoring
3 November	Koç Sistem, AFI Technology Infrastructure Meeting	Factoring
3 November	Shared Data Center Project Meeting	Factoring
4 November	Shared Data Center Project Meeting	Factoring
5 November	Shared Data Center Project Meeting	Factoring
5 November	Participation Banks Association of Turkey, RRC Meeting	Factoring
6 November	Shared Data Center Project Meeting	Factoring
10 November	Participation Banks Association of Turkey, RRC Meeting	Factoring
11 November	Shared Data Center Project Meeting	Factoring
11 November	PwC, Private Integrator Audit Meeting	Factoring
12 November	Document Management System Project Meeting	AFI
16 November	Shared Data Center Project Meeting	Factoring
16 November	Technology Company Introductory Meeting	Factoring
18 November	Leasing Joint Software Project Supplier Meeting	Leasing
18 November	Shared Data Center Project Meeting	Factoring
19 November	E&Y, Supply-Chain Finance Audit Meeting	Factoring
20 November	Document Management System Project Meeting	AFI
20 November	Participation Banks Association of Turkey, RRC Meeting	Factoring
23 November	D Bank, RRC Meeting	Factoring
24 November	Shared Data Center Project Meeting	Factoring
27 November	Document Management System Project Meeting	AFI
27 November	Participation Banks Association of Turkey, RRC Meeting	Factoring
30 November	Leasing Joint Software Project Supplier Meeting	Leasing
1 December	Cybersoft, Supply-Chain Finance Meeting	Factoring
1 December	Document Management System Project Meeting	AFI
2 December	Document Management System Project Meeting	AFI
2 December	Shared Data Center Project Meeting	Factoring
2 December	Shared Data Center Project Meeting	Factoring
2 December	Meeting About the Risk Center Commercial Loan Application	AFI
2 December	The Union of Chambers and Commodity Exchanges of Turkey, Supply-Chain Finance Meeting	Factoring
3 December	Document Management System Project Meeting	AFI
4 December	Leasing Joint Software Project Supplier Meeting	Leasing
7 December	PwC, Private Integrator Audit Meeting	Factoring
9 December	Shared Data Center Project Meeting	Factoring
10 December	Document Management System Project Meeting	AFI
11 December	Birleşik İpotek Finansmanı A.Ş. Corporate Identity Meeting	AFI
15 December	Meeting of Sector Representatives Board Members with Executives of the Development and Investment Bank of Turkey	Leasing
16 December	E&Y, Supply-Chain Finance Audit Meeting	Factoring
16 December	Shared Data Center Project Meeting	Factoring
18 December	E&Y, Supply-Chain Finance Audit Meeting	Factoring



Date	Explanation	Sector
18 December	Shared Data Center Project Meeting	Factoring
18 December	Meeting with the Banks Association of Turkey on the Problems in the Secure Payment System of the Notaries Union of Turkey	Financing
18 December	Technology Company Introductory Meeting	Factoring
21 December	Garanti Leasing, Undocumented Export Credits Module Meeting	Factoring
21 December	Meeting About Risk Center Notifications	AFI
23 December	Shared Data Center Project Meeting	Factoring
24 December	E&Y, Supply-Chain Finance Audit Meeting	Factoring
25 December	Shared Data Center Project Meeting	Factoring
28 December	E&Y, Supply-Chain Finance Audit Meeting	Factoring
28 December	Shared Data Center Project Meeting	Factoring
29 December	Shared Data Center Project Meeting	Factoring
30 December	Document Management System Project Meeting	AFI
30 December	Credit Bureau of Turkey, RRC Meeting	Factoring
30 December	Shared Data Center Project Meeting	Factoring

### Meetings with Public Institutions

Date	Explanation	Sector
10 January	BRSA, Shared Data Center Meeting	Factoring
30 January	Risk Center, RRC Meeting	Factoring
5 February	Financial Crimes Investigation Board & AFI - Turkey Evaluation Report Meeting Announced by FATF	AFI
11 February	Informing BRSA Audit III Department Officials About AFI and Our Industries	AFI
14 February	Revenue Administration, RRC Meeting	Factoring
20 February	Meeting on Integration of Customs Declarations and Financial Leasing Registration System at the Ministry of Commerce-General Directorate of Customs	Leasing
21 February	Notaries Union of Turkey, RRC Meeting	Factoring
25 February	BRSA, Shared Data Center Meeting	Factoring
27 February	Banks Association of Turkey, LIBOR Workshop	Factoring
3 March	Message Management System Meeting	Financing
9 March	Meeting with the Chairperson of Revenue Administration	Financing
9 April	Meeting with the Chairperson of Revenue Administration	AFI
21 April	Ministry of Commerce Meeting on Credit Deferral	Financing
20 May	BRSA, Supply-Chain Finance Meeting	Factoring
24 July	Meeting with BRSA Financial Consumer Relations Office Officials	AFI
5 August	Meeting with BRSA Officials	AFI
9 September	CBRT Workshop	Financing
15 September	Meeting with CBRT on Factoring Sector Fees and Commissions	Factoring
16 September	Presentation About Our Sectors to BRSA Financial Consumer Relations Department Officials	AFI
5 October	BRSA, Information Systems Communiqué Meeting	Factoring
5 October	BRSA & AFI Meeting of General Managers on Information Systems Security and Shared Data Center Issues	AFI
21 October	Meeting on Integration of Customs Declarations and Financial Leasing Registration System at the Ministry of Commerce-General Directorate of Customs	Leasing
27 October	Visit to Head of BRSA Audit IV Department	AFI
27 October	BRSA, Supply-Chain Finance Meeting	Factoring
13 November	E-Pledging Meeting with Pension Monitoring Center	Financing
24 November	Financial Crimes Investigation Board, Suspicious Transactions Training	AFI
24 November	Ministry of Commerce-Customs Declaration Reporting Process Meeting	Factoring
24 November	Meeting on Integration of Customs Declarations and Financial Leasing Registration System at the Ministry of Commerce-General Directorate of Customs	Leasing
10 December	Meeting on Integration of Customs Declarations and Financial Leasing Registration System at the Ministry of Commerce-General Directorate of Customs	Leasing
16 December	Meeting of Sector Representatives Board Members with Eximbank Executives	Leasing



## 2020 ACTIVITIES

### Member Meetings

Date	Explanation	Sector
6 January	Law Working Group Meeting on Obtaining Legal Opinion on the Implementation of the Law of Obligations within the Scope of Financial Leasing Activities	Leasing
9 January	Working Group Meeting on Notification of Customers' FX Income and Loan Balances to the Risk Center	Leasing
14 January	Law Working Group Meeting on Obtaining Legal Opinion on the Implementation of the Law of Obligations within the Scope of Financial Leasing Activities	Leasing
15 January	Meeting of General Managers	Leasing
15 January	Legal Committee Meeting	Financing
15 January	Sector Representatives Board Meeting	Factoring
15 January	Sector Representatives Board Meeting	Leasing
15 January	Board of Directors Meeting	AFI
17 January	Sector Representatives Board Meeting	Financing
18 January	Legal Committee Meeting on Insurance Legislation	Financing
23 January	Leasing Joint Software Project Working Group Meeting	Leasing
29 January	İş Faktoring, Supply-Chain Finance Meeting	Factoring
30 January	Devir Faktoring, Supply-Chain Finance Meeting	Factoring
31 January	İş Faktoring, Supply-Chain Finance Meeting	Factoring
5 February	IT Committee Meeting	Factoring
6 February	Leasing Joint Software Project Working Group Meeting	Leasing
7 February	Vakıf Faktoring, Supply-Chain Finance Meeting	Factoring
10 February	Leasing Joint Software Project Working Group Meeting	Leasing
12 February	Legal Committee Meeting	Financing
12 February	Leasing Joint Software Project Working Group Meeting	Leasing
12 February	Vakıf Faktoring, Supply-Chain Finance Meeting	Factoring
13 February	Financial Crimes Investigation Board & Internal Control Committee Meeting	Factoring
14 February	Financial Leasing Sector Search Conference Planning Meeting	Leasing
14 February	Operations Working Group Meeting	Leasing
14 February	Compliance Officers Working Group Meeting	Leasing
17 February	Leasing Joint Software Project Working Group Meeting	Leasing
19 February	Leasing Joint Software Project Working Group Meeting	Leasing
20 February	Search Conference Preparation Meeting	Leasing
20 February	Sector Representatives Board Meeting	Factoring
20 February	Sector Representatives Board Meeting	Financing
20 February	Sector Representatives Board Meeting	Leasing
20 February	Board of Directors Meeting	AFI
22 February	Meeting on the Electronic Information Sharing Protocol of the Notaries Union of Turkey	Financing
24 February	Leasing Joint Software Project Working Group Meeting	Leasing
25 February	Leasing Joint Software Project Working Group Meeting	Leasing
25 February	Sector Meeting	Factoring
26 February	Leasing Joint Software Project Working Group Meeting	Leasing
26 February	Legal Committee Meeting	Factoring
28 February	Search Conference Preparation Meeting	Leasing
4 March	Credit Committee Meeting	Factoring
4 March	Leasing Joint Software Project Working Group Meeting	Leasing
4 March	Sector Representatives Board Meeting	Financing
5 March	Leasing Joint Software Project Working Group Meeting	Leasing
6 March	Arena Faktoring, RRC and Private Integrator Meeting	Factoring
6 March	Leasing Joint Software Project Working Group Meeting	Leasing
6 March	Compliance Officers Working Group Meeting	Leasing
7 March	Search Conference	Leasing
8 March	Search Conference	Leasing
10 March	Leasing Joint Software Project Working Group Meeting	Leasing
10 March	Working Group Meeting on Notification of Operational Lease Receivables to the Risk Center	Leasing
11 March	Legal Committee Meeting	Financing
11 March	Leasing Joint Software Project Working Group Meeting	Leasing
12 March	Leasing Joint Software Project Working Group Meeting	Leasing
12 March	Tam Faktoring, RRC Meeting	Factoring
13 March	Yaşar Faktoring, RRC Meeting	Factoring
17 March	Sector Representatives Board Meeting	Financing



Date	Explanation	Sector
19 March	Leasing Joint Software Project Working Group Meeting	Leasing
20 March	Financial Affairs Committee Meeting	Financing
26 March	Meeting of General Managers	Leasing
26 March	Sector Representatives Board Meeting	Financing
26 March	Sector Representatives Board Meeting	Leasing
26 March	Board of Directors Meeting	AFI
27 March	Meeting on the Draft Decision on the Treasury Backed Credit Guarantee Fund	Leasing
27 March	Working Group Meeting on Evaluation of Lease Configurations in Terms of Financial Legislation and Law	Leasing
29 March	Law Working Group Meeting	Leasing
1 April	Legal & Financial Crimes Investigation Board Compliance Committee Sectoral Risk Report Meeting	Financing
1 April	Operations Working Group Meeting	Leasing
2 April	Leasing Joint Software Project Working Group Closing Meeting	Leasing
3 April	Legal & Financial Crimes Investigation Board Compliance Committee Sectoral Risk Report Meeting	Financing
3 April	Leasing Joint Software Project Steering Committee Meeting	Leasing
3 April	Compliance Committee Meeting on Message Management System	Financing
6 April	Financial Affairs Working Group Meeting	Leasing
7 April	Legal Committee Remote Identification Meeting	Financing
8 April	Legal & Financial Crimes Investigation Board Compliance Committee Sectoral Risk Report Meeting	Financing
8 April	Meeting on the Electronic Arrangement of Contracts	Leasing
9 April	Our Priority Law Change Requests Meeting on Limiting the Effects of Covid-19	Financing
10 April	Legal & Financial Crimes Investigation Board Compliance Committee Sectoral Risk Report Meeting	Financing
13 April	Working Group Meeting on Legal Aspects of the Implementation of Lease Suspension	Leasing
13 April	Meeting on Ministry of Commerce Credit Deferral Letter	Financing
14 April	Legal & Financial Crimes Investigation Board Compliance Committee Sectoral Risk Report General Evaluation Meeting	Financing
14 April	Micro Credits Risk Inventory Meeting	Financing
14 April	Meeting on Ministry of Commerce Credit Deferral Letter 2	Financing
15 April	Sector Representatives Board Meeting	Financing
16 April	Sector Representatives Board Meeting on Determining Priority Arrangement Requests	Leasing
17 April	Law Working Group Meeting on Obtaining Legal Opinion on Implementation of the Law of Obligations within the Scope of Financial Leasing	Leasing
20 April	Prof. Erhan Aslanoğlu's Presentation on World and Turkish Economy	AFI
21 April	Meeting of General Managers	Leasing
21 April	Sector Representatives Board Meeting	Leasing
22 April	Sector Meeting	Factoring
22 April	Ministry of Commerce Meeting on Credit Related Insurances	Financing
28 April	Evaluation Meeting on Search Conference Results	Leasing
5 May	Information Meeting About Message Management System	Leasing
5 May	Board of Directors Meeting	AFI
7 May	Meeting Regarding the Inclusion of Financing Companies in Banks' Asset Ratio Calculation	Financing
11 May	Law Working Group Meeting on Obtaining Legal Opinion on Implementation of the Law of Obligations within the Scope of Financial Leasing	Leasing
12 May	Working Group Meeting on Renewal of Protocol with Credit Guarantee Fund	Leasing
14 May	RRC Project Team Meeting	Factoring
15 May	Working Group Meeting on Renewal of Protocol with Credit Guarantee Fund	Leasing
18 May	Meeting of Compliance Officers for Preparation for Financial Crimes Investigation Board's Micro Level Risk Analysis Study	Leasing
20 May	FATF 4 <sup>th</sup> Meeting IV Concerning the Studies Performed in the Scope of the Tour Turkey Evaluation	Financing
21 May	Meeting of Compliance Officers for Preparation for Financial Crimes Investigation Board's Micro Level Risk Analysis Study	Leasing
21 May	Sector Representatives Board Meeting	Factoring
21 May	Sector Representatives Board Meeting	Financing
21 May	Sector Representatives Board Meeting	Leasing
21 May	Board of Directors Meeting	AFI
28 May	Legal & Financial Crimes Investigation Board Compliance Committee Sectoral Risk Report Stage 2 Meeting	Financing
2 June	AFI General Assembly	AFI
8 June	Legal Committee Meeting	Financing
9 June	Meeting on Omnibus Law Article 39 Paragraph 2	Financing
15 June	Legal & Financial Crimes Investigation Board Compliance Committee Sectoral Risk Report Evaluation Meeting	Financing



## 2020 ACTIVITIES

Date	Explanation	Sector
17 June	Meeting of General Managers	Leasing
17 June	Sector Representatives Board Meeting	Leasing
23 June	Sector Representatives Board Meeting	Financing
24 June	Sector Representatives Board Meeting	Factoring
24 June	Sub-Regulation Study on the Law Article on Establishment of Distance Contracts with Remote Access	Leasing
24 June	Sub-Regulation Study Meeting on Remote Access Law Article	Financing
26 June	Legal & Financial Crimes Investigation Board Compliance Committee Sectoral Risk Report Evaluation Meeting	Financing
29 June	Legal & Financial Crimes Investigation Board Compliance Committee Sectoral Risk Report Evaluation Meeting	Financing
30 June	Legal & Financial Crimes Investigation Board Compliance Committee Sectoral Risk Report Evaluation Meeting	Financing
30 June	Sub-Regulation Study on the Law Article on Establishment of Distance Contracts with Remote Access	Leasing
1 July	Legal & Financial Crimes Investigation Board Compliance Committee Sectoral Risk Report Evaluation Meeting	Financing
2 July	Legal Committee Meeting	Factoring
2 July	Legal Committee Meeting	Factoring
3 July	Legal & Financial Crimes Investigation Board Compliance Committee Sectoral Risk Report Control Meeting	Financing
3 July	Sub-Regulation Study on the Law Article on Establishment of Distance Contracts with Remote Access	Leasing
7 July	Working Group Meeting on BRSA's Covid-19 Guidelines	Financing
7 July	Legal Committee Meeting on Remote Identification	Financing
7 July	Tradewind Faktoring Meeting	Factoring
10 July	Working Group Meeting on BRSA's Covid-19 Guidelines	Leasing
10 July	IT Committee Meeting on Remote Identification	Financing
10 July	TEB Faktoring, Supply-Chain Finance Meeting	Factoring
13 July	Legal & Financial Crimes Investigation Board Compliance Committee Sectoral Risk Report Evaluation Meeting	Financing
14 July	IT Committee Meeting	Factoring
14 July	Working Group Meeting on Recovery Participation Share (GEKAP) Application	Leasing
14 July	Working Group Meeting on Remote Identification Regulations	Leasing
15 July	Meeting About Financing Companies CBRT Workshop	Financing
17 July	Meeting on BRSA Regulations	Financing
23 July	Sector Representatives Board Meeting	Factoring
23 July	Sector Representatives Board Meeting	Financing
23 July	Sector Representatives Board Meeting	Leasing
23 July	Board of Directors Meeting	AFI
24 July	Personal Data Protection Law Compliance Meeting	Leasing
24 July	Meeting on Personal Data Protection Law	Financing
27 July	Determination of Leasing Joint Software Tender Finalists	Leasing
27 July	Legal Committee Meeting	Factoring
10 August	Sector Representatives Board Meeting	Leasing
18 August	Sector Representatives Board Meeting	Factoring
19 August	Meeting of General Managers	Leasing
19 August	Sector Representatives Board Meeting	Financing
19 August	Sector Representatives Board Meeting	Leasing
21 August	Meeting on the Incoming Letter on Financing the Proliferation of Weapons of Mass Destruction	Financing
25 August	Financial Crimes Investigation Board & Internal Control Committee Meeting	Factoring
27 August	Legal Committee Meeting	Financing
31 August	Pre-Workshop Preparation Meeting to be Held with CBRT on Fees to be Collected from Financial Consumers and Commercial Credit Customers	Financing
3 September	Pre-Workshop Preparation Meeting to be Held with CBRT on Fees to be Collected from Financial Consumers and Commercial Credit Customers 2	Financing
9 September	Meeting on Consumer Loans Term Limitation	Financing
10 September	Pre-Workshop Preparation Meeting to be Held with CBRT on Fees to be Collected from Financial Consumers and Commercial Credit Customers 3	Financing
15 September	Sector Representatives Board Meeting	Factoring



Date	Explanation	Sector
17 September	Sector Representatives Board Meeting	Financing
17 September	Sector Representatives Board Meeting	Leasing
17 September	Board of Directors Meeting	AFI
22 September	Legal Committee Meeting	Financing
23 September	Meeting on the Draft Regulation on Distance Insurance Contracts	Financing
25 September	Leasing Shared Software Steering Committee Meeting	Leasing
25 September	Working Group Meeting on Insurance Agencies Regulation	Leasing
1 October	Sector Representatives Board and Board of Directors Meetings Regarding the Capital Increase of Birleşik İpotek A.Ş.	AFI
1 October	Board of Directors Meeting	AFI
6 October	Leasing Shared Software Steering Committee Meeting	Leasing
14 October	Meeting of General Managers	Leasing
14 October	Leasing Shared Software Steering Committee Meeting	Leasing
14 October	Sector Representatives Board Meeting	Leasing
15 October	Credit Committee Meeting	Factoring
15 October	Financial Affairs Committee Meeting	Factoring
19 October	Deniz Faktoring, Supply-Chain Finance Meeting	Factoring
20 October	AFI Extraordinary General Assembly on Capital Increase of Birleşik İpotek A.Ş.	AFI
20 October	Sector Representatives Board Meeting	Factoring
22 October	Working Group Meeting on Notification of Customers' FX Income and Loan Balances to the Risk Center	AFI
22 October	Sector Representatives Board Meeting	Leasing
22 October	Sector Representatives Board Meeting	Financing
23 October	Plaque Presentation and Farewell Dinner to our Sector Representatives Board Chairperson Dr. Cüneyt Akpınar	Leasing
26 October	Leasing Shared Software Steering Committee Meeting	Leasing
27 October	Personal Data Protection Law Training for AFI Employees	AFI
3 November	Personal Data Protection Law Training for AFI Employees	AFI
4 November	RRC Project Team Meeting	Factoring
5 November	Remote Identification Legislation Study	Leasing
11 November	Leasing Shared Software Steering Committee Meeting	Leasing
12 November	Document Management Project Kick-off Meeting	AFI
13 November	Remote Identification Legislation Study	Leasing
16 November	Deniz Faktoring, Supply-Chain Finance Meeting	Factoring
17 November	Remote Identification Legislation Study	AFI
17 November	Consolidated Opinions Meeting on the Draft Communiqué on Remote Identification	Financing
19 November	Sector Representatives Board Meeting	Financing
20 November	Document Management Project System Analysis Meeting	AFI
25 November	Leasing Shared Software Steering Committee Meeting	Leasing
25 November	Sector Representatives Board Meeting	Factoring
25 November	Sector Representatives Board Meeting	Leasing
26 November	Assessment Meeting on the Limits of Financial Leasing Companies to Provide Services in Bank Branches	Leasing
26 November	Board of Directors Meeting	AFI
27 November	Document Management Project System Analysis Meeting	AFI
27 November	Working Group Meeting on Notification of Customers' FX Income and Loan Balances to the Risk Center	AFI
30 November	Deniz Faktoring, Supply-Chain Finance Meeting	Factoring
1 December	Document Management Project System Analysis Meeting	AFI
1 December	Leasing Joint Software Project Bid Evaluation Meeting	Leasing
1 December	Meeting on Draft Regulation on Remote Identification and Distance Transactions	Financing
2 December	Document Management Project System Analysis Meeting	AFI
3 December	Document Management Project System Analysis Meeting	AFI
11 December	Sector Representatives Board Meeting on Restarting Leasing Credit Bureau Project	Leasing
17 December	Meeting of General Managers	Leasing
17 December	Working Group Meeting on Notification of Customers' FX Income and Loan Balances to the Risk Center	Leasing
17 December	Sector Representatives Board Meeting	Factoring
17 December	Sector Representatives Board Meeting	Financing
17 December	Sector Representatives Board Meeting	Leasing
17 December	Board of Directors Meeting	AFI
18 December	Leasing Joint Software Project Bid Evaluation Meeting	Leasing
23 December	Sector Meeting	Factoring
23 December	Meeting on Precautions Against Fraud Attempts Against the Sector	Leasing
24 December	Leasing Joint Software Project Bid Evaluation Meeting	Leasing
24 December	RRC Project Team Meeting	Factoring
29 December	Leasing Joint Software Project Bid Evaluation Meeting	Leasing



# 2020 ACTIVITIES

## Meetings with International Organizations

Date	Explanation	Sector
6 February	Meeting with Kazakhstan State Delegation	Factoring
5 March	FCI, Export Meeting	Factoring
5 March	Eurofinas Legal Policy Committee Meeting	Financing
11 March	Eurofinas Board of Directors Meeting	Financing
1 May	FCI Meeting on Two-Factor International Full Service Factoring and Differences in Practice in Turkey	Factoring
5 May	Eurofinas Legal Policy Committee Meeting	Financing
13 May	Leaseurope Statistics Committee Meeting	Financial Leasing
14 May	Leaseurope Secretaries General Meeting	Financial Leasing
4 June	Eurofinas Board of Directors Meeting	Financing
17 September	Eurofinas Legal Policy Committee Meeting	Financing
1 October	Leaseurope General Assembly	Financial Leasing
8 October	RRC Meeting with the National Bank of Ukraine,	Factoring
26 November	Eurofinas Legal Policy Committee Meeting	Financing
10 December	Eurofinas Board of Directors Meeting	Financing

## REGULATORY CHANGES IN 2020

Date	Description	Sector
14.01.2020	Regulation Amending the Regulation on the Establishment and Operating Principles of Financial Leasing, Factoring and Financing Companies	Financing
10.02.2020	Regulation Amending the Regulation on Procedures and Principles Regarding Fees to be Collected from Financial Consumers	Financing
25.02.2020	Law on Amending Banking Law and Some Laws	Financing & Financial Leasing & Factoring
07.03.2020	Communiqué on Procedures and Principles Regarding Fees to be Collected from Financial Consumers (Number: 2020/7)	Financing & Financial Leasing
07.03.2020	Communiqué Amending the Communiqué on Required Reserves (No: 2013/15) (No: 2020/6)	Financing & Financial Leasing & Factoring
30.03.2020	Decision to Amend the Decision Regarding the Treasury Support Provided to Credit Guarantee Institutions	Financial Leasing & Financing
26.06.2020	Law on Amending Certain Laws and Decrees	Financing & Financial Leasing & Factoring
21.08.2020	Identity Sharing System Regulation	Financial Leasing & Financing
19.11.2020	Communiqué Repealing the Communiqué on the Uniform Chart of Accounts and Prospects to be Implemented by Financial Leasing, Factoring and Financing Companies	Financing & Financial Leasing & Factoring
27.11.2020	Communiqué Amending the Communiqué on Required Reserves (No: 2013/15) (No: 2020/17)	Financing & Financial Leasing & Factoring
18.12.2020	Regulation on Establishment and Operating Principles of Financial Leasing, Factoring and Financing Companies	Financing
31.12.2020	Communiqué Amending the Communiqué on the Procedures and Principles Regarding Fees to be Collected from Financial Consumers (Number: 2020/7)	Financing



## **CERTIFICATE PROGRAMS, TRAININGS AND SEMINARS**

In 2020, a total of 52 training programs that would last 95 days were organized. Out of these programs, 21 actually took place and were attended by 330 participants.

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

The Association’s Commercial Enterprise originally scheduled a total of 52 training programs for 2020, for which 465 people applied. However, 22 programs were cancelled perforce due to the pandemic from 12 March 2020. Online training programs were commenced upon obtaining the Webex Meeting Center License. 329 people benefited from the sessions held. In 2021, online training programs will continue to be held via Webex.

### **Understanding the Economy and Financial Statements**

In keeping with the growing importance of finance for businesses, first of all, rules and main processes of bookkeeping are examined by taking basic economic concepts as the starting point, after which financial statements and their importance from the standpoint of stakeholders are addressed. Finally, the program dwells upon basic analysis methods, which are among the main functions of financial science, and discusses the tasks and responsibilities of finance professionals.

Trainer: Dr. Murad Kayacan

## **Excel Dashboard and Data Visualization**

The training program that teaches about reporting in Excel using techniques such as pivot tables and advanced graphic preparation and the methods for visualizing these reports provides information about the Dax formula language and how to use it, along with practical methods associated with functions and data analyses.

Trainer: Kerim Bağrıyanık

### **Factoring Products**

The objective of the training was to evaluate services provided in factoring industry and increase product variety. The factoring trends in Turkey and in the world were discussed.

Trainer: Can Özyurt

### **The New Normal of the Finance Sector and the Future of Financial Institutions**

In the wake of the coronavirus, it is now clear that we will be living in a different world from now on. In this process, each and every sector must quickly adapt to the changing world, make use of the digital technologies correctly, duly manage the transformation triggered by digitalization, and respond to customer expectations rapidly. Although we are all going through new, unusual and unpredictable times, this process presents numerous opportunities, as do all crises.

The so-called New Normal deeply affects the financial institutions as well. Many actions had to be put into implementation, which were being discussed but failed to be launched until now, including the operations of physical branches, customer support practices, omni-channel management and work-from-home formats. Digital solutions, contactless implementations that long failed to arrive at the desired level paved significant distance and increased substantially.

This training elaborated on the new normal of financial institutions at a time when change has become inevitable, numerous novelties are tested at a fast pace, and customer preferences have transformed, with reference to the definition of the new normal and what it entails.

The purpose of the training is to shed light on the future of the finance sector, and analyze the new dynamics with respect to emerging new models and platforms, based on the transformed customer behaviors and expectations and the forced digital transformation that companies were exposed to during the Corona period.

Trainers: Ergi Şener, İpek Şener

### **Studying Balance Sheets of Financial Leasing - Factoring - Financing Companies and Supervision Method by Regulatory Authorities**

This training program is intended to provide the participants with guidance for a general understanding, assessment and interpretation of the meaning of the accounts and information covered in the balance sheets and appendices of non-bank financial institutions. In addition, the training talks about the importance of the items covered in the financial statements of financial institutions with respect to assets and liabilities management in order to acquire analysis skill to identify these institutions’ strengths and weaknesses by way of analyzing their balance sheet items, and explains critical points that are effective in decisions to be made by the managements in this respect, and discusses the impact of required restrictions imposed by the regulatory authority upon financial statements.

During the training, the financial statements of financial leasing, factoring and financing companies are compared against those of commercial and investment banks, and methods for analyzing the differences that will result in the balance sheets of companies depending on their fields of activity are mentioned. Then, information is also provided about the ratios and implementation rules enforced by the regulatory authorities. The training is designed to enable a comparison of financial statements of companies through ratio analysis.

Throughout the seminar, analyses are performed on the basis of case studies through altered data in real financial statements, and excerpts from various balance sheets are compared, analyzed and assessed.

Trainer: Bülent Günceler, Ph.D., Instructor



## 2020 ACTIVITIES

### Accounting for Financial Institutions

In this training program, accounting rules and practices applicable for financial leasing, factoring and financing companies were discussed within the framework of BRSA Uniform Chart of Accounts and Applications. In this context, participants received detailed information on accounting applications of their institutions and their financial statements. Backed by real-life examples, the training adopts basic theory and detailed practice approach.

Participants learn hands-on about the fundamental principles and functions of accounting for financial institutions, systematics of accounting, applications of Uniform Chart of Accounts, how accounting records are kept in financial institution transactions, and how accounting for financial institutions are transformed into financial statement presentations on the basis of the Turkish Financial Reporting Standards.

Trainer: Oğuz Kemal Bulut, Certified Public Accountant

### Pricing and Profitability

The training is intended to provide the participants with information about the pricing and profitability calculations of the products and services furnished by their companies and of other banking applications. Information is provided about both internal and overall pricing and profitability practices for all products contained in the relevant sector's product tree. Case studies are performed for all pricing and profitability calculations.

Trainer: Yenal Koçak

### Information Technology Audit for Internal Auditors

In collaboration with KPMG, presentations were made regarding the design and operation of controls in view of all the elements associated with the Communiqué on the Management and Auditing of Information Systems of Financial Leasing, Factoring and Financing Companies specifically for internal auditors.

During the training, at first, definitions and explanations within the legislation, fundamental principles, and the companies' obligations to be audited and reporting requirements were explained with reference to the legislation and obligations, followed by detailed explanation of the articles in order to form a shared language with respect to the main articles and related sub-articles of the communiqué, what the Communiqué requires of internal auditors, and the processes and internal controls that companies are to establish within the scope of information systems. Other topics addressed in detail included design and operation matters that internal auditors must pay attention to during their controls specific to each article with respect to important considerations by internal auditors during the auditing process in relation to the provisions of the Communiqué, documentation of the audit work and reporting.

Trainers: KPMG - Sinem Cantürk Head of Information Risk Management (IRM) - Partner, Hakan Ercin IRM Senior Manager, and Engin Bora Şahin IRM Manager

### Advanced Microsoft Excel

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

Trainer: Kerim Bağrıyanık

### Important Considerations in Correspondences with Public Agencies and Institutions

The standards to be adhered to in correspondences by all Governmental Agencies are set in the "Regulation on the Procedures and Principles to be Implemented in Official Correspondences" published in the Official Gazette issue 31151 dated 10 June 2020. While the Regulation applies to the public agencies and institutions, our members, being financial institutions, are anticipated to abide by the same rules in their correspondences with governmental agencies. The training is intended to underline important considerations in the said regulation.

Trainer: Atty. Eda Atamer Coşkunsu

### Comparative and Applied International Financial Reporting Standards (IFRS) and Turkish Accounting Standards (TAS)

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

Trainer: Oğuz Kemal Bulut, Certified Public Accountant



## Webinar: Creating a Continuous Learning Culture in Organizations

An organization's capability to "create a culture of continuous learning experience" is critical for:

- being an agile company;
- maintaining its competitive strength, and
- enhancing employee and customer satisfaction

amid the circumstances that resulted from the 21<sup>st</sup> century economy, the fifth industrial revolution and the Covid-19 pandemic.

On another note, the learning and development department fulfilling the requirements associated with these headings will achieve a very strategic position within the organization.

Topics discussed during the webinar included linking learning and development efforts with business strategies, designing a culture of continuous learning experience in organizations, the critical role of digital tools and instruments in this design, and important considerations regarding the design.

Speaker: V. Engin Emre

### Financial Analysis

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

Trainer: Oğuz Kemal Bulut, Certified Public Accountant

## Financial Calculations in Microsoft Excel

The aim is to increase the effective use of Excel, which is an effective analysis tool. The main headings of the training include financial math applications, evaluation of investment projects, loan repayment calculation tools, statistical analyses, and advanced finance applications.

Trainer: Kerim Bağrıyanık

### Basic Functions in Microsoft Excel

The training is intended to help learn the basic functions in the Microsoft Excel program by creating a worksheet and formulas, building up the worksheet with themes and styles and using graphs and smart art, all of which result in more effective use of Excel.

Trainer: Kerim Bağrıyanık

### Microsoft Power Point

The training is intended to teach all the features of PowerPoint for creating effective presentations, for conveying the intended messages correctly and simply.

Trainer: Kerim Bağrıyanık

## Turkish and Global Economy: Indicators and Developments

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

Trainer: Prof. Erhan Aslanoğlu

## Protecting Consumer Rights

The European Commission has been running the Instrument for Pre-accession Assistance (IPA) project designed to provide financial and technical assistance to support the reforms in the EU candidate countries ("enlargement countries"). As part of the Technical Support Project for Strengthening Consumer Protection and Activities for Enhancing Merchant Awareness, Republic of Turkey Ministry of Trade organized an E.C. Activities Seller and Supplier Training Program.

During the training, after evaluating the issues experienced in the sector within the scope of consumer loans, housing finance and prepaid housing sales contracts, the disputes in the sector were discussed within the framework of the Consumer Arbitration Committee Rulings.

## General Rules for International Factoring - GRIF

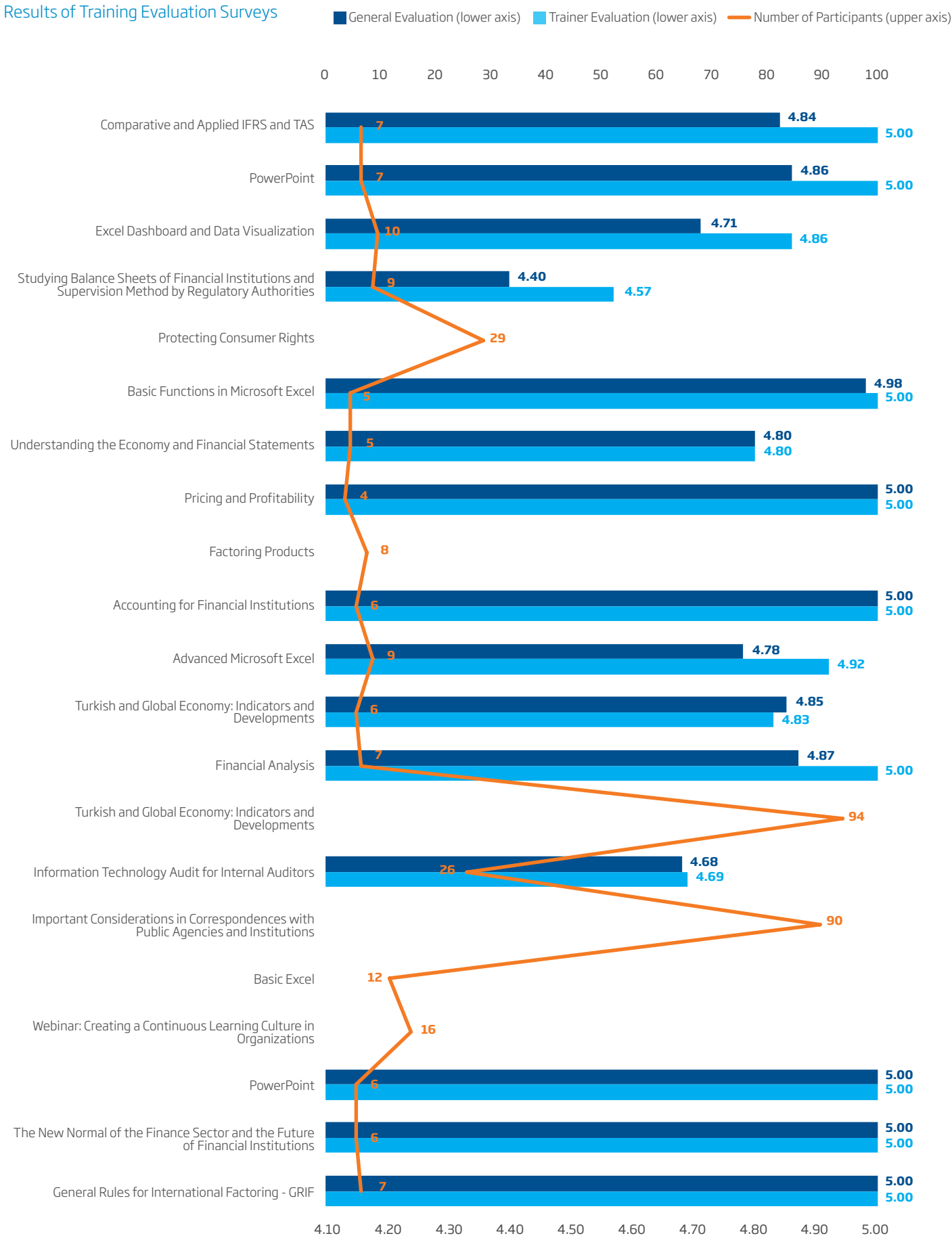
In the training, information is provided about the operation of the guaranteed factoring service, the implications of the General Rules for International Factoring (GRIF) upon everyday business life, and the measures that will protect participants' companies and customers from technical errors.

Trainer: Azra Deniz Kızılkaya



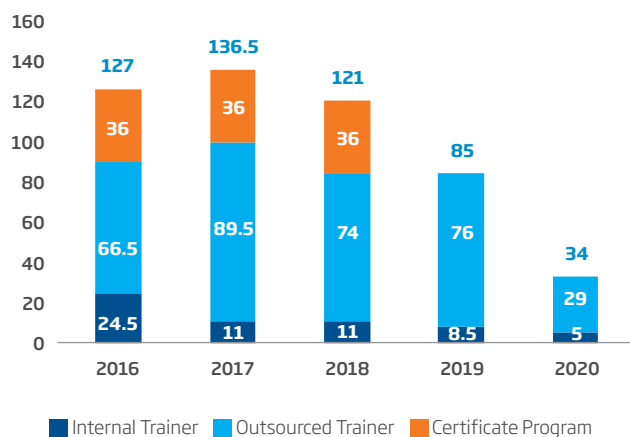
# 2020 ACTIVITIES

## Results of Training Evaluation Surveys

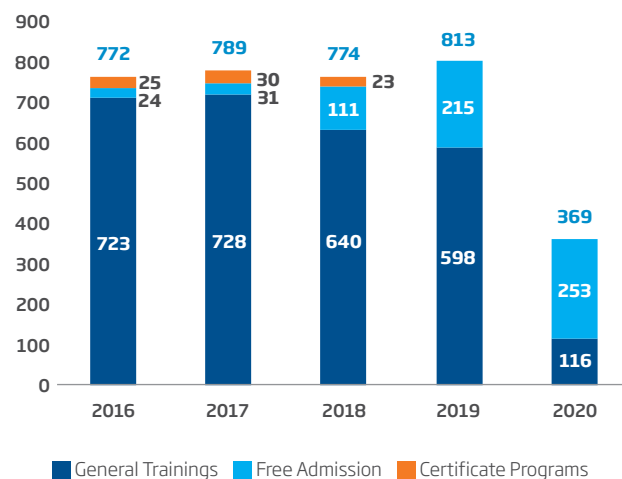




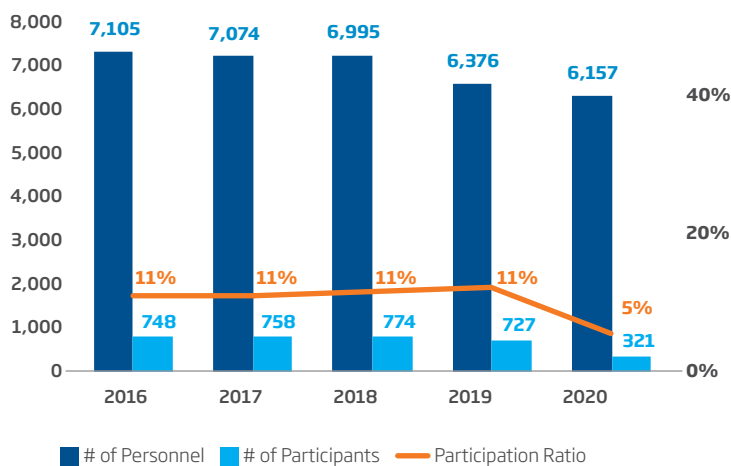
### # of Training Days



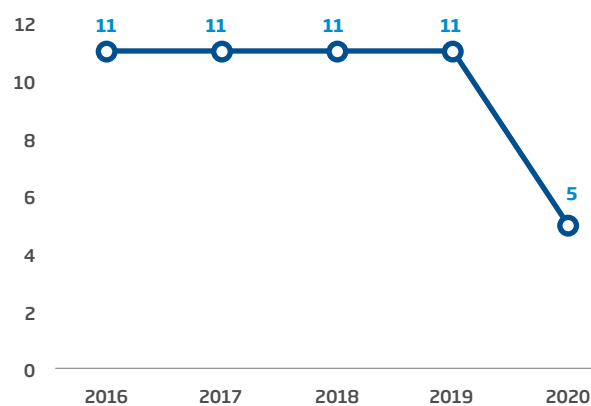
### # of Participants



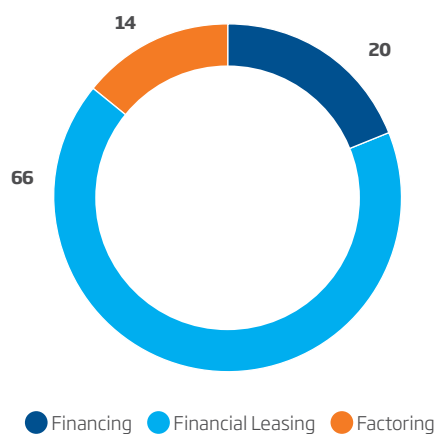
### # of Personnel vs # of Participants



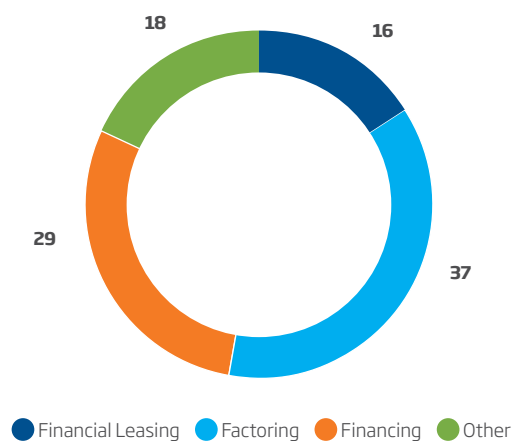
### Participation Ratio



### Breakdown of Personnel (%)



### Breakdown of Applications (%)





FINANSAL KURUMLAR BİRLİĞİ BAŞKANI AYNUR EKE

## BANKACILIK DIŞI FİNANS SEKTÖRÜ'NÜN 2019 SONUÇLARINI AÇIKLADI!



Finansal Kurumlar Birliği'nin temsil ettiği üç sektöre yönelik değerlendirmelerde bulunan Finansal Kurumlar Birliği Başkanı Aynur Eke, "Türkiye, zorlu ama bir o kadar da istikrarlı bir yılı geride bıraktı. Kur ataklarına rağmen Yeni Ekonomi Programı ile dengeleme sürecinin etkili olduğu bir yıl yaşadık. Türkiye'nin ekonomisi gündemine dönmeye başladık ve birlikte yaşanan gelişmelerden memnunuz. Geçmişte baktığımızda 2014-2019 yılları arasında ülkemizin 8 seçim yaşadığını görüyoruz. Bu ekonomiyi yormalı birlikte öke olarak büyüme odaklı değil; farklı taraflara çekiyor. Bu bakımdan önümüzdeki seçimli istikrarlı yıllarda enflasyon rakamlarının aşağıya, büyüme rakamlarının ise yukarıya olması için çok çalışmamız gerekiyor. Bu bakımdan zor bir 2019'u tüm paydaşlarımızın güçlü desteği ve refleksleri ile geride bıraktık."

2019 yılında FKB olarak temsil ettikleri finansal kiralama, faktoring ve finansman sektörlerini daha verimli hale getirmeye odaklandıklarını aktaran Finansal Kurumlar Birliği Başkanı Aynur Eke sözlerini şu şekilde sürdürdü: "Sektörümüzün Türkiye ekonomisine katkısını daha da artırmaya yönelik çalışmalarını sürdürüyoruz. Özellikle belirlemek istiyoruz ki; gündemde olan ve bazı maddeleri komisyonlarla kabul gören Benzerlik Kanunu'ndaki değişiklikleri olumlu karşıyoruz. Finansal Kiralama, Faktoring ve Finansman Şirketleri Konusu'nda yapılan değişiklikte, sermaye yapılarının güçlendirilmesini sağlamak amacıyla faktoring şirketlerinin kuruluşunda nakden ödenecek sermaye tutarı, 20 milyon liradan 50 milyon liraya çıkarılmasını önemli buluyoruz. Öte yandan Yeni Ekonomi Programı ile gelen istikrarın

sektörlerimizde iyileştirmeler getirdiğini görmek bizi mutlu ediyor. İyileşmenin öncü göstergesi olarak gördüğümüz, ortalama vadeli daha kısa olan faktoring sektörü alacakları, geçen yılın aynı dönemine göre %68,3 büyümeye göstermiştir. Bununla beraber finansal kiralama ve finansman sektörlerimizde küçülmelerin pozitif yöne evrildiğini görüyoruz. Bu durumun tüm ekonomide olumlu bir öncü göstergesi olduğunu ve derinleşmeden çıkış sürecine doğru ivme kazandığımızın habercisi olduğunu söylemek isteriz."

"FKB olarak, Ticaret Zinciri Finansmanı ile ülke ekonomisine katkı sunmak istiyoruz."

Banka dışı finans kesiminin ülke ekonomisine destek olmak istediğinin altını çizen Aynur Eke sözlerini şu şekilde sürdürdü: "Sektörümüzün vatandaşlarımızın finansmana erişiminde aktif rol oynamaktadır. Bize düşen görev ise finansman modellerini doğru kurgulayarak mevcut erişim oranlarını yukarı çekmektir. Bu bakımdan Finansal Kurumlar Birliği olarak 2019 yılında hayata geçirdiğimiz Ticaret Zinciri Finansman Sistemi (TZFS) ile ülke ekonomimize %56 oranında katma değer sağlayan KOBİ'lerimizin tek bir merkezden birçok finansal enstrümana, en önemlisi de kendi ticari alacakları ile ucuz finansmana ulaşımını sağlamayı hedefliyoruz. Bunun sonucunda da KOBİ'lerimizin %24'ünde olan finansmana erişim oranının %35 seviyesine yükselmesi ilk etapta biziammamız edeceğ bir göstergesi olacaktır. Ticaret Zinciri Finansman Sistemi ile KOBİ'lerimizin vadeli alacaklarını vadesinden önce tahsil etmek istediklerinde, mal satışı büyük ölçekli firmaların kredibilitesinden de faydalanarak üzere, daha makul faiz oranlarıyla çalışmalarına imkan sağlayacak bir sistem sunmak istiyoruz."

FKB çatısı altında temsil edilen üç sektörün finansal performansına ilişkin bilgi veren Eke: "Finansal Kurumlar Birliği olarak en büyük önceliğimiz Ticaret Zinciri Finansman'ını KOBİ'lerimizin aktif şekilde kullanması. Her platformda bunu anlatarak sistemin yayılımını sağlamaya büyük önem veriyoruz. Sektörümüzün rakamlarına baktığımızda ise, 2019 yılında Finansal Kiralama sektörümüzün alacaklarının 49 milyar TL seviyelerinde olduğunu görüyoruz. Sektörün aktif büyüklüğü de 58 milyar TL olarak gerçekleşti. Faktoring sektörüne baktığımızda, işlem hacminin 130 milyar TL seviyelerinde, alacaklarının ise 34 milyar TL olduğunu görüyoruz. Sektörün aktif büyüklüğü 37 milyar TL olup; öz kaynakları ise 8 milyar TL seviyelerinde gerçekleşti. Finansman Şirketleri'nin işlem hacmi 17 milyar TL seviyesinde, aktif büyüklüğü 27 milyar 570 milyon TL seviyelerinde, mikro kredilerde pazara giren yeni üyelermizle müşteri sayısı 3,3 milyon, sektörün atacak büyüklüğü ise 25 milyar TL olarak gerçekleşti."

BUSINESS NEWS 2020

• Hiç faktoringle tanışmayan KOBİ'ler sisteme girecek

## KOBİ'lere daha çok ulaşacağız

Yapı Kredi Faktoring Genel Müdürü Bozkurt Çöteli, Finansal Kurumlar Birliği çatısı altında kurulan Ticaret Zinciri Finansman dijital platformu aracılığı ile KOBİ'lere dijitalleşmenin olanaklarını daha fazla yaşatacaklarını dile getirdi.

Yapı Kredi Faktoring Genel Müdürü Bozkurt Çöteli, Yapı Kredi Faktoring olarak 2020 yılında işlem hacminde yüzde 5-10 aralığında bir büyümeye beklediklerini dile getirerek "Önümüzdeki dönemde de kalite ve sağlıklı büyüme için tüm segmentlerde tabana yayılmış bir müşteri portföyüne sahip olmaya devam edeceğiz. Bir yandan Türkiye'nin büyük kurumsal firmalarına hizmet verirken; diğer taraftan küçük ve orta ölçekli işletmelere de hizmetlerimizi sunmaya devam ederek liderliğimizi sürdüreceğiz" dedi.



çalış" diye konuştu. Yeni dönemde dijitaldeki çalışmalarına ağırlık vermeyi planladıklarını dile getiren Çöteli, şunları söyledi:

"Bu doğrultuda yeni fonksiyonlarla kapsamı genişlettiğimiz web sitemizin yanı sıra Finansal Kurumlar Birliği çatısı altında kurulan Ticaret Zinciri Finansman dijital platformu aracılığı ile KOBİ'lere dijitalleşmenin olanaklarını daha fazla yaşatacağız. Dijital dünyamız sunduğu imkanlardan müşterilerimizin daha iyi yararlanabilmesi adına yatırımlarımızı artırarak sürdürmeye devam edeceğiz."

Çöteli, şöyle konuştu: "Sektörümüzde dijital dönüşüm çalışmalarını yeni yeni geliştiriyor. Bunun ilk adımı olarak atılan ve Finansal Kurumlar Birliği çatısı altında kurulan "Ticaret Zinciri Finansman" dijital platformunu çok önemsiyoruz. Ticaret Zinciri Finansman dijital platformunu, dijitalleşmeyle birlikte değişen iş yapış şekillerinin bir gereksinimi ve sektörümüze heyecan katan bir gelişme olarak görüyoruz. Birlecekle ve satışı bir araya getirecek bu sistem, sadece finansman sağlamakla kalmayıp faktoring alacak yönetimi, tahsilat takibi ve garanti hizmetini dijital ortama taşıyacak ve böylelikle KOBİ'lerimize değer katacak."

## Ticaret Zinciri Finansman'ın önemi

Çöteli, müşteri ayağı bakımından sağlayacakları artırların çoğunu KOBİ müşterilerinden gerçekleştireceklerini vurgulayarak "Önümüzdeki dönemde de KOBİ'lere ulaşmayı hedefliyoruz. 2020 yılında da daha önce hiç faktoring hizmetlerinden yararlanmamış KOBİ'leri faktoringle tanıştırmaya amacıyla hareket edeceğiz. KOBİ'lerimize faktoringin iyi bir çözüm alternatifini olduğunu anlatacağız. Öte yandan ihracat ve yurt içi tedarikçi ürünlerimize ilgili çalışmalarımızı yoğunlaştıracağız."

"Markamızın da işaret ettiği üzere, bir sermaye sağlayıcıdan daha fazlasınız. Gerçek bir stratejik iş ortağıyız."



Oğuz Çaneri  
Yönetim Kurulu Başkanı  
ve Genel Müdür

## "FKB üyesi şirketler reel sektörü destekliyor"

Finansal Kurumlar Birliği'nin (FKB) temsil ettiği faktoring, leasing ve finansman şirketlerinin dokuz ayık konsolide verilerine göre sektörün aktif toplamı 141 milyar TL, öz kaynak büyüklüğü 26,5 milyar TL, müşteri sayısı 2,8 milyon oldu. FKB Başkanı Aynur Eke, piyasalardaki dalgalanmalar ve pandemiye rağmen, FKB üyesi şirketlerin reel sektöre desteklemeye devam ettiklerini söyledi. Eke, "Sektörümüz kredi kullanırken ve



Aynur Eke

KOBİ'lerimizde kredi verirken BSMV hesap etmek zorunda. Bu, diğer vergilere benzeriyle KOBİ'lerin kredi maliyetini artırıyor" dedi. Sektörün arasında arbitraj yaratan yüklerin kaldırılması taleplerini otomatlara iletilmesini kaydeden Aynur Eke, sektörün aktifinde yer alan alacakların menkulleştirilmesi suretiyle alternatif finans kaynaklarına ulaşmaya yönelik çalışmaları da SPK nezdinde sürdürdüklerini aktardı.



VIZYON

## Dijital Dönüşüm Finansmanı ile

teknolojik ihtiyaçlara kolay ulaşım sağlıyoruz

"KOBİ ve ticari firmalarımıza ihtiyaç duydukları teknolojiye daha kolay ulaşmaları için 'Dijital Dönüşüm Finansmanı'nı geliştirdik." diyen **Turkcell Finansman A.Ş. Genel Müdürü ve Yönetim Kurulu Üyesi Korhan Bilek**, çözümün bütünsel olarak verilmesindeki avantajı ise firmaların ihtiyaçlarını ve projelerini daha iyi tanıyan bir çözüm ortağı ile çalışmak olarak değerlendiriyor.



### "Ticaret Zinciri Finansmanı Sistemi" ile yeni bir dönemin kapısı açılıyor



**Finansal Kurumlar Birliği** bünyesinde, 2019 yılında hayata geçirilen Ticaret Zinciri Finansmanı Sistemi (TZFS) ile ekonomimizin can damarı olan tedarikçi KOBİ'lerimizin elektronik ortamda yapacakları alacak devri ve çoğunluğu büyük ölçekli olan alıcı firmalardan alınacak teyit ile finansmana daha hızlı, güvenli ve ucuz bir şekilde ulaşmaları sağlanmaktadır. Aynı zamanda tedarikçi KOBİ'lerin finansman maliyeti, alıcı firmanın kredibilitesine göre belirlendiğinden, alıcı firma da mal ve hizmeti daha uygun fiyata ve kesintisiz temin edebilmektedir.



TZFS'ye dahil olan finans kurumu ise alıcı firma tarafından teyit edilen ve/veya sigorta şirketi tarafından garanti altına alınmış alacakları devralarak kapalı devre bir iş akışı oluşturur ve bu sayede alternatif finans kaynağı yaratır.

Blockchain mantığında güvenli bir şekilde ve merkezi bir yapıda tasarlanmış olan TZFS ile KOBİ'lerimizin ticari alacaklarını yine sistem üzerinden ticarete para gibi kullanabilmeleri, Devlet Destekli Alacak Sigortası ile entegre olarak bu havuzda oluşan alacaklar portföyünün menkul kıymetleştirilerek ucuz

fon sağlanması, re-finance yolu ile de yurtdışından yeni kredi kaynaklarına ulaşması hedeflenmektedir.

Sistemin makroekonomik avantajları;

- Ticari aktiviteye ilişkin anlık bilgi sahibi olunacağından makroekonomik değişkenlerin tahmin edilmesi hususunda fayda sağlanacak, pro-aktif tedbirler alınabilecektir.
- Kayıtdışı ekonomi önemli ölçüde azaltılacaktır.
- KOBİ'ler, büyük ölçekli firmalar ve finans kurumlarının içinde bulunduğu tedarik zinciri ekosistemi daha kurumsal bir yapıya kavuşacaktır

www.fkb.org.tr

# Aktif büyüklükleri 141 milyar TL oldu

**F**aktoring, finansal kiralama ve finansman şirketlerinin yılın 9 aylık döneminde aktif toplamı 141 milyar lira, öz kaynak büyüklüğü 26,5 milyar lira, müşteri sayısı da 2 milyon 800 bin olarak gerçekleşti.

**Güçlü büyüme sağlandı**  
Finansal Kurumlar Birliği (FKB) faktoring, finansal kiralama ve finansman şirketlerinin 2020 yılın 9 aylık döneminde aktif toplamı 141 milyar lira, öz kaynak büyüklüğü 26,5 milyar lira, müşteri sayısı da 2 milyon 800 bin olarak gerçekleşti.



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## 2020'de KOBİ'lerin Yatırım Finansmanlarını Artıracağız

Mart 18, 2020



### BANKACILIK DIŞI FİNANS SEKTÖRÜ'NÜN İSTİKRARLI BÜYÜMESİ SÜRÜYOR!



Finansal Kurumlar Birliği'nin temsil ettiği dış sektörler aktif büyüklüklerinde bulunan Finansal Kurumlar Birliği Başkanı Ayhan Eke, finansal piyasalarındaki gelişmeler ve sektördeki yatırımların artarak devam ettiğini belirtti.

FKB olarak temsil ettikleri finansal kiralama, faktoring ve finansman sektörlerini daha verimli hale getirmek ve ülke ekonomisine verdikleri katkıya güçlenerek devam etmelerini vurguladı.

Finansal Kurumlar Birliği'nin temsil ettiği dış sektörler aktif büyüklüklerinde bulunan Finansal Kurumlar Birliği Başkanı Ayhan Eke, finansal piyasalarındaki gelişmeler ve sektördeki yatırımların artarak devam ettiğini belirtti.

Uzun süreli dijital platformlar üzerinden işlem yapılabilmesine yönelik düzenlemeler kapsamında BDDK nezdinde devam ettirilen işlemler Eke, sektörlerin aktiflerinde yer alan alacakların menkul kıymetleştirilmesi suretiyle alternatif finans kaynaklarına ulaşmaya yönelik çalışmaların da SPK nezdinde sürdürüldüğünü belirtti. Tüm bunlar ve benzeri hususlara ilişkin düzenlemelerin yapılarak finansal alanda büyük bir çoğunlukta bankacılık sektörü üzerinde olumlu haliyle, reel sektörde daha fazla yatırıma olanak arz ettilerini ileri sürdü.

**2021 yatırımlarında artışa geçilecek...**  
"Normal şartlarda 2020 yılının yatırımlarının büyüyeceği bir yıl olması düşünülmüştü. Ancak yaşanan gelişmelerle birlikte, mevcut koşulların daha değeri olduğu bir döneme girildi. Genel belki bir noktaya geleneği çalışmaların dünyaya yansıdığı umut verici. Sayın Cumhurbaşkanımızın değerli liderliğiyle gelişen reformlar, 2021'e daha olumlu baktığımızı sağlıyor. Türk ekonomisinin gelişene ve değişen dünyaya karşısında hızlı aktyör olmaya güvenen bir olarak, 2021 yılının ikinci yarısında eğilimi yeni yatırımlar ile birlikte büyüme yönünde olacağını düşünüyorum."

**"Üretip, ürettilimci dışarıya satacağız"**  
Üretip, ürettilimci dışarıya satacağız diyen Ayhan Eke, "Bunu da ülke olarak özneli olduğumuz sektörlerde yapacağız" dedi. Başta sanayi, turizm, tekstil ve savunma sanayi sektörlerinin öncü ve aktif güç olduklarını kaydeden Eke, Türkiye'nin teknoloji büyüme potansiyeli çok kısa sürede yeniden kavuşacağına inanacağını vurguladı.

FKB çatısı altında temsil edilen dış sektörlerin finansal performansına ilişkin de bilgi veren Eke, "Finansal



## İş Leasing, ilk çeyrekte yeni işlemlerden % 13.3 pay aldı

Konsolide aktif büyüklüğü 8.9 milyar TL'ye ulaşan İş Leasing, bu yılın ilk çeyreğinde müşterileriyle 127 milyon dolar tutarında leasing sözleşmesi imzaladı ve sektördeki yeni işlemlerden yüzde 13.3'lük pay aldı.

Yaygın hizmet ağı ve kaynak sağladığı yatırımlarla ekonomiye katkıda bulunmaya devam eden İş Leasing, uyguladığı sürdürülebilir büyüme stratejisi ile 2020 yılının ilk çeyrek dönemini 89 milyon dolar yeni işlem hacmi ile tamamladı. Şirket, aynı dönemde müşterileriyle 127 milyon dolar tutarında leasing sözleşmesi imzaladı ve sektördeki yeni işlemlerden yüzde 13.3'lük pay aldı.

Şirketin konsolide aktif büyüklüğü 8.9 milyar TL'ye ulaştığını kaydeden İş Leasing Genel Müdürü Mehmet Karakılıç, leasing portföyünün 2019 yıl sonuna göre yüzde 5 artarak 5.3 milyar TL'ye ulaştığını ifade etti. İş Leasing'in takipteki kredilerinin leasing portföyüne oranının sektör ortalamasının önemli ölçüde altında olduğunu dile getiren Karakılıç, 2019 yılında olduğu gibi 2020 yılının ilk çeyreğinde de pazar payını geliştirmeye devam ettiklerini belirtti.

### "Müşteri odaklı yaklaşımımızı derinleştiriyoruz"

Müşteri memnuniyetine dayalı büyüme politikası sonucunda İş Leasing'in 2019 yılında Capital Dergisi tarafından Türkiye'nin en beğenilen leasing şirketi seçildiğini söyleyen Mehmet Karakılıç, "Müşteri odaklı yaklaşımımızı derinleştiriyoruz. Portföyümüze yeni müşteriler katarak ve dijital yatırımlarımıza ağırlık vererek müşterilerimizin beğenisine layık olmaya çalışıyoruz. İlk çeyrek sonuçlarına göre leasing alacakları ve müşteri adedi açısından sektördeki payımızı önemli oranda artırdık. Bu gelişimi sağlarken aktif kalitemizi ön planda tutmaya özen gösterdik" dedi. Dijital altyapısı sayesinde koronavirüs salgınının yoğun olarak hissedilmeye başlandığı mart ayı ortasından bu yana çalışanlarının önemli bir bölümünün uzaktan hizmet verdiğini anlatan Karakılıç, koronavirüs salgını nedeniyle hem müşterilere ve hem de çalışanlara yönelik çok sayıda tedbiri hayata geçirdiklerini söyledi.

### "Leasing taksit ödemelerinde müşteriye kolaylık sağlıyoruz"

Salgın döneminde de işleri kesintiye uğrayan müşterilerin yanında olmaya odaklandıklarını belirten Mehmet Karakılıç, "Bu bağlamda; leasing taksit ödemelerinin ertelenmesini talep eden müşterilerimize imkanlarımız dahilinde gereken her türlü kolaylığı sağlıyoruz. Önümüzdeki dönemde de yurt içi ve dışından sağlayacağımız kaynakları başta ih-



## Fiat'tan ticaret dünyasına destek

FIAT Professional, Doblo, Fiorino ve Pratico modelleri için sunduğu avantajlı faiz ve ödeme fırsatlarına devam ediyor. Fiat Professional'ın Haziran ayı satış kampanyasında, Koç Fiat Kredi (KFK) ayrıcalığıyla tüm Doblo, Fiorino ve Pratico modellerinde 60 bin liraya 15 ay boyunca yüzde 0 faizli kredi fırsatı sunuluyor. Ödemelerin 4 ay sonra başladığı kredi kampanyasıyla Fiat Professional, Koronavirüs salgını sonrası normalleşme sürecinde ticaretin erbablarına önemli bir kolaylık sağlamış oluyor. Marka, Ducato modelleri için de cazip kredi avantajları sunmayı sürdürüyor. Kampanya kapsamında, 60 bin liraya 15 ay boyunca yüzde 0,59 faiz oranlı kredi imkanı ay boyunca geçerliliğini koruyor. Fonksiyonellik, otomobil konforun-



## 'LEASING'İN AVANTAJLARI

### EKONOMİ SERVİSİ

Yatırım yapmak, işini büyütmek, menkul ve gayrimenkul almak isteyenler için işletme sermayesini harcamadan orta ve uzun vadeli finansman yöntemi olan leasingin yatırımcı ve işletmeciler için birçok avantajı bulunmaktadır. İş Leasing'in web si-

birlikte, taksitler halinde geri ödeyerek nakit akışınızı kolayca yönetebilirsiniz.

■ Her türlü vergi, resim ve harçtan muaf olmanın avantajlarını değerlendirebilirsiniz.

■ Leasing, orta ve uzun vadede sabit kira ile borçlanma olanağı sağlar. Yatırımlarınızda leasineci tercih ederek banka kredi













## İş Leasing ve TEV'den işbirliği

İş Leasing, Türk Eğitim Vakfı (TEV) ile birlikte yeni bir sosyal sorumluluk projesine başladı. Buna göre, İş Leasing TEV bünyesinde oluşturulan burs fonuna, gönüllü olarak bağlı olacak çalışanlarının da desteği ile TEV bursiyerleri olan öğrencilerin eğitimine katkıda bulunacak.

Konu hakkında açıklama yapan İş Leasing Genel Müdürü Mehmet Karakılıç, "Bu değerli projeyi TEV ile hayata geçirmekten büyük memnuniyet duyuyoruz. TEV aracılığıyla güzel bir gelecek



Mehmet Karakılıç

## BANKACILIK DIŞI FİNANS SEKTÖRÜ KOBİ'LERE DESTEĞİNİ SÜRDÜRÜYOR

Finansal Kurumlar Birliği (FKB), Faktoring, Finansal Kiralama ve Finansman Şirketlerinin 2020 yılı 6 aylık konsolide verilerine göre, aktif toplamı 125 milyar TL, öz kaynak büyüklüğü 25 milyar TL, müşteri sayısı 3 milyon olarak gerçekleşti. Finansal Kurumlar Birliği Başkanı Aynur Eke, Ekonomik olarak zorlu geçen yılın rağmen birliğin temsil ettiği finansal kiralama, faktoring ve finansman şirketlerinin daha verimli hale gelmek ve ekonomiyi verdikleri katkıyı artırmak üzere çalışmalarını sürdürüyor.

Finansal Kurumlar Birliği (FKB), Faktoring, Finansal Kiralama ve Finansman Şirketlerinin 2020 yılı 6 aylık konsolide verilerine göre, aktif toplamı 125 milyar TL, öz kaynak büyüklüğü 25 milyar TL, müşteri sayısı 3 milyon olarak gerçekleşti. Ayın başlarında açıklanan veriler, sektörün 2020 yılı 6 aylık konsolide verilerine göre, aktif toplamı 125 milyar TL, öz kaynak büyüklüğü 25 milyar TL, müşteri sayısı 3 milyon olarak gerçekleşti.

### KAMU İKTİSADİ DOĞAL GAZİTESİ

İş Leasing Genel Müdürü Mehmet Karakılıç, "Bu değerli projeyi TEV ile hayata geçirmekten büyük memnuniyet duyuyoruz. TEV aracılığıyla güzel bir gelecek



## GİRESUN'DA ZARAR GÖREN KOBİ'LERE FKB'DEN DESTEK

Faktoring, Finansal Kiralama ve Finansman Şirketlerinin 2020 yılı 6 aylık konsolide verilerine göre, aktif toplamı 125 milyar TL, öz kaynak büyüklüğü 25 milyar TL, müşteri sayısı 3 milyon olarak gerçekleşti. Finansal Kurumlar Birliği Başkanı Aynur Eke, Ekonomik olarak zorlu geçen yılın rağmen birliğin temsil ettiği finansal kiralama, faktoring ve finansman şirketlerinin daha verimli hale gelmek ve ekonomiyi verdikleri katkıyı artırmak üzere çalışmalarını sürdürüyor.

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### Bankacılık dışı finans sektörü

## KOBİ'lere desteğini sürdürüyor

Finansal Kurumlar Birliği (FKB), Faktoring, Finansal Kiralama ve Finansman Şirketlerinin 2020 yılı 6 aylık konsolide verilerini açıkladı. FKB'nin temsil ettiği üç sektörün

2020 yılı 6 aylık konsolide verilerine göre, aktif toplamı 125 milyar TL, öz kaynak büyüklüğü 25 milyar TL, müşteri sayısı 3 milyon olarak gerçekleşti.

Finansal Kurumlar Birliği (FKB), 2020 yılı ilk 6 ay konsolide verilerini açıkladı. Faktoring, Finansal Kiralama ve Finansman Şirketlerini kapsayan sektörün aktif toplamı 125 milyar TL'ye ulaştı. Finansal Kurumlar Birliği'nin temsil ettiği üç sektöre yönelik değerlendirmelerde bulunan Finansal Kurumlar Birliği Başkanı Aynur Eke, "Sektörlerimiz salgının da etkisiyle yaşanan ekonomik dalgalanmalardan geçişimci yıllara kıyasla daha fazla etkilendi. Ekonomik olarak zorlu geçen yılın rağmen finansal kiralama, faktoring ve finansman sektörlerini daha verimli hale getirmek ve ekonomiyi verdikleri katkıyı artırmak üzere çalışmalarımızı sürdürüyoruz" dedi.

2020 yılının ilk yarısında, Finansal Kiralama sektörünün alacakları 52 milyar TL seviyelerine ulaştı. Sektörün aktif büyüklüğü de 60 milyar TL'ye geçti. Faktoring sektöründe ise işlem hacmi 60 milyar TL, alacakları ise 33 milyar TL'ye ulaştı. Sektörün aktif büyüklüğü 36 milyar TL olurken öz kaynak büyüklüğü ise 8.5 milyar TL seviyelerinde gerçekleşti. Finansman Şirketleri'nin işlem hacmi ilk çeyreğe oranla artış göstererek 10 milyar TL seviyesine, aktif büyüklüğü 25.5 milyar TL'ye ulaştı. Mikro kredilerde pazara giren yeni üyelerle birlikte müşteri sayısı 2 milyon 875 bin, sektörün alacak büyüklüğü ise 21 milyar TL olarak gerçekleşti.

### KOBİ'lere sunulan destekler artıyor

Direktörlük KOBİ'lere sunulan finansman kaynakları artırmak adına çalışmalarını aktaran Eke, şunları söyledi: "KOBİ'lere sağladığımız destek ile ticaretin parlak dönemeye devam ediyor. Ekonomi yönetiminin ortaya koyduğu önlemlerle birlikte, sektörlerimizdeki hacimlerinde yaşanan artış, gelecek adına hepimizi umutlandırıyor. 2020'nin ilk yarısında pandemi nedeniyle dengelenme süreci sekileye uğramış da olsa, ikinci çeyrekte toparlanma yarın ikinci yarısında ise beklediğimiz yavaş büyümeyle birlikte sektörümüzün ırmak kazanacağıdır."



Bizler her zaman şunu söylüyoruz; bankaların üzerinden tonlama sorumluluğunu paylaşarak, reel sektöre sağladığımız desteği büyütüyoruz."

### FKB ticareti ve üretimi destekliyor

Aynur Eke, reel sektöre sürdürülebilir büyüme için kaynak sağlamaya devam edeceğini kaydetti: "Birliğimizin geliştirdiği finansmana erişim yöntemleriyle KOBİ'lerimiz, dışlaıyla ülke ekonomimizi katkımıza değerli katkıda bulunuyorlar. Bizler de bu katkıya karşılık olarak, KOBİ'lerimize yönelik desteklerimizi artırmaya devam ediyoruz. FKB olarak üyelerimizin dijital dönüşüm yolundaki çabalarını yasal düzenleme taleplerini takip ediyor ve bu dönüşümün iş süreçlerini daha güvenli ve süratli hale getireceğini, reel kesimin finansmana erişimini kolaylaştıracağını görüyoruz."

Dijital dönüşüm çerçevesinde finansmana erişimi kolaylaştırma yönünde Avrupa'daki uygulamaları inceleyerek Türkiye'ye uygun özgün modeller geliştirdiklerini aktaran Eke, şu bilgileri verdi: "Dijital platformlar üzerinden müşteriye finansman sağlayabilmemiz, hem tüm Türkiye'ye ulaşma fırsatımız olacağına hem de sektörümüze yeni oyuncuların katılacağına inanıyoruz. Böylelikle bu gelişmelerle birlikte, sektörün büyümesini umuyoruz ve stratejilerimizi dijital dönüşüm üzerine kuruyoruz. FKB üyeleri olarak, çabalarını KOBİ'lerin oluşturduğu sektörlerle katma değer sunuyoruz. Bu bakımdan, hükümetimizin aldığı tedbirler kapsamında bankacılık dışı finans kesiminin de düzenlemelerde yer almasını, piyasada tedarik zincirinin kesintisiz devamı ve istihdam artırılması için önemini vurgulamak istiyoruz."

Finansal Kurumlar Birliği olarak en büyük önceliklerinden birinin Ticaret Zinciri Finansmanı olduğunu açıklayan Eke, "KOBİ'lerimizin aktif şekilde kullanmasına ve her platformda bunu kullanarak sistemin yayılımını sağlamaya büyük önem veriyoruz. Türkiye'nin geleceği adına atılmış en önemli dijital sistemlerden biri olarak bu platformu görüyoruz" dedi.

4 Eylül 2020 KOBİ'ler 55

### TurkishBritish



Türkiye, ihracat faktoringi işlemlerinde Tayvan'ın ardından dünya ikinci sırada

26/10/2020

Faktoring şirketleri tarafından ihracatçı firmalara yönelik olarak Merkez Bankası tarafından Türk Eximbank aracılığıyla kullandırılan uygun maliyetli krediler özellikle ihracatçı KOBİ'lere önemli bir finansman desteği sağlamaktadır. Finansal Kurumlar Birliği (FKB) Başkanı Aynur Eke ihracat faktoringi hakkında bilgilendirmelerde bulundu.



Aynur Eke / Finansal Kurumlar Birliği Başkanı

Türkiye ihracat faktoringi işlemlerinde, dünyanın önde gelen oyuncularından biridir. Türkiye ekonomisinin can damarını oluşturan ve ekonomiyi %56 oranında katma değer sağlayan KOBİ'lerin sıkı sıkıya bağlı olduğu finansal enstrümanlardan olan Faktoring, mal ve hizmet satışından doğmuş ve doğacak vadeli alacakların teminli yoluyla bir faktoring şirketine devredilmesi, bu alacakların da faktoring şirketi tarafından yönetilmesidir. Faktoring, sunduğu hizmetler ile ticari alacakların finansal nedenlerden dolayı ödenememe riskini üstlenir, tahsilat

işlemlerini takip eder, alacakları vadesinden önce nakde döndürür. Kısaca ifade etmek gerekirse faktoring; garanti, tahsilat ve finansman olarak sınıflandırılacak üç hizmet, tarafların ihtiyaçlarına göre bir arada veya ayrı ayrı sunulmaktadır.

Faktoring işlemleri, alıcı ve satıcı firmaların yerleşik olduğu ülkeye göre yurtiçi ve yurtdışı faktoring olarak sınıflandırılmaktadır. Türkiye ağırlıklı olarak yurtiçi faktoring işlemlerinin yapıldığı bir ülke olmakla birlikte, yurtdışı faktoring işlemlerinde özellikle de ihracat faktoringi işlemlerinde, dünyanın önde gelen oyuncularından biridir. Uluslararası Faktoring Birliği'nin (FCI) 2019 yılı verilerine göre; Türkiye, ihracat faktoringi işlemlerinde Tayvan'ın ardından dünya ikinci sırada bulunmaktadır.

Ihracat faktoringi işlemlerinde faktoring şirketi, garanti ve tahsilat hizmetlerini çoğu zaman yaygın muhabir ağıni kullanarak vermekte, gerekli durumlarda ise bu hizmetleri doğrudan kendisi de üstlenebilmektedir. Ayrıca, ihracatçı firmaların talebi olmasi halinde ihracatçı alacakları için finansman hizmeti de sağlanabilmektedir. Faktoring şirketleri tarafından ihracatçı firmalara yönelik olarak Merkez Bankası tarafından Türk Eximbank aracılığıyla kullandırılan uygun maliyetli krediler özellikle ihracatçı KOBİ'lere önemli bir finansman desteği sağlamaktadır. Buna ek olarak, ihracat faktoringi yapan firmaların diğer kazanımları da aşağıdaki şekilde sıralamak mümkündür:



**Finansal Kiralama, Faktoring ve  
Finansman Şirketleri Birliđi and  
Subsidiaries**

Consolidated Financial Statements  
As at and for the Year Ended  
31 December 2020  
With Independent Auditor's Report



# INDEPENDENT AUDITOR'S REPORT



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

## A) Audit of the Consolidated Financial Statements

### Opinion

We have audited the consolidated financial statements of Finansal Kiralama, Faktoring ve Finansman Şirketleri Birliği ("the Association") and its subsidiaries (together will be referred to as "the Group"), which comprise the consolidated statement of financial position as at 31 December 2020, the consolidated statements of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

### Basis for Opinion

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

### Key Audit Matters

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

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

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

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

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

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

Responsibilities of auditors in an audit are as follows:

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



# INDEPENDENT AUDITOR'S REPORT

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## B) Other Legal and Regulatory Requirements

- 1) Pursuant to the fourth paragraph of Article 402 of Turkish Commercial Code ("TCC") numbered 6102; no significant matter has come to our attention that causes us to believe that for the period between 1 January 2020 and 31 December 2020, the Association's bookkeeping activities and consolidated financial statements are not in compliance with TCC and provisions of the Association's articles of association in relation to financial reporting.
- 2) Pursuant to the fourth paragraph of Article 402 of the TCC; the Board of Directors provided us the necessary explanations and required documents in connection with the audit.

KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.  
A member firm of KPMG International Cooperative



Ali Taşkın Uzun, SMMM  
Partner

31 March 2021

İstanbul, Turkey



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# CONSOLIDATED STATEMENT OF FINANCIAL POSITION (BALANCE SHEET) FOR THE YEAR ENDED 31 DECEMBER 2020

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

	Notes	Current period Audited 31 December 2020	Prior period Audited 31 December 2019
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	3	14,269,432	17,510,669
Trade receivables	5	541,821	504,482
Other receivables	6	168	84,518
Current tax assets	11	1,732	18,061
Other current assets	7	127,720	35,244
<b>Total current assets</b>		<b>14,940,873</b>	<b>18,152,974</b>
<b>Non-current assets</b>			
Subsidiaries	10	8,288,186	--
Property, plant and equipment	8	4,190,707	230,253
Intangible assets	9	2,031,991	2,083,955
Deferred tax asset	17	--	15,123
Other non-current assets		63,653	8,617
<b>Total non-current assets</b>		<b>14,574,537</b>	<b>2,337,948</b>
<b>Total assets</b>		<b>29,515,410</b>	<b>20,490,922</b>

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



# CONSOLIDATED STATEMENT OF FINANCIAL POSITION (BALANCE SHEET) FOR THE YEAR ENDED 31 DECEMBER 2020

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

	Notes	Current period Audited 31 December 2020	Prior period Audited 31 December 2019
<b>Liabilities and Equity</b>			
<b>Current liabilities</b>			
Short term lease liabilities	4	1,253,118	--
Trade payables	12	819,964	734,949
Employee termination benefits obligations	14	556,064	533,929
Deferred income	16	3,537,500	3,497,500
Current provisions for employee termination benefits	15	309,329	142,724
Tax payables	17	147,096	65,454
Other current liabilities	13	120,699	53,980
<b>Total current liabilities</b>		<b>6,743,770</b>	<b>5,028,536</b>
<b>Non-current liabilities</b>			
Long term lease liabilities	4	3,163,802	--
Deferred tax liabilities	17	3,136	8,104
Provisions for long-term employee benefits	15	395,101	371,851
<b>Total non-current liabilities</b>		<b>3,562,039</b>	<b>379,955</b>
<b>Total liabilities</b>		<b>10,305,039</b>	<b>5,408,491</b>
<b>Shareholders' equity</b>			
Other accumulated expenses that will not be reclassified to profit or loss		(79,857)	(149,096)
- <i>Defined benefit plans re-measurement (losses)/gains</i>		(79,857)	(149,096)
Legal Reserves		15,000	15,000
Retained earnings		15,216,527	8,107,888
Net period income/(loss)		4,057,931	7,108,639
<b>Total equity</b>		<b>19,209,601</b>	<b>15,082,431</b>
<b>Total liabilities and shareholders' equity</b>		<b>29,515,410</b>	<b>20,490,922</b>

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



# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2020

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

	Notes	Current period Audited January 1 - 31 December 2020	Prior period Audited January 1 - 31 December 2019
<b>Profit or loss</b>			
Sales	18	22,976,990	24,212,742
Cost of sales (-)	18	(6,195,870)	(5,024,559)
<b>Gross profit</b>		<b>16,781,120</b>	<b>19,188,183</b>
General administrative expenses (-)	19	(12,848,593)	(13,556,607)
Other operating income	20	19,130	203,398
Other operating expense (-)	20	(151,263)	(131,878)
<b>Operating profit</b>		<b>3,800,394</b>	<b>5,703,096</b>
Financial income	21	1,539,542	1,817,460
Financial expense (-)	22	(838,704)	(35,137)
<b>Profit/(loss) before tax from continuing operations</b>		<b>4,501,232</b>	<b>7,485,419</b>
-Tax expense for the period	17	(443,728)	(382,232)
-Deferred tax income	17	427	5,452
<b>Net period income</b>		<b>4,057,931</b>	<b>7,108,639</b>
<b>Other comprehensive income or loss</b>			
<b>Will not be reclassified to income or loss</b>			
-Actuarial income/(loss)	15	79,821	(63,481)
-Deferred income/(expense)	17	(10,582)	(1,639)
<b>Other comprehensive income or loss</b>		<b>69,239</b>	<b>(65,120)</b>
<b>Total comprehensive income or loss</b>		<b>4,127,170</b>	<b>7,043,519</b>

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



## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020

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

	Other comprehensive income and expenses not to be reclassified to profit or loss				
	Defined benefit plans remeasurement losses	Legal reserves	Net Profit/ (Loss)	Retained Earning	Total shareholders' equity
<b>Balance as of January 1, 2019</b>	<b>(83,976)</b>	<b>15,000</b>	<b>(1,442,863)</b>	<b>9,550,751</b>	<b>8,038,912</b>
Transfers	--	--	1,442,863	(1,442,863)	--
Net income/(loss) for the period	--	--	7,108,639	--	7,108,639
Other comprehensive income/(loss)	(65,120)	--	--	--	(65,120)
<b>Total comprehensive income/(loss)</b>	<b>(65,120)</b>	<b>--</b>	<b>7,108,639</b>	<b>--</b>	<b>7,043,519</b>
<b>Balance as of December 31, 2019</b>	<b>(149,096)</b>	<b>15,000</b>	<b>7,108,639</b>	<b>8,107,888</b>	<b>15,082,431</b>
<b>Balance as of January 1, 2020</b>	<b>(149,096)</b>	<b>15,000</b>	<b>7,108,639</b>	<b>8,107,888</b>	<b>15,082,431</b>
Transfers	--	--	(7,108,639)	7,108,639	--
Net income/(loss) for the period	--	--	4,057,931	--	4,057,931
Other comprehensive income/(loss)	69,239	--	--	--	69,239
<b>Total comprehensive income/(loss)</b>	<b>69,239</b>	<b>--</b>	<b>4,057,931</b>	<b>--</b>	<b>4,127,170</b>
<b>Balance as of December 31, 2020</b>	<b>(79,857)</b>	<b>15,000</b>	<b>4,057,931</b>	<b>15,216,527</b>	<b>19,209,601</b>

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



# CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2020

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

	Notes	Current period Audited 1 January- 31 December 2020	Prior period Audited 1 January- 31 December 2019
<b>Cash flows from operating activities:</b>			
Net profit/(loss) for the year		4,057,931	7,108,639
<b>Adjustments for the reconciliation of net profit and net cash gained from operating activities:</b>			
Entrance fees and accrued shareholding costs	16	40,000	1,228,833
Depreciation and amortization	8, 9	1,879,399	406,463
Tax adjustments	17	443,301	376,780
Provision for employee termination benefits	15	103,071	205,568
Provision for unused vacation liability	15	166,605	(19,717)
Provision for doubtful receivables	5	(213,930)	(255,898)
Interest income	21	(1,543,307)	(1,817,460)
Interest expense	22	188,604	--
<b>Cash flows from operating activities before changes in operating assets and liabilities</b>		<b>5,121,674</b>	<b>7,233,208</b>
Changes in trade receivables, other receivables	5	201,941	(203,355)
Changes in other current assets	7	(92,476)	65,353
Changes in other non current assets		(55,036)	(7,813)
Changes in trade payables	12	85,015	205,315
Changes in employee benefit obligations	14	22,135	308,555
Changes in other payables and other liabilities	13	66,719	(518,515)
Tax paid	17	(345,757)	(80,655)
<b>Net cash used from operating activities</b>		<b>5,004,215</b>	<b>7,029,707</b>
<b>Cash flows from investing activities</b>			
Acquisition of subsidiary, net of cash acquired	10	(8,288,186)	--
Interest received	21	1,458,164	1,919,609
Cash flow from property, plant and equipment and intangible asset purchase	8,9	(295,902)	(1,102,672)
<b>Cash flows from investing activities</b>		<b>(7,125,924)</b>	<b>816,937</b>
Acquisition of related to financial lease contracts	4	(1,825,371)	--
Interests paid		620,700	--
<b>Net cash/(used in) financing activities</b>		<b>(1,204,671)</b>	<b>--</b>
Net changes in cash and cash equivalents		(3,326,380)	7,846,644
Cash and cash equivalents at the beginning of the period	3	17,492,136	9,645,492
<b>Period-end cash and cash equivalents</b>	<b>3</b>	<b>14,165,756</b>	<b>17,492,136</b>

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



## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT AS OF 31 DECEMBER 2020**

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

### **1. GROUP'S ORGANIZATION AND NATURE OF ACTIVITIES**

Law No. 6361 on Leasing, Factoring and Financing Companies ("Law") Pursuant to Article 40, the Association of Financial Leasing, Factoring and Financing Companies ("FKB" or "Association") is a public institution that has a legal entity and is a public institution established by the publication of its Status in the o") in the Official Gazette on 25 July 2013. With the General Assembly meeting held on 5 July 2019, the new term Board of Directors was elected for 3 years and took over.

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

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

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

Association and its subsidiaries together as the "Group" are operating in Turkey and located in Esentepe Mahallesi, Büyükdere Caddesi, Bahar Sokak, No: 13 River Plaza Kat: 18 Ofis No: 48-49 34394 Şişli, İstanbul, Türkiye. As of the balance sheet date the number of personnel of the Group is 20 (December 31, 2019: 22).

#### **Association's subject of activity:**

The Association is a professional institution that has a legal personality established in accordance with the Law and is a public institution.

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

The Association performs the following tasks to accomplish this aim:

- a) Create policies for the development of sectors and relevant professions and take decisions,
- b) Determine the professional principles and standards that companies have to comply,
- c) To provide the companies to work in the unity, dignity and discipline that the profession requires according to the needs of the economy, by determining the principles and ethics of the profession,
- d) Inform the companies about the decisions taken by relevant legislation and by the Agency and the measures,
- e) Take the necessary measures to protect the competitive environment,
- f) Represent the sectors in the country and abroad, to promote and to make efforts to enlighten the public on this issue,
- g) Transfer the information which is collected through the economy, the financial sector and domestic and international developments in their system by monitoring; to its members and relevant persons,
- ğ) Giving advices to official authorities and organizations about the issues of the companies and sectors,
- h) Take decisions that will strengthen professional solidarity relations between the companies,
- ı) Ensure the cooperation on joint projects between the members,
- i) Collect the companies' and sectors' unconfidential statistics and announce to public,
- k) Follow up the regulations related to the sectors and to publicize these regulations to companies,
- l) Identify the principles to be followed in advertisements and announcements of the companies under the relevant legislation



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT AS OF 31 DECEMBER 2020

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

- m) Follow up the implementation of the decisions and measures and decide to administrative penalty about the companies do not exactly comply with these totally and on time, within the context of the law,
- n) Organize seminars symposiums, conferences and such education programs on issues related to industry,
- o) Litigate about the common interests of the companies according to the Board of Directors' decision,
- p) Take the measures which are required to be taken by the Agency,
- r) Determine the principles and procedures related to the registration of lease contracts to the special registry, by taking the relevant opinion of the Board,
- s) Consolidate the information about the assigned receivables including the invoice information of the factoring companies and banks with approval of the Association under the consideration of the Risk Center, determine the procedures and principles about sharing the information.
- t) Carry out other tasks given by the legislation

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

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



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT AS OF 31 DECEMBER 2020

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

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

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

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

- a. Making necessary investments according to Financial Leasing, Factoring and Financing Companies Law numbered 6361, Articles 21 and 22 for the establishment of the system related to registration process,
- b. Making operational and personnel expenses for the system to be run on a regular basis,
- c. Performing all kind of activities in order to generate service revenue from registration process,
- d. Organizing trainings, conferences, publications and consulting activities regarding the registration process,
- e. Investing the revenue collected as a result of financial activities and depositing the revenue to the bank accounts that are deemed appropriate, being authorized for such actions.
- f. Signing of financial leasing contracts to be signed by financial leasing companies with their customers, making transactions regarding the receipt of guarantees within the scope of the contract, valuation and on-site supervision of the goods subject to the financial lease or the guarantee received in this context, assembly, transportation, storage and sale of goods returned to financial leasing companies from their tenants, financial leasing companies realizing the activities of determining whether the companies that sell the contracted goods to the leasing companies are production adequacy and/or whether they are authorized dealers, or coordinating the realization by a third party;
- g. In order to meet the needs of the Financial Leasing Industry; to produce, develop, process, reproduce, distribute, trade and provide services related to software products that are software or inseparable parts of them, and service packages created with these software and any other similar software;
- h. Producing services in the fields of informatics, communication, electronic communication environment, internet multimedia; to import, export and internal trade of all kinds of computer hardware, software, provided that they comply with the current legislation;
- i. Maintaining, repairing, modifying and leasing these hardware and software; to carry out all kinds of software development and licensing activities, to import, export and domestic sales;
- j. To provide installation and operation services of computer systems; To be active in all kinds of training and consultancy issues such as seminars, conferences, which may benefit the economic enterprise activities by contributing to the development of the leasing sector, related to all kinds of activities and services provided within the Financial Leasing Economic Enterprise.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT AS OF 31 DECEMBER 2020

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

### 2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

#### A. Explanations on basis of presentation

##### Statement of compliance with Turkish Financial Reporting Standards ("TFRS")

Association's the accompanying financial statements are prepared in accordance with Turkish Financial Reporting Standards ("TFRS"s). TFRSs consist of standards and interpretations which are published by Public Oversight Accounting and Auditing Standards Authority ("POA") as Turkish Accounting Standards ("TAS"), Turkish Financial Reporting Standards, interpretations of TAS and interpretations of TFRS.

The financial statements are presented in accordance with the formats in the Illustrative Financial Statements and User Guide published in the Official Gazette numbered 30794 on 7 June 2019 and Electronic Financial Reporting Formats issued by POA.

Group's, which are subject to independent audit pursuant to the Turkish Commercial Code numbered 6102 that are not obliged to apply the TFRSs in accordance with the Board Decision of POA related to the Scope of Application of TAS, may prepare their financial statements in accordance with TFRSs. In this context, the Group management has preferred to prepare its financial statements as at 31 December 2020 in accordance with TFRSs as in prior period financial statements.

##### Approval of consolidated financial statements:

The consolidated financial statements prepared related to the accounting period which end up on

31 December 2020 have been approved by the Management of the Group on 18 March 2021 and will be submitted for approval in the first General Assembly that will take place. In the framework of the legislation, the Group's authorized Boards and the regulatory institutions have the authority to alter the financial statements.

Functional and presentation currency

These financial statements are presented in TL which is the Company's functional currency. All financial information has been presented in TL at full term, except when otherwise indicated.

##### Comparative information and restatement of prior period financial statements

In accordance with coherency principle, current period financial statements of the Entity are prepared in comparison with previous period. Comparative information is rearranged or reclassified in order to ensure compliance with presentation of profit or loss and other comprehensive income statements of current period.

##### Netting/Offset

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

##### Basis of consolidation

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

Consolidated financial statements include the financial statements of the Association and its subsidiaries as of 31 December 2020. The balance sheet prepared in accordance with the Turkish Financial Reporting Standards ("TFRS") of the subsidiaries has been consolidated with the Association's balance sheet.

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

Field of activity of commercial enterprises, respectively are;

- To make the necessary investments for the establishment of related systems about registration process specified in articles 21 and 22 of the relevant law and operates in accordance,



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT AS OF 31 DECEMBER 2020

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

- According to 'Central Invoice Recording' entitled under Article 43 at related law, to make required investments in order to establish the system that consolidate the information concerning the receivables (including invoice information) that are assigned to factoring companies and banks,
- To expand and develop activities of the Financial Leasing, Factoring and Finance Companies in Turkey.

Commercial enterprises consolidated are as follows:

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

### B. Summary of Significant Relevant Accounting Policies

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

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

#### **Classification of Liabilities as Current or Non-current (Amendments to TAS 1)**

On 23 January 2020, IASB issued "Classification of Liabilities as Current or Non-Current" which amends IAS 1 Presentation of Financial Statements to clarify its requirements for the presentation of liabilities in the statement of financial position which are issued by POA on 12 March 2020 as amendments to TAS 1.

The amendments clarify one of the criteria in TAS 1 for classifying a liability as non-current—that is, the requirement for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period.

The amendments include:

- Specifying that an entity's right to defer settlement must exist at the end of the reporting period;
- Clarifying that classification is unaffected by management's intentions or expectations about whether the entity will exercise its right to defer settlement;
- Clarifying how lending conditions affect classification; and
- Clarifying requirements for classifying liabilities an entity will or may settle by issuing its own equity instruments.

The Association shall apply retrospectively these amendments for annual periods beginning on or after 1 January 2022 with earlier application permitted. However, IASB decided to defer the effective date of IAS 1 until 1 January 2023 with the amendment published on 15 July 2020, and the amendment was issued by POA on 15 January 2021.

The Association is assessing the potential impact on its financial statements resulting from the application of the amendments to IAS 1.

#### **Property, Plant and Equipment—Proceeds before Intended Use (Amendments to TAS 16)**

In May 2020, IASB issued Property, Plant and Equipment—Proceeds before Intended Use, which made amendments to IAS 16 Property, Plant and Equipment. The amendments prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss.



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The amendments improve transparency and consistency by clarifying the accounting requirements—specifically, the amendments prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss. And then, TAS 16 amendment was issued on 27 July 2020 by POA to reflect these amendments.

The Association shall apply these amendments for annual periods beginning on or after 1 January 2022 with earlier application permitted.

### IBOR Reform and its Effects on Financial Reporting—Phase 2

In August 2020, IASB has published amendments which is issued by POA in 18 December 2020 that complement those issued in 2019 and focus on the effects of the interest rate benchmark reform on a company's financial statements that arise when, for example, an interest rate benchmark used to calculate interest on a financial asset is replaced with an alternative benchmark rate.

The Phase 2 amendments, Interest Rate Benchmark Reform—Phase 2, address issues that might affect financial reporting during the reform of an interest rate benchmark, including the effects of changes to contractual cash flows or hedging relationships arising from the replacement of an interest rate benchmark with an alternative benchmark rate (replacement issues). In 2019, the Board issued its initial amendments in Phase 1 of the project and then these amendments were also issued by POA.

The objectives of the Phase 2 amendments are to assist companies in:

- applying TFRS Standards when changes are made to contractual cash flows or hedging relationships because of the interest rate benchmark reform; and
- providing useful information to users of financial statements.

In Phase 2 of its project, the Board amended requirements in TFRS 9 Financial Instruments, TAS 39 Financial Instruments: Recognition and Measurement, TFRS 7 Financial Instruments: Disclosures, TFRS 4 Insurance Contracts and TFRS 16 Leases relating to and these amendments were also issued by POA:

- changes in the basis for determining contractual cash flows of financial assets, financial liabilities and lease liabilities;
- hedge accounting; and
- disclosures.

The Phase 2 amendments apply only to changes required by the interest rate benchmark reform to financial instruments and hedging relationships.

### Annual Improvements to TFRS Standards 2018-2020

#### Improvements to TFRSs

For the current standards, "Annual Improvements in TFRSs/2018-2020 Cycle" published by POA on 27 July 2020 is presented below. The amendments are effective as of 1 January 2022. Earlier application is permitted. The Company does not expect that application of these improvements to TFRSs will have significant impact on its financial statements.

#### *TFRS 1 First-time Adoption of International Financial Reporting Standards*

This amendment simplifies the application of TFRS 1 for a subsidiary that becomes a first-time adopter of IFRS Standards later than its parent - i.e. if a subsidiary adopts TFRS Standards later than its parent and applies TFRS 1.D16(a), then a subsidiary may elect to measure cumulative translation differences for all foreign operations at amounts included in the consolidated financial statements of the parent, based on the parent's date of transition to TFRSs. This amendment will ease transition to TFRS Standards for subsidiaries applying this optional exemption by i) reducing undue costs; and ii) avoiding the need to maintain parallel sets of accounting records.



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### *TFRS 9 Financial Instruments*

This amendment clarifies that – for the purpose of performing the “10 per cent test” for derecognition of financial liabilities – in determining those fees paid net of fees received, a borrower includes only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other’s behalf.

### *Amendments are effective on 1 January 2020*

Changes that have become effective and have been adopted for annual periods beginning on or after 1 January 2022

The changes that become effective as of January 1, 2020 are as follows:

1-) The revised Conceptual Framework (Version 2018)

2-) Amendments to TFRS 3 - Definition of a Business

The application of the amendment in TFRS 3 did not have a significant impact on the financial statements of the Association.

3-) Amendments to TAS 1 and TAS 8 - Definition of Material

The application of the amendment to TAS 1 and TAS 8 does not have a significant impact on the consolidated financial statements of the Association.

4-) Interest Rate Benchmark Reform (Amendments to TFRS 9, TAS 39 and TFRS 7)

The application of this amendment is not expected to have a significant impact on financial statements of the Association.

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

### **a) Cash and cash equivalents**

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

### **b) Financial instruments**

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

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

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

### **c) Property, plant and equipment**

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

	<b>Years</b>
Furnitures and fixtures	3-10
Leasehold improvements	4-5
Right-of assets	5

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



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT AS OF 31 DECEMBER 2020

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### d) Intangible Assets

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

	Years
Rights	3-10

### e) Employee benefits

#### *Employment termination benefits*

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

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

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

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

The discount rate for pension commitments consistent with the maturity period and will be used for the payment of commitments, is estimated liabilities denominated in currencies, according to the changing discount rate that has been used over the years regarding the calculation as of 31 December 2020 and 31 December 2019. In line with a discount rate estimation for long-term inflation rate, the changing inflation rate has been used over the years.

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

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

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

#### *Share of participation cost and entrance fee*

The entrance fee revenues consist of fees allocated to the budget by the companies for once and the amount is determined by the Board of the Association. The share of participation cost consist of the fees for the Association and sectoral costs in the budget, and are determined by the Board of the Association and approved by the General Assembly. Unlike 2019, additional expense participation share was collected for JCR Avrasya Derecelendirme A.Ş share purchase.

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

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

#### *Interest income and expense*

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



## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT AS OF 31 DECEMBER 2020**

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

### **g) Taxes on income**

The Association has exemption from the corporate tax and the value-added tax ("VAT"). However, the Association has obligation on stamp duty for papers issued in relation with its transactions. The subsidiaries are subject to corporate tax at 22%.

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

The temporary taxes are calculated and accrued quarterly in Turkey.

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

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

### **h) The Effects of Changes in Foreign Currency**

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

### **i) Trade payables**

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

### **j) Subsequent Events**

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

### **k) Provisions and contingent assets and liabilities**

Provisions are booked when there is a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. When the amount of the obligation cannot be estimated and an outflow of resources is not probable, it is considered that a "contingent" liability exists and it is disclosed in the related notes to the financial statements. As of 31 December 2020 and 31 December 2019 the Group has no provision, contingent liabilities and assets.

### **l) Related parties**

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

Certain party,

(i) If it has control or joint control over the Group,

(ii) If it has significant influence over the Group

(iii) In the case of being a member of the Group or the parent Association's key management personnel

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

(i) Entity and Group are members of the same group



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(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity has a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group. (If the Group itself has such a plan, the sponsoring employers are also related to the Group.)

(vi) The entity is controlled or jointly controlled by a person identified in (a).

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

### 3. CASH AND CASH EQUIVALENTS

	31 December 2020	31 December 2019
Cash	3,609	2,431
Bank		
- Demand deposits	147,226	52,055
- Time deposits	14,118,597	17,456,183
<b>Total</b>	<b>14,269,432</b>	<b>17,510,669</b>

As of 31 December 2020, the yearly weighted average interest rates of the TL deposits in the banks range between 15.50% and 16.75% (31 December 2019: 7.5% - 23.75%) and the accrued interest amount is TL 103,676 (31 December 2019: TL 18,533). The maturity dates of the TL deposits in the banks vary between 4 January 2021 and 15 January 2021 (31 December 2019: 2 January 2020 and 31 January 2020).

As of 31 December 2020 and 31 December 2019, cash and cash equivalents of the Group are presented by deducting interest accruals from cash and cash equivalents:

	31 December 2020	31 December 2019
Cash and cash equivalents	14,269,432	17,510,669
Minus (-): Interest accruals	(103,676)	(18,533)
<b>Cash and cash equivalents in the cash flow statement</b>	<b>14,165,756</b>	<b>17,492,136</b>

### 4. LOANS AND BORROWINGS

As at 31 December 2020 and 2019, financial borrowings are comprised of the following:

	31 December 2020	31 December 2019
<b>Short term borrowings</b>		
Short term lease liabilities	1,253,118	--
<b>Total short term borrowings</b>	<b>1,253,118</b>	<b>--</b>
<b>Long term borrowings</b>		
Long term lease liabilities	3,163,802	--
<b>Total long term borrowings</b>	<b>3,163,802</b>	<b>--</b>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT AS OF 31 DECEMBER 2020

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

As at 31 December 2020 and 2019, the Association's total financial leasing are comprised of the following:

	31 December 2020	31 December 2019
Financial lease liabilities	4,416,920	--
<b>Total</b>	<b>4,416,920</b>	<b>--</b>

As at 31 December 2020, the movements of the Group's lease liabilities are as follows:

	2020
<b>1 January 2020</b>	<b>--</b>
Payments	5,491,987
Lease liabilities paid	(1,825,371)
Interest expense	750,304
<b>31 December 2020</b>	<b>4,416,920</b>

Liabilities from lease arise from office lease agreements in accordance with TFRS 16. The Lease Agreement covers 5 years from 1.1.2019 to 1.1.2024, and there is a right of termination with the condition of giving 4 months notice. Calculations for the remaining 3 years by the end of 31.12.2020 have been added to the reporting.

### 5. TRADE RECEIVABLES

	31 December 2020	31 December 2019
Receivables	168,365	72,220
Receivables from registration process (*)	175,529	121,542
Receivables from members	197,927	310,720
Doubtful trade receivables (**)	766,382	552,452
Provision for doubtful receivables	(766,382)	(552,452)
<b>Total</b>	<b>541,821</b>	<b>504,482</b>

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

(\*\*) Receivables from members have allocated 100% provision in 2020 for receivables of TL 213,930 from Atak Faktoring (31 December 2019: Receivables from members; Analiz Faktoring: TL 158,898 and Atak Faktoring: TL 97,000 and MFKS receivables; Atak Faktoring: TL 11,800 and Merkez Faktoring: TL 8,850).

Provision for doubtful receivables as of 2020 is as follows:

	2020	2019
Opening balance, 1 January	(552,452)	(275,904)
Provision on the current period	(213,930)	(276,548)
<b>Ending balance, 31 December</b>	<b>(766,382)</b>	<b>(552,452)</b>

### 6. OTHER RECEIVABLES

As of 31 December 2020, other receivables of the group is TL 168, which is contain receivables from tax office (31 December 2019: 84,518).

### 7. OTHER CURRENT ASSETS

	31 December 2020	31 December 2019
Prepaid insurance policies	115,749	23,930
Reverse charge VAT	11,416	9,575
Personnel health insurance	--	1,242
Advances given	555	497
<b>Total</b>	<b>127,720</b>	<b>35,244</b>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT AS OF 31 DECEMBER 2020

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### 8. PROPERTY, PLANT AND EQUIPMENT

Movements in tangible assets between 1 January - 31 December 2020 are as follows:

Property, plant and equipment	Furniture and fixtures	Leasehold improvement	Rights of use assets (*)	Total
<b>Cost</b>				
Opening balance, January 1, 2020	769,899	1,420,231	--	2,190,130
Additions	102,443	--	5,491,987	5,594,430
Disposals (-)	--	--	--	--
<b>Closing balance as of December 31, 2020</b>	<b>1,346,673</b>	<b>1,420,231</b>	<b>5,017,656</b>	<b>7,784,560</b>
<b>Accumulated depreciation</b>				
Opening balance, January 1, 2020	(539,693)	(1,420,184)	--	(1,959,877)
Charge for the period	(99,097)	(47)	(1,534,832)	(1,633,976)
<b>Closing balance as of December 31, 2020</b>	<b>(757,373)</b>	<b>(1,420,231)</b>	<b>(1,416,249)</b>	<b>(3,593,853)</b>
<b>Net book value</b>	<b>589,300</b>	<b>--</b>	<b>3,601,407</b>	<b>4,190,707</b>

Movements in property, plant and equipment between 1 January - 31 December 2019 are as follows:

Property, plant and equipment	Furniture and fixtures	Leasehold improvement	Rights of use assets (*)	Total
<b>Cost</b>				
Opening balance, January 1, 2019	718,194	1,420,231	--	2,138,425
Additions	53,297	--	--	53,297
Disposals (-)	(1,592)	--	--	(1,592)
<b>Closing balance as of December 31, 2019</b>	<b>769,899</b>	<b>1,420,231</b>	<b>--</b>	<b>2,190,130</b>
<b>Accumulated depreciation</b>				
Opening balance, January 1, 2019	(476,439)	(1,281,936)	--	(1,758,375)
Charge for the period	(63,254)	(138,248)	--	(201,502)
<b>Closing balance as of December 31, 2019</b>	<b>(539,693)</b>	<b>(1,420,184)</b>	<b>--</b>	<b>(1,959,877)</b>
<b>Net book value</b>	<b>230,206</b>	<b>47</b>	<b>--</b>	<b>230,253</b>

(\*) The Association has accounted for real estate rents as "Assets of Right of Use" under Property, plant and equipment within the scope of TFRS 16 standard.

As of 31 December 2020, there is no pledge or blockage (31 December 2019: None.) Depreciation expenses are reflected in General Administrative Expenses and Costs of Sales accounts.



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### 9. INTANGIBLE ASSETS

Movements in intangible assets between 1 January - 31 December 2020 are as follows:

	Rights	Other intangible assets	Total
<b>Cost</b>			
Opening balance, January 1, 2020	2,823,241	50,000	2,873,241
Additions	193,459	--	193,459
<b>Closing balance as of December 31, 2020</b>	<b>3,016,700</b>	<b>50,000</b>	<b>3,066,700</b>
<b>Accumulated depreciation</b>			
Opening balance, January 1, 2020	(754,286)	(35,000)	(789,286)
Charge for the period	(235,423)	(10,000)	(245,423)
<b>Closing balance as of December 31, 2020</b>	<b>(989,709)</b>	<b>(45,000)</b>	<b>(1,034,709)</b>
<b>Net book value</b>	<b>2,026,991</b>	<b>5,000</b>	<b>2,031,991</b>

Movements in intangible assets between 1 January - 31 December 2019 are as follows:

	Rights	Other intangible assets	Total
<b>Cost</b>			
Opening balance, January 1, 2019	1,773,867	50,000	1,823,867
Additions	1,049,374	--	1,049,374
<b>Closing balance as of December 31, 2019</b>	<b>2,823,241</b>	<b>50,000</b>	<b>2,873,241</b>
<b>Accumulated depreciation</b>			
Opening balance, January 1, 2019	(559,325)	(25,000)	(584,325)
Charge for the period	(194,961)	(10,000)	(204,961)
<b>Closing balance as of December 31, 2019</b>	<b>(754,286)</b>	<b>(35,000)</b>	<b>(789,286)</b>
<b>Net book value</b>	<b>2,068,955</b>	<b>15,000</b>	<b>2,083,955</b>

As of 31 December 2020, there is no pledge or blockage (31 December 2019: None.) Amortisation expenses are reflected in General Administrative Expenses and Costs of Sales accounts.

### 10. SUBSIDIARIES AND PARTICIPATIONS

According to board decisions which are numbered 2014/2, 2014/3 and 2014/4 dated 7 January 2014, decided that economic enterprises which inline act of law are established due to provide continually income and assist for realization of the objectives for the Association of Financial Leasing, Factoring and Finance Companies.

Nature of economic enterprises respectively;

- Make the necessary investments for the establishment of related systems about registration process specified in articles 21 and 22 of the relevant law and operates in accordance,
- According to 'Merkezi Fatura Kaydı' entitled under Article 43 at related law, economic enterprises make necessary investments for establish a system which banks and factoring companies share the information about receivables they take over including billing information and collect these information on the system,
- Expand and develops activities of Leasing, Factoring and Finance Companies in Turkey.



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

As of 31 December 2020 and 31 December 2019, the economic enterprises that are subsidiaries of the Association are as follows:

Title	Address (City/Country)	31 December 2020		31 December 2019	
		Share Rate	Paid-in Capital	Share Rate	Paid-in Capital
JCR Avrasya Derecelendirme A.Ş. <sup>(*)</sup>	İstanbul/Turkey	6%	5,788,186	--	--
Birleşik İpotek Finansmanı A.Ş. <sup>(**)</sup>	İstanbul/Turkey	5%	2,500,000	--	--
<b>Total</b>			<b>8,288,186</b>		<b>--</b>

<sup>(\*)</sup> The Association purchased a total of 59,999 shares representing 6% of the capital of JCR Avrasya Derecelendirme Anonim Şirketi with a nominal value of TL 59,999 for a price of TL 5,788,186.

<sup>(\*\*)</sup> The Association purchased a total of 2,500,000 shares representing 5% of the capital of Birleşik İpotek Finansmanı Anonim Şirketi with a nominal value of TL 2,500,000 for a price of TL 2,500,000.

### 11. CURRENT PERIOD TAX ASSETS

As of 31 December 2020 the Group has TL 1,732 in taxable income account (31 December 2019: TL 18,061).

### 12. TRADE PAYABLES

	31 December 2020	31 December 2019
Trade payables to non-related parties <sup>(*)</sup>	819,964	734,949
<b>Total</b>	<b>819,964</b>	<b>734,949</b>

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

As of 31 December 2020, the Group has TL 310,077 part, classified under other payables, consists of debts sourcing from contracts concluded in scope of realization of system and infrastructure establishment which shall be used by the software developed towards aggregation, recording, inquiring and reporting of invoice information and other information and/or documents related to receivables transferred in scope of the Law by factoring companies and banks in scope of contracts made with Kredi Kayıt Bürosu (31 December 2019: Kredi Kayıt Bürosu; TL 282,940 and software development; TL 177,000).

### 13. OTHER CURRENT LIABILITIES

Other current liabilities consist of taxes and funds payable TL 48,113, VAT payable as responsible, TL 28,262, accruals of expenses, TL 32,706, order advances, TL 6,488 and other liabilities TL 5,130 items. (31 December 2019: taxes and funds payable: TL 18,904, VAT payable as responsible: TL 8,203, accruals of expenses: TL 22,000, order advances: TL 89, other: TL 4,784).

### 14. PAYABLES RELATED TO EMPLOYEE BENEFITS

Debts amounting to TL 556,064 related to employee benefits consist of debts to staff, Social Security deductions and taxes to be paid (31 December 2019: TL 533,929).



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT AS OF 31 DECEMBER 2020

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

### 15. EMPLOYEE BENEFITS

#### Provision for severance pay

In accordance with the existing labour law in Turkey, the Group entities operating in Turkey are required to make lump-sum payments to employees who have completed one year of service and whose employment is terminated without cause or who retire (age of 58 for women, age of 60 for men) or completed service years of 20 for women or 25 for men, are called up for military service or die. According to change of regulation, dated 8 September 1999, there are additional liabilities for the integration articles.

Such payments are full calculated on the basis of 30 days' pay, maximum full TL 7,117 as at 31 December 2020 (31 December 2019: TL 6,380) per year of employment at the rate of pay applicable at the date of retirement or termination. Employee severance indemnity is calculated on a current basis and reflected on the consolidated financial statements. Calculation is predicated on the severance indemnity ceiling announced by the Government.

The reserve has been calculated by estimating the present value of future probable obligation of the Group arising from the retirement of the employees. According to TAS 19 "Employee Benefits", the Group is required to utilize actuarial valuation methods to estimate the provision for employee termination benefits. As such, the actuarial assumptions used in the calculation of total liabilities are presented in the table below.

The principal assumption is that the maximum liability for each year of service will increase parallel with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. Consequently, in the accompanying consolidated financial statements as at 31 December 2019 and 2018 the provision has been calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of the employees.

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

	31 December 2020	31 December 2019
Discount rate	3.74%	4.47%
Inflation rate	9.50%	7.50%

As of 31 December 2020 and 2019, the details of long-term provisions for employee benefits are as follows:

	31 December 2020	31 December 2019
Provision for severance pay	395,101	371,851
	<b>395,101</b>	<b>371,851</b>

The movement of severance pay for the periods ended 31 December 2020 and 31 December 2019 is as follows:

	2020	2019
Opening balance (1 January)	371,851	282,423
Interest cost	36,765	64,230
Service cost	66,306	141,337
Indemnity paid	--	(183,423)
Actuarial loss/gain	(79,821)	67,284
<b>Closing balance, 31 December</b>	<b>395,101</b>	<b>371,851</b>

As 31 December 2020 and 31 December 2019, the vacation provision details are as follows:

	31 December 2020	31 December 2019
Opening balance (1 January)	142,724	162,441
Provision allocated during the period	166,605	--
Provision for unused vacation liability (cancelled)	--	(19,717)
<b>Closing balance, 31 December</b>	<b>309,329</b>	<b>142,724</b>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT AS OF 31 DECEMBER 2020

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

### 16. DEFERRED INCOME

As of 31 December 2020, charges of shareholding and entrance fees which have been collected from the members are recorded as income for the period of 1 January - 31 December 2020 and the portion of the following years' amounting to TL 3,537,500 was accounted as deferred income (31 December 2019: TL 3,497,500).

### 17. CURRENT PERIOD TAX ASSETS AND LIABILITIES

#### Corporate Tax

Corporate tax rate in Turkey which is mainly applied to tax base after adding non-deductible expenses to commercial profit of companies and deducting the legal exceptions is 22% as of 31 December 2020. (31 December 2019: 22%). According to Article 91 of the Law numbered 7061 on Amendment of Certain Taxes and Laws and Other Acts, the Corporate Tax Rate regarding the taxation periods of 2018, 2019 and 2020 have been raised from 20% to 22% through the addition of a provisional clause (Article 10) added to the Corporate Tax Law numbered 5520. Since that implementation applied starting from 1 January 2018, the corporate tax is accepted as 22% in the financial statements.

Also, with the same law, the 75% exemption granted for the profits arising from the sale of the immovable properties included in the assets of the institutions for at least two full years shall be applied as 50% and it will be put in practice from 1 January 2018 as a result of change in corporate law numbered 5520.

In Turkey, the tax legislation does not permit a parent company and its subsidiaries to file a consolidated tax return. Therefore, provision for taxes shown in the consolidated financial statements reflects the total amount of taxes calculated on each entity that are included in the consolidation.

Under the Turkish taxation system, tax losses can be carried forward to be offset against future taxable income for up to five years. Tax losses cannot be carried back.

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns within four months following the close of the accounting year to which they relate.

Tax returns are open for five years from the beginning of the year that follows the date of filing during which time the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue re-assessments based on their findings.

#### Income withholding tax:

There is also a withholding tax on the dividends paid and is accrued only at the time of such payments. Dividends paid to non-resident corporations, which have a place of business in Turkey, or resident corporations are not subject to withholding tax. Otherwise, dividends paid are subject to withholding tax at the rate of 15%. In applying the withholding tax rates on dividend payments to the non-resident institutions and the individuals, the withholding tax rates covered in the related Double Tax Treaty Agreements are taken into account. Appropriation of retained earnings to capital is not considered as profit distribution and therefore is not subject to withholding tax.

#### Transfer pricing regulations

In Turkey, the transfer pricing provisions have been stated under the Article 13 of Corporate Tax Law with the heading of "disguised profit distribution via transfer pricing". The General Communiqué on disguised profit distribution via Transfer Pricing, dated 18 November 2007 sets details about implementation.

If a taxpayer enters into transactions regarding sale or purchase of goods and services with related parties, where the prices are not set in accordance with arm's length principle, then related profits are considered to be distributed in a disguised manner through transfer pricing. Such disguised profit distributions through transfer pricing are not accepted as tax deductible for corporate income tax purposes.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

## AS OF 31 DECEMBER 2020

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

For the years ended 31 December 2020 and 31 December 2019, income tax expense comprised the following:

	31 December 2020	31 December 2019
<b>Tax Expense:</b>		
Current tax expense	(443,728)	(382,232)
<b>Deferred tax income:</b>		
Temporary differences from deferred tax income	427	5,452
<b>Total tax expense</b>	<b>(443,301)</b>	<b>(376,780)</b>

As at 31 December 2020 and 2019, the income tax liability as follows:

	31 December 2020	31 December 2019
Corporate tax provision	443,728	382,232
Less: Prepaid taxes	(298,364)	(334,839)
<b>Current tax asset/(Period profit tax liability)</b>	<b>145,364</b>	<b>47,393</b>

### Reconciliation of effective tax rate

The total taxation credit is different than the amount computed by applying the statutory tax rate to loss before tax as shown in the following reconciliation for the years ended 31 December:

	2020		2019	
	%	Amount	%	Amount
<b>Reported profit/(loss) for the year</b>		4,057,931		7,108,639
Total income tax credit/expense		(443,301)		(376,780)
<b>Reported profit/(loss) before income tax</b>		<b>4,501,232</b>		<b>7,485,419</b>
Income tax using the Group's domestic tax rate	(0.22)	(990,874)	(0.22)	(1,646,792)
Tax-free income	0.13	557,738	0.16	1,233,846
Effect of expenses not recognized by law	(0.00)	(11,560)	(0.00)	(35,341)
Carryforward tax losses which is not recognized as deferred tax	--	--	0.00	10,555
Effect of additional discounts	0.00	16,910	0.01	64,752
Other	(0.00)	(15,515)	(0.00)	(3,800)
<b>Income tax credit</b>	<b>(0.09)</b>	<b>(443,301)</b>	<b>(0.05)</b>	<b>(376,780)</b>

Deferred tax is calculated over the temporary differences between the recorded values of assets and liabilities in the financial statements and the values used in the tax base, excluding the assets and liabilities differences recorded for the first time, which are not subject to tax deduction and are not subject to accounting and taxation.

### Recognized deferred tax assets and liabilities

For calculation of deferred tax asset and liabilities, the rate of 22% (31 December 2019: 22%) is used.

	31 December 2020		
	Assets	Liabilities	Total
Financial lease liabilities	8,523	--	8,523
PPE and intangibles (excl. land, building, leasehold improvements and depr.), net	--	(50,122)	(15,706)
Provision for employment termination benefits	17,426	--	17,426
Provision for unused permission	9,215	--	9,215
Financial loss	11,822	--	11,822
<b>Total</b>	<b>46,986</b>	<b>(50,122)</b>	<b>3,136</b>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT AS OF 31 DECEMBER 2020

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

	31 December 2019		Total
	Assets	Liabilities	
PPE and intangibles (excl. land, building, leasehold improvements and depr.), net	--	(19,132)	(19,132)
Provision for employment termination benefits	24,423	--	24,423
Provision for unused permission	1,728	--	1,728
<b>Total</b>	<b>26,151</b>	<b>(19,132)</b>	<b>7,019</b>

Movement of the deferred tax income/(expense) during years are as follows:

	1 January - 31 December 2020	1 January - 31 December 2019
<b>Balance at 1 January</b>	7,019	(597)
Recognized in the income statement	427	5,452
Accounted for in equity	(10,582)	2,164
<b>Total</b>	<b>(3,136)</b>	<b>7,019</b>

### 18. SALES AND COST OF SALES

	1 January - 31 December 2020	1 January - 31 December 2019
Association participation share costs	7,001,667	5,656,251
"MFKS", "TZFS" and private integrator income (*)	5,528,450	5,436,764
Domestic registration fee income	4,402,050	3,133,900
Association additional participation share costs	2,006,099	5,727,420
Financial leasing participations share cost	1,322,500	1,041,666
Financing company participations share cost	1,175,000	1,204,000
Factoring company participations share costs	1,104,667	1,512,666
Leasing software project revenue	322,007	--
Education expenses	85,000	306,475
Association entrance fee	--	160,000
Foreign registration fee income	31,000	34,000
<b>Total</b>	<b>22,978,440</b>	<b>24,213,142</b>
Sales returns (-)	(1,450)	(400)
<b>Net Sales</b>	<b>22,976,990</b>	<b>24,212,742</b>
<b>Cost of sales (-)</b>	<b>(6,195,870)</b>	<b>(5,024,559)</b>
<b>Gross profit</b>	<b>16,781,120</b>	<b>19,188,183</b>

(\*) "MFKS" revenues, as Central Invoice Recording and "TZFS" revenues, as Trade Chain Finance Expense.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT AS OF 31 DECEMBER 2020

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

### 19. GENERAL ADMINISTRATIVE EXPENSES

	1 January - 31 December 2020	1 January - 31 December 2019
Personnel expenses	8,509,989	8,149,686
Depreciation and amortization charges	1,545,701	239,990
Consultancy and audit expenses	894,526	797,340
Donation and aid expenses	500,300	30,631
Outsourced benefits and services	368,320	342,727
General office expenses	269,272	259,056
Membership fees	137,993	108,151
Conference and organization expenses	122,811	264,447
Banks' withholding deductions	116,615	180,775
Promotion and advertising expenses	102,745	216,729
Representation and hospitality expenses	100,557	132,305
Accounting costs	45,336	37,171
Stamp tax	41,796	64,729
Travel expenses	19,058	391,955
Conference expense (FCI etc)	3,000	38,000
Stoppage	--	115,062
Sponsorships (*)	--	354,000
Lease expensed	--	1,770,921
Other expenses	70,574	62,932
<b>Total</b>	<b>12,848,593</b>	<b>13,556,607</b>

(\*) Presidential Finance Office Financial Perception Survey

### 20. OTHER OPERATIONAL EXPENSES

The details of the Union's other operating income for the accounting periods 1 January - 31 December 2020 and 1 January - 31 December 2019 are as follows:

	1 January - 31 December 2020	1 January - 31 December 2019
Not doubtful receivables incomes	--	17,451
Other	19,130	185,947
<b>Total</b>	<b>19,130</b>	<b>203,398</b>

The details of the other operating expenses of the Union for the accounting periods 1 January - 31 December 2020 and 1 January - 31 December 2019 are as follows:

	1 January - 31 December 2020	1 January - 31 December 2019
Provision expense	151,263	109,567
Other expense	--	22,311
<b>Total</b>	<b>151,263</b>	<b>131,878</b>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT AS OF 31 DECEMBER 2020

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

### 21. FINANCIAL INCOME

Financial income consists of interest income from deposits amounting to TL 1,539,542 that consists of interest accrual income amounting to TL 19,760 (31 December 2019: TL 1,817,460 interest income, interest accrual income amounting to TL 18,533).

In addition, as of 31 December 2020, financial income includes exchange profit amount to TL 18,813 (31 December 2019: TL 32,009).

### 22. FINANCIAL EXPENSE

Financial expenses consist of commission (bank expenses) expenses amounting to TL 3,654 and foreign exchange difference expenses amounting to TL 19,481 and TL 130,067 from interest expenses and TL 685,502 lease liabilities items (31 December 2019: commission expenses amounting to TL 2,442 (bank expenses) and foreign exchange difference expenses amounting to TL 32,695).

### 23. RELATED PARTY TRANSACTIONS

As of 31 December 2020 and 31 December 2019 the Group has no related party transactions and balances.

There are no compensations to key management personnel as of 31 December 2020 and 31 December 2019.

### 24. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

#### Risk management objectives and principles

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

#### Credit risk

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

As of 31 December 2020	Other Receivables	Trade Receivables	Deposits at bank	Financial investments
Maximum exposure to credit risk at the reporting date (A+B+C+D+E) (1)	168	541,821	14,265,823	--
- The part of maximum risk guarantee with collateral or etc (2)	--	--	--	--
A. Net book value of financial assets that are neither past due nor impaired the net book value	168	541,821	14,265,823	--
B. Having renegotiated conditions otherwise due to the carrying amount of financial assets accepted as past due or impaired	--	--	--	--
C. Net book value of financial assets that are past due but not impaired the net book value	--	--	--	--
- The part of net values under guarantee with collateral.	--	--	--	--
D. Net book value of financial assets that are impaired the net book value	--	--	--	--
- Past due (gross carrying amount)	--	766,382	--	--
- Impairment (-)	--	(766,382)	--	--
- The part of net values under guarantee with collateral.	--	--	--	--
- Not past due (gross carrying amount)	--	--	--	--
- Impairment (-)	--	--	--	--
- The part of net values under guarantee with collateral.	--	--	--	--
E. Off-balance sheet items with credit risk	--	--	--	--



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT AS OF 31 DECEMBER 2020

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

As of 31 December 2019	Other Receivables	Trade Receivables	Deposits at bank	Financial investments
Maximum exposure to credit risk at the reporting date (A+B+C+D+E) (1)	--	504,482	17,508,238	--
- The part of maximum risk guarantee with collateral or etc (2)	--	--	--	--
A. Net book value of financial assets that are neither past due nor impaired the net book value	--	504,482	17,508,238	--
B. Having renegotiated conditions otherwise due to the carrying amount of financial assets accepted as past due or impaired	--	--	--	--
C. Net book value of financial assets that are past due but not impaired the net book value	--	--	--	--
- The part of net values under guarantee with collateral.	--	--	--	--
D. Net book value of financial assets that are impaired the net book value	--	--	--	--
- Past due (gross carrying amount)	--	552,452	--	--
- Impairment (-)	--	(552,452)	--	--
- The part of net values under guarantee with collateral.	--	--	--	--
- Not past due (gross carrying amount)	--	--	--	--
- Impairment (-)	--	--	--	--
- The part of net values under guarantee with collateral.	--	--	--	--
E. Off-balance sheet items with credit risk	--	--	--	--

### Liquidity risk

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

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

The table below shows the Group's distribution of non-derivative financial liabilities' maturity profile as of 31 December 2020 and 31 December 2019:

### December 31, 2020

Maturities in accordance with agreement	Book values	Total cash outflow in accordance with agreement (=I+II+III)	Less than 3 months (I)	Between 3-12 months (II)	Between 1-5 years (III)
<b>Non-derivative financial liabilities</b>					
Financial lease liabilities	4,416,920	5,472,006	425,958	1,395,305	3,650,743
Trade payables	819,964	819,964	819,964	--	--
<b>Total</b>	<b>5,236,884</b>	<b>6,291,970</b>	<b>1,245,922</b>	<b>1,395,305</b>	<b>3,650,743</b>



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT AS OF 31 DECEMBER 2020

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

## December 31, 2019

Maturities in accordance with agreement	Book values	Total cash outflow in accordance with agreement (=I+II+III)	Less than 3 months (I)	Between 3-12 months (II)	Between 1-5 years (III)
<b>Non-derivative financial liabilities</b>					
Trade payables	734,949	734,949	734,949	--	--
<b>Total</b>	<b>734,949</b>	<b>734,949</b>	<b>734,949</b>	<b>--</b>	<b>--</b>

### Interest rate risk

The Group has no interest rate risk as of 31 December 2020 since it has no asset with flexible interest. (31 December 2019: None).

### Foreign currency risk

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

As of 31 December 2020 the Group has no foreign currency balance and was not exposed to exchange rate risk (31 December 2019: None).

## 25. SUBSEQUENT EVENTS FOLLOWING THE BALANCE SHEET DATE

1- The amendments to the Law No. 6361 on Financial Leasing, Factoring and Financing Companies ("Law No. 6361") entered into force by publication in the Official Gazette No. 31416 on March 7, 2021 with Law no. 7292. While the name of the Law numbered 6361 is changed to read "Financial Leasing, Factoring, Financing and Saving Finance Companies Law", the scope of activities designated to Association of Financial Leasing, Factoring, Financing Companies is further regulated.

2- The official title of the Association, which is "Association of Financial Leasing, Factoring and Financing Companies", has been changed and made the same as the "Financial Institutions Association" brand used in practice.

3- Savings financing companies were included in the scope of Law No. 6361 and special regulations regarding savings financing were added to the Law. It is obligatory to become a member of the Union within one month after obtaining the operating permit for savings finance companies that have completed the adjustment process regulated in the law.

4- Asset management companies subject to regulations under the Banking Law No. 5411 are obliged to become a member of the Association within one month from the effective date of the Law.

## 26. OTHER ISSUES THAT HAVE SIGNIFICANT EFFECT ON THE BALANCE SHEET OR THAT ARE AMBIGUOUS AND/OR OPEN TO INTERPRETATION AND REQUIRE CLARIFICATION:

None.

Individual independent audit reports of our Institution and Commercial Enterprises are available on our website and can be accessed via the link below:  
<https://www.fkb.org.tr/reports-and-publications/reports/members-audit-reports/>









[www.fkb.org.tr](http://www.fkb.org.tr)

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