

# United



# *we are stronger*



## TO CREATE INCREASING SUSTAINABLE VALUE FOR TURKEY...

Since the ancient times, water, earth and fire come together to make ceramic - three of the basic elements are transformed into a durable and permanent asset... Factoring, Financial Leasing and Financing sectors, three of the basic propellers of the economic cycle, joined their forces under the roof of the Association of Financial Institutions, and work to create increasing sustainable value for Turkey.







#### THE ASSOCIATION OF FINANCIAL INSTITUTIONS

Esentepe Mah. Büyükdere Cad. Bahar Sok.  
No: 13 River Plaza Kat: 18 Ofis No: 48-49  
34394 Şişli / İSTANBUL, TURKEY

Phone: (+90 212) 924 44 70  
Fax: (+90 212) 285 24 39 - 281 66 47  
E-mail: fkb@fkb.org.tr

## CORPORATE PROFILE

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

AFI is an umbrella organization for concerns in Turkey that provides

### Financial Leasing Factoring Financing

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

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

# MESSAGE FROM THE CHAIRMAN

DESPITE THE PRESSURES EXERTED BY THE GEOPOLITICAL RISKS IN TURKEY'S PART OF THE WORLD, THE THREE SECTORS THAT ARE REPRESENTED BY OUR MEMBERSHIP-LEASING, FACTORING, AND FINANCING-WERE MORE PRODUCTIVE THAN IN RECENT YEARS AND ACHIEVED THEIR TARGETS IN 2017.

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## MORE PRODUCTIVE

**MEHMET CANTEKIN**

Chairman of the Board of Directors



### THE GLOBAL ECONOMY OUTPERFORMED GROWTH EXPECTATIONS IN 2017

With the monetary policies being implemented by the US Federal Reserve Bank, the European Central Bank, the Bank of Japan, and the world's other leading monetary authorities in order to revive economic activity showing positive results, growth in developed countries gained momentum in 2017. A similar process was also to be witnessed in the growth performances of developing countries, whose economies attracted international capital driven by liquidity-supporting policies and by investors on the lookout for yields.

Although benchmark inflation in the US economy increased rapidly (as most economists had expected it to), growth and employment rates also continued to rise steadily. In parallel with these developments, the Fed raised interest rates on three occasions (as it had indicated that it would be in response to such an eventuality) and by year-end the Fed's lending rate was in the 1.25-1.50% range.

In October, the Fed also began downsizing its balance sheet.

A moderate recovery that was unfolding in the euro area despite a busy calendar of national elections and having to deal with the so-called "Brexit" process of the UK's leaving the European Union resulted in the strongest growth performance witnessed since the 2008 global economic crisis.

In parallel with these developments, the European Central Bank decided to begin reducing its asset-buying program. Last year the ECB took its first steps in the direction of monetary policy renormalization.

THE INSTITUTIONS THAT ARE REPRESENTED IN AFI GENERATED ABOUT 7% OF TURKEY'S GROSS NATIONAL PRODUCT.

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## SHARE IN GNP ~7%

### STRONG GROWTH MOMENTUM IN THE TURKISH ECONOMY

Responding to government policies and incentives aimed at supporting economic activity, the Turkish economy performed strongly in 2017, registering a twelve-month 7.4% rate of growth that was augmented by a record-breaking 11.3% rate in the third quarter of the year. That rate put Turkey at the top of the G20 countries' growth-performance league table.

Although the budget deficit widened in parallel with rising public-side support for the national economy, the ratio of the deficit to national income remained relatively low owing to the deficit's contributions to economic growth.

The Turkish lira continued to weaken against other currencies, albeit less so than had been the case in the previous two years. With inflation in the double-digit range all year long, the country's central bank adhered to its tight-money stance.

An increase in the foreign trade deficit and unexpectedly high growth in average Brent crude prices were the two factors having the most adverse impact on the current account deficit.

Looking ahead, ongoing improvements in export performance and tourism revenues are expected to curb the growth in Turkey's current account deficit while rises in exchange and interest rates are seen as likely to rein in inflation.

Nurturing the uptick in private-sector investment witnessed in the third quarter of 2017 and improving labor-market conditions are two issues that are seen as being crucial to the sustainability of the Turkish economy's growth performance.

### WE PROVIDED MORE FUNDING TO THE REAL SECTOR IN 2017

Despite the pressures exerted by the geopolitical risks in Turkey's part of the world, the three sectors that are represented by our membership-leasing, factoring, and financing-were more productive than in recent years and achieved their targets in 2017.

The members of the Association of Financial Institutions (AFI) once again demonstrated the strength of their contributions to the national economy in 2017.

Having increased those contributions by 23% in the twelve months to end-2017, the companies that make up AFI accounted for TL 141 billion worth of all three sectors' total assets. Last year they also registered 20% and 24% rises in their total business volumes and operational receivables, which amounted to TL 196 billion and TL 128 billion respectively.

Their aggregate share of their sectors' equity rose by 20% and was worth TL 19 billion while their combined return on equity performance was up to 14.6%. Total net profit registered in 2017 was up by 29% year-on and amounted to TL 2.5 billion.

In 2017 the non-bank financial institutions (NBFI) that are represented in AFI controlled a 4.1% share of the Turkish finance industry's total assets as well as a 5.7% share of its receivables and a 4.9% of its equity. All together they generated about 7% of Turkey's gross national product.

### FOCUSING ON INCREASING AND THE DIVERSITY AND DEPTH OF NBFI PRODUCTS

AFI focuses on developing collaborative projects encompassing the entire finance industry that will amplify its members' contributions to the industry by increasing and diversity and depth of non-bank financial products. On this point I want to emphasize that all of our efforts are aimed at benefitting Turkey's economy and the country as a whole.

In that respect, there is merit in drawing attention to the importance of a number of government decrees that have gone into effect recently. Resolution 32 incorporates substantial rule changes while an omnibus law that also introduces significant changes in the ways we do business has been passed by parliament. For example NBFI members are also going to have to abide by the same "know-your-customer" rules that banks do.

AFI members are able to provide their SME and retail customers with the financial support that they require on much more favorable terms. With this in mind, we are doing everything that we ought to be doing in order to maximize the share of finance-industry support that SMEs receive. Authorities need to make the structural changes so that this can happen.

## MESSAGE FROM THE CHAIRMAN

IN TODAY'S WORLD OF FINANCIAL SERVICES, DIGITALIZATION IS THE LEADING DETERMINANT OF PERFORMANCE WHILE THE DIGITAL TRANSFORMATION PROCESS IS ALSO REWRITING THE RULES OF HOW BUSINESS IS DONE.

### DIGITAL TRANSFORMATION

Recognizing that SMEs make up 99% of all companies in Turkey by number and provide 75% of the country's jobs, we launched our "Strong and Secure Tomorrows with SMEs" project in 2016. That project continued in 2017 as well.

In the second year of this project, whose underlying aim is to tell SMEs about alternative sources of financing and factoring, about half a million SMEs were reached in İzmir, Eskişehir, Ankara, Gaziantep, and Kocaeli.

Similarly under the "Leasing and Strong Tomorrows with SMEs" project, whose aim is to acquaint audiences with the leasing industry, meetings were organized in Kahramanmaraş, Manisa, and Konya during 2017.

In the course of these gatherings, which are coordinated by AFI, the various stakeholders involved in the business of trade finance come together and suggest financing solutions capable of carrying SMEs forward into the future.

#### WE CONTINUED TO MAKE STRONG PROGRESS IN OUR DIGITAL TRANSFORMATION

In today's world of financial services, digitalization is the leading determinant of performance while the digital transformation process is also rewriting the rules of how business is done.

As new technologies and innovative solutions continue to emerge rapidly day by day, financing models are becoming increasingly more simple, fast, low-cost, and dependable around the world in general as well as in our own country.

It gives me pride therefore to state here that our association is collaborating with our country's leading agencies in the digitalization of the technological infrastructure of business processes. Under a protocol signed by AFI and the Ministry of Customs and Trade, the Collateral Registry System for Movable Property (CRSMP) and the Receivables Recording Center (RRC) will operate in tandem with each other.

The integration of these two systems allow commercial transaction mortgages (pledges) to be displayed from within RRC, which is a registry of trade receivables that have been accepted by banks and factoring companies under the Financial Leasing, Factoring, and Finance Companies Act (Statute 6361). That means that it will be possible to electronically query and compare information recorded in both RRC and CRSMP from either side.

AFI is also currently working on another project to bring about the same integration of its own Leasing Agreement Registration System.

Having decided to play a more participatory role in the development of the business processes and products of factoring as a valuable trade-finance instrument in a rapidly digitalizing world, AFI launched its Private Integrator Project.

The Factoring Sector Representatives Board, an arm of AFI, was included as an "e-invoice integrator" in the Department of Revenue Administration's list of private integrators in 2017.

AS AFI, WE ARE COMMITTED TO SUSTAINING OUR SUCCESSFUL PERFORMANCE THROUGH THE EFFORTS THAT WE WILL BE MAKING IN THE YEARS AHEAD AND BY TAKING ADVANTAGE OF STEADILY-STRONGER SYNERGIES AMONG ALL THREE OF OUR SECTORS.

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## STRONGER SYNERGIES

E-invoicing and e-archiving are two private integrator-supplied services that are of critical importance to the effective recording of economic activity. E-registers (electronic books of account) will also ensure that all information about commercial activities is maintained in electronic-format files that fully comply with both statutory requirements and technical specifications.

Both the absolute number and the value of factoring transactions involving the use of checks continue to decline. In 2017, open accounts were used to record 55% of factoring turnover worth TL 145 billion. Turkey's Receivables Recording Center, the first of its kind in the world, is being pointed to as a model on international platforms and has also opened new horizons for the global factoring industry.

Since its inception, some seventeen million invoices and other evidence of receivables have been recorded in RRC and the use of e-invoices continues to spread. Last year the number of e-invoiced factoring transactions surpassed that of paper-invoiced ones for the first time: 53% in 2017 as compared with 45% in 2016. This development is an additional indication of the progress of digitalization in business life.

AFI is also continuing its efforts to encourage the use of its supply-chain finance system because of that system's ability to give the country's SMEs the access they need to low-cost financing.

As a member of various international industries and professional organizations, AFI also keeps watch on developments taking place around the world and engages in an ongoing effort to create new systems taking its members' needs into account while similarly helping them draw up their own digitalization roadmaps. The association develops and submits, to public authorities, recommendations that need to be made in the legal and bureaucratic frameworks to achieve greater financial system integration. The objective of these efforts is to create and mobilize a technological and legal infrastructure that will support our country's digital transformation. Doing so will not only benefit our sectors but will also make it easier for SMEs to gain access to financing and to increase AFI members' effectiveness.

As AFI we believe that digital transformation strategies will be playing an important role both in the ability of the Turkish economy to realize our country's 2023 Vision goals and in the development of our sectors.

### FOR A STRONG ECONOMY AND A SECURE FUTURE...

Having successfully put erstwhile uncertainties behind them, our sectors look forward to the future hopefully as they engage in closer communication with their stakeholders on issues capable of supporting strong, sustainable, and balanced growth. Our members are ready to shoulder some of the financing burdens that now fall mainly on our country's banks.

As AFI, we are committed to sustaining our successful performance through the efforts that we will be making in the years ahead and by taking advantage of steadily-stronger synergies among all three of our sectors.

Through the finance-access methods that it develops, I believe that our association will create increasingly more added value for Turkey's SMEs, and thus for its economy as a whole,.

With that thought in mind, I thank the AFI Board of Directors and all of my colleagues at the association while also offering our members my respects.

**Mehmet Cantekin**

Chairman of the Board of Directors

# MESSAGE FROM THE FINANCIAL LEASING SECTOR REPRESENTATIVES BOARD

WITH TWENTY-FIVE COMPANIES AND NEARLY 1,500 EMPLOYEES IN 2017, TURKEY'S FINANCIAL LEASING INDUSTRY CONTINUED TO GROW LAST YEAR.

## SUSTAINED GROWTH

**ÜNAL GÖKMEN**

Deputy Chairman

(On behalf of Financial Leasing Sector  
Representatives Board)



### OUR SECTOR CONTINUES TO GROW

With twenty-five companies and nearly 1,500 employees in 2017, Turkey's financial leasing industry continued to grow last year. The sector's total assets increased by 20% year-on and reached TL 58.1 billion while its total equity was up by 10% to TL 8.6 billion. Net profit, which grew by 3% last year, reached TL 952 million.

The sector's total receivables increased by 18% and reached TL 52 billion in 2017, a year in which a 21% rise in newly-written business was worth TL 22.6 billion in value.

Looking at a breakdown of leased assets by transaction value, we see that 27% of the total consisted of business and construction machinery, 21% of real estate properties, 7% of textile machinery, and 7% of metalworking machinery.

Turkey's financial leasing sector commenced operation in 1985. Since then its members have financed investments whose combined value is worth more than USD 87 billion.

In 2016 the sector's penetration rate of the market was on the order of 5%. As of September 2017, it was still only 5.60%.



TURKEY'S FINANCIAL LEASING SECTOR COMMENCED OPERATION IN 1985. SINCE THEN ITS MEMBERS HAVE FINANCED INVESTMENTS WHOSE COMBINED VALUE IS WORTH MORE THAN USD 87 BILLION.

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## USD 87 BILLION

The authority to extend credit underwritten by the Credit Guarantee Fund (CGF) was expanded so as to include bank-controlled financial leasing companies in the second half of the year. Such lending contributed significantly to Turkey's economic growth in 2017.

Making it possible for our sector to move forward in this area in the period ahead will ensure that CGF-backed credit is used to finance investment since that investment is inherent in the very nature of financial leasing contracts. Such a move will also impart significant momentum to the further development of our sector as well.

### OUR CONTRACT REGISTRATION SYSTEM HAS COMPLETED ITS THIRD YEAR

The Contract Registration System, which has been in operation since 2015, is a fully-electronic platform for the registration and maintenance of financial leasing contracts. It was set up by the Central Registry Agency (MKK), which also runs the system on AFI's behalf.

This system has been integrated with the Ministry of Finance's system, the E-Government system, and the Ministry of the Interior's Central Civil Registration System (MERNİS).

As of end-2017, this system was being used by 25 financial leasing companies, 6 participation banks, 2 investment banks, and 2 development banks. After being drawn up in electronic format, agreements are registered immediately upon being signed electronically and given a time stamp.

The system is accessible both from computer screens and via web-based institutional integration. The assets that are subject of a financial leasing contract may also be queried by those who are not actually a party to the agreement.

### OUR SOCIAL RESPONSIBILITY PROJECTS CONTINUE TO BE SUCCESSFUL

In keeping with its environmental and social responsibility-awareness goal of contributing to a more livable future, an agreement was entered into with the İstanbul Regional Directorate of Forestry under which a sapling is planted for every leasing contract that is entered into in order to finance an investment. During 2015 and 2016, a total of 46,876 saplings was planted under this agreement.

In 2018, another 23,382 saplings will be planted as tokens of the leasing contracts that were signed in 2017.

The Financial Leasing Sector Representatives Board is determined to continue carrying out this important social responsibility project in the years ahead as well.

### LOOKING AHEAD...

With the benefit of the extensive knowledge and experience that it has accumulated, our sector will continue its efforts to make ever-greater contributions to the sustainable development of the Turkish economy.

#### Ünal Gökmen

Deputy Chairman

(On behalf of Financial Leasing Sector Representatives Board)

# MESSAGE FROM THE FACTORING SECTOR REPRESENTATIVES BOARD

OUR SECTOR THAT FACILITATE THE TRADING ACTIVITIES OF ABOUT HALF A MILLION COMPANIES, THE GREAT MAJORITY OF WHICH ARE IN THE SME CATEGORY CONTRIBUTES A 4.5% SHARE OF OUR COUNTRY'S GDP AND FINANCES 7% OF ITS EXPORT TRADE.

## 7% SHARE IN EXPORTS

**M. ÇAĞATAY BAYDAR**

Deputy Chairman

(On behalf of the Factoring Sector  
Representatives Board)



### WE ARE SMES' MOST IMPORTANT FINANCE-ACCESS SOLUTION PARTNER

The Turkish factoring industry continues to conduct its operations under Banking Regulation and Supervision Agency oversight subject to the provisions of the Financial Leasing, Factoring, and Finance Companies Act (Statute 6361).

Turkey's factoring industry supplies factoring products and services that facilitate the trading activities of about half a million companies, the great majority of which are in the small- and medium-sized enterprises (SME) category. Our sector contributes a 4.5% share of our country's GDP and finances 7% of its export trade. The TL 145 billion worth of business that our sector wrote in 2017 corresponded to a year-on rise of 18% and continued to rank factoring first among all forms of non-bank trade finance. The Turkish factoring industry's total receivables grew by 34% in 2017 and reached TL 41.6 billion in value.

In 2017 our sector had 110 thousand customers and was working with 250 thousand borrowers. Last year's 3.5% rate of non-performing loans was a percentage point lower than what it had been in 2016.

Total assets were up by 32% and worth nearly TL 43.7 billion in 2017, while at TL 5.8 billion, total sectoral equity increased by 14%.

Recognizing our responsibilities as SMEs' most important finance-access solution partner, we focus on coming up with new financial solutions capable of addressing trade-finance needs in the conduct of our operations. Owing to the transition of business processes to digital platforms, 2017 will go down in history as the year of the Turkish factoring industry's digital transformation.

THE FACTORING SECTOR REPRESENTATIVES BOARD, AN ARM OF AFI, BECAME A DESIGNATED "PRIVATE INTEGRATOR" FOR THE DEPARTMENT OF REVENUE ADMINISTRATION AS OF 5 JULY 2017.

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## PRIVATE INTEGRATOR

### A YEAR OF DIGITAL TRANSFORMATION

Last year we continued our efforts to further develop the Receivable Recording Central (RRC) that was set up in 2015. As of end-2017, this system was being participated in by 61 factoring companies and 19 banks, 17 million invoices and other evidence of receivables had been recorded, and 350 thousand transactions deemed to be risky were prevented. Having previously had to contend with the serious risks associated with duplicate financing etc for many years, our sector has now overcome that problem by setting up such a robust system as the one it now possesses. Integration with the Department of Revenue Administration's system also made it possible to cross-check 2.4 million e-invoices and e-archive records in 2017.

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

Another important development last year was the signing of an agreement between the Ministry of Customs and Trade and the AFI Factoring Commercial Enterprise under which the board's systems will be integrated with the Receivable recording Center and the Collateral Registry System for Movable Property (known as "CRSMP").

We have also set up a Supply-Chain Trade Finance System, another IT platform that will become operational in 2018. This system will keep a record of all factoring agreements that are associated with firms' supply-chain financing.

In other words, besides digitalizing all financial services based on the assignment of trade receivables, AFI's goal is to also foster the growth and development in Turkey of supply-chain financing, a form of trade finance which has proved to have tremendous growth potential in other countries because it gives SMEs access to low-cost credit.

### WE RANK FIRST IN EXPORT FACTORING

With a factoring industry that guarantees SMEs' receivables, provides collection services, converts documents to cash before they fall due, and provides coverage for unsecured international receivables through a credit insurance system and a network of correspondent factors in 238 countries, Turkey continues to rank first among all the world's nations in the conduct of export factoring operations.

Working with Turk Eximbank, Turkey's factoring companies negotiated USD 755 million worth of low-cost financing provided by the Central Bank of the Republic of Turkey during the most recent two years.

### WE WANT TO GROW ALONG WITH OUR COUNTRY'S SMEs

Last year we continued to conduct our series of meetings around the country aimed at telling audiences about our activities and at gaining a broader perspective on the needs of SMEs in line with our responsibilities under the AFI SME Strategy & Action Plan. During such meetings, we explore an extensive agenda of issues with local stakeholders ranging from new financing models to sustainable plans for realizing them based on the particular requirements of each city, from problems associated with production, marketing, and exporting to visions of the future, from financial solutions in exports to factoring, and from new export opportunities to support for SMEs and exporters.

Convinced that Turkey's factoring industry is capable of further increasing its contributions to the sustainable growth of the national economy, I want to assure you that the industry will continue to support SMEs and their efforts to export in 2018 as well.

With my best wishes that 2018 will see the opening of ever-more new horizons in trade finance, I acknowledge the debt of thanks that I owe to all of our members and business partners.

**M. Çağatay Baydar**  
Deputy Chairman

(On behalf of the Factoring Sector Representatives Board)

# MESSAGE FROM THE FINANCING COMPANIES SECTOR REPRESENTATIVES BOARD

THE FINANCING COMPANIES THAT MAKE AN IMPORTANT CONTRIBUTION TO THE DEVELOPMENT OF DOMESTIC DEMAND ARE AMONG THE DRIVING FORCES OF ECONOMIC GROWTH.

## DRIVING FORCE OF GROWTH

**MEHMET CANTEKIN**

Chairman

(On behalf of the Financing Companies Sector  
Representatives Board)



### FINANCING COMPANIES' GROWTH MOMENTUM REMAINS STRONG

Supplying credit for the purchase of a range of goods and services in sectors as varied as automotive, commercial vehicles, mortgages, education, and telecommunications, Turkish financing companies' growth momentum continued to remain strong in 2017. These companies make an important contribution to the development of domestic demand by financing purchases of goods and services not just by individuals but also by companies, especially small and medium-sized ones. That puts financing companies among the driving forces of economic growth.

In 2017, Turkey's financing companies increased their total assets by 19% to TL 39 billion in value.

Last year their aggregate business volume also grew by 27.5% and reached TL 28.3 billion while their total receivables amounted to TL 34.3 billion.



WITH THE ARRIVAL OF NEWCOMERS THE FINANCING SECTOR'S CUSTOMER PORTFOLIO REACHED 4.3 MILLION IN SIZE IN 2017.

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## 4.3 MILLION CUSTOMERS

Besides supplying consumer credit financing, these companies also finance a wide range of commercial activities: so much so in fact that such lending accounted for just over half (54%) of the financing industry's combined portfolio in 2017. There are fourteen companies active in the sector, of which two provide financing exclusively for commercial capital goods while another five provide both consumer and commercial credit financing. On an annualized basis, these seven companies provide an average of TL 10 billion worth of commercial credit for the purchase of capital goods. Financing companies play an especially important role in financing purchases for such projects as Istanbul's third airport, the third Bosphorus bridge, the Marmaray light rail system, and high-speed railways as well as by the construction industry, one of the engines of the Turkish economy these days.

Once confined almost exclusively to providing retail credit for the automotive industry, Turkey's financing companies began expanding into other areas with new entrants to the industry supplying microloans especially for purchases of brown and white goods and for goods sold in so-called "technology markets". It was largely due to the arrival of such newcomers that the sector's customer portfolio reached 4.3 million in size in 2017.

According to a Turkish Statistical Institute survey of households' use of information technologies, 20.9% of households in Turkey purchased or sold goods or services via the internet in 2016 and 24.9% did so in 2017. 30% of the country's consumers purchased computers, electronic goods, and mobile phones while 25.3% of them purchased household items such as furniture. These are all obviously

goods of the sort that financing companies specialize in. Moreover as the sector expands increasingly more into e-commerce, financing companies will see their business grow while both consumers and sellers will have greater access to an array of financing options.

Keeping a close watch on technology-inspired innovations and trailblazing novelties as well as on trends in such areas, financing companies incorporate new products into their business plans and maximize their use of technology, in order to proactively adapt to technological developments that will benefit not only themselves but also all the other sectors with which they work.

Financing companies today are not limiting themselves to just providing alternative solutions in the financing of high-tech product sales across the country however. By keeping a close watch on such matters as establishing digital identities in remote transactions and the use of biometric signatures, they also energize leading-edge infrastructural improvements and work with authorities and lawmakers in the development of the legal framework to support them.

Just as they have always done, Turkey's financing companies will continue to cooperate with the Banking Regulation and Supervision Agency and with all other regulatory authorities in order to adapt and expand upon worldwide developments and practices so that our sector may generate even more added value that will benefit the country as a whole.

**Mehmet Cantekin**  
Chairman

(On behalf of the Financing Companies Sector Representatives Board)

# BOARD OF DIRECTORS



## UPPER ROW

Mehmet Cantekin  
Ünal Gökmen  
Alpertunga Emecan  
Hasan Hulki Kara  
Özgür Öztürk  
Yiğit Özkes

Chairman of the Board  
Deputy Chairman of the Board  
Member of the Board  
Member of the Board  
Member of the Board  
Member of the Board

Turkcell Finansman A.Ş.  
Garanti Finansal Kiralama A.Ş.  
Deniz Faktoring A.Ş.  
Garanti Faktoring A.Ş.  
Orfin Finansman A.Ş.  
Kapital Faktoring A.Ş.

## MIDDLE ROW

Nilüfer Günhan  
A. Betül Kurtuluş  
Sinan Çevik  
Mehmet Karakılıç

Member of the Board  
Member of the Board  
Member of the Board  
Member of the Board

ALJ Finansman A.Ş.  
Strateji Faktoring A.Ş.  
Ziraat Finansal Kiralama A.Ş.  
İş Finansal Kiralama A.Ş.

## FRONT ROW

Tijen Akdoğan Ünver  
Kahraman Günaydın  
Gülay Güner  
M. Çağatay Baydar  
Y. Pınar Kitapçı

Member of the Board  
Member of the Board  
Member of the Board  
Deputy Chairman of the Board  
Member of the Board

Volkswagen Doğuş Finansman A.Ş.  
Deniz Finansal Kiralama A.Ş.  
Yatırım Finansal Kiralama A.Ş.  
TEB Faktoring A.Ş.  
Koç Finansman 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 Enka Finansal Kiralama A.Ş.
- 11 Garanti Finansal Kiralama A.Ş.
- 12 Haliç Finansal Kiralama A.Ş.
- 13 Halk Finansal Kiralama A.Ş.
- 14 ING Finansal Kiralama A.Ş.
- 15 İş Finansal Kiralama A.Ş.
- 16 Mercedes-Benz Finansal Kiralama Türk A.Ş.
- 17 Pervin Finansal Kiralama A.Ş.
- 18 QNB Finans Finansal Kiralama A.Ş.
- 19 Siemens Finansal Kiralama A.Ş.
- 20 Şeker Finansal Kiralama A.Ş.
- 21 Vakıf Finansal Kiralama A.Ş.
- 22 VFS Finansal Kiralama A.Ş.
- 23 Yapı Kredi Finansal Kiralama A.O.
- 24 Yatırım Finansal Kiralama A.Ş.
- 25 Ziraat Finansal Kiralama A.Ş.

## FACTORING SECTOR

- 26 ABC Faktoring A.Ş.
- 27 Acar Faktoring A.Ş.
- 28 Ak Faktoring A.Ş.
- 29 Akdeniz Faktoring A.Ş.
- 30 Akin Faktoring A.Ş.
- 31 Anadolu Faktoring A.Ş.
- 32 Analiz Faktoring A.Ş.
- 33 Arena Faktoring A.Ş.
- 34 Atak Faktoring A.Ş.
- 35 Atılım Faktoring A.Ş.

- 36 Başer Faktoring A.Ş.
- 37 Bayramoğlu Faktoring A.Ş.
- 38 Berg Faktoring A.Ş.
- 39 C Faktoring A.Ş.
- 40 Creditwest Faktoring A.Ş.
- 41 Çağdaş Faktoring A.Ş.
- 42 Çözüm Faktoring A.Ş.
- 43 Deniz Faktoring A.Ş.
- 44 Destek Faktoring A.Ş.
- 45 Devir Faktoring A.Ş.
- 46 Doğa Faktoring A.Ş.
- 47 Doruk Faktoring A.Ş.
- 48 Eko Faktoring A.Ş.
- 49 Ekspo Faktoring A.Ş.
- 50 Eren Faktoring A.Ş.
- 51 Fiba Faktoring A.Ş.
- 52 Garanti Faktoring A.Ş.
- 53 Global Faktoring Hizm. A.Ş.
- 54 GSD Faktoring A.Ş.
- 55 Halk Faktoring A.Ş.
- 56 Huzur Faktoring A.Ş.
- 57 ING Faktoring A.Ş.
- 58 İstanbul Faktoring A.Ş.
- 59 İş Faktoring A.Ş.
- 60 Kapital Faktoring A.Ş.
- 61 Kent Faktoring A.Ş.
- 62 Kredi Finans Faktoring Hizm. A.Ş.
- 63 Lider Faktoring A.Ş.
- 64 Merkez Faktoring A.Ş.
- 65 Mert Finans Faktoring A.Ş.
- 66 MNG Faktoring A.Ş.
- 67 Optima Faktoring A.Ş.
- 68 Pamuk Faktoring A.Ş.
- 69 Para Finans Faktoring A.Ş.
- 70 QNB Finans Faktoring A.Ş.
- 71 Sardes Faktoring A.Ş.
- 72 Strateji Faktoring A.Ş.
- 73 Sümer Faktoring A.Ş.
- 74 Şeker Faktoring A.Ş.

- 75 Şirinoğlu Faktoring A.Ş.
- 76 Tam Faktoring A.Ş.
- 77 TEB Faktoring A.Ş.
- 78 Tuna Faktoring A.Ş.
- 79 Ulusal Faktoring A.Ş.
- 80 Vakıf Faktoring A.Ş.
- 81 VDF Faktoring Hizm. A.Ş.
- 82 Yapı Kredi Faktoring A.Ş.
- 83 Yaşar Faktoring A.Ş.
- 84 Yeditepe Faktoring A.Ş.
- 85 Zorlu Faktoring A.Ş.

## FINANCING SECTOR

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

## GENERAL SECRETARIAT



**Hakan Gülelge**  
Deputy Secretary General /  
Financial Leasing

**Filiz Ünal**  
Deputy Secretary General /  
Factoring

**Ahmet Candan**  
Secretary General

**Vahit Altun**  
Deputy Secretary General /  
Financing





**Sevilay Alşar**  
Education Director



**Aysun Koçak Gül**  
Manager, Financial and  
Administrative Affairs



**Atty. Eda Atamer Coşkunsu**  
Manager, Regulatory and Legal  
Affairs



**Janin Ersöz Amiroğlu**  
Manager, Financial Leasing  
Commercial Enterprise



**Nazır Kapsuz**  
Manager, Factoring Commercial  
Enterprise



**Sibel Özata Erdoğan**  
Manager, Statistics and Economic  
Researches



**Süeda Tarhan**  
Manager, Factoring Commercial  
Enterprise



**Gencay Karaman**  
Assistant Manager, Factoring  
Commercial Enterprise



**Özkan Tekeş**  
Assistant Manager, Financial  
and Administrative Affairs



**Elif Azaklıoğlu Görgülü**  
Specialist, Financial Leasing  
Commercial Enterprise



**Emre Kırşan**  
Specialist, Financial Leasing  
Commercial Enterprise



**Gökçe Yılmaz**  
Assistant Specialist, Financing  
Sector



**Zülfiye Yeşilçimen**  
Assistant of Secretary General



**Hande Demirkol**  
Assistant



**Nisa Karakaş**  
Assistant, Factoring Commercial  
Enterprise



**Ceren Ince**  
Intern Assistant



**Kerim Koca**  
Office Assistant



**Mevlüt Karakuş**  
Office Assistant



**Muzaffer Kırdal**  
Office Assistant





# *Funding the real sector*

Our goal: Contribute  
to the creation of  
funding for the real  
sector

# FINANCIAL INDICATORS

## TL 22,568 MILLION

AS OF YEAR-END 2017, TOTAL BUSINESS VOLUME OF FINANCIAL LEASING COMPANIES GREW BY 21.2% YEAR-OVER-YEAR TO TL 22,568 MILLION. WHILE HEAVY-DUTY AND CONSTRUCTION MACHINERY GOT THE BIGGEST SHARE OUT OF TOTAL FINANCIAL LEASING RECEIVABLES WITH 26.9%, REAL ESTATE ACCOUNTED FOR 20.7%.

### FINANCIAL LEASING

(TL million)	2017	2016	% Change
Transaction Volume	22,568	18,620	21.2%
Total Assets	58,124	48,499	19.8%
Receivables	52,018	44,022	18.2%
NPL	3,054	2,939	3.9%
Special Provisions (-)	1,826	1,818	0.4%
Shareholders' Equity	8,604	7,801	10.3%
Borrowings	37,778	31,243	20.9%
Net Profit	952	923	3.2%

### (units)

Number of Companies	25	26	-3.8%
Number of Branches	139	141	-1.4%
Number of Employees	1,453	1,519	-4.3%
Number of Customers	57,605	58,373	-1.3%

Return on Equity	11.6%	12.5%	-0.9 pps
Return on Assets	1.8%	2.1%	-0.3 pps
NPL Ratio	5.5%	6.3%	-0.7 pps

## TL 145,048 MILLION

TOTAL BUSINESS VOLUME OF FACTORING COMPANIES WAS UP BY 18.2% TO TL 145,048 MILLION IN THE TWELVE MONTHS TO END-2017. DOMESTIC AND INTERNATIONAL FACTORING TRANSACTIONS MADE UP 81.1% AND 18.9% OF THE TOTAL BUSINESS VOLUME, RESPECTIVELY.

### FACTORING

(TL million)	2017	2016	% Change
Transaction Volume	145,048	122,761	18.2%
Total Assets	43,712	33,080	32.1%
Receivables	41,599	31,036	34.0%
NPL	1,500	1,505	-0.4%
Special Provisions (-)	1,318	1,283	2.7%
Shareholders' Equity	5,781	5,082	13.8%
Borrowings	31,816	23,502	35.4%
Net Profit	929	670	38.6%

### (units)

Number of Companies	61	62	-1.6%
Number of Branches	388	360	7.8%
Number of Employees	4,778	4,716	1.3%
Number of Customers	109,658	98,908	10.9%

Return on Equity	17.1%	13.9%	3.2 pps
Return on Assets	2.4%	2.2%	0.2 pps
NPL Ratio	3.5%	4.6%	-1.1 pps



## TL 28,298 MILLION

TOTAL BUSINESS VOLUME OF FINANCING COMPANIES, WHICH INCREASED 27.5% YEAR-OVER-YEAR, ROSE TO TL 28,298 MILLION IN 2017. 83.4% OF THE NEW LOANS EXTENDED DURING 2017 CONSISTED OF PERSONAL AND CORPORATE AUTO LOANS.

### FINANCING

(TL million)	2017	2016	% Change
Transaction Volume	28,298	22,186	27.5%
Total Assets	39,113	32,788	19.3%
Receivables	34,296	27,857	23.1%
NPL	954	937	1.8%
Special Provisions (-)	513	425	20.6%
Shareholders' Equity	4,277	2,693	58.9%
Borrowings	30,490	25,535	19.4%
Net Profit	621	346	79.5%

### (units)

Number of Companies	14	14	0.0%
Number of Branches	0	0	0.0%
Number of Employees	900	869	3.6%
Number of Customers	4,319,643	2,439,186	77.1%

Return on Equity	17.8%	15.8%	2.1 pps
Return on Assets	1.7%	1.2%	0.6 pps
NPL Ratio	2.7%	3.3%	-0.5 pps

## TL 195,914 MILLION

THE AGGREGATE BUSINESS VOLUME OF FINANCIAL LEASING, FACTORING AND FINANCING COMPANIES INCREASED TO TL 195,914 MILLION IN 2017, TRANSLATING INTO A YEAR-ON GROWTH OF 19.8%.

### TOTAL

(TL million)	2017	2016	% Change
Transaction Volume	195,914	163,567	19.8%
Total Assets	140,948	114,367	23.2%
Receivables	127,914	102,914	24.3%
NPL	5,508	5,381	2.3%
Special Provisions (-)	3,656	3,526	3.7%
Shareholders' Equity	18,663	15,575	19.8%
Borrowings	100,084	80,280	24.7%
Net Profit	2,502	1,939	29.0%

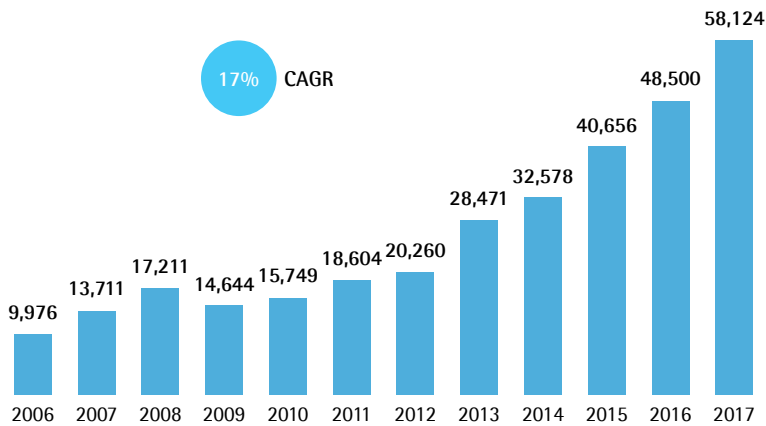
### (units)

Number of Companies	100	102	-2.0%
Number of Branches	527	501	5.2%
Number of Employees	7,131	7,104	0.4%
Number of Customers	4,486,906	2,596,467	72.8%

Return on Equity	14.6%	13.5%	1.1 pps
Return on Assets	2.0%	1.9%	0.1 pps
NPL Ratio	4.1%	5.0%	-0.8 pps

# FINANCIAL INDICATORS - ASSETS

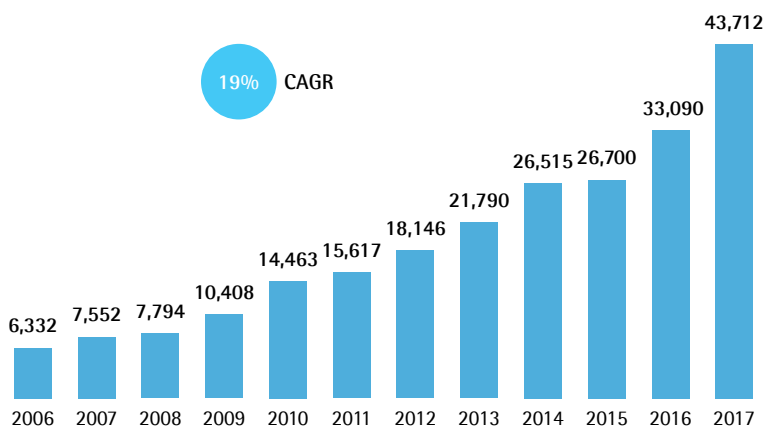
## FINANCIAL LEASING SECTOR - TOTAL ASSETS (TL MILLION)



IN 2017, TOTAL ASSETS OF THE FINANCIAL LEASING SECTOR GREW BY 19.8% AND REACHED TL 58,124 MILLION.

**2017: +19.8%**

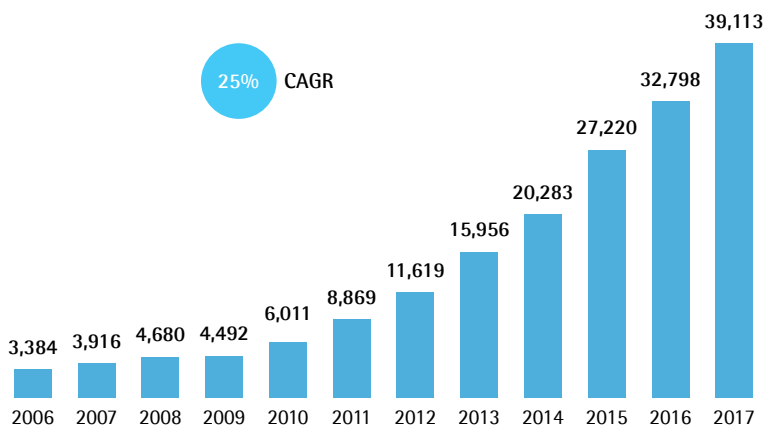
## FACTORING SECTOR - TOTAL ASSETS (TL MILLION)



THE FACTORING SECTOR'S TOTAL ASSETS AMOUNTED TO TL 43,712 MILLION IN 2017, UP BY 32.1%.

**2017: +32.1%**

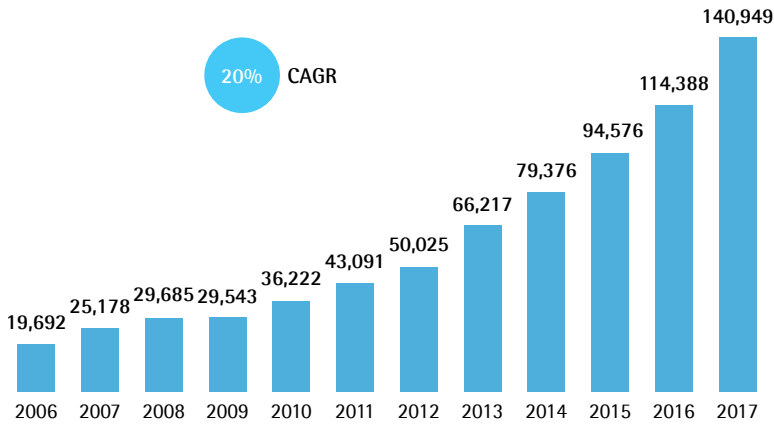
## FINANCING SECTOR - TOTAL ASSETS (TL MILLION)



TOTAL ASSETS AVAILABLE TO THE FINANCING SECTOR REACHED TL 39,113 MILLION IN 2017, TRANSLATING INTO A YEAR-ON RISE BY 19.3%.

**2017: +19.3%**

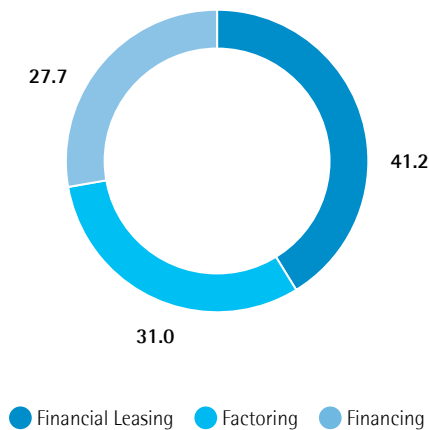
#### AGGREGATE TOTAL ASSETS OF THE FINANCIAL LEASING, FACTORING AND FINANCING SECTORS (TL MILLION)



DURING 2017, CONSOLIDATED TOTAL ASSETS OF THE FINANCIAL LEASING, FACTORING AND FINANCING SECTORS GREW BY 23.2% TO TL 140,948 MILLION. TOTAL RETURN ON ASSETS WAS REGISTERED AS 2.0%. ANNUAL AVERAGE GROWTH RATE OF TOTAL ASSETS OF THE SECTORS BETWEEN 2006 AND 2017 IS 20%.

**2017: +23.2%**

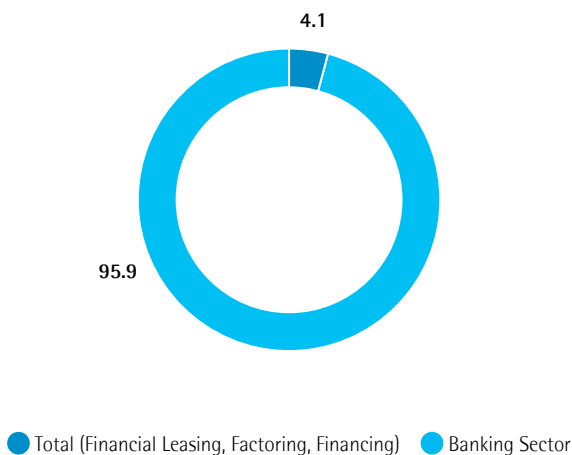
#### SECTORAL BREAKDOWN OF TOTAL ASSETS (%)



IN 2017, THE FINANCIAL LEASING SECTOR CLAIMED THE HIGHEST SHARE OUT OF TOTAL ASSETS WITH 41.2%.

**41.2%**

#### POSITION IN THE FINANCE SECTOR (%)

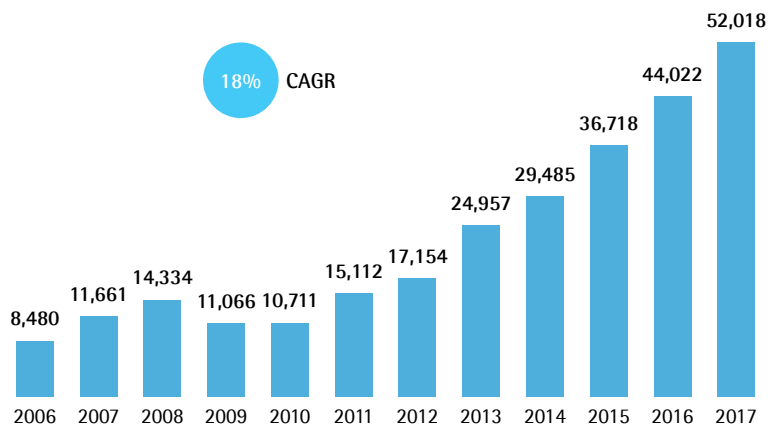


FACTORING, FINANCIAL LEASING AND FINANCING SECTORS REPRESENT 4.1% OF THE TURKISH FINANCE SECTOR IN TERMS OF TOTAL ASSETS.

**4.1%**

# FINANCIAL INDICATORS - RECEIVABLES

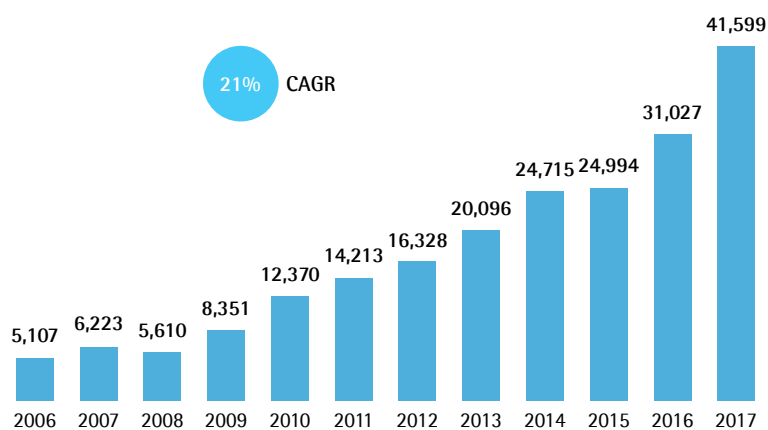
## FINANCIAL LEASING SECTOR - RECEIVABLES (TL MILLION)



TOTAL RECEIVABLES OF THE FINANCIAL LEASING SECTOR WERE UP BY 18.2% IN 2017 AND REACHED TL 52,018 MILLION.

**2017: +18.2%**

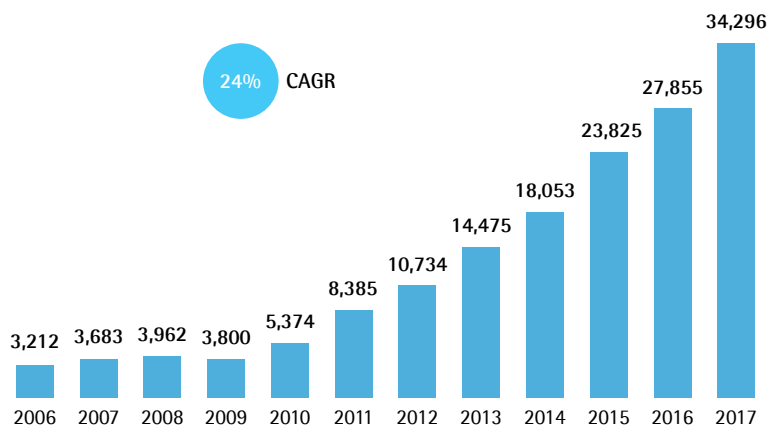
## FACTORING SECTOR - RECEIVABLES (TL MILLION)



HAVING GROWN BY 34.0% IN 2017, TOTAL RECEIVABLES OF THE FACTORING SECTOR AMOUNTED TO TL 41,599 MILLION.

**2017: +34.0%**

## FINANCING SECTOR - RECEIVABLES (TL MILLION)

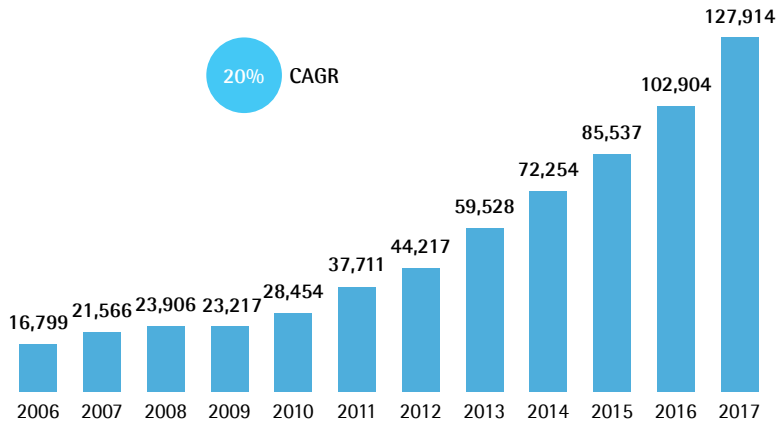


TOTAL RECEIVABLES OF THE FINANCING SECTOR WERE WORTH TL 34,293 MILLION IN 2017, UP BY 23.1%.

**2017: +23.1%**



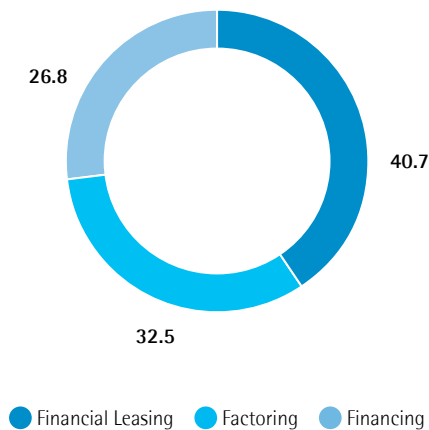
#### TOTAL RECEIVABLES OF THE FINANCIAL LEASING, FACTORING AND FINANCING SECTORS (TL MILLION)



TOTAL RECEIVABLES OF THE THREE SECTORS INCREASED TO TL 127,914 MILLION IN 2017, UP BY 24.3% YEAR-OVER-YEAR. TOTAL RECEIVABLES OF THE SECTORS GREW BY 20% ON AVERAGE BETWEEN 2006 AND 2017.

**2017: +24.3%**

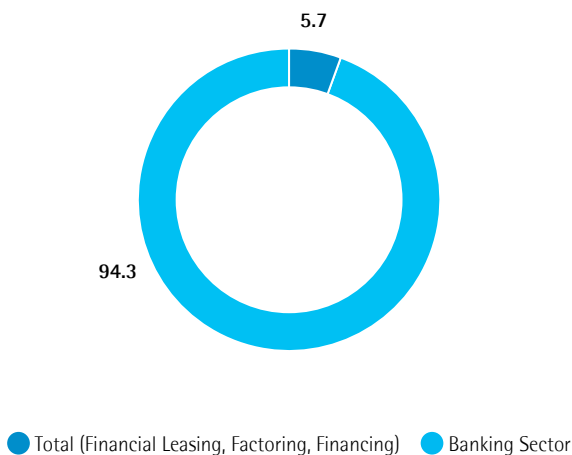
#### SECTORAL BREAKDOWN OF TOTAL RECEIVABLES (%)



IN 2017, THE FINANCIAL LEASING SECTOR GOT THE HIGHEST SHARE OUT OF TOTAL RECEIVABLES WITH 40.7%.

**40.7%**

#### POSITION IN THE FINANCE SECTOR (%)

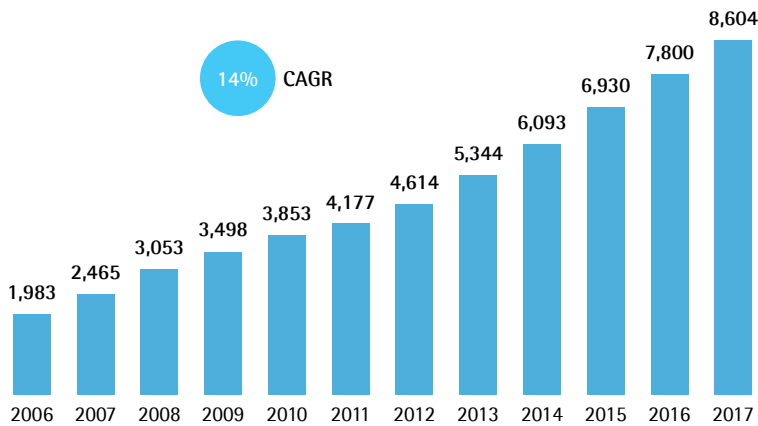


ALL THREE SECTORS ACCOUNT FOR 5.7% OF THE TURKISH FINANCE SECTOR IN TERMS OF TOTAL RECEIVABLES.

**5.7%**

# FINANCIAL INDICATORS - SHAREHOLDERS' EQUITY

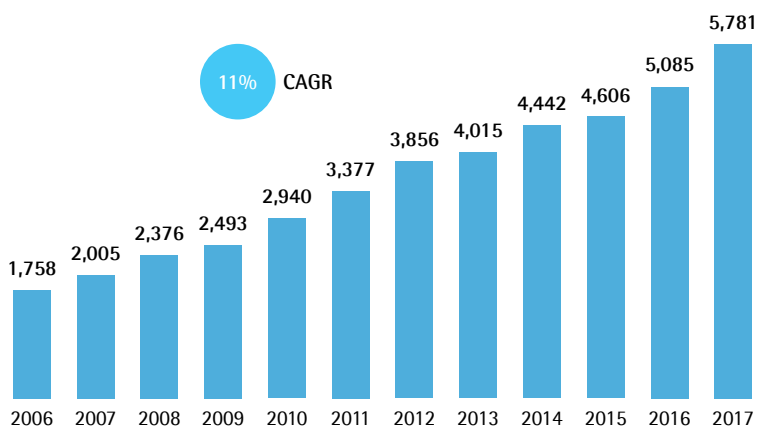
## FINANCIAL LEASING SECTOR - SHAREHOLDER' EQUITY (TL MILLION)



TOTAL SHAREHOLDERS' EQUITY OF THE FINANCIAL LEASING SECTOR GREW BY 10.3% IN 2017 AND REACHED TL 8,604 MILLION.

**2017: +10.3%**

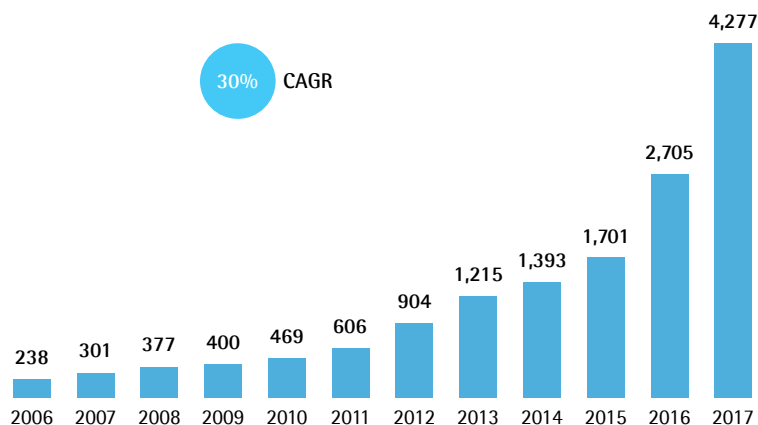
## FACTORING SECTOR - SHAREHOLDER' EQUITY (TL MILLION)



TOTAL SHAREHOLDERS' EQUITY OF THE FACTORING SECTOR WAS UP BY 13.8% IN 2017 AND AMOUNTED TO TL 5,781 MILLION.

**2017: +13.8%**

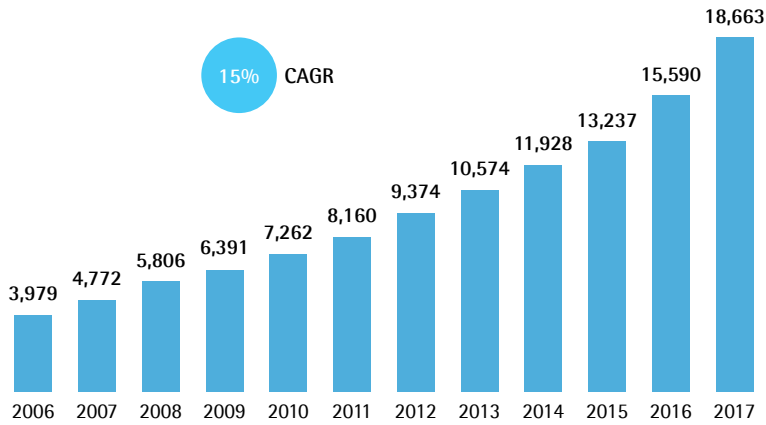
## FINANCING SECTOR - SHAREHOLDERS' EQUITY (TL MILLION)



TOTAL SHAREHOLDERS' EQUITY OF THE FINANCING SECTOR REACHED TL 4,277 MILLION IN 2017, TRANSLATING INTO A YEAR-ON RISE BY 58.9%.

**2017: +58.9%**

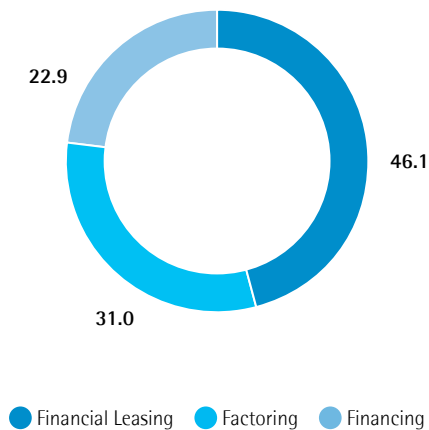
#### TOTAL SHAREHOLDERS' EQUITY OF THE FINANCIAL LEASING, FACTORING AND FINANCING SECTORS (TL MILLION)



TOTAL SHAREHOLDERS' EQUITY OF THE SECTORS DISPLAYED A YEAR-ON RISE BY 19.8% AND REACHED TL 18,663 MILLION IN 2017. RETURN ON EQUITY, ON THE OTHER HAND, ROSE TO 14.6%. AVERAGE ANNUAL GROWTH RATE OF TOTAL SHAREHOLDERS' EQUITY OF THE SECTORS WAS REGISTERED AS 15%.

**2017: +19.8%**

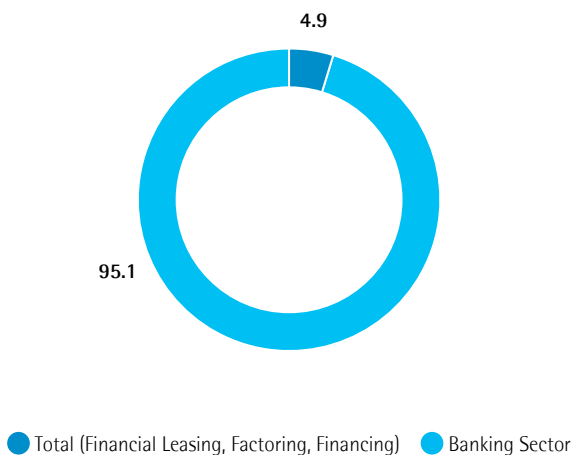
#### SECTORAL BREAKDOWN OF TOTAL SHAREHOLDERS' EQUITY (%)



IN 2017, THE FINANCIAL LEASING SECTOR GOT THE HIGHEST SHARE OUT OF TOTAL SHAREHOLDERS' EQUITY WITH 46.1%.

**46.1%**

#### POSITION IN THE FINANCE SECTOR (%)

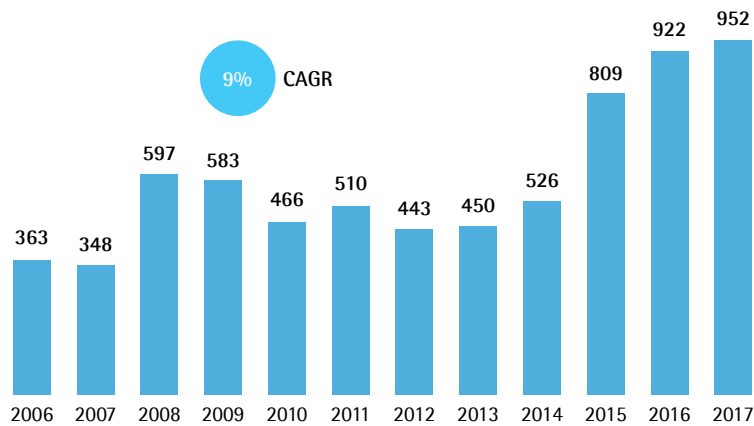


THE THREE SECTORS CONSTITUTE 4.9% OF THE TURKISH FINANCE SECTOR IN TERMS OF TOTAL SHAREHOLDERS' EQUITY.

**4.9%**

# FINANCIAL INDICATORS - NET PROFIT

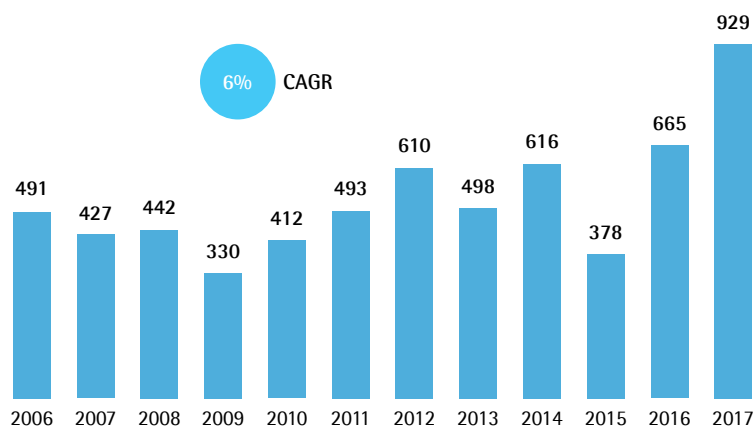
## FINANCIAL LEASING SECTOR - NET PROFIT (TL MILLION)



TOTAL NET PROFIT OF THE FINANCIAL LEASING SECTOR WAS UP BY 3.2% IN 2017 AND REACHED TL 952 MILLION.

**2017: +3.2%**

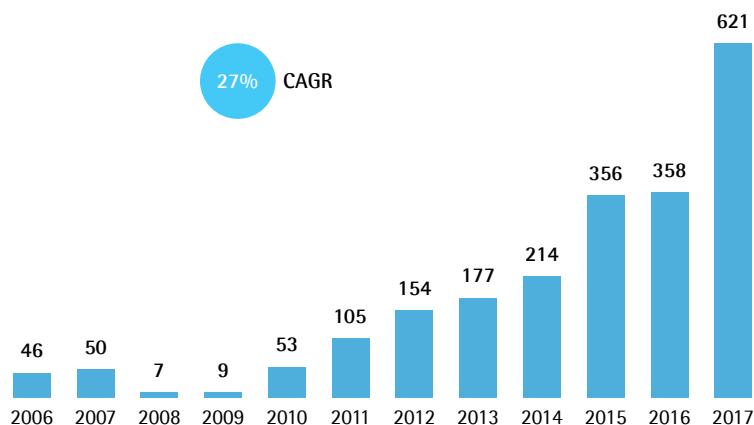
## FACTORING SECTOR - NET PROFIT (TL MILLION)



HAVING GONE UP SIGNIFICANTLY BY 38.6% IN 2017, THE FACTORING SECTOR'S TOTAL NET PROFIT AMOUNTED TO TL 929 MILLION.

**2017: +38.6%**

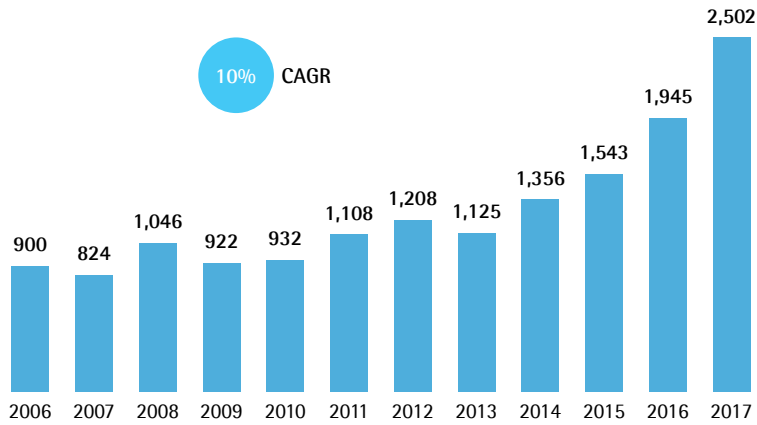
## FINANCING SECTOR - NET PROFIT (TL MILLION)



THE FINANCING SECTOR BOOKED TL 621 MILLION IN NET PROFIT IN 2017, WHICH SURGED BY 79.5% YEAR-OVER-YEAR.

**2017: +79.5%**

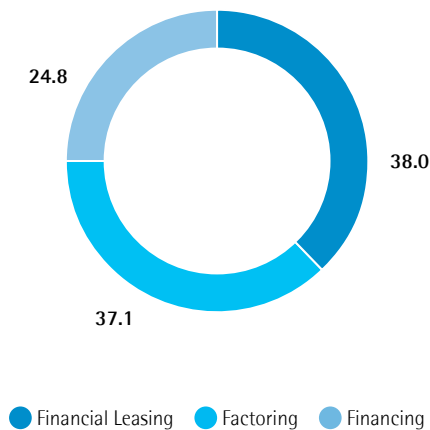
#### TOTAL NET PROFIT OF THE FINANCIAL LEASING, FACTORING AND FINANCING SECTORS (TL MILLION)



AS AT YEAR-END 2017, TOTAL NET PROFIT OF THE SECTORS INCREASED TO TL 2,502 MILLION, WHICH WAS 29.0% HIGHER THAN WHAT IT WAS IN 2016. TOTAL NET PROFIT OF THE THREE SECTORS COMBINED GREW BY 10% ON AVERAGE FROM 2006 TO 2017.

**2017: +29.0%**

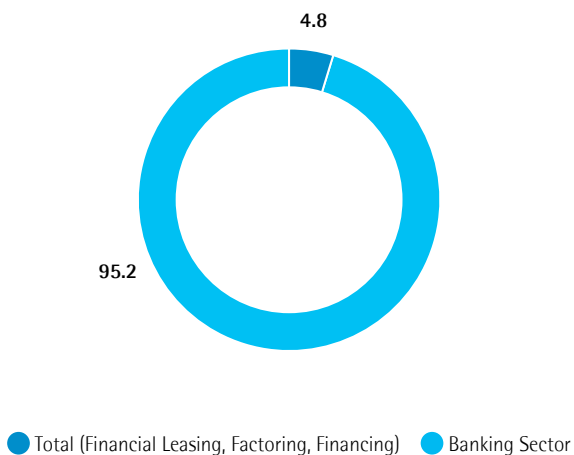
#### SECTORAL BREAKDOWN OF TOTAL NET PROFIT (%)



IN 2017, FINANCIAL LEASING SECTOR WAS THE GREATEST CONTRIBUTOR TO TOTAL NET PROFIT WITH A SHARE OF 38.0%.

**38.0%**

#### POSITION IN THE FINANCE SECTOR (%)



WITH THE NET PROFIT THEY GENERATED, THE SECTORS GOT 5.6% SHARE IN THE TURKISH FINANCE INDUSTRY.

**4.8%**





# Deepening the financial system

Our goal: Contribute  
to increasing the depth  
of the financial system



# DEVELOPMENTS IN THE WORLD AND TURKISH ECONOMIES

THE IMF REVISED ANNOUNCED ITS ESTIMATE OF 2017 GLOBAL GROWTH AS 3.7% AND INCREASED ITS GLOBAL GROWTH FORECASTS FOR 2018 AND 2019 TO 3.9% EACH.

## 3.7%

### DEVELOPMENTS IN THE WORLD ECONOMY

#### IMF RAISES GLOBAL GROWTH FORECASTS.

In the January update of its World Economic Outlook report, the IMF revised its global growth projections upwards. In this report, the IMF was noticeably more sanguine about the outlook for 2018 than it had been, for example, in its October 2017 report. Marking up its growth rate projections for most developed economies other than Spain and the UK, the IMF drew particular attention to the improvement in its forecast for US economic growth saying that the revisions were reflections of increased global growth momentum and

of the expected impact of the recently-approved US tax policy changes. The IMF also said that growth performance in emerging and developing European countries such as Poland and, especially, Turkey could exceed expectations in the period ahead.

Noting that the pickup in year-on-year growth witnessed in 120 economies accounting for three quarters of world GDP was the broadest synchronized global growth upsurge since 2010, the IMF revised its estimate of 2017 global growth from 3.6% to 3.7% and also increased its global growth forecasts for 2018 and 2019 to 3.9% each.

#### WORLD ECONOMIC GROWTH (2016-2019) (%)

	Realization	Estimate	Projection	
	2016	2017	2018	2019
<b>WORLD OUTPUT</b>	<b>3.2</b>	<b>3.7</b>	<b>3.9</b>	<b>3.9</b>
<b>Advanced Economies</b>	<b>1.7</b>	<b>2.3</b>	<b>2.3</b>	<b>2.2</b>
USA	1.5	2.3	2.7	2.5
Europe (Euro Area)	1.9	2.5	2.3	2.0
Germany	1.8	2.4	2.2	2.0
France	1.2	1.8	1.9	1.9
Italy	0.9	1.6	1.4	1.1
Spain	3.3	3.1	2.4	2.1
Japan	0.9	1.8	1.2	0.9
UK	1.9	1.7	1.5	1.5
Canada	1.4	3.0	2.3	2.0
Other Advanced Economies	2.3	2.7	2.6	2.6
<b>Emerging Market and Developing Economies</b>	<b>4.4</b>	<b>4.7</b>	<b>4.9</b>	<b>5.0</b>
Russia	-0.2	1.8	1.7	1.5
<b>Emerging and Developing Europe</b>	<b>3.2</b>	<b>5.2</b>	<b>4.0</b>	<b>3.8</b>
<b>Emerging and Developing Asia</b>	<b>6.4</b>	<b>6.5</b>	<b>6.5</b>	<b>6.6</b>
China	6.7	6.8	6.6	6.4
India	7.1	6.7	7.4	7.8
<b>MENA</b>	<b>4.9</b>	<b>2.5</b>	<b>3.6</b>	<b>3.5</b>
<b>Latin America</b>	<b>-0.7</b>	<b>1.3</b>	<b>1.9</b>	<b>2.6</b>

Source: IMF World Economic Outlook January 2018

HAVING GROWN BY JUST 1.6% IN 2016, THE US ECONOMY PERFORMED marginally BETTER IN 2017 WITH A 2.3% RATE OF GROWTH.

---

**2.3%**

### THE US ECONOMY'S GROWTH MOMENTUM REMAINED STRONG IN 2017

Although the economic outlook in the US remained favorable, inflation indicators stayed relatively weak despite positive developments in employment. Having grown by just 1.6% in 2016, the US economy performed marginally better in 2017 with a 2.3% rate of growth.

In line with expectations, the US Federal Reserve Bank began raising interest rates in late 2016. It continued to do so in 2017 as well. Keeping its promise not to disconcert markets with abrupt movements, it "dialed up" its rates on three separate occasions.

On 13 December 2017 during her last press conference before her departure as the Fed's chairman, Janet Yellen announced that it had been decided to raise the target for the federal funds rate by 25 basis points, bringing it to the 1.25-1.50% range.

In a statement made after the conference, Ms Yellen said that the increase in the 2018 growth projection from 2.1% to 2.5% was largely a reflection of the expansionist measures that could be expected to take place in the government's tax policy.

### THE EURO AREA EXPERIENCED ITS STRONGEST GROWTH IN A DECADE

Despite a calendar heavily laden with national elections and "Brexit" issues, the euro area's economy registered a strong recovery last year.

Annualized euro-area growth weighed in at 2.4% in 2017. Even when adjusted to account for seasonal effects, the growth rate was still a respectable 2.3%. In 2016 these two rates were just 1.8% and 2.0% respectively.

Along with the unambiguous recovery taking place in economic activity throughout the euro area as a whole, there were also noticeable improvements in employment markets as well. According to figures published by Eurostat, the European Commission's statistics directorate-general, the seasonally-adjusted unemployment rate in the euro area remained unchanged in November-December 2017 but, at 8.7%, it was also the lowest that had been witnessed since January 2009. The unemployment rate in the European Union as a whole was 7.3%, which was similarly the lowest reported since October 2008.



Euro-area inflation continued to remain in line with the European Central Bank's declared aim of keeping "inflation below, but close to, 2% over the medium term". Annualized growth in euro-area consumer prices in December was down to 1.4%.

Having embarked upon its own asset-buying program relatively later than other countries' central banks, the European Central Bank took its first steps in the direction of monetary policy renormalization last year with announcements of decisions to cut back such purchases at both its January and October 2017 meetings.

When the efforts of political parties to cobble together a coalition in the wake of Germany's September 2017 elections proved fruitless within the allocated period of time, the process of government-formation in Europe's strongest economy dragged out until the early months of 2018. The effect of this was to increase the pressure on the euro somewhat. Despite political developments that dampened investors' appetite for euro-area risk, the favorable outlook in euro-area economic activity combined with a weak US dollar nourished a rise in the EUR/USD parity.

### A NEW STAGE WAS REACHED IN THE BREXIT PROCESS

UK Prime Minister Theresa May's announcement after a 28 November meeting with EU officials that the proposed financial settlement that the UK would have to pay for Brexit was acceptable in principle ushered in a new stage in her country's departure negotiations. Progress in discussions caused the British pound to appreciate against the US dollar. When the Bank of England also announced that the results of its 2017 stress tests indicated that the country's banks

THE 6.9% YEAR-ON RATE OF GROWTH THAT THE CHINESE ECONOMY REGISTERED IN 2017 WAS THE HIGHEST SUCH REPORTED IN THE MOST RECENT SEVEN YEARS.

### 6.9%

were resilient enough to withstand even the strains of a "hard Brexit" scenario, optimism about the UK economy's prospects was further increased.

#### ECONOMIC GROWTH IN CHINA GAINED MOMENTUM IN 2017

The 6.9% year-on rate of growth that the Chinese economy registered in 2017 was the highest such reported in the most recent seven years. Exports made a noteworthy contribution to this performance, which also surpassed 2017 projections concerning the country's economic growth. This situation helped diminish worries about a national economy having to contend with high levels of indebtedness and serious environmental pollution.

#### JAPAN'S ECONOMY GREW BY 1.6% IN 2017.

Supported by both loose monetary policy and exports nourished by the recovery in global demand, the prospects for the Japanese economy look favorable. Twelve-month economic growth reached 1.6% in 2017, although the last-quarter 0.5% figure was a bit below expectations. That said, the 1.6% figure was still the highest year-on rate registered since 2013.

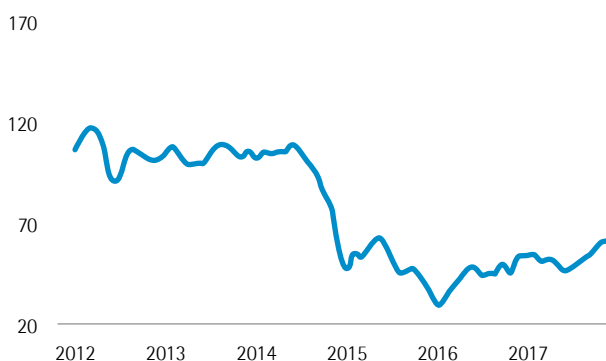
#### CRUDE OIL PRICES INCREASED BY AN AVERAGE 23.8% ON A TWELVE-MONTH BASIS IN 2017 OWING TO STRONG DEMAND, DIMINISHING STOCKS, AND SUPPLY-SIDE CUTBACKS BY OIL-PRODUCING COUNTRIES

Notwithstanding supply-side surplus concerns, oil-producing countries twice extended the suspense date of the production cutback decision that they made in late 2016, thereby extending it into 2017. This helped support oil prices, which were given an additional boost by the global economy's generally favorable growth performance last year. In its late-November meeting, OPEC decided to continue with the cutbacks, extending them from March 2018 to the end of the same year.

Despite the increasingly greater efficiency of shale oil production in the United States, crude oil prices are expected to remain strong in the face of both production restrictions and robust global demand. Foremost among various other issues that could possibly push global energy prices higher are (1) the possibility that OPEC and Russia together will take new steps to extend controls over major exporters and (2) geopolitical risks that threaten producers' output.

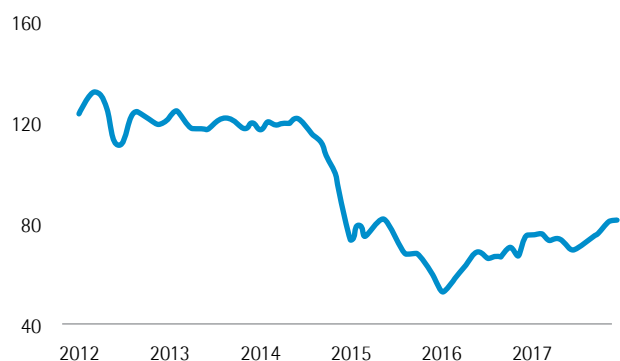
Turning now to other commodity prices, the moderate recovery that they experienced in 2016 appears to have been sustained notwithstanding occasional lapses. Rises in both oil and commodity prices paint a somewhat rosier picture not just for the exporting countries' economies but also for the economies of countries that have had to contend for low-and even negative-inflation rates for such a long time.

#### CRUDE OIL (USD/Barrel)



Source: World Bank

#### COMMODITY PRICES INDEX (2010=100)





ON A TWELVE-MONTH BASIS, THE TURKISH ECONOMY REGISTERED A 7.4% RATE OF GROWTH, HIGHER THAN THAT OF ANY OTHER COUNTRY IN THE G20 GROUP.

**7.4%**

## DEVELOPMENTS IN THE TURKISH ECONOMY

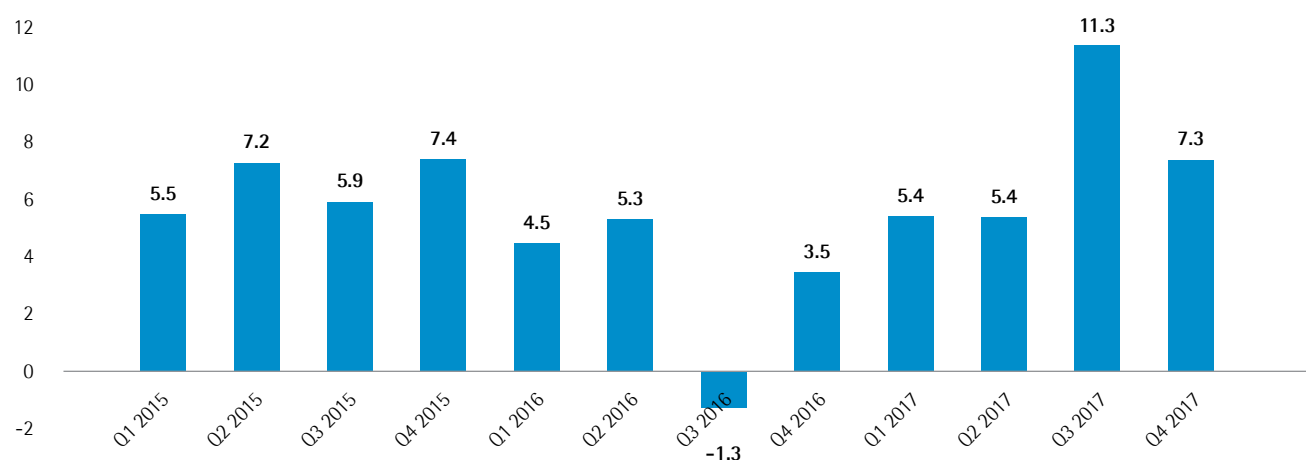
### A NEW PAGE IN THE SUCCESS-STORY OF THE TURKISH ECONOMY'S ECONOMIC GROWTH

Following 5.4% rates of growth in the first and second quarters of 2017, the Turkish economy posted a record-breaking 11.3% in the third, the strongest single-quarter growth performance reported in the most recent six-year period. In parallel with expectations, the economy grew by an additional 7.3% on a chained volume index basis in the last quarter as compared with the same period of the previous year. On a twelve-month basis, the Turkish economy registered a 7.4% rate of growth, higher than that of any other country in the G20 group.

Although the biggest contributors to 2017 economic growth in Turkey appear to have been government incentives packages stimulating and supporting domestic consumption and investment (especially lending backed by the Credit Guarantee Fund), low base effects also played a role in the high levels of growth that were reported in 2017.

According to the "expenditure-method" approach of measurement, the fundamental contributor to the growth in Turkey's GDP all year long in 2017 was private consumption outlays. While the biggest net contributor to GDP growth in the first quarter was exports and in the second it was investment outlays, in the third quarter consumption outlays' contribution shot up from their Q2 level of 1.9 percentage points to 7.0 and then subsided to 4.1 in the fourth.

## GDP GROWTH (%)



Source: TurkStat

Year	GDP (current prices - TL million)	Change (%)	Growth Rate (%)	GDP per Capita (USD)
2010	1,160,014	16.1	8.5	10,560
2011	1,394,477	20.2	11.1	11,205
2012	1,569,672	12.6	4.8	11,588
2013	1,809,713	15.3	8.5	12,480
2014	2,044,466	13.0	5.2	12,112
2015	2,337,530	14.3	6.1	11,014
2016	2,608,526	12.0	3.2	10,807
2017	3,104,907	19.0	7.4	10,597

OWING TO THE DEPRECIATION OF THE TURKISH LIRA AGAINST OTHER CURRENCIES AS WELL AS TO COSTLIER OIL AND OTHER IMPORTED GOODS, TWELVE MONTH CONSUMER-PRICE INFLATION WEIGHED IN AT 11.92% IN 2017.

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**11.92%**



It is believed that private consumption contributed 3.7 percentage points to GDP growth during 2017 as a whole. That was followed by the significant support that investment outlays also provided last year. Construction outlays in particular boosted GDP growth during most of the year even though they did lose momentum in the fourth quarter.

Turning now to the "production-method" approach of GDP measurement, the biggest contributor last year was services, whose 4.1 percentage point contribution was largely associated with the recovery in Turkey's tourism industry. Manufacturing added another 1.8 points to the 2017 rise while construction and agriculture supplied 0.7 and 0.3 percentage points respectively. Considering that its 2016 "contribution" to GDP growth was negative (-0.2 percentage points), agriculture's performance last year is especially noteworthy.

By this method, Turkey's current-price GDP grew by 19% year-on in 2017 and amounted to TL 3,105 billion, which corresponded to USD 851 billion as of year-end.

Current-price per capita GDP at the beginning of the same year was TL 38,660 or USD 10,957.

### UNEMPLOYMENT WAS DOWN IN DECEMBER 2017

Strong labor-market performance continued in December 2017, with the unemployment rate dropping 2.3 percentage points (as compared with the same period of the previous year) to 10.4%. Services played a particularly significant role in this reduction by adding another 1.6 million people to overall employment. That said, the net decline in unemployment was hampered somewhat by growth in the overall workforce. Particularly noteworthy was a 4.8 percentage point decline in unemployment among people in the 15-24 age group: the 19.2% level reported was the lowest seen since May 2016. At 9.9%, the seasonally-adjusted monthly unemployment rate was 0.2 percentage points less. Now back in the single-digit range, it was also the lowest rate that had been registered in more than a year and a half.

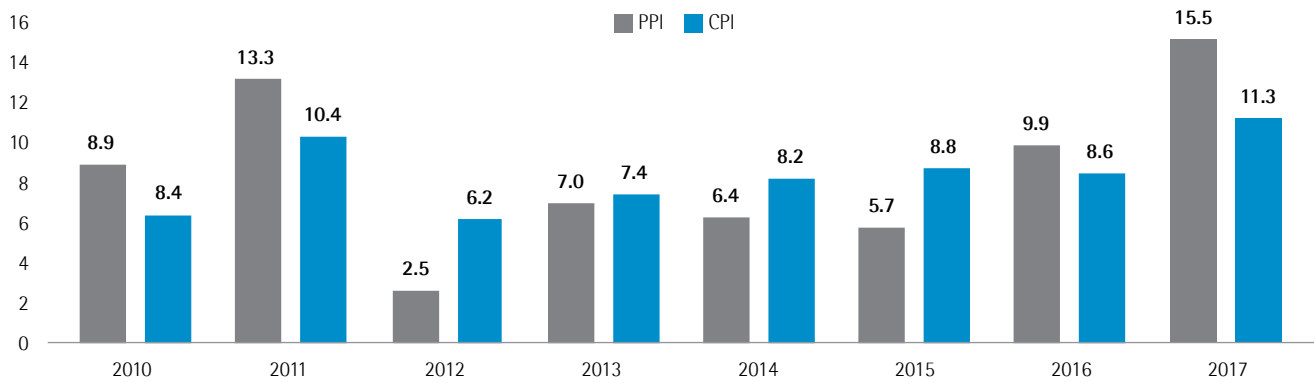
### CONSUMER INFLATION WAS ON THE RISE ALL YEAR LONG

Owing to the depreciation of the Turkish lira against other currencies as well as to costlier oil and other imported goods, twelve month consumer-price inflation weighed in at 11.92% in 2017. This was the highest one-year rise registered in the current consumer-price series since it began in 2003.

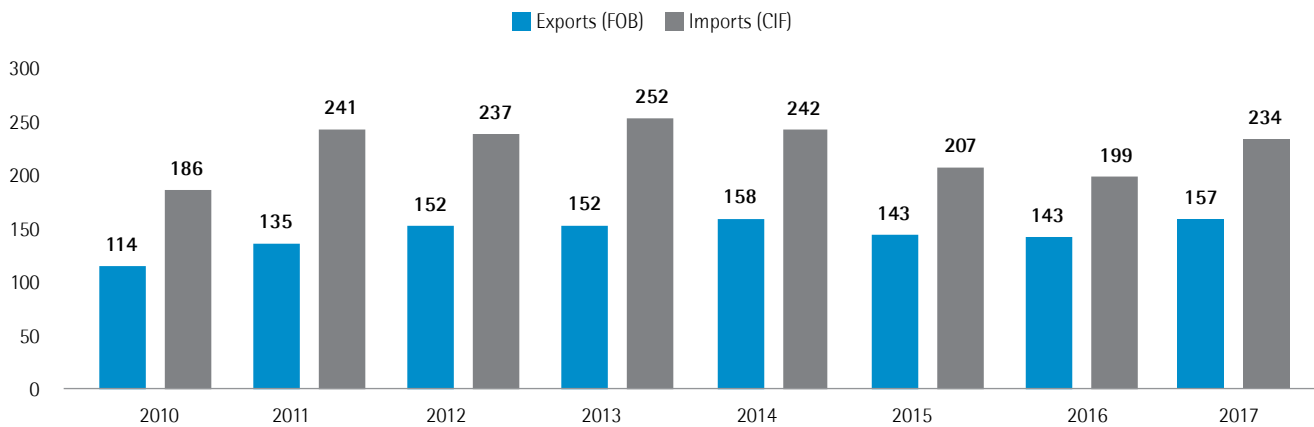
Fueled by higher-than-expected rises in the cost of unprocessed foods and of consumables other than alcoholic beverages and tobacco products, the year's 13.79% surge in food prices significantly surpassed projections. Three other primary groups in the double-digit range were miscellaneous goods and services (up 12.77%), household goods (up 12.74%), and health services (up 11.90%).

In December 2017, the domestic producer price index was 15.4% higher than what it had been the year before. The average twelve-month rise in this index was 15.82% last year.

## INFLATION (ANNUAL - %)



## FOREIGN TRADE (USD BILLION)



### EXPANSION IN THE FOREIGN TRADE DEFICIT

The growth observed in Turkey's foreign trade deficit continued throughout 2017. Closing the year at USD 76.7 billion, it was 36.8% higher than what it had been twelve months earlier. The three biggest contributors to this expansion were higher oil prices, movements in the country's international gold trade, and a rapid increase in imports driven by a domestic economy performing strongly in response to government efforts to support economic activity.

According to foreign trade figures announced by the Turkish Statistical Institute, exports increased by 10.2% to USD 157 billion in value in 2017 while imports were up by 17.7% and were worth USD 234 billion. On this basis, Turkey's terms of trade fell to 67.2% as of year-end.

When energy imports and the gold trade are excluded however, Turkey's foreign trade deficit remained a relatively stable USD 37.3 billion on a twelve-month basis. Although more expensive energy contributed to the foreign trade deficit, so too did imports of intermediary goods, which have been rising steadily since November 2016. As such imports are significant contributors to economic growth, their increase is to be understood as reflecting the year-on-year recovery in economic activity. Looking at developments on the domestic front, the acceleration in lending powered by Credit Guarantee Fund support was another important factor nourishing economic activity; so too were improvements in the export trade supported by economic recovery in EU countries.

TURKEY'S CURRENT ACCOUNT DEFICIT GREW BY 42.1% IN 2017 AND REACHED USD 47.1 BILLION.

**USD 47.1 BILLION**

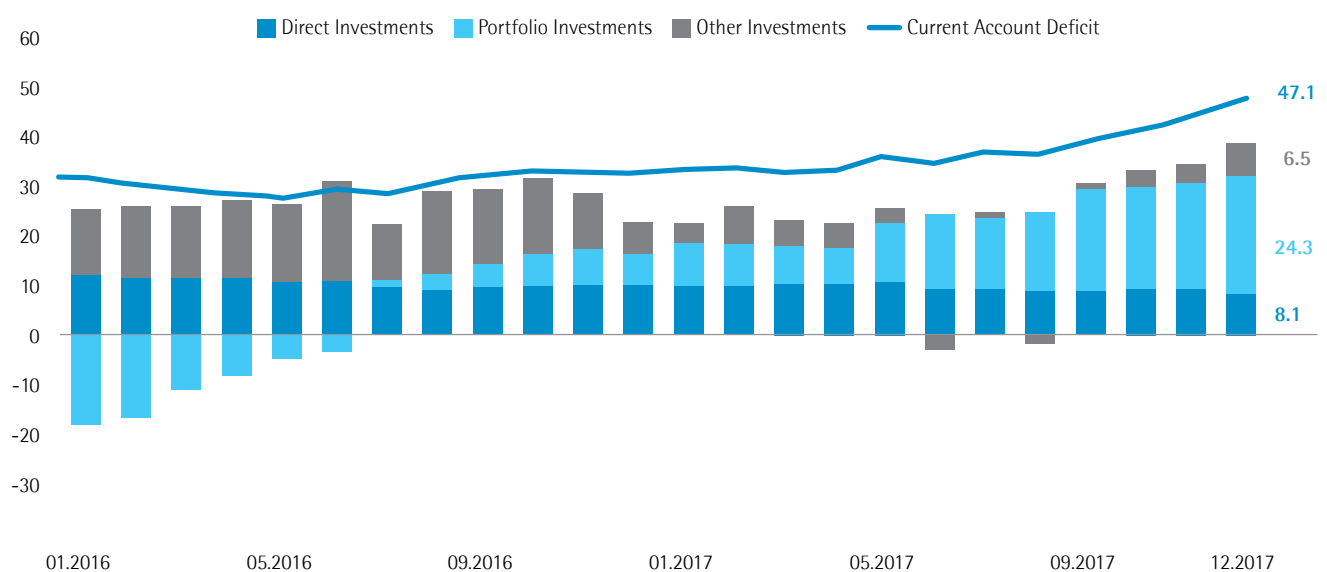


### PRONOUNCED RISE IN THE CURRENT ACCOUNT DEFICIT

Turkey's current account deficit grew by 42.1% in 2017 and reached USD 47.1 billion. That corresponds to a year-on-year expansion on the order of USD 14 billion, no less than USD 12 billion of which is attributable to net gold imports. About a 25% year-on rise in Brent crude oil prices also helped widen the current account gap. When net energy imports and the gold trade are excluded however, we see that Turkey's current account deficit actually shrinks to USD 4.3 billion.

One development that helped limit the 2017 expansion in the current account deficit was the growth in tourism revenues. Portfolio investments, which increased by 285.6% year-on and weighed in at USD 24.3 billion in value last year, played a significant role in financing the current account deficit. Net direct investment however declined by 20.3% in 2017 and amounted to USD 8.1 billion.

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



## FOREIGN TRADE AND BALANCE OF PAYMENTS

(USD million)	2011	2012	2013	2014	2015	2016	2017
Exports (FOB)	134,907	152,462	151,803	157,610	143,839	142,530	157,020
Imports (CIF)	240,842	236,545	251,661	242,177	207,234	198,618	233,800
Foreign Trade Balance	-105,935	-84,083	-99,859	-84,567	-63,395	-56,089	-76,780
Foreign Trade Volume	375,749	389,007	403,464	399,787	351,073	341,148	390,819
Foreign Trade Volume /GDP (%)	45.2	44.7	42.5	42.9	40.8	39.5	45.9
Exports/Imports (%)	56	64.5	60.3	65.1	69.4	71.8	67.2
Energy Imports	54,117	60,116	55,916	54,889	37,842	27,167	37,204
Brent Oil Barrel Price (USD)	113.4	112	109.4	97.5	52.4	43.5	54.2
Current Account Balance	-74,402	-47,963	-63,642	-43,644	-32,109	-33,137	-47,100
Current Account Balance /GDP (%)	-8.9	-5.5	-6.7	-4.7	-3.7	-3.8	-5.5
Current Account Balance (excluding gold)	-69,624	-53,672	-51,863	-39,748	-36,064	-34,927	-37,128
Current Account Balance (excluding gold)/GDP (%)	-8.4	-6.2	-5.5	-4.2	-4.2	-4	-4.4
Travel Revenues	25,054	25,345	27,997	29,552	26,616	18,743	22,478
Net Direct Investment	-13,812	-9,638	-9,927	-6,069	-12,906	-10,196	-8,128
Direct Investment Inflow	16,182	13,744	13,563	13,119	18,002	13,343	10,830
CBRT Gross FX Reserves	78,458	99,923	110,928	106,902	92,922	92,209	84,111
CBRT Total Reserves	110,511	137,488	147,850	141,824	128,047	129,684	136,076

Source: TurkStat, CBRT

### BUDGET DISCIPLINE WAS MAINTAINED DESPITE GROWTH IN BUDGET OUTLAYS

Supported by a vigorous domestic economy throughout 2017, tax revenues surpassed both their TL 25 billion year-end target and their TL 15.5 billion Medium-Term Program projection. The fact that 94% of tax accruals ended up being collected was another contributor to this strong performance in tax revenues. The depreciation in the value of the Turkish lira fueled about a 30% rise in VAT receipts on imported goods, making them the biggest contributor to the expansion in tax revenues. Non-import VAT collections remained weak all year long in 2017 on the other hand. Corporation tax receipts also significantly helped balance the budget even if they did decline in December.

Year-end budget performance results indicate that fiscal discipline was largely maintained despite the government's expansionist policies in the latter half-year. Weighing in at TL 47.4 billion, the budget deficit corresponded to 2% of GDP, nearly a percentage point higher than its 1.1% figure twelve months earlier.

Sources: IMF, World Bank, Ministry of Economy, TurkStat, CBRT







# Contributing to sectoral development

Our goal: Contribute  
to the development of  
our sectors through  
adherence to best  
practices



# 2017 ACTIVITIES

ACCORDING TO YEAR-END 2017 DATA,  
350 THOUSAND RISKY TRANSACTIONS WERE  
PRECLUDED AND DOUBLE FINANCING WAS  
PREVENTED SINCE THE RRC SYSTEM WAS SET UP.

## 350 THOUSAND

### MAJOR PROJECTS AND DEVELOPMENTS

#### RECEIVABLE RECORDING CENTER



Gathering financial leasing, factoring and financing companies under the same roof, the AFI was established under the Law no. 6361. One of the major tasks the Law delegated to the AFI was to set up the

Receivable Recording Central (RRC) where invoices and similar documentation used in factoring transactions are recorded.

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

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

Based on year-end 2017 data, 350,000 risky transactions were precluded and double financing was prevented since RRC was set up.

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

In brief, RRC;

- is utilized by factoring companies and banks,
- prevents assignment and financing of the same receivable more than once,
- runs online and in integration with the e-invoice system of the RA,
- verifies the accuracy of e-invoices and e-archives through integration with the RA,
- allows verification of the T.R. ID No. and Taxpayer No.,
- allows tracking payments and collections in relation to the documents pertaining to a given receivable,
- maintains records of data for all assigned receivable documents in relation to the factoring sector,
- provides sectoral reporting service.

#### WE ARE SETTING AN EXAMPLE FOR THE WORLD WITH THE RRC

By the end of 2017, trade receivables of 61 factoring companies and 19 banks, the financing of which they intermediated, were recorded into the RRC

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

According to the RRC data, 17 million invoices and receivable documents in total were recorded in the system since its inception. 350,000 risky transactions were prevented. The ratio of e-invoices, which was 20% back when the system was established, reached 53% today. The uptrend in the use of e-invoices is ongoing.

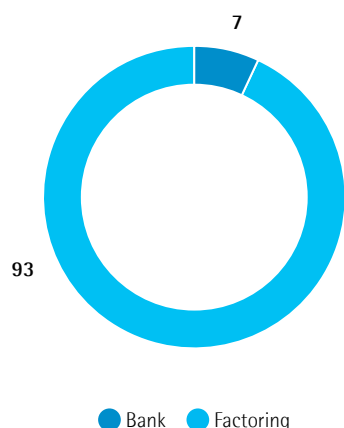
The ratio of e-documents averaged:

- 35% at year-end 2015,
- 45% at year-end 2016,
- 53% at year-end 2017.

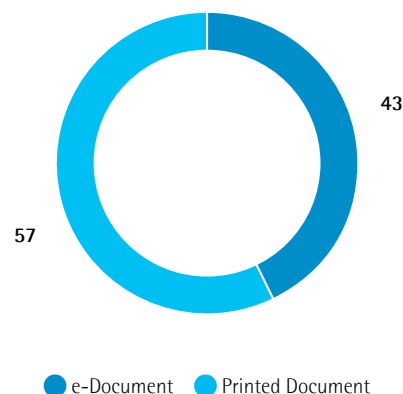
## INTEGRATION WITH THE REVENUE ADMINISTRATION FACILITATED VERIFICATION OF 2.4 MILLION E-DOCUMENTS.

Thanks to the integration with the RA, e-invoices entered into the system since the inception of the RRC are being verified from the RA. This integration facilitated the verification of 2.4 million e-invoices and e-archive documents in 2017.

2017 - # OF TRANSFERS (TYPE OF BUSINESS)  
(%)



2017 - # OF TRANSFERS (TYPE OF DOCUMENT)  
(%)



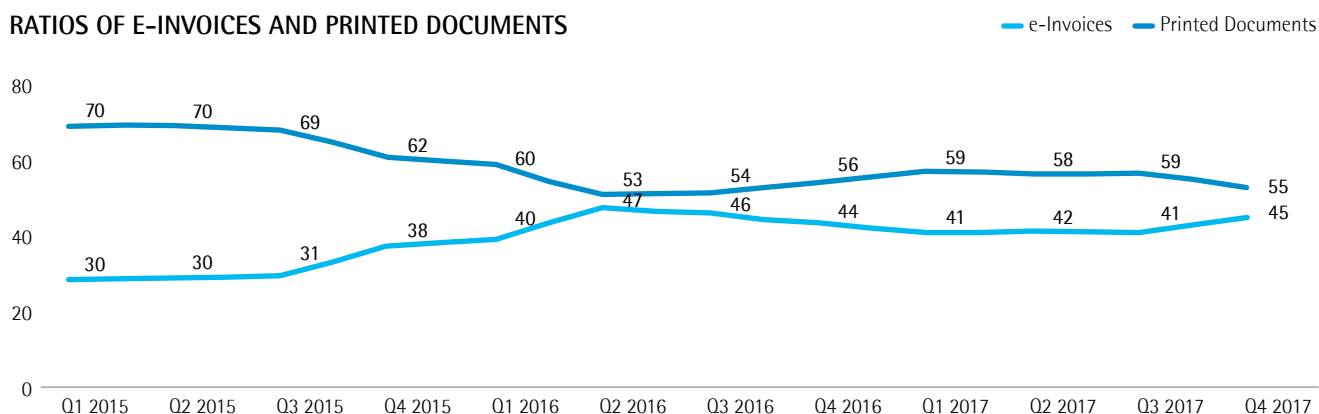
### QUANTITY AND RATIO OF DOCUMENTS BY TYPE

Document Type	Quantity	Average Amount on Documents	Quantity Ratio (%)
e-Archives	318,713	9,789	6
e-Invoices	2,065,245	39,908	37
Printed Documents	3,178,437	24,114	57
<b>Grand Total</b>	<b>5,562,395</b>	<b>29,157</b>	<b>100</b>

### QUANTITY AND RATIO BY CATEGORY

Category	Quantity	Amount	Average Amount on Documents	Quantity Ratio	Amount Ratio
Exports	370,952	30,736,442,650	82,858	7	19
Imports	4,044	1,627,448,614	402,435	0	1
Domestic	5,187,399	129,820,963,061	25,026	93	80
<b>Grand Total</b>	<b>5,562,395</b>	<b>162,184,854,325</b>	<b>29,157</b>	<b>100</b>	<b>100</b>

### RATIOS OF E-INVOICES AND PRINTED DOCUMENTS



THE TURKISH FACTORING SECTOR IS THE WORLD LEADER IN EXPORTS.

### THE WORLD LEADER

#### EXPORT FACTORING ACCOUNTS FOR 19% OF TOTAL TURNOVER.

Foreign trade serves as a significant leverage for the national economy. Within this framework, factoring companies take under guarantee the uncollateralized receivables of exporters from abroad via 400 correspondents in 90 countries under correspondent factoring, and offers credit insurance service for buyers in 238 countries via credit insurance companies including Turk Eximbank's credit insurance policy. While the share the sector gets from exports reached 7%, export factoring makes up 19% of total turnover.

The Turkish factoring sector is the world leader in exports.

#### RRC IS HEADED TOWARDS BECOMING A DATA WAREHOUSE.

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

With 61 factoring companies and 19 banks that became part of the system, a significant data pool is created, which covers invoices and similar receivable documents and associated payment instruments and collection notifications in the sector.

Developed in 2017 for RRC-user companies' need for reports on their own data, the reports that are made available for use by member companies are being used actively. Data analyses and statistical studies on the basis of sectors and user companies are slated for completion in 2018.

#### RECEIVABLE RECORDING CENTER (RRC) - COLLATERAL REGISTRY SYSTEM FOR MOVABLE PROPERTY (CRSMP) INTEGRATION

On 18 December 2017, a protocol was signed by and between the Ministry of Customs and Trade and the AFI Factoring Commercial Enterprise for the integration of Receivable Recording Central (RRC) and the Collateral Registry System for Movable Property (known as "CRSMP").

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

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

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

The integration between RRC and CRSMP involving the Ministry of Customs and Trade and the AFI Factoring Commercial Enterprise is planned to go live in 2018.



ON 18 DECEMBER 2017, A PROTOCOL WAS SIGNED BY AND BETWEEN THE MINISTRY OF CUSTOMS AND TRADE AND THE AFI FACTORING COMMERCIAL ENTERPRISE FOR THE INTEGRATION OF RECEIVABLE RECORDING CENTRAL AND THE COLLATERAL REGISTRY SYSTEM FOR MOVABLE PROPERTY.

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## RRC - CRSMP

### 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 world that becomes digitalized at an increasing extent, the AFI decided to augment its contribution to this process and thus initiated the e-Transformation Products Project.

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

Within the scope of e-Transformation Products Project, the Factoring Commercial Enterprise became an authorized integrator for:

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

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

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

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

e-books (of account) application is another important phase of the digital transformation process. This application enables the preparation of journals and ledgers, which are compulsory to be kept, to be prepared and printed in electronic file format in compliance with all regulatory and technical requirements, guaranteeing their inalterability, integrity and authenticity, thus allowing them to be used as proof before relevant

parties. e-books (of account) is a system that keeps all financial data of organizations secure, while also facilitating reporting and analyses.

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

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

### TRADE CHAIN FINANCE SYSTEM

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

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

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

A tender was carried out for firms that would undertake to provide the demanded platform as instructed by the independent auditor for a project to be designed in line with the objectives described above. The contract was awarded to Cybersoft, which quickly completed the first phase of the system upon which member tests began at the end of 2017.

This IT platform that will be launched by the end of 2018 structures the "Trade Chain Finance System" so as to cover all factoring products including the Supply Chain Finance.

WITH 23,125 SAPLINGS PLANTED IN 2015 AND 23,751 SAPLINGS PLANTED IN 2016, NECESSARY STEPS WERE COMPLETED FOR CREATING THE AFI - FINANCIAL LEASING MEMORIAL FOREST.

### MEMORIAL FOREST

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

#### FINANCIAL LEASING CONTRACT REGISTRATION SYSTEM

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

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

The contracts, which are electronically signed, are being entered into the system by financial leasing companies, participation and investment banks, and can be retrieved 24/7 bearing the Registered Document time stamp. At present, the system users include 25 financial leasing companies, six participation banks, two investment banks and two development banks.

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

#### STATISTICAL DATA ON CONTRACT REGISTRATION

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

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

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

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

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

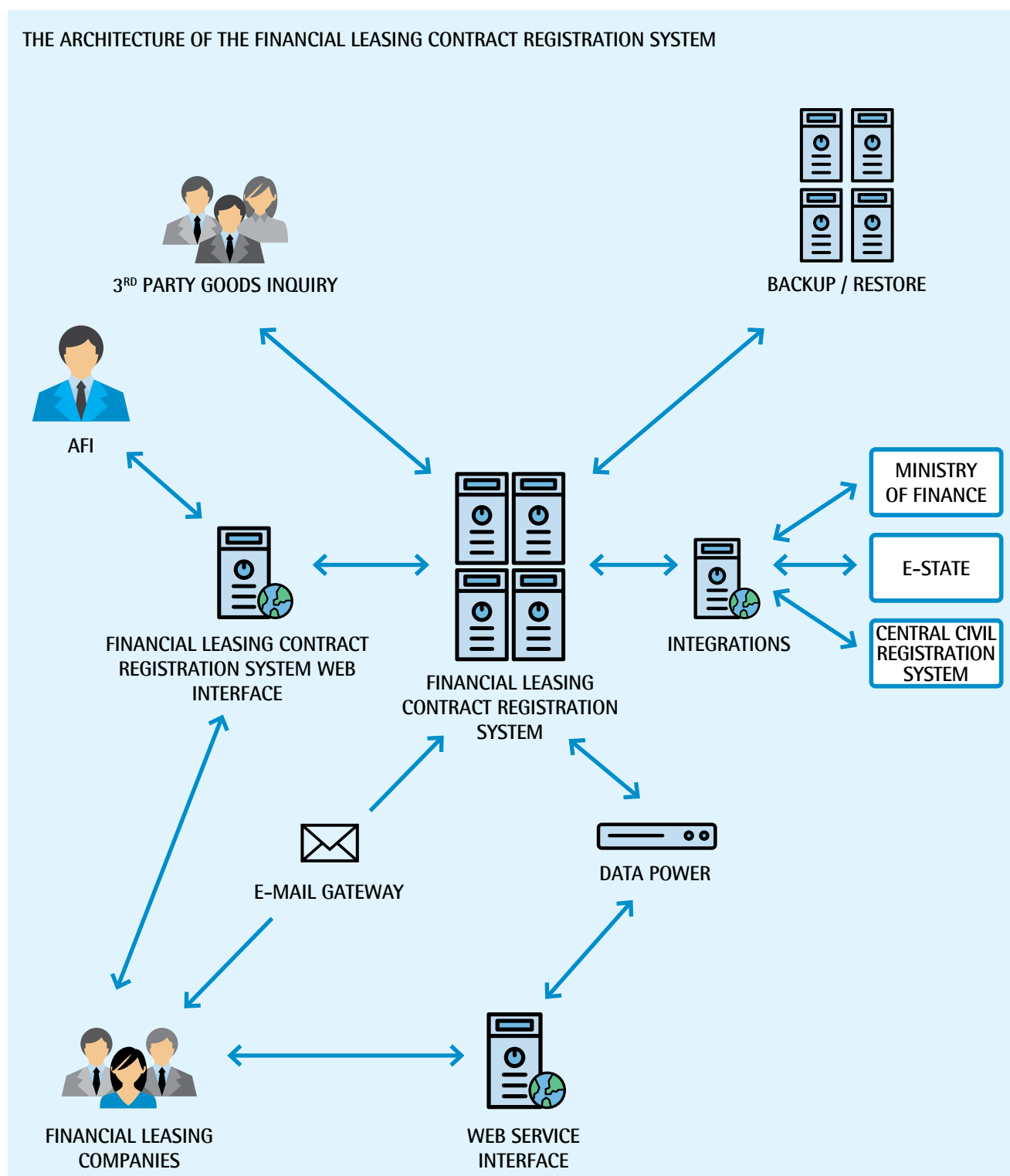
In keeping with the duty delegated thereto by Article 21 of the Law no. 6361, financial leasing contracts where the financial leasing company is a non-resident and the lessee is a resident, are being registered by the AFI as per the Circular that went into force on 31 July 2013 upon its approval by the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

#### STATISTICAL DATA ON CROSS-BORDER FINANCIAL LEASING CONTRACTS

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

AT PRESENT, THE SYSTEM USERS INCLUDE 25 FINANCIAL LEASING COMPANIES, SIX PARTICIPATION BANKS, TWO INVESTMENT BANKS AND TWO DEVELOPMENT BANKS.

## 35 USERS IN TOTAL



A BENEFICIAL STUDY FOR THE WHOLE SECTOR, THE REPUTATION AND PERCEPTION SURVEY WILL ALSO SERVE AS A REFERENCE FOR FINANCIAL LEASING COMPANIES IN DETERMINING THEIR POLICIES.

### REPUTATION AND PERCEPTION SURVEY

#### FINANCIAL LEASING SECTOR REPUTATION AND PERCEPTION SURVEY

In 2016, the Sector Board adopted a decision to administer the Perception Survey previously carried out in 2011, once again in 2017.

The Reputation and Perception Survey aims to quantify the perception and reputation level of the financial leasing sector before internal and external stakeholders, to determine the next steps to increase preference and market potential, and to steer the future marketing and communication strategies. In keeping therewith, Corporate Reputation model has been employed, which is intended to produce "actionable recommendations with respect to growth-oriented corporate reputation, consistent and uniform diagnoses and sector-specific benchmarks, along with comparable data; to assess qualitative and quantitative approaches jointly, and yield customized solutions aimed at determining communication tactics and strategies".

Following a nearly six-month work, the Reputation and Perception Survey was brought to completion in July. As part of the survey, initially a working group was set up which collaborated with the research company to make decisions and worked to prepare the questionnaires and select the groups to be included in the survey. Then, the questionnaires were administered face-to-face and through distance calls with the existing customers, potential customers, vendors, media and employees of financial leasing companies. Designed in detail, the research yielded positive results with respect to the perception and reputation of the overall sector.

The report on the survey results was shared with the executives of sector players. A beneficial study for the whole sector, the survey will also serve as a reference for financial leasing companies in determining their policies.

#### FINANCIAL LEASING SECTOR SEARCH CONFERENCE

In 2016, the Sector Board adopted a decision to hold the Search Conference previously held in 2011, once again in 2017.

The Search Conference themed "New Projects for the Financial Leasing Sector" took place between 24 and 26 February 2017 with the attendance of the AFI, Financial Leasing Sector Representatives, financial leasing stakeholders and customer representatives.

The Search Conference is a participative method employed by the consultants team for the AFI members to actively take part in the process of designing and implementing the future of the financial leasing sector based on common reasoning. This participative approach is considered to be beneficial in two ways for the design and implementation of the future of the financial leasing sector. First, it is intended to arrive at a common sense based on the knowledge and experiences of members for the future design and change of the financial leasing sector. Second, it brings a systematic approach to this change. This process entails three main phases: preparation, execution of the Search Conference, and collection and monitoring of results.

The Search Conference was implemented in six stages:

- 1) Mutual introductions and compilation of the expectations from the Search Conference;
- 2) Presentation of planned versus actualized strategies/targets/activities for the 2011-2016 period, and assessment of the steps taken;
- 3) Determining the trends that will influence the next five years for the sector;
- 4) Setting the change agenda for 2017-2023;
- 5) Identifying the project areas that will help the sector grow, and developing project recommendations on the basis of these areas;
- 6) Prioritizing projects individually by participants.

"Plans versus Actuals" presentation prepared by the AFI Financial Leasing Sector covering the years 2011-2016 and offering an overview of the near history of the financial leasing sector was shared with all participants, and assessed jointly with them. The subsequent brainstorming session served to determine the trends that are anticipated to influence the sector in the next five years. The change agenda for the next five years was set with a small focus group. The

THE SEARCH CONFERENCE PROVED TO BE A UNIFYING AND USEFUL ACTIVITY FOR THE FINANCIAL LEASING SECTOR.

## SEARCH CONFERENCE

change agendas developed by small groups were merged into one, which was then evaluated with all the participants.

Using this development agenda, 11 project areas that will help the sector grow were identified. The participants were asked to specify the project areas they wished to work in, and certain areas were merged or removed in line with their choices, finally leading up to nine project areas. Small focus groups were held on the basis of project areas, which produced 18 project recommendations in total. Project recommendations were evaluated with all participants and project owners were identified and timelines were set for certain projects. During the evaluation phase, an additional project was identified, which was not determined in the focus groups but was included in the change agenda, and as such, the total number of project recommendations arrived at 19.

The Search Conference Report consists of two main parts: Executive Summary and Workshop Notes. The Executive Summary covers the change agenda that was produced based on common sense following the focus groups during the Search Conference and then integrated, assigned project recommendations, and the strategy map. The Workshop Notes documents all the work, discussions and assessments made consistently with the flow of the Search Conference.

As a result of the Search Conference, new working groups were set up in relation to necessary topics, and these working groups organized effective meetings.

The Search Conference proved to be a unifying and useful activity for the financial leasing sector.

### DEVELOPMENTS CONCERNING THE MEMBERS

The company name of DD Finansman A.Ş. was changed to Doruk Finansman A.Ş. on 1 December 2017.

The company name of Doğan Faktoring was changed to Doruk Faktoring A.Ş. on 9 November 2017.

The company name of Finans Faktoring A.Ş. was changed to QNB Finans Faktoring A.Ş. on 26 March 2018.

The company name of Finans Finansal Kiralama A.Ş. was changed to QNB Finans Finansal Kiralama A.Ş. on 6 April 2018.

The BRSA revoked the operating licenses of Pamuk Finansal Kiralama A.Ş. and of Prime Faktoring Hizmetleri A.Ş. on 15 September 2017 and 15 February 2018, respectively, based on the respective companies' own requests.

### MEMBER MEETINGS

Date	Description	Sector
2 January	RRC Members Meeting	Factoring
2 January	RRC Sector Software Developers Technical Meeting	Factoring
4 January	RRC Members Meeting	Factoring
5 January	Perception and Corporate Communications Committee	Factoring
5 January	Private Integrator Service Process Meeting	Factoring
9 January	Leasing Awareness Building Working Group Meeting	Leasing
10 January	RRC Interim Package Analysis	Factoring
10 January	RRC Member Reporting	Factoring
12 January	Sector Representatives Board Meeting	Leasing
12 January	AFI Board of Directors Meeting	AFI
12 January	Sector Representatives Board Meeting	Financing
12 January	Sector Representatives Board Meeting	Factoring
16 January	Financial Crimes Investigation Board Committee	Factoring
19 January	Financial Crimes Investigation Board Committee	Factoring
24 January	RRC Members Meeting	Factoring
26 January	RRC Members Meeting	Factoring
27 January	RRC Members Meeting	Factoring
30 January	RRC Members Meeting	Factoring
31 January	RRC Members Meeting	Factoring
1 February	Meeting of General Managers	Leasing
2 February	Perception and Corporate Communications Committee	Factoring
9 February	Yacht Transactions Working Group Meeting	Leasing
9 February	Re-Factoring Working Group Meeting	Factoring
13 February	RRC Members Special Project Meeting	Factoring
16 February	Sector Representatives Board Meeting	Financing
20 February	RRC Members Meeting	Factoring
21 February	Re-Factoring Working Group Meeting	Factoring
21 February	IT Committee	Factoring
23 February	Sector Representatives Board Meeting	Factoring
23 February	Sector Meeting	Factoring
24-26 February	Search Conference	Leasing
1 March	Private Integrator Service Project Meeting	Factoring
2 March	Legal Committee; Studies on Distant Contract and Biometric Signature Requirements	Financing
2 March	IT Committee	Factoring
3 March	Financial Affairs Committee Meeting	Leasing
3 March	RRC Members Meeting	Factoring
9 March	Leasing Awareness Building Working Group -Perception Survey Project Meeting	Leasing
9 March	Sector Representatives Board Meeting	Leasing
9 March	Sector Representatives Board Meeting	Financing
9 March	AFI Board of Directors Meeting	AFI
10 March	Islamic Factoring Working Group	Factoring
13 March	CGF Protocol Working Group Meeting	Leasing
14 March	RRC Members Meeting	Factoring

## 2017 ACTIVITIES

### MEMBER MEETINGS (Cont'd)

Date	Description	Sector
15 March	IT Committee	Factoring
15 March	Credit Bureau of Turkey (KKB) RRC Development Meeting	Factoring
17 March	CGF Protocol Working Group Meeting	Leasing
20 March	IT Committee	Factoring
22 March	Legal Committee; abt. the Amendments Sought to be Made to the Law no. 6361	Financing
22 March	IT Committee	Factoring
28 March	CGF Protocol Working Group Meeting	Leasing
29 March	Regulatory Working Group Meeting	Leasing
3 April	Islamic Factoring Working Group	Factoring
4 April	Sector Representatives Board Meeting	Factoring
5 April	Sector Representatives Board Meeting	Leasing
5 April	Meeting of General Managers	Leasing
6 April	CGF Protocol Working Group Meeting	Leasing
7 April	Search Conference Executive Board Meeting	Leasing
7 April	RRC Registration Working Meeting	Factoring
10 April	Legal and Financial Affairs Committee	Financing
10 April	Yacht Procedures Regulatory Working Group Meeting	Leasing
13 April	Sector Representatives Board Meeting	Financing
14 April	Innovation and Product Development Committee	Factoring
18 April	Regulatory Working Group Meeting	Leasing
18 April	Sector Representatives Board Meeting	Factoring
18 April	Sector Meeting	Factoring
19 April	CGF Protocol Working Group Meeting	Leasing
26 April	Islamic Factoring Working Group	Factoring
27 April	Joint Legal Working Meeting abt. the Amendments sought to be Made to the Law no. 6361	AFI
3 May	RRC Members Visit	Factoring
4 May	Perception and Corporate Communications Committee	Factoring
5 May	Preparations for Anatolia Meetings	Leasing
5 May	RRC Technical Meeting	Factoring
8 May	Sector Representatives Board Meeting	Leasing
11 May	Sector Representatives Board Meeting	Financing
11 May	Sector Representatives Board Meeting	Factoring
11 May	AFI Board of Directors Meeting	AFI
15 May	Legal Working Meeting; abt. Amendments Sought to be Made to Law no. 6361	AFI
15 May	RRC Member Software Companies Technical Meeting	Factoring
18 May	Financial Crimes Investigation Board Working Group Meeting	Leasing
23 May	Financial Affairs Committee	Factoring
25 May	Regulatory Working Group Meeting; Yacht Procedures	Leasing
25 May	New Products - New Markets Working Group Meeting	Leasing
25 May	Leasing Awareness Building Working Group Meeting	Leasing
26 May	AFI General Meeting	AFI
29 May	Financial Affairs Committee; dealing with Stamp Duty Examinations	Financing
29 May	Corporate Communication Planning Meeting	AFI
29 May	Compliance Officers Meeting	Leasing
1 June	Financial Crimes Investigation Board Committee	Factoring
1 June	Supply-Chain Finance Analysis Meeting	Factoring

Date	Description	Sector
1 June	RRC Supply Chain Meeting	Factoring
5 June	Supply-Chain Finance Technical Meeting	Factoring
6 June	Sector Representatives Board Meeting	Factoring
6 June	Sector Meeting	Factoring
8 June	Joint Regulatory Working Meeting; abt. the Changes Sought to be made to the Law no. 6361	AFI
8 June	Sector Representatives Board Meeting	Financing
8 June	Supply-Chain Finance Analysis Meeting	Factoring
9 June	Supply-Chain Finance Legal Meeting	Factoring
12 June	RRC Supply Chain Meeting	Factoring
13 June	RRC Supply Chain Meeting	Factoring
16 June	New Products-New Markets Working Group Meeting	Leasing
16 June	RRC Members and Credit Bureau of Turkey Meeting	Factoring
22 June	Supply-Chain Finance Analysis Meeting	Factoring
23 June	Supply-Chain Finance Legal Meeting	Factoring
29 June	Supply-Chain Finance Technical Meeting	Factoring
4 July	Supply-Chain Finance Meeting	Factoring
5 July	RRC Credit Bureau of Turkey Member Reporting Meeting	Factoring
6 July	Sector Representatives Board Meeting	Leasing
6 July	Perception Survey Executive Presentation	Leasing
6 July	Meeting of General Managers	Leasing
6 July	Leasing Awareness Building Working Group Meeting	Leasing
6 July	Perception and Corporate Communications Committee	Factoring
6 July	Supply-Chain Finance Meeting	Factoring
7 July	RRC Credit Bureau of Turkey Member Reporting Meeting	Factoring
11 July	Supply-Chain Finance Meeting	Factoring
13 July	Sector Representatives Board Meeting	Factoring
13 July	Sector Meeting	Factoring
14 July	Credit Bureau of Turkey - RRC Sector Reports Project Meeting	Factoring
18 July	Leasing Credit Bureau Project Process Management Meeting	Leasing
20 July	AFI Board of Directors Meeting	AFI
20 July	Sector Representatives Board Meeting	Financing
21 July	Credit Bureau of Turkey - RRC Meeting	Factoring
21 July	Private Integrator Service Process Meeting	Factoring
24 July	Private Integrator Service Marketing Meeting	Factoring
25 July	Operation Working Group Meeting	Leasing
25 July	Financial Affairs Committee	Financing
26 July	Private Integrator Service Project Introduction Meeting	Factoring
26 July	RRC Credit Bureau of Turkey Member Requests Meeting	Factoring
27 July	New Products -New Markets Working Group Meeting	Leasing
1 August	Turkland Bank RRC Web Service Integration Meeting	Factoring
1 August	Leasing Credit Bureau Work Analysis Contacts	Leasing
1 August	Supply-Chain Finance Final Analysis Meeting	Factoring
2 August	Leasing Credit Bureau Business Analysis Contacts	Leasing
2 August	Private Integrator Firm Product Meeting	Factoring
3 August	Perception and Corporate Communications Committee	Factoring



## MEMBER MEETINGS (Cont'd)

Date	Description	Sector
8 August	Leasing Credit Bureau Work Analysis Contacts	Leasing
10 August	Legal and Operation Committees	Financing
11 August	Leasing Credit Bureau Work Analysis Contacts	Leasing
17 August	Sector Representatives Board Meeting	Financing
18 August	Private Integrator Meeting with Legal Advisors and 360 İletişim	Factoring
23 August	Leasing Credit Bureau Work Analysis Report Presentation	Leasing
11 September	RRC Regulatory Committee Meeting	Factoring
11 September	Regulatory Committee	Factoring
14 September	New Products - New Markets Working Group Meeting	Leasing
20 September	Education Committee Meeting	AFI
20 September	Financial Affairs Committee; Information Provision about IFRS 9	Financing
21 September	Sector Representatives Board Meeting	Leasing
21 September	Sector Representatives Board Meeting	Factoring
21 September	Sector Representatives Board Meeting	Financing
21 September	AFI Board of Directors Meeting	AFI
28 September	Legal and Operation Committees; Activities regarding Personal Data Protection Law (PDPL)	Financing
4 October	Financial Crimes Investigation Board Committee Meeting	Factoring
6 October	Education Committee Meeting	AFI
11 October	Meeting of General Managers	Leasing
12 October	Regulatory Committee Meeting	Factoring
16 October	RRC Members Meeting	Factoring
17 October	Financial Affairs Committee; Work on Resolution no. 32	Financing
19 October	Sector Representatives Board Meeting	Leasing
19 October	New Products -New Markets Working Group Meeting	Leasing
19 October	Sector Representatives Board Meeting	Factoring
19 October	Sector Meeting	Factoring
19 October	Sector Representatives Board Meeting	Financing
19 October	Integrator-Supplied Services Introduction Meeting for the Factoring Sector	Factoring
20 October	Member Meeting on AFI e-Invoicing Provider Service	Factoring
20 October	RRC OAuth 2.0 Web Service Transition Work	Factoring
24 October	Member Meeting on AFI e-Invoicing Provider Service	Factoring
24 October	Member Meeting on AFI e-Invoicing Provider Service	Factoring
24 October	RRC Member Informational Meeting	Factoring
25 October	e-Transformation Training Presentation to Factoring Sales Teams	Factoring
26 October	Informational Meeting; Informing the Members of the Board of Directors about Certain Tax Laws and the Omnibus Bill no. 1/884	AFI
28 October	RRC ODM Transition Work	Factoring
2 November	Corporate Communication Planning Meeting	Leasing
2 November	Legal Committee; Activities regarding PDPL and Biometric Signature Regulations	Financing
7 November	Corporate Communication Planning Meeting Attended by NGO Members	Leasing
7 November	RRC Member Software Companies Meeting	Factoring
7 November	Member Meeting on AFI e-Invoicing Provider Service	Factoring

Date	Description	Sector
7 November	Member Meeting on AFI e-Invoicing Provider Service	Factoring
8 November	Perception and Corporate Communications Committee	Factoring
9 November	Member Meeting on AFI e-Invoicing Provider Service	Factoring
9 November	Member Meeting on AFI e-Invoicing Provider Service	Factoring
9 November	Operation Committee	Financing
14 November	Member Meeting on AFI e-Invoicing Provider Service	Factoring
15 November	Compliance Officers Working Group Meeting	Leasing
15 November	Education Committee Meeting	AFI
16 November	Sector Representatives Board Meeting	Financing
21 November	Financial Affairs Committee	Financing
24 November	Compliance Officers Working Group Meeting	Leasing
28 November	RRC Member Technical Meeting	Factoring
30 November	Sector Representatives Board Meeting	Leasing
30 November	Meeting of General Managers	Leasing
30 November	AFI Board of Directors Meeting	AFI
30 November	Sector Representatives Board Meeting	Financing
30 November	Sector Representatives Board Meeting	Factoring
1 December	Compliance Officers Working Group Meeting	Leasing
1 December	Supply-Chain Finance Meeting	Factoring
1 December	e-books (of account) Control Program Analysis Meeting	Factoring
4 December	Working Meeting abt. the Regulation on Incorporation and Operating Principles	AFI
5 December	RRC Interim Package Technical Meeting	Factoring
7 December	Compliance Officers Working Group Meeting	Leasing
7 December	Member Meeting on AFI e-Invoicing Provider Service	Factoring
7 December	Perception and Corporate Communications Committee	Factoring
8 December	RRC 2017 Requests Meeting	Factoring
13 December	Financial Crimes Investigation Board Committee Meeting	Factoring
13 December	RRC 2017 Development Meeting	Factoring
14 December	Member Meeting on AFI e-Invoicing Provider Service	Factoring
14 December	Member Meeting on AFI e-Invoicing Provider Service	Factoring
14 December	Operation Committee; Sectoral Activities Regarding the Use of Address Sharing System	Financing
18 December	IFRS 9 Working Group Meeting	Leasing
20 December	Internal Audit Working Group Meeting	Leasing
20 December	Compliance Officers Working Group Meeting	Leasing
20 December	Financial Affairs Committee	Financing
21 December	Sector Representatives Board Meeting	Leasing
21 December	AFI Board of Directors New Year's Eve Dinner	AFI
21 December	Sector Representatives Board Meeting	Factoring
21 December	Sector Meeting	Factoring
21 December	Sector Representatives Board Meeting	Financing
21 December	Financing Sector New Year's Eve Dinner	Financing
26 December	Leasing Sector New Year's Eve Dinner	Leasing
27 December	Legal Committee Meeting	Leasing
28 December	Financial Affairs Committee; Stamp Duty Study with Big 4	Financing

## 2017 ACTIVITIES

### MEETINGS WITH PUBLIC INSTITUTIONS

Date	Description	Sector
3 January	Visit to the KOSGEB (Small and Medium Enterprises Development Organization of Turkey)	AFI
3 January	Contact with the Officials from the Credit Guarantee Fund	AFI
15 January	CBRT Meeting	Factoring
24 January	Visit to the BRSA Department of Data Management and Department of Regulation	Factoring
3 February	Participation in Turk Eximbank's World Bank-Supplied Credit Allocation Ceremony	Leasing
10 February	Visit to the Undersecretariat of Treasury; Regarding the Preparations for the Regulation on Credit Guarantee Agencies	AFI
15 February	Participation in the Meeting held at the Ministry of Customs and Trade; Regarding CRSMP	Leasing
15 February	Meeting with the CBRT Executives	AFI
22 February	Meeting between the AFI Board of Directors and Naci Ağbal, Minister of Finance	AFI
22 February	Meeting with the Ministry of Finance	Factoring
2 March	Visit to the BRSA	Factoring
6 March	Visit to the Revenue Administration	AFI
6 March	Visit to the Directorate General of Road Transport Regulation	Leasing
6 March	Contact with the Credit Guarantee Fund Officials	AFI
13 March	Contact with the Officials from the Ministry of Transport, Maritime Affairs and Communications	Leasing
13 March	Contact with the Officials from the Undersecretariat of Treasury	AFI
23 May	Meeting with the Directorate General of Civil Aviation; Information Provision regarding Financial Leasing Work Flow	Leasing
25 May	Financial Crimes Investigation Board (MASAK) National Risk Assessment Meeting	AFI
21 June	Iftar dinner for the BRSA Administration	AFI
21 June	Financial Crimes Investigation Board Meeting	Factoring
5 July	Visit to the Revenue Administration for Private Integrator Service Application	Factoring
10 July	Meeting with the BRSA Representative; concerning requested modifications to the Law no. 6361	AFI
12 July	Visit to the Ministry of Economy	Leasing
12 July	Contact with the Officials from the Directorate General of Road Transport Regulation	Leasing
20 July	Attendance to the Roundtable Meeting at The Turkish Industry and Business Association (TÜSİAD) participated by Nihat Zeybekçi, Minister of Economy; Provision of information concerning the requested regulations governing leasing	Leasing
27 July	Visit to the Revenue Administration for Private Integrator Service Application	Factoring
17 August	Participation in the Foreign Trade Statistics Meeting of the Ministry of Customs and Trade; concerning Cross Border Leasing Transactions	Leasing
6 September	Hosting officials from the Ministry of Finance presided by the Minister at the AFI and provision of information about our sectors	AFI
19 September	Meeting with the Competition Authority; abt. AFI Reports	AFI
20 September	Visit to the Revenue Administration for Private Integrator Service	Factoring

Date	Description	Sector
21 September	Visit to the Revenue Administration for Private Integrator Service	Factoring
5 October	Participation in meetings concerning the Omnibus Bill no. 1/884 on Certain Tax Laws held at the Turkish Parliament's Planning and Budget Commission	AFI
10 October	Contact with the CBRT officials	AFI
10-11 October	Participation in meetings concerning the Omnibus Bill no. 1/884 on Certain Tax Laws held at the Turkish Parliament's Planning and Budget Commission	AFI
30 October	Hosting Akif Hamzaçebi, Republican People's Party (CHP) Group Deputy Leader, and his team, at the AFI and provision of information about our sectors	AFI
13 November	Meeting with the CBRT Executives	Leasing
13 November	Meeting with the Undersecretariat of Treasury Executives	Leasing
17 November	Meeting with the BRSA Executives	AFI
20 November	Meeting with the BRSA Executives	AFI
27 November	Meeting with the BRSA Executives	AFI
30 November	CRSMP-RRC Integration Ministry of Customs and Trade Meeting	Factoring
5 December	11 <sup>th</sup> Development Plan Specialization Commission Report Preparations	AFI
7 December	Visit to the Ministry of Customs and Trade	Factoring
26 December	Visit to the Revenue Administration	AFI
29 May	Compliance Officers Meeting	Leasing
1 June	Financial Crimes Investigation Board Committee	Factoring
1 June	Supply-Chain Finance Analysis Meeting	Factoring
1 June	RRC Supply-Chain Meeting	Factoring
5 June	Supply-Chain Finance Technical Meeting	Factoring
6 June	Sector Representatives Board Meeting	Factoring
6 June	Sector Meeting	Factoring
8 June	Joint Legal Working Meeting; abt. Amendments sought to be made to the Law no. 6361	AFI
8 June	Sector Representatives Board Meeting	Financing
8 June	Supply-Chain Finance Analysis Meeting	Factoring
9 June	Supply-Chain Finance Legal Meeting	Factoring
12 June	RRC Supply-Chain Meeting	Factoring
13 June	RRC Supply-Chain Meeting	Factoring
16 June	New Products -New Markets Working Group Meeting	Leasing
16 June	RRC Member and Credit Bureau of Turkey Meeting	Factoring
22 June	Supply-Chain Finance Analysis Meeting	Factoring
23 June	Supply-Chain Finance Legal Meeting	Factoring
29 June	Supply-Chain Finance Technical Meeting	Factoring
4 July	Supply-Chain Finance Meeting	Factoring
5 July	RRC - Credit Bureau of Turkey Member Reporting Meeting	Factoring
6 July	Sector Representatives Board Meeting	Leasing
6 July	Perception Survey Executive Presentation	Leasing
6 July	Meeting of General Managers	Leasing
6 July	Leasing Awareness Building Working Group Meeting	Leasing

## MEETINGS WITH PUBLIC INSTITUTIONS (Cont'd)

Date	Description	Sector
6 July	Perception and Corporate Communications Committee	Factoring
6 July	Supply-Chain Finance Meeting	Factoring
7 July	RRC - Credit Bureau of Turkey Member Reporting Meeting	Factoring
11 July	Supply-Chain Finance Meeting	Factoring
13 July	Sector Representatives Board Meeting	Factoring
13 July	Sector Meeting	Factoring
14 July	Credit Bureau of Turkey - RRC Sectoral Reports Project Meeting	Factoring
18 July	Leasing Credit Bureau Project Process Management Meeting	Leasing
20 July	AFI Board of Directors Meeting	AFI
20 July	Sector Representatives Board Meeting	Financing
21 July	Credit Bureau of Turkey - RRC Meeting	Factoring

Date	Description	Sector
21 July	Private Integrator Service Process Meeting	Factoring
24 July	Private Integrator Service Marketing Meeting	Factoring
25 July	Operation Working Group Meeting	Leasing
25 July	Financial Affairs Committee	Financing
26 July	Private Integrator Service Project Publicity Meeting	Factoring
26 July	RRC - Credit Bureau of Turkey Member Requests Meeting	Factoring
27 July	New Products - New Markets Working Group Meeting	Leasing
1 August	Turkland Bank RRC Web Service Integration Meeting	Factoring
1 August	Leasing Credit Bureau Work Analysis Contacts	Leasing
1 August	Supply-Chain Finance Final Analysis Meeting	Factoring
2 August	Leasing Credit Bureau Work Analysis Contacts	Leasing

## MEETINGS WITH INTERNATIONAL AND ASSOCIATED ORGANIZATIONS

Date	Description	Sector
12 January	Meeting with the Association of Notaries Public; abt. Commercial Enterprise Pledge System CRSMP	AFI
20 January	Meeting with the Association of Notaries Public; abt. Registry Implementations	Financing
24 January	Attendance at the Risk Center Management Meeting	AFI
31 January	Meeting with the Banks Association of Turkey; abt. Commercial Enterprise Pledge System CRSMP	Financing
1 February	Attendance at the Risk Center Management Meeting	AFI
8 February	Meeting with the Association of Notaries Public; abt. Commercial Enterprise Pledge System CRSMP	Leasing
16 February	Attendance at the Risk Center Meeting; abt. Notification of Credit Limit and Risk Data	Leasing
6 March	Meeting with the Executives of İller Bankası	Leasing
21 March	Attendance at the Eurofinas Board of Directors Meeting	Financing
22 March	Meeting with the Representatives of Fitch Ratings	AFI
24 March	Visit to the CRA Administration	Leasing
28 March	Attendance at the Risk Center Management Meeting	AFI
30 March	Attendance at the Leaseurope CEO Business Council Meeting	Leasing
12 April	Attendance at the Risk Center Management Meeting	AFI
18 May	Attendance at the Meeting of Leaseurope Secretaries General	Leasing

Date	Description	Sector
23 May	Meeting with the Association of Notaries Public; abt. Creating pledge on Vehicle Registrations	Financing
25 May	Meeting with the Competition Law Consultants	AFI
1 June	Meeting with the Association of Notaries Public; abt. Transfer of Vehicle Mortgage Procedures to the Association of Notaries Public	Financing
6 June	FCI Meeting	Factoring
13 June	Attendance at the Eurofinas Board of Directors Meeting	Financing
20 June	Meeting with the Competition Law Consultants	AFI
31 July	Meeting with the Banks Association of Turkey; abt. the Commercial Enterprise Pledge System CRSMP	Leasing
15 August	Contact with the Representatives of the Office of New Zealand Commercial Attaché	Leasing
15 August	Cover Lease Product Development Meeting with Euler Hermes Representatives	Leasing
15 September	AFI Social Media Management Meeting	AFI
18 October	Evaluation meeting with the representatives from the Credit Bureau of Turkey; abt. Leasing Credit Bureau	Leasing
20 November	Meeting with the Risk Center Management	AFI
29 November	Meeting with the Risk Center Managers	AFI
7 December	Contact with the Representatives of the Office of New Zealand Commercial Attaché	Leasing
12 December	Participation in the Risk Center Reporting Activity	AFI
19 December	Participation in the Risk Center Reporting Activity	AFI
26 December	Meeting with the Risk Center Managers	Leasing

## 2017 ACTIVITIES

### ATTENDED OR SPONSORED CONFERENCES AND MEETINGS ORGANIZED

Date	Description	Sector
17 January	Contacts for Requesting Leasing Credit Bureau Project Proposals	Leasing
18 January	Certificate Ceremony for AFI Et MÜSEM (Marmara University Continuing Education Center) Basic Expertise in Financial Institutions Program	AFI
26 January	"Strong and Secure Tomorrows with SMEs" Meetings- İzmir	Factoring
9 February	Attendance to the Electronic Vehicle Pledge Meeting	Leasing
16 February	AFI Press Meeting	AFI
16 February	Press Meeting	Factoring
17 February	Contacts for Requesting Leasing Credit Bureau Project Proposals	Leasing
22 February	Contacts for Requesting Leasing Credit Bureau Project Proposals	Leasing
27 February	Contacts for Requesting Leasing Credit Bureau Project Proposals	Leasing
28 February	Tbilisi - FCI Seminar	Factoring
28 February	Meeting with the World Bank Representatives; abt. the Turkish Sukuk Project	AFI
14-16 March	Financial Crimes Investigation Board Workshop	AFI
15-16 March	BCR- Supply Chain Finance Conference	Factoring
16 March	Visit to Takasbank (Istanbul Settlement and Custody Bank) Administration	AFI
4-6 April	Financial Crimes Investigation Board Workshop	AFI
10 April	Securitization Introductory Meeting	AFI
14 April	Contacts for Requesting Leasing Credit Bureau Project Proposals	AFI
18 April	Contacts for Requesting Leasing Credit Bureau Project Proposals	Leasing
21 April	Contact with Leyla Keser; Biometric Signature Initiative	Financing
24 April	Supply Chain Finance Tender Meeting	Factoring
26 April	Training on Personal Data Protection Law	Financing
10 May	Anatolia Meetings - Kahramanmaraş	Leasing
17 May	"Strong and Secure Tomorrows with SMEs" Meetings - Eskişehir	Factoring

Date	Description	Sector
23 May	"A Strong Economy with Trade Finance" Meetings - Ankara	Factoring
19 June	Attendance at the Training on Personal Data Protection Law	AFI
12 July	Attendance at MASAK (Financial Crimes Investigation Board) EU Twinning Project Meeting	AFI
14 August	Garenta Cooperation Meeting	Financing
19 August	Workshop on the Development of the Non-Bank Financial Sector and Turkey's Strategies for Accessing Global Financial Funds	Leasing
22 August	AFI Press Meeting	AFI
24 August	Introduction to Mediation	AFI
20 September	Meeting with THY Executives at AFI	Leasing
21 September	Kalitest ISO Audit	Factoring
26 -27 September	Attendance at the Interest-Free Finance Workshop	AFI
27 September	Anatolia Meetings -Manisa	Leasing
5-6 October	Attendance at the Annual Meeting of Leaseurope convened in Malta	Leasing
5-6 October	Attendance at the Annual Meeting of Eurofinas convened in Malta	Financing
13 October	Leasing Credit Bureau Specifications Preparatory Meeting	Leasing
25 October	Anatolia Meetings - Konya	Leasing
25 October	"A Strong Economy with Trade Finance" Meetings - Gaziantep	Factoring
3 November	"Current Developments in the Factoring Law and the Repelling System" Cooperation with Istanbul Bar Association and Kadir Has University	Factoring
10 November	Participation in the Training on Personal Data Protection Law	AFI
22 November	Financial Crimes Investigation Board Workshop	AFI
5 December	Attendance at the Risk Center Reporting Initiative	Leasing
6 December	Participation in the Turkey Finance Forum	AFI
21 December	Leasing Training to the Delegation of the National Bank of Ethiopia	Leasing
22 December	Personal Data Protection Board Workshop	AFI

INITIATED IN 2016 WITH THE MOTIVE OF FAMILIARIZING THE SMES IN ANATOLIA WITH ALTERNATIVE FINANCING RESOURCES AND FACTORING WITHIN THE SCOPE OF THE SME STRATEGY AND ACTION PLAN, THE ANATOLIA TOUR PROJECT CONTINUED ALSO IN 2017.

## ANATOLIA TOUR

### PUBLICITY ACTIVITIES

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

Initiated in 2016 with the motive of familiarizing the SMEs in Anatolia with alternative financing resources and factoring within the scope of the SME Strategy and Action Plan, the Anatolia Tour Project continued also in 2017. In its second year, the project reached one thousand SMEs in total.

Similarly, Anatolia Meetings were organized in Kahramanmaraş, Manisa and Konya within the scope of the project "Leasing and Strong Tomorrows with SMEs" for increasing the recognition of the financial leasing sector in 2017.

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

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

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

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

### THE FACTORING SECTOR

The project continued in 2017 with events held in the five cities of İzmir, Eskişehir, Ankara, Gaziantep and Kocaeli.

#### İZMİR MEETING – 26 JANUARY 2017

The first one of the "Strong and Secure Tomorrows with SMEs" gathering took place in İzmir on 26 January 2017.

İzmir was chosen since it is one of the highest contributors to the national economy with its economic magnitude and nearly 120,000 SMEs organized in the city.

Within the scope of the gatherings organized with the SMEs, detailed information has been provided in the light of the latest economic developments, including access of SMEs to financing and the support programs available therefor, alternative fundings, grants and loans, insurance, guarantee service and borrowing instruments and the like.

The participants in the meeting coordinated by the AFI were officials from the Ministry of Science, Industry and Technology, the BRSA, Turkish Exporters Assembly, Credit Bureau of Turkey, Turk Eximbank, Small and Medium Enterprises Development Organization of Turkey (KOSGEB), İzmir Governorship, İzmir Metropolitan Municipality, Aegean Region Chamber of Industry, İzmir Chamber of Commerce, İzmir Commodity Exchange, İzmir Development Agency, Aegean Exporters' Associations, İzmir Atatürk Organized Industrial Zone and other 12 Organized Industrial Zones, KOSGEB Provincial Directorate, Turk Eximbank Provincial Directorate, İzmir Industry and Business Association, Karşıyaka Industry and Business Association, Aegean Industry and Business Association, ASKON (Anatolian Businessmen Association) İzmir Branch, Aegean Young Businessmen Association, 9 Eylül University, Ege University, İzmir University of Economics, İzmir Katip Çelebi University, İzmir Chamber of Certified Public Accountants, local media and all local businesses engaged in manufacturing and exports.

## 2017 ACTIVITIES

### ESKİŞEHİR MEETING - 17 MAY 2017

The second "Strong and Secure Tomorrows with SMEs" gathering took place in Eskişehir on 17 May 2017.

Specialized in a number of areas ranging from aircraft engines to white goods, aviation to rail systems, Eskişehir was included in the program as it is one of the major industrial cities of Turkey.

Being a city of organized industrial zones, Eskişehir is home to five companies that are listed among Turkey's Top 500 Industrial Enterprises.

The meeting participants included representatives from the Ministry of Science, Industry and Technology, the BRSA, Turkish Exporters Assembly, Small and Medium Enterprises Development Organization of Turkey (KOSGEB), Turk Eximbank, Eskişehir Governorship, Eskişehir Odunpazarı Municipality, Eskişehir Chamber of Commerce, Eskişehir Chamber of Industry, Eskişehir Organized Industrial Zone, Eskişehir Commodity Exchange, BEBKA (Bursa Eskişehir Bilecik Development Agency), Eskişehir Industry and Business Association, Eskişehir Young Businessmen Association, Eskişehir Anadolu University, Eskişehir Osmangazi University, KOSGEB Eskişehir Provincial Directorate, Turk Eximbank Eskişehir Provincial Directorate and Eskişehir Provincial Directorate of Commerce.

### ANKARA MEETING - 23 MAY 2017

Themed "A Strong Economy with Trade Finance", the meeting was held in Ankara on 23 May 2017.

Coordinated by the AFI, the participants of the Ankara meeting on 23 May 2017 included representatives from the Ministry of Science, Industry and Technology, BRSA, Turk Eximbank, KOSGEB, Ankara Governorship, Ankara Keçiören Municipality, Ankara Chamber of Commerce, Ankara Chamber of Industry, Ankara Commodity Exchange, Ankara Organized Industrial Zone, Ankara Chamber of Certified Public Accountants, Turk Eximbank Ankara Provincial Directorate, KOSGEB Ankara Provincial Directorate, Ankara Industry and Business Association, and all local businesses engaged in manufacturing and exports.

### GAZİANTEP MEETING - 25 OCTOBER 2017

"A Strong Economy with Trade Finance" meeting was held in Gaziantep on 25 October 2017.

Gaziantep, the engine of manufacturing, industry and trade, was selected as the new stop, and the eighth organization was coordinated by the AFI in Gaziantep in order to mobilize all stakeholders, to enhance awareness, to identify and compensate the deficiencies, and to devise a future vision for the city's economy.

Detailed information has been provided in the light of the latest economic developments, including access of SMEs to financing and the support programs available therefor, alternative fundings, grants and loans, insurance, guarantee service and borrowing instruments and the like. While accurate and error-free information flow to stakeholders has been secured together with the public sector and local governments, chambers of industry and commerce, commodity exchanges, organized industrial zones, Turk Eximbank provincial directorates, KOSGEB provincial directorates, development agencies, free zones, universities, local and national media, manufacturing and exporting companies, also deficiencies were made up for, all questions were responded to by experts, and the interest of national media in the city and the city's SMEs was striven to be fueled through special activities.

### KOCAELİ MEETING - 29 NOVEMBER 2017

"Strong and Secure Tomorrows with SMEs" gathering took place in Kocaeli on 29 November 2017.

In the gathering coordinated by the AFI in Kocaeli, the second biggest contributor to the national economy after İstanbul, the participants consisted of representatives from the Ministry of Science, Industry and Technology, Ministry of Economy, BRSA, Turkish Exporters Association, Turk Eximbank, KOSGEB, Kocaeli Governorship, Kocaeli Metropolitan Municipality, İzmit Municipality, Kocaeli Chamber of Industry, Kocaeli Chamber of Commerce, Gebze Chamber of Commerce, Körfez Chamber of Commerce, Marmara Development Agency, İzmit Asım Kibar Organized Industrial Zone, Kocaeli Ali Kahya Organized Industrial Zone, Kandıra Specialized Organized Industrial Zone for Food and all other OIZs, Kocaeli University, Kocaeli Industry and Business Association, local media, and all local businesses engaged in manufacturing and exports.

The goals of the meeting were set as mobilizing all stakeholders, enhancing awareness, identifying and compensating the deficiencies, and devising a future vision for the city's economy.



## FINANCIAL LEASING SECTOR

Under the Anatolia Tour Project, meetings with the SMEs are organized, and various topics are addressed in the light of the latest economic developments, including the importance of financial leasing for the financing of machinery and equipment investments that are vital for the SMEs and that bring about sustainable growth quickly and economically. The project also entails detailed information provision on access to financing and support programs that are available, alternative funds, grants and loans, insurance, guarantee service and borrowing instruments and the like.

In the "Leasing and Strong Tomorrows with SMEs" meetings, a broad variety of topics are intended to be addressed including new financing models, sustainable plans, the problems encountered in manufacturing, marketing and exports, future vision, financial solutions for exports, financial leasing, new exportation opportunities, SME and exporter supports. The meetings were broadcasted in the show "Bakış" aired on Habertürk TV channel, and the agenda items were covered by Hürriyet, and national and local media.

### KAHRAMANMARAŞ MEETING – 10 MAY 2017

One of the cities attracting the highest amount of investments from the Turkish private sector, Kahramanmaraş exports various products including textiles, paper, cement, energy and metal kitchen utensils, as well as Maraş-style ice cream and red pepper flakes that have become a trademark to various parts of the world. Kahramanmaraş ranks second in jewelry in Turkey after İstanbul with an annual gold production amount of 40 tons, and produces nearly 25% of the gold used as jewelry in our country in its workshops. There are four OIZs in the city and the SMEs make up almost 95% of the city's economy. Over the past ten years, employment tripled and exports quadrupled in Kahramanmaraş. In the textile industry, which is the star of its manufacturing business, 100,000 people work in 300 establishments. Accountable for 7% of textile exports from Turkey and 35% of thread production, Kahramanmaraş crowned its rising performance with an average growth figure of 2.5% last year. The industry based in Kahramanmaraş targets to make exports worth USD 10 billion in 2023. In Kahramanmaraş, which is active in all sectors where machinery is a part of production from textiles to metalware industry, leasing support was the topic of discussion in the live broadcast and panel that took place on 10 May 2017.

### MANİSA MEETING – 10 MAY 2017

A gateway to the world in a number of areas led by agriculture and industry, Manisa ranked seventh in Turkey in terms of exports that were worth USD 3.77 billion last year. The city ranks in the top three in Turkey in terms of white goods, electronics and tobacco manufacturing industries. While electric appliances and electronics get the highest share in exports from Manisa with USD 2.12 billion, the automotive industry ranks second with exports amounting to USD 389 million, and the acclimatization sector claimed the third spot with exports worth USD 382 million. Agriculture is vital for Manisa; the city ranks in the top three in the production and exports of various agricultural products in Turkey, with raisins taking the lead. While Organized Industrial Zones are active in Turgutlu, Salihli and Akhisar districts, Manisa Organized Industrial Zone is an investment site that is recognized all around the world. Manisa targets to take major steps towards becoming a trademark and increase its exports. Appearing on the horizon are new goals ranging from the defense industry to energy, specialized industrial zones to becoming the logistics hub of the Aegean Region. As tackled in the live broadcast and panel on 10 May 2017, Manisa, backed by leasing support, will remain the shining star of the Aegean Region and of Turkey by augmenting its production and export figures.

### KONYA MEETING – 25 OCTOBER 2017

Considered as the SME capital of Turkey, Konya is deservedly dubbed an Anatolian Tiger with over 30,000 SMEs and exports worth more than USD 1.5 billion. Home to a highly developed manufacturing industry in a number of branches ranging from automotive side industry to machinery, from paints to footwear, the city is also the agricultural base of Turkey. The industrial enterprises operating in Konya present a remarkable sectoral variety. The city owns 45% of the Turkish market in metalworking. Manufacturing 90% of the parts used in tractors and 100% of the parts used in agricultural machinery, Konya commands 65% of the market in this area in Turkey. In the automotive side industry, more than 70% of the parts and equipment used in a number of brands and makes are being manufactured in Konya. The city also single-handedly controls 15% of the Turkish market with nearly 15 million pairs of shoes manufactured annually. The city of Rumi, Konya hosts world-class major investments in tourism, as well as in renewable energy. Set to increase the production and export figures in all sectors driven by an "entrepreneurial spirit", Konya hosted a live broadcast and panel on 25 October 2017, in which financial leasing was discussed.

### REGULATIONS GOVERNING THE SECTORS

Date	Description	Sector
31.12.2016	Communiqué (Serial No: 11) Amending the Corporate Tax General Communiqué (Serial No: 1) has been published in the Official Gazette. The matters clarified in the Communiqué are as follows: "5.6.2.3.1.5. Determining the two-year period in the sale of immovable properties subject to sale-and-leaseback or lease certificate issue to third persons 5.15. Granting of an exemption in revenues derived on sale-and-leaseback transactions 5.15.1. Beneficiaries of exemption 5.15.2. Economic assets that will be subject to exemption Any and all kinds of movables and immovables can be subject to exemption. 5.15.2.1. Immovable Properties 5.15.2.2. Movable Properties 5.15.3. Requirements for benefiting from the exemption 5.15.3.1. Specifying in the contract that the movable or immovable property has been sold to the lessee for leaseback purposes and on condition to be bought back at the expiration of the contract 5.15.3.2. Keeping the sales revenue in a special fund account 5.15.3.3. Non-withdrawal of the revenue kept in the fund account from the establishment 5.15.4. Exemption implementation 5.15.4.1. Sales of assets to third persons or organizations before completion of the sale-and-leaseback process 5.15.4.2. The inception date of the exemption implementation"	Financial Leasing
16.1.2017	Istanbul Tax Office Directorate ruling regarding the period in which the interest difference will be recognized as income, which is collected in advance through disbursement of loans at rates lower than the contractual interest rate to credit customers	Financing
27.1.2017	Law no. 6770 containing amendments to the tax legislation has been published in the Official Gazette. The articles concerning the financial leasing sector are as follows: <ul style="list-style-type: none"> <li>Article 24 set the Treasury-supplied guarantee limit of the CGF at TL 250 billion.</li> <li>Article 38 entered into force, which makes it easier for boats still flying foreign flags to convert to the Turkish flag.</li> </ul>	
3.3.2017	The Communiqué Regarding the Change of the Flag of Boats Located Abroad or Flying a Foreign Flag to the Turkish Flag (Communiqué No: 2017/3) has been published in the Official Gazette.	Financial Leasing
10.3.2017	The Resolution Amending the Resolution on the Treasury Support Provided to Credit Guarantee Agencies (CGA) has been published in the Official Gazette and entered into force. As a result of the amendment effected by the decree: <ul style="list-style-type: none"> <li>The transactions of financing companies that provide funding to investments are also included within the scope;</li> <li>The condition requiring the financial leasing and financing companies, which are the controlling shareholders of banks that are shareholders in the CGA, to be shareholders in the CGA has been revoked;</li> <li>While setting the conditions for non-shareholder financial leasing and financing companies for becoming shareholders in the CGA, the sizes of these companies in the financial sector will be taken into consideration;</li> <li>The amount of guarantee provided was increased from 85% maximum to 90% (for non-SMEs from 75% to 85%);</li> <li>An obligation was introduced, which requires disbursement of 80% of the guarantees to be provided by the CGA with Treasury support (not on the basis of companies but on the basis of CGA aggregate) within the scope of the Portfolio Guarantee System, and that 70% thereof must be extended to the SMEs.</li> </ul>	Financial Leasing
15.3.2017	The Council of Ministers Resolution regarding the Resource Utilization Support Fund (RUSF) has been published in the Official Gazette. The article concerning the Financial Leasing Sector is as follows: ARTICLE 4- (1) In TL loans residents obtain from foreign countries, apart from banks and financing companies (excluding fiduciary transactions), the RUSF deduction ratio is set as 1% (one percent) for those transactions with an average maturity of up to one year, and as 0% (zero percent) for those with an average maturity of one year and longer.	Financial Leasing
17.4.2017	The Revenue Administration's opinion that, in the case of termination of contract in sale-and-leaseback transactions due to default, retrospective correction can be made neither for VAT exemptions that the lessee benefited in the sale of the immovable property, nor for those that the lessor benefited in lease invoices.	Financial Leasing
24.4.2017	Samsun Tax Office Directorate Ruling: Since delivery or consideration for a service is not in question in insurance premiums and property taxes on commodities subject to financial leasing, VAT does not need to be calculated in charging these amounts as they are to the lessee. However, if an amount in excess of the expenses is collected in such charging, general VAT rate (18%) will be calculated on the amount in excess.	Financial Leasing
27.4.2017	Batman Revenue Office Ruling: Since it is not included in the lists no. (I) and (II) appended to the Council of Ministers Resolution no. 2007/13033, winch mounted truck, make of 1997, is subject to the general VAT rate (18%).	Financial Leasing

## REGULATIONS GOVERNING THE SECTORS (Cont'd)

Date	Description	Sector
4.5.2017	The BRSA decision extending the period of time set out in the provisional article no. 2 of the Regulation on the Accounting Practices and Financial Statements of Financial Leasing, Factoring and Financing Companies until 21 April 2017.	AFI
21.10.2017	Regulation Amending the Regulation on the Establishment and Operating Principles of Financial Leasing, Factoring and Financing Companies has been published in the Official Gazette. The amendments are as follows: The following has been inserted as paragraph 4 to Article 4 of the Regulation, and the following paragraph was numbered accordingly: “(4) In its articles of association that will be drafted under subparagraph (c) of paragraph one, the company that will pursue operations according to the interest-free principle must specify that its operations are based on the interest-free principle and the same must carry out its operations according to the said principles.” The following subparagraph has been supplemented to the first paragraph of Article 11 of the Regulation, and paragraphs four and eight were amended as follows: “(g) The loan agreements executed by the company operating according to the interest-free principle must be in accordance with the interest-free principle.”	AFI
21.10.2017	The Regulation Amending the Regulation on the Accounting Practices and Financial Statements of Financial Leasing, Factoring and Financing Companies has been published in the Official Gazette. The amendments are as follows: The following paragraph has been added to Article 4 of the Regulation: “(5) The remark “interest” herein means profit share for companies that will operate according to the interest-free principle.”	AFI
3.11.2017	The Law no. 7039 Amending the Civil Registry Services Law has been published in the Official Gazette. The alteration in the Law allows financial leasing and financing companies to access the ID and address data for the individuals that they deal with.	Financial Leasing and Financing
5.12.2017	The Law no. 7061 containing amendments to the tax legislation has been published in the Official Gazette. The changes that concern the financial leasing, factoring and financing sectors are as follows: <ul style="list-style-type: none"> <li>Article 17.4.r of the Value Added Tax Law no. 3065 has been modified as follows:</li> <li>“...transfer and delivery of the immovables and participation shares (including sales executed in auction sites) held by borrowers from banks, financial leasing and financing companies and their guarantors in return for their debts to banks, financial leasing and financing companies, and transfer and delivery of these immovables and participation shares by financial leasing and financing companies.”</li> <li>Article 5.1.f of the Corporate Tax Law no. 5520 has been modified as follows:</li> <li>“ The entirety of the earnings corresponding to the portion of the revenues generated on the transfer of immovables, participation shares, founder shares, dividend shares and preemptive rights held by organizations subject to legal follow-up on account of their debts to banks, financial leasing or financing companies or those that are indebted to the Savings Deposit Insurance Fund (SDIF), as well as by their guarantors and mortgagors to banks, financial leasing or financing companies or to the SDIF in consideration of these debts, which portion is used for the liquidation of these debts, and from amongst the assets banks, financial leasing or financing companies so acquire, 50% of the earnings derived on the sale of immovables (including financially leased immovables, in which the lessor takes over all kinds of enjoyment rights based on mutual consent of the parties in return for the financial leasing receivables under legal follow-up due to the lessee's default in financial leasing transactions executed under the Law no. 6361) and 75% of the earnings derived on the sale of other assets.”</li> <li>The following paragraph has been added to Article 16 of the Law no. 6361 on Financial Leasing, Factoring and Financing Companies:</li> <li>“(2) The entirety of the special provisions set aside by financial leasing and financing companies pursuant to this article are recognized as expense in the computation of the corporate tax base of the year in which they are set aside.”</li> </ul>	Financial Leasing and Financing
23.12.2017	The modifications concerning the financial leasing, factoring and financing sectors in the Corporate Tax Law General Communiqué (Serial No. 14) Amending the Corporate Tax Law General Communiqué (Serial No. 1) are as follows: <ul style="list-style-type: none"> <li>The provision stipulating that the exemption granted to organizations indebted to banks or to the SDIF and granted to banks be applied also for those indebted to financial leasing or financing companies, as well.</li> <li>The provision stipulating that special provisions set aside by financial leasing and financing companies pursuant to Article 16 of the Financial Leasing, Factoring and Financing Companies Law be recognized as expense in their entirety in the year they are set aside. The implementation will enter into force on 01 January 2019.</li> </ul>	Financial Leasing and Financing

### REGULATION DEMANDS OF THE SECTORS

#### SUGGESTIONS FOR IMPROVING THE COMPETITIVE ENVIRONMENT:

1. An arrangement that will allow the application of the exemption (concerning asset sales for the liquidation of non-performing loans) in relation to Article 5/1-f of the Corporate Tax Law and Article 17/4-r of the Value Added Tax Law to factoring companies, in the same way it is applied to banking and other non-bank financial sectors,
2. Necessary modification in the Law no. 6361 and the Corporate Tax Law for allowing factoring companies to deduct the special provisions they set aside in line with the BRSA requirements from the Corporate Tax base, as do banking, financial leasing, financing and asset management companies,
3. Necessary modification in Article 22 of the Law no. 6361 so that conformity to the conditions set out in Article 36 of the Land Registry Law no. 2644 currently required of financial leasing companies backed by foreign capital in the case of financial leasing transactions concerning immovables instead be required of the lessee that will become the owner at the expiration of the contract,
4. Necessary modification that will allow factoring companies to make use of the Address and Identity Sharing System stated in Article 45 of the Civil Registration Services Law no. 5490, as other bank and non-bank financial sectors are able to do,
5. Necessary modification in Article 26 of the Land Registry Law no. 2644 for granting of an exemption in relation to issuance of an official letter in pledges performed at land registers by financial leasing, factoring and financing companies,
6. Amending Article 52 of the CBRT Law no. 1211 to the effect that financial leasing, factoring and financing companies will be included in open market transactions,
7. The arrangement for inclusion of financing companies within the scope of the Council of Ministers Resolution regarding the Treasury Support Provided to Credit Agencies (CGF - Credit Guarantee Fund) no. 2016/9538 and for determining the condition of participating in the capital pro rata the magnitude of financial leasing and financing companies as compared to the banks,
8. The arrangement that will allow SMEs that make use of financial leasing method in the financing of their investments to benefit from KOSGEB support mechanisms,
9. The suggestion that necessary modification be made in the Law no. 6361 so that the conveniences regarding proceedings under the Code of Enforcement and Bankruptcy are made available to factoring and financing companies, as well,
10. Amending Article 20 of "Section IV - Papers Associated with Commercial and Civil Affairs" of Chart no. 2 appended to the Stamp Duty Law, and the provision stipulating that

transfer of factoring agreements be included within the scope of the exemption,

11. Amending Article 123 of the Charges Law no. 492 so that factoring companies will be included within the scope of the exemption,
12. Amending Article 7.c.6 of the Law no. 6306 concerning Transformation of Areas under Disaster Risk so that financial leasing and financing companies will also be listed among housing finance agencies,
13. The limit on the issuance of borrowing instruments, which represent one of the basic funds of financing companies, be stipulated equally with the limit granted to banks, together with other non-bank financial institutions, in the Borrowing Instruments Communiqué, and revocation of the required reserve application, which is calculated on the basis of these borrowing instruments,
14. The variance in Articles 23 and 30, which are supplemented to the Law for the banks and for the financing companies respectively under the amendment made to the Stamp Duty Law in 2016, be eliminated and necessary modification be made so that financing companies will be subject to the same conditions as banks,
15. A provision granting exemption to international transporters, in the event that they ship export goods, through recognition of these activities as an FC-earning activity under Resolution no. 32, thus increasing their competitive strength in the international arena.

#### SUGGESTIONS FOR DECREASING INTERMEDIATION COSTS:

1. Decreasing RUSF and BITT rates in consumer loans,
2. Decreasing the RUSF rate to 0% in loans financial leasing and factoring companies obtain from abroad,
3. Broadening the scope of transactions subject to 1% rate in financial leasing transactions,
4. Decreasing the BITT rate in loans non-bank financial institutions obtain from banks,
5. Decreasing the rate of Income Tax withholding applied to borrowings from abroad through bond issues.

#### SUGGESTIONS FOR INCREASED ACCESS TO FINANCING:

1. The arrangement that will allow to deduct the interest rates on housing loans from the Income Tax base,
2. In the event of violation of incentive prerequisites in the case of financially leased investments granted with an investment incentive certificate, collection of the tax exemptions utilized and fines from the lessee, which is the principal investor and owner of the incentive certificate,
3. The arrangement under which any and all responsibility arising from the fact that financial leasing companies are importers under the "Law no. 4703 on the Preparation and Implementation of Technical Legislation on Products" on

account of their capacity as the importer of financially leased machinery to be purchased from abroad be transferred to the lessee, which will become the owner at the expiration of the contract,

4. Through a modification to be made in Communiqué no. 5 under the Law no. 5549 on Prevention of Laundering Proceeds from Crime, transactions up to TL 7,500 performed by financing companies be considered within the low-risk transactions group and be included under simplified measures in order to pave the way for financing activities performed on the digital environment,

5. Eradication of the signature declaration requirement and the obligation to come face-to-face arising out of the Financial Crimes Investigation Board (MASAK) General Communiqué Serial No: 5 for consumer finance loans disbursed within the scope of distance contracts;

6. Amending Articles 9/2 and 9/3 of the Law no. 6361 dealing with negative clearance lawsuits,

7. Revision of the article that excludes factoring companies within the frame of the "Communiqué on Asset- or Mortgage-Backed Securities" published by the Capital Markets Board of Turkey (CMB) in the Official Gazette issue 28877 dated 09 January 2014.

## EDUCATION ACTIVITIES

During 2017, two certification and 80 training programs were offered in a total of 167 days. About one thousand participants attended these trainings.

In 2017, trainings were organized on 17 different topics for 30 participants from three sectors which were delivered by a team of professors from Marmara University and volunteer professionals from financial leasing, factoring and financing companies. Main topics were legal matters, accounting standards, credit risk management and information on products offered by each sector. After an intense training of 108 hours, participants received their certificates from Nurettin Canikli, Deputy Prime Minister in charge of Treasury and Mehmet Ali Akben, BRSA Chairman.

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 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 92 participants were qualified for these certificates.

## NEURO-LINGUISTIC PROGRAMMING (NLP)

NLP (Neuro-Linguistic Programming) training deals with the way individuals create their personal experiences, form their thoughts and moods, build and make sense of their inner

worlds based on their personal experiences. An advanced version of the training was also delivered.

Trainer: Ayşegül Ekmekçioğlu

## INFORMATION SECURITY CONTROLS AND INFORMATION SECURITY MANAGEMENT

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

Trainer: Fatih Emiral

## CRUNCH TIME

The program is suitable for everyone who faces "change". The objective was to develop competences every manager needs, such as resilience, being open to change, self-development, innovativeness and taking the initiative.

Trainer: Haluk Emre

## PROCEDURES TO BE FOLLOWED IN TRANSACTIONS INVOLVING CHECKS AND IMPORTANT CONSIDERATIONS

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

Trainer: Ebru Atasoy Akalın

## ENERGY EFFICIENCY AND RENEWABLE ENERGY

The target of the program was to provide overall information to AFI members on current infrastructure, opportunities, market progress and recent developments in Turkey's renewable energy and energy efficiency sectors. Current and emerging technologies were also included in the training program as necessary. The training was designed to include two main topics, first part being the basics of the subject and the big picture and the second part on legal infrastructure and potential opportunities.

## EARLY WARNING SIGNALS AND WATCH-LIST MANAGEMENT

The training was intended for employees working in specialist and manager positions in credit analysis, allocation and risk monitoring departments in the financial leasing, factoring and financing companies. The training was also recommended for employees working in collection and risk monitoring departments of financing companies that undertake risk through fleet sales to corporate customers. The objective of the program was to evaluate the measures which may prevent receivables from turning into bad debts and to determine actions to be taken with respect to those which have become bad debts.

Trainer: Ali Koç



## 2017 ACTIVITIES

### FINANCIAL CALCULATIONS IN EXCEL

The program targets effective use of Excel as a powerful analysis tool. Main topics included financial mathematics, evaluation of investment projects, credit payment calculation tools, statistical analyses and finance applications.

Trainer: Kerim Bağrıyanık

### FINANCIAL LEASING OPERATIONS

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

Trainer: Emre Muşovi, Yapı Kredi Financial Leasing, Purchasing, Operations and IT Director

### BALANCE SHEET ANALYSIS OF FINANCIAL LEASING, FACTORING AND FINANCING COMPANIES AND MONITORING METHODS OF LEGAL AUTHORITIES

The training provided general guidance on understanding, evaluating and commenting on the accounts and information in the balance sheets and disclosures of financial institutions. It intended to develop analytical skills by reviewing the balance sheet items and understanding strong and problematic areas. In order to achieve this objective, the program focused on understanding the significance of financial statement items on asset-liability management, explaining the critical points which affect management decisions, and the impact of restrictions enforced by the legal authorities on financial statements. The program was designed with the objectives of analyzing the differences in balance sheets of financial leasing, factoring and financing companies based on their operational areas by comparing their financial statements, understanding the ratios and application rules set forth by the legal authorities and making comparisons of financial statements through ratio analysis.

Trainer: Asst. Prof. Bülent Günceler

### 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. The information was supported by real life examples and a basic theory/detailed application approach was carried out.

In this program, participants learned the basic principles and functions of accounting in financial institutions, mechanics of accounting, practices of Uniform Chart of Accounts, recording of financial institutions' transactions and how these records are presented in financial statements in accordance with Turkish Financial Reporting Standards.

Trainer: Oğuz Kemal Bulut, Independent Financial Advisor

### FINANCIAL MATHEMATICS

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

Trainer: Şeref Kasar, Akin Factoring CEO

### FINANCIAL MARKETS

The goal was to help the participants analyze and interpret the macro data, market indicators, statistics and articles in relation to economy and markets, and enable them to create their own perspectives.

Trainer: Erkin Şahinöz

### FINANCIAL DEVIL'S TRIANGLE - "FINANCIAL STATEMENTS, PRODUCTS AND SIGNALS"

Main objective of the training was to help employees of the financial institutions who manage the commercial credit relations get to know the companies they deal with by analyzing their financial statements, detect undesirable situations ahead of time, take precautions on product basis without discrediting customer relations and trust under tight economic circumstances and adopt a vision of sustainable relation management without sacrificing sales and profitability.

Trainer: Burçin Akçelik

### FINANCE FOR NON-FINANCE PROFESSIONALS

Designed for those whose jobs are not directly related to finance management, the program was developed to communicate the easy ways to monitor macro economy and financial markets.

Trainer: Erkin Şahinöz

### HR 4.0 - THREATS AND OPPORTUNITIES FOR TODAY'S LEADERS IN THE DIGITAL WORLD

The program is for participants who want to strengthen their leadership skills or take an inspiring trip along with their companies' transformation journey. Digitalization has significant impacts on organizations, business manners and leadership styles. Competition in the market and organizations which can rapidly respond to change are only possible with inspiring leaders and human resources. This program was intended to inspire leaders in their personal and professional development to prepare their organizations' road map to manage the impacts of Industry 4.0 in a digitalized world.

Trainer: Aylin Satun Olsun

## APPEAL REMEDY IN CODE OF CRIMINAL PROCEDURES

The program was intended for attorneys and employees of risk follow-up departments. Appeal Remedy, its applications, problems and solutions starting from the date of effect were reviewed in detail in theory and practice.

Trainers: Prof. Adnan Deynekli, Prof. Çetin Arslan

## EXPORT FACTORING

Providing information on processes of export factoring, which is one of the factoring services, the training focused on types of factoring and the operation of the two-factor system.

Trainers: Azra Deniz Kızılkaya, İş Factoring International Factoring and Correspondent Relations Manager

## ADVANCED FINANCIAL ANALYSIS AND CREDIT DECISIONS

Organized for the specialists and managers in Credits Department, the program aimed at developing those employees who manage the financial analysis process and have impact on credit decisions.

Trainer: Ali Koç

## ADVANCED FINANCIAL MANAGEMENT

The training was organized for finance, treasury, sales and credits department managers and discussed analysis and calculations necessary for healthy structuring of financial management of the companies with examples.

Trainer: Dr. Cengiz Doğru

## 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.

## A COMPARISON OF IFRS AND TAS

In the IFRS/TAS training, information and examples were provided to employees with basic accounting knowledge who prepare the financial reports in accordance with IFRS or CMB regulations, who will use those reports and who wants to learn about the subject.

Trainer: Oğuz Kemal Bulut, Independent Financial Advisor

## LAW OF COMMERCIAL PAPERS

The program was organized for employees from all levels who want to improve themselves on that subject. The objective of the training was to discuss the basics of commercial paper law, particularly basics of bonds and checks, overall features of bills of exchange and their tracking methods, general form requirements for bonds and checks, bills of guarantee, right to demand payment and common problems.

Trainer: Asst. Prof. Fatih Aydoğan

## LAW ON THE PROTECTION OF PERSONAL DATA WORKSHOP

Law on the Protection of Personal Data which was issued on 24 March 2016 and some of the supplemental regulations have become effective as of 1 January 2018. A workshop was organized by AFI and Personal Data Protection Board to increase the effectiveness of the adoption of the related regulation and to review the topics in question that need to be cleared out in the application process. The workshop was intended for employees from legal, operations, internal audit and information technologies departments of our members and a total of 185 participants have attended.

## LAW ON THE PROTECTION OF PERSONAL DATA

The objective of the program was to develop the skills of those employees from legal, IT and internal control departments who might be responsible for the data or those who might have a role at the committees to be established. Employees from internal audit departments and others who have access to personal data and who are responsible for the protection of personal data at our member firms have attended this program. The goal was to inform the participants about the new responsibilities related to our industries within the framework of the Law on the Protection of Personal Data.

Trainers: KPMG; Sinem Cantürk, Ehtiram İsmayilov, Onur Küçük, Bengisu Özgehan

## CREDIT MANAGEMENT FOR NON CREDIT EMPLOYEES

Training was organized for those employees whose principal roles are not related with credit analysis, financial analysis, credit management, risk monitoring or management. The program intended to teach credit based financial decisions and their results and how the financial information systems and credit management function work using various analyses. The objective was to help employees from different departments of the company to coordinate these subjects with their current job description and improve their perception, empathy and projection skills.

Trainer: Burçin Akçelik

## 2017 ACTIVITIES

### FINANCIAL STRATEGIES IN CREDITS, BUDGETING AND PROVISION METHODS

The program was designed for middle and upper level employees working in credits, financing and internal audit departments and aimed at discussing the audit and management of credit processes of the companies.

Trainer: Ali Koç

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

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

Trainer: Emel Tezcan, Attorney-at-law

### IRREFUTABLE LAWS OF LEADERSHIP

Irrefutable Laws of Leadership Training was organized for middle and upper level managers. No matter which direction you are headed or what you do; leadership is leadership. Time changes, technology improves, cultures transform but real principles of leadership do not change, whether the leaders live in ancient Greece or they are strong politicians, sportsmen or businessmen of the global economy of our century. Leadership principles are beyond time limits and they are irrefutable. Leaders who know these principles and practice them become more successful. Success of leaders is the most significant factor in success of the companies.

Trainer: Ahmet Peçen

### FINANCIAL ANALYSIS

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

Trainer: Hüseyin Ünlü, Tam Factoring Assistant General Manager

### IF THESE FINANCIAL STATEMENTS COULD TALK

This training was organized for employees from accounting, internal control and financial control departments. A person reviewing the financial statements usually looks at basic indicators for liquidity and profitability and gains an overall understanding of the company. "First impressions are the most lasting ones" rule applies here and the person cannot easily change his view. However getting to know the company in this way is generally misleading and can cause misinterpretation. Financial analysts use financial analysis methods to decrease the chances of misinterpretation but they are faced with the challenge of which standards were used in preparation of the statements. In addition to

this, considering the risk of manipulation and unrecorded transactions, we can state that there is a lot financial statements want to tell us but unable to do so. This program intends to improve the participant's competences in these areas and develop skills in opening and extending credits and collecting them on term in financial institutions.

Trainer: Oğuz Kemal Bulut, Independent Accountant and Financial Advisor

### FINANCIAL CRIMES INVESTIGATION BOARD

A training session was organized which targeted to increase awareness of Financial Crimes Investigation Board obligations and suspicious transactions.

Trainer: Sermet Aydın, Ministry of Finance, Financial Crimes Investigation Board Specialist

### EVALUATION OF FINANCIAL STATEMENTS AND FIELDS OF APPLICATION FOR MARKETING FOR THE SALES TEAM

The training was organized for sales and marketing teams and dealt with considerations on healthy portfolio management methods.

Trainer: Ali Koç

### EMOTIONAL SIDE OF SALES

The program was designed for sales and marketing teams and its objective was to increase customer satisfaction and discuss benefits and methods of effective communication with customers.

Trainer: Elif Tokman

### ANALYTICAL THINKING IN SALES AND FINANCE

Designed for those people who want to learn the latest trends in sales and develop new strategies, this program aimed at adopting an analytical thinking approach for the solution of problems before, at and after the time of sale and helping them make healthy and rational decisions using analytical thinking techniques. Another objective was to effectively use, calculate and comment on financial data, indicators and analyses during the sales processes. Real life examples are given to support the concepts during the training.

Trainer: Erkin Şahinöz

### LEGAL PROCEEDINGS IN NON-PERFORMING LOANS

The training was organized for employees in credit, marketing, operations, risk monitoring, legal and internal control departments as well as contracted lawyers and all employees working in departments related with credit liquidation process. The objective of the training was to raise awareness of the legal aspects of actions to be taken for speeding up the collection of bad debts in financial leasing, factoring and financing companies and for adeptly managing this process. Likewise, practical information was provided on types of litigation and proceedings including the most recent changes and issues in practice were addressed in an interactive manner.

Trainer: Emel Tezcan, Attorney-at-Law

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

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

Trainer: Emel Tezcan, Attorney-at-Law

## **VERBAL COMMUNICATION (THE MORE WE SPEAK)**

The training was organized for sales and marketing teams who are in contact with customers. Companies, customers and employees who are in continuous motion in the business world, one of the most important employee skill is, beyond any doubt, verbal communication and this is critical for quick adaptation to various environments. "Verbal Communication for Corporate Value" helps to develop strategic thinking skills for effective leader communication and support these skills with effective team communication, delegation skills, goal setting, monitoring targets and motivation competences. When dealing with difficult people, verbal communication aims to support personal development of managers just like stress and time management.

Trainer: Seçil Şendağ

## **STRATEGIC POINT OF VIEW**

The program is designed for people who want to add strategic depth to their social and professional lives. At the end of the seminar, participants are expected to develop creative approaches and solutions to problems they encounter, contribute to improve value creating suggestions, look at the incidents from a strategic perspective and develop a frame of mind that creates value.

Trainer: Cem Karataş

## **SUPPLY CHAIN FINANCING AND BANK PAYMENT OBLIGATION**

This training was designed for those who wanted to learn about alternative and new financial products, types of supply chain financing around the world and Bank Payment Obligation which is the new product of International Banking Commission. The target of the training was to provide participants with information about the international practices which may support our sectors and products.

Trainer: Hasan Apaydın

## **TICKTACK, TIME IS UP**

This program was organized for all employees. Effective time planning and prevention of postponements are essential to work efficiently. During the program, mind maps were drawn and new methods have been learned by practical applications.

Trainer: Arzu Baran

## **PROPER ENGLISH FOR MEETINGS AND PRESENTATIONS**

Sector professionals make presentations in order to describe their services and activities. Making an effective public speech to your target audience in English, addressing them in English, and talking about yourself, your company or your product in English is very important in business life. It is also important that the presentation is delivered by someone who is relaxed and self-confident. Presentations will reach their goals through speakers who have good command of presentation skills in English, speak confidently and work in a structured manner. A really good presentation is one that will be remembered by all and enjoyed by the presenter at the same time. The training was intended to deliver these abilities.

Trainer: Iron Lopez

## **TURKISH AND GLOBAL ECONOMY: INDICATORS AND DEVELOPMENTS**

The program was organized for all employees of the industry who want to improve their knowledge on economic developments, indicators and crises. 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.

Trainer: Prof. Erhan Aslanoğlu

## **RESTRUCTURING, LEGAL PROCEEDINGS AND ASSET SALES MANAGEMENT**

This program was organized for specialists and managers at monitoring and follow-up departments. Processes for transactions related with non performing credits and credits under legal follow up were reviewed and establishing a healthy follow up system was targeted at the training.

Trainer: Ali Koç

## **TEAM COACHING AND FACILITATION SKILLS FOR MANAGERS**

This training was organized for employees who want to be successful leaders of their teams and good team members. Team coaching and facilitation speeds up group thinking and production processes, brings out the teams' goal oriented creativity and improves efficiency. It also helps development plans to come out.

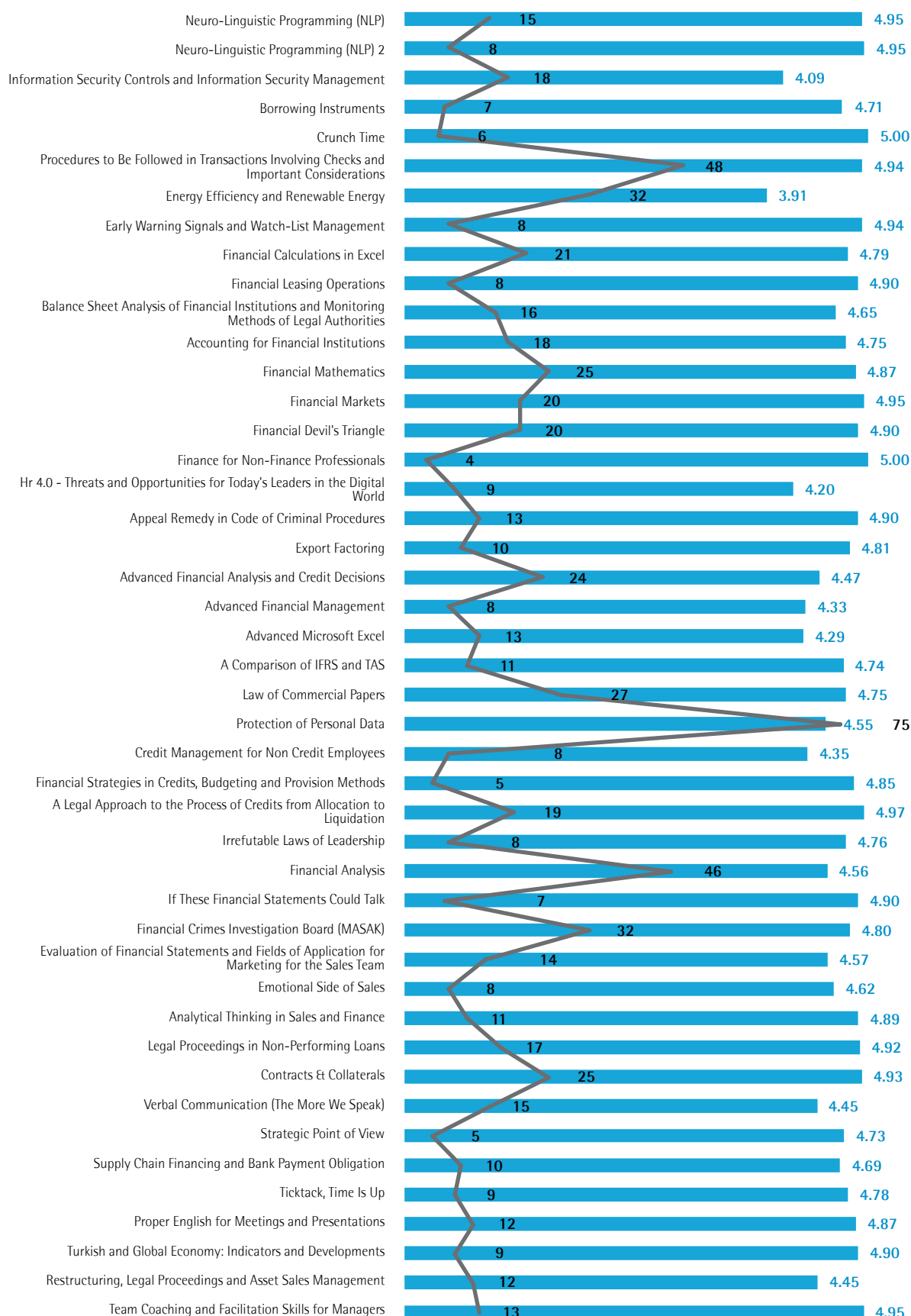
As a discipline, managing with team coaching and facilitation looks out for fluidity and efficiency of energy in human and business management processes. It targets successful results by supervision of processes and participation in a maximum efficient, creative and organizing manner without falling into traps.

Designed to present these skills to the managers, methods to enable this energy flow were introduced and tips to make managers' job easier were shared during the training.

Trainer: Abdurrahman Özciğer

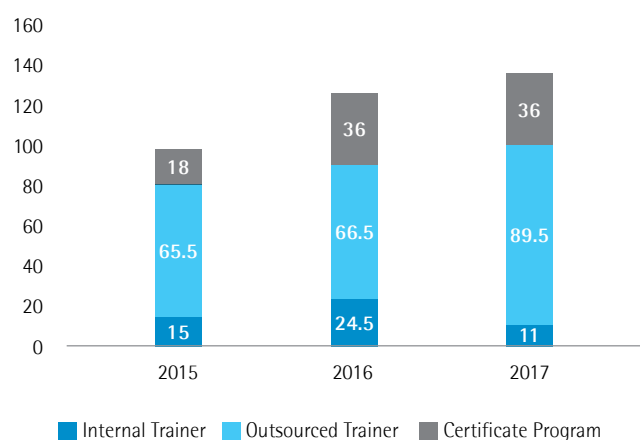
## 2017 ACTIVITIES

### RESULTS OF TRAINING EVALUATION SURVEYS

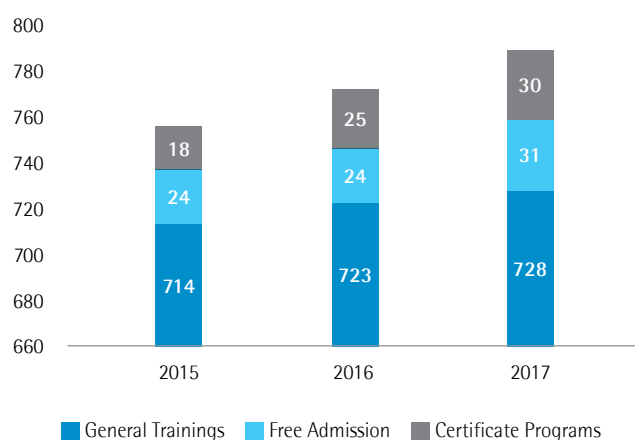




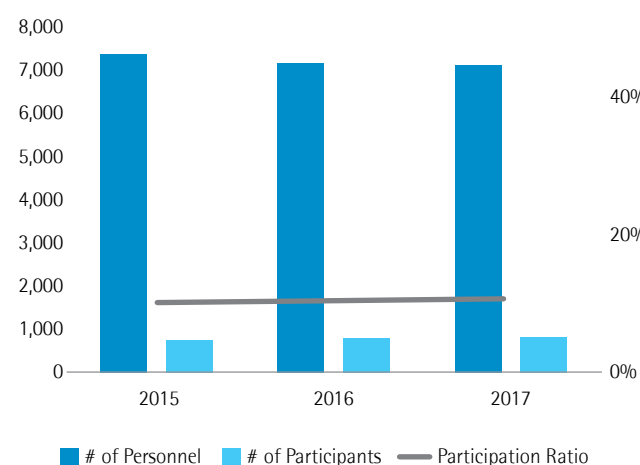
### # OF TRAINING DAYS



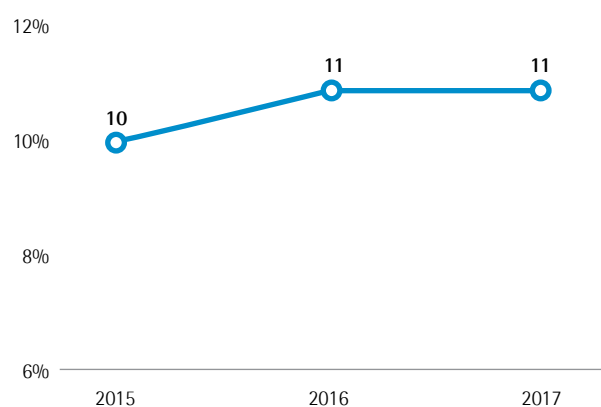
### # OF PARTICIPANTS



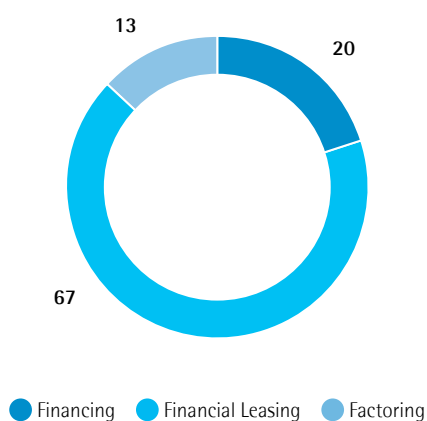
### # OF PERSONNEL VS # OF PARTICIPANTS



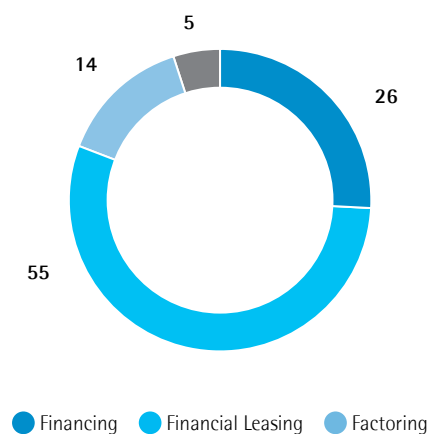
### PARTICIPATION RATIO



### BREAKDOWN OF PERSONNEL (%)



### BREAKDOWN OF APPLICATIONS (%)



## Banka dışı finans kesimi dijital ürünlerle büyüyecek

Finansal Kurumlar Birliği, Merkez Bankası ve diğerleri tarafından geliştirilen platformlar ile bankaların dijital ürünlerle büyüyeceği, bankaların dijital ürünlerle büyüyeceği, bankaların dijital ürünlerle büyüyeceği...

**101** yıl önce  
**114** milyar TL  
**103** milyar TL  
**16** milyar TL  
**164** milyar TL

**EŞİT REKABET ŞART**  
**CANIKLI'DEN DESTEK GELDİ**

## "DİJİTAL KANALI ZORLAMAK İSTİYORUZ"

Leasing sektörü bu yılın ilk yarısında, yüzde 18 büyümeye 10,3 milyar TL yeni işlem hacmine ulaştı. Garanti Leasing Genel Müdürü ÜNAL GÖKMEK, KGF etkisi olmasa bu yarıda daha iyi bir büyüme bekladıklarını söylüyor. Yönetici, "İlk yarıda leasing sektöründe yeni işlem hacmi yüzde 18 değil, yüzde 25'lere gelebilirdi diye düşünüyorum" diye konuşuyor.

**ELCİN ÇIRIK**  
elcinc@capital.com.tr

**YENİ KANAL**  
Ayrıca bankaların dijital kanalları da iyi kullanılıyor. Garanti Bankası müşteri hizmetleri için leasing yapılabilecek ekranlar kurdu. Bu ekranlar 15 bin ekranla müşteriye leasing işlemi için bilgi gönderecek. Aynı şekilde son dönemde İTİA Kurumu ve Garanti Bankası'nın ortaklaşa kurulan İTİA Leasing, yeni platformla müşteri hizmetleri için bilgi gönderecek. Bu platformla müşteri hizmetleri için bilgi gönderecek.

## Ucuz finansmana erişim için rekabet eşitliği şart

SİD bu KOBİ'ye her yıl veriyor. Türkiye'de bu yılın ilk yarısında, yüzde 18 büyümeye 10,3 milyar TL yeni işlem hacmine ulaştı. Garanti Leasing Genel Müdürü ÜNAL GÖKMEK, KGF etkisi olmasa bu yarıda daha iyi bir büyüme bekladıklarını söylüyor. Yönetici, "İlk yarıda leasing sektöründe yeni işlem hacmi yüzde 18 değil, yüzde 25'lere gelebilirdi diye düşünüyorum" diye konuşuyor.

**102,5** milyar TL  
**34,7** milyar TL  
**61** milyar TL  
**4.800** milyar TL

## Capital

"Hareket var, 2017 iyi geçer"  
Ziraat Leasing Genel Müdürü Sinan Çevik ile sektördeki yeni trendleri ve 2017'de büyüme fırsatlarını konuştu.

**Elçin Çirik**  
elcinc@capital.com.tr

Leasing sektörü, 2016'yı net kira alacaklarında TL bazında yüzde 19,9 büyümeye kapattı. Ziraat Leasing Genel Müdürü SINAN ÇEVİK, bu oranın 2017'de yüzde 20 olacağını düşünüyor. "Bu yılbaşından itibaren bizim şirket verilerimize göre piyasada hareketlilik var" diyor yönetici, geçen yıl üçüncü çeyreğinde sakin olan piyasada, son iki ayda hareket gördüklerini söylüyor ve ekliyor: "Şu anki izlenimlerden yılın iyi geçeceğini düşünüyorum."

Leasing sektörü, bu yıl 2016'da olduğu gibi net kira alacakları kaleminde yüzde 20'lik bir büyüme hedefliyor. Sektörün önemli oyuncularından Ziraat Leasing'in genel müdürü Sinan Çevik'e göre yılın ilk aylarında canlık yaşanıyor. Şu anki izlenimlerine göre yılın iyi geçeceğini düşünüyor Çevik, "Bu yılın başından itibaren bizim şirket verilerimize göre piyasada hareketlilik var" diyor yönetici, geçen yıl üçüncü çeyreğinde sakin olan piyasada, son iki ayda hareket gördüklerini söylüyor ve ekliyor: "Şu anki izlenimlerden yılın iyi geçeceğini düşünüyorum."

## e-Dönüşüm'de uçtan uca hizmet FKB güvencesinde

"Özel entegratör" sıfatıyla işletmelere daha hızlı ve güvenilir bir sistem ile uçtan uca e-Dönüşüm hizmeti veren FKB, erişimde kolaylık yaratmayı hedefliyor.

**Finansal Kurumlar Birliği**  
Başkan Vekili Çağrı Baydar, "Finansal Kurumlar Birliği, faktöring ve finansman şirketlerini tek çatı altında toplayan Finansal Kurumlar Birliği (FKB) olarak faktöring işlemlerinde kullanılan fatura ve fatura benzeri belgelerin kaydedildiği Merkezi Fatura Kayıt Sistemi'ni (MFKS) kurarak, Ocak 2015'ten bu yana aynı fatura ile mükerrer finansmanı önleyiyor. MFKS ile Gıda İhtisas Bankası'nın desteğiyle entegrasyonunu sağladığımız bu sistemi ile e-Faturaların ve mükelleflerin kontrolünü yaparak faktöring işlemlerinin güvenilirliğini artırıyor. MFKS verilerine bakıldığında, faktöring şirketleri ve bankalar tarafından kaydedilen faturaların, 2015 yılı başında %20 olan e-Fatura ve e-Arşiv fatura oranının günümüzde %61 seviyesine çıktığını görüyoruz" dedi. FKB çatısı altında, ekonominin kayıt altına alınması için kritik diğer taşeron e-Fatura, e-Arşiv, e-Defter ve e-Saklama uygulamalarıyla "özel entegratör" sıfatıyla işletmelere daha hızlı, kolay ve güvenilir bir sistem ile uçtan uca e-Dönüşüm hizmeti vermektedir. Baydar sözlerine şöyle devam ediyor: "Finansal Kurumlar Birliği olarak, dijital devrimi yakından takip ederek, faktöring iş süreçlerini ve ürünlerini geliştirmeye çalışıyoruz. Bu düşüncelerle, özel entegratörlük projelerimiz devam ediyor. Ziraat en önemli enstrümanlarımızdan olacak Tedarik Zinciri Finansmanı portalı da 2018'de devreye almayı planlıyoruz. Bu sayede FKB olarak tüm sistemlerin entegrasyonu sağlanarak finansmana erişimde kolaylıklar yaratmayı hedefliyoruz. Böylece, iş gücü, zamanı ve maliyet tasarrufları sağlanarak, toplam kaliteyi yükselten, finansal verileri elektronik ortamda erişilebilir kılan e-Dönüşüm uygulamalarını işletmelere FKB güvencesi altında sunuyoruz."

## "Sukuk geçerli bir teminatıdır"

Finansal Kurumlar Birliği Genel Sekreteri Ahmet Çarın, Sukuk'un geçerli bir teminatı olduğunu, Sukuk'un geçerli bir teminatı olduğunu, Sukuk'un geçerli bir teminatı olduğunu...





Finansman sektörü sektörün bu yıl sonuna kadar yüzde 90 civarında faaliyetlerini sürdürüyor. Bu yılın ilk çeyreğinde finansman sektörünün toplam hacmi yüzde 90 civarında gerçekleşti. Bu yılın ilk çeyreğinde finansman sektöründe bu yılın ilk çeyreğinde yüzde 100'e yakın olarak gerçekleşti. Bu yılın ilk çeyreğinde finansman sektöründe yüzde 100'e yakın olarak gerçekleşti.

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1000 1000 200

## Banka dışı finans vergi desteği istiyor

Nurettin Canikli



Mehmet Cantekin



### FINANSAL Kurumlar

Birliği (FKB) Başkanı Mehmet Cantekin, Türkiye'nin sağlam bir finansal zemine sahip olabilmesi için bankacılık dışı finansal kuruluşların da desteklenmesi gerektiğini belirterek, "Kullandığımız krediyle ilgili özel karşılıkların bankacılık sektöründe olduğu gibi vergi matrahından düşülmesini istiyoruz" dedi.

Başbakan Yardımcısı Nurettin Canikli de, Türkiye'nin önündeki atılım döneminde yeni üretim modeli hedeflerinin yakalanması için uzun vadeli, makul maliyetli ve kolay erişilebilir finansmanın sağlanması için çok kritik hale geldiğini kaydetti.

**İşletmeler satıp-geri kiralama ve leasing pazarında isaza bin payı arttı**

	2016 Ocak-Haziran	2017 Ocak-Haziran		
Gayrimenkul	879	25	1.087	33,3
İş ve İşletme	879	25	1.087	33,3
Diğer	879	25	1.087	33,3
Toplam	879	25	1.087	33,3

## GAYRİMENKUL BÜYÜDÜ YATIRIM DURDU

Finansal kiralama, yatırımların yüzde 33'üne kadar çıkarken, yatırım finansmanında kullanılan malın leasinginin payı yüzde 33'e kadar çıktı. Leasing ise gayrimenkulden çok yatırımları finanse etmek istediğini söylüyor.

Finansal kiralama, yatırımların yüzde 33'üne kadar çıkarken, yatırım finansmanında kullanılan malın leasinginin payı yüzde 33'e kadar çıktı. Leasing ise gayrimenkulden çok yatırımları finanse etmek istediğini söylüyor.

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**LEASINGDE KİFİ DİSTİFİ BASLANDI**

Finansal Kurumlar Birliği (FKB) Başkanı Mehmet Cantekin, Türkiye'nin sağlam bir finansal zemine sahip olabilmesi için bankacılık dışı finansal kuruluşların da desteklenmesi gerektiğini belirterek, "Kullandığımız krediyle ilgili özel karşılıkların bankacılık sektöründe olduğu gibi vergi matrahından düşülmesini istiyoruz" dedi.

**RESİMLERDEKİ CEZALANDIRIMIN**

Finansal Kurumlar Birliği (FKB) Başkanı Mehmet Cantekin, Türkiye'nin sağlam bir finansal zemine sahip olabilmesi için bankacılık dışı finansal kuruluşların da desteklenmesi gerektiğini belirterek, "Kullandığımız krediyle ilgili özel karşılıkların bankacılık sektöründe olduğu gibi vergi matrahından düşülmesini istiyoruz" dedi.

**BÜYÜME YATIRIM MALINDA OLMALI**

Finansal Kurumlar Birliği (FKB) Başkanı Mehmet Cantekin, Türkiye'nin sağlam bir finansal zemine sahip olabilmesi için bankacılık dışı finansal kuruluşların da desteklenmesi gerektiğini belirterek, "Kullandığımız krediyle ilgili özel karşılıkların bankacılık sektöründe olduğu gibi vergi matrahından düşülmesini istiyoruz" dedi.

## Banka dışı sektörün rekabet şartları iyileştirilecek

Finansal Kurumlar Birliği (FKB) Başkanı Mehmet Cantekin, Türkiye'nin sağlam bir finansal zemine sahip olabilmesi için bankacılık dışı finansal kuruluşların da desteklenmesi gerektiğini belirterek, "Kullandığımız krediyle ilgili özel karşılıkların bankacılık sektöründe olduğu gibi vergi matrahından düşülmesini istiyoruz" dedi.



Finansal Kurumlar Birliği (FKB) Başkanı Mehmet Cantekin, Türkiye'nin sağlam bir finansal zemine sahip olabilmesi için bankacılık dışı finansal kuruluşların da desteklenmesi gerektiğini belirterek, "Kullandığımız krediyle ilgili özel karşılıkların bankacılık sektöründe olduğu gibi vergi matrahından düşülmesini istiyoruz" dedi.

**Faktoring kısa ağustos 1 aylık iş yaptı**

Finansal Kurumlar Birliği (FKB) Başkanı Mehmet Cantekin, Türkiye'nin sağlam bir finansal zemine sahip olabilmesi için bankacılık dışı finansal kuruluşların da desteklenmesi gerektiğini belirterek, "Kullandığımız krediyle ilgili özel karşılıkların bankacılık sektöründe olduğu gibi vergi matrahından düşülmesini istiyoruz" dedi.



# İHRACAT ARTTI FAKTÖRİNGÇİ SEVİNDİ

## Cin'den sonra ikinci ülkeyiz

Geçen yıl dış ticaretinde önemli bir artışla yıl boyunca faktöring sektöründe, bir yıla göre yüzde 19 artışla ihracat seviyesinde. Türkiye faktöring sektöründe yüzde 20'ye yakın ihracat faktöring sektöründe, sektörde geçen yıl 20 milyar TL'ye ulaştığını açıkladı.

FAKTÖRİNG sektöründe ihracatın artması, ihracatçıların ihracat süreçlerini hızlandırmaları ve ihracat risklerini azaltmaları için önemli bir araç haline geldi. Türkiye faktöring sektöründe, ihracatçıların ihracat süreçlerini hızlandırmaları ve ihracat risklerini azaltmaları için önemli bir araç haline geldi.

**İHRACATÇININ BAŞINA GELDİ**

Bu yıl, ihracatçıların ihracat süreçlerini hızlandırmaları ve ihracat risklerini azaltmaları için önemli bir araç haline geldi. Türkiye faktöring sektöründe, ihracatçıların ihracat süreçlerini hızlandırmaları ve ihracat risklerini azaltmaları için önemli bir araç haline geldi.

**FAKTÖRİNG KİMLER KULLANIYOR**

Geçen yıl, ihracatçıların ihracat süreçlerini hızlandırmaları ve ihracat risklerini azaltmaları için önemli bir araç haline geldi. Türkiye faktöring sektöründe, ihracatçıların ihracat süreçlerini hızlandırmaları ve ihracat risklerini azaltmaları için önemli bir araç haline geldi.

**Avantajları neler?**

Türkiye faktöring sektöründe, ihracatçıların ihracat süreçlerini hızlandırmaları ve ihracat risklerini azaltmaları için önemli bir araç haline geldi. Türkiye faktöring sektöründe, ihracatçıların ihracat süreçlerini hızlandırmaları ve ihracat risklerini azaltmaları için önemli bir araç haline geldi.

# "500 BİN"

Tedarik Finansmanı Platformu, Ocak 2018'de işleme başlayacak. Faktöring sektöründe bu platformla oyun yeniden şekillenecek. TEB Faktöring Genel Müdürü ÇAĞATAY BAYDAR, kamu platformunun platforma geçeceğini söylüyor. Bu geçişte 100 bin olan müşteri sayısı ona göre gelecek yıl en az 500 bine çıkacak. Yönetici, "işlem hacmi de hızla 200 milyar TL'ye ulaşır" diyor.

**ELCİN ÇİÇEK**  
teb.faktoring.genelmu@teb.com.tr

**2018,** faktöring sektöründe, ihracatçıların ihracat süreçlerini hızlandırmaları ve ihracat risklerini azaltmaları için önemli bir araç haline geldi. Türkiye faktöring sektöründe, ihracatçıların ihracat süreçlerini hızlandırmaları ve ihracat risklerini azaltmaları için önemli bir araç haline geldi.

# FKB, finansal okuryazarlığa katkı sunmaya devam ediyor

FKB Başkanı Canketin, "Biz üç sektörün çün birliği olarak ülkemize daima en kaliteli hizmeti vermek için çalışıyoruz. Finansal okuryazarlığa ve ülkemize değerli bir katkı sağladığımız düşünüyoruz" dedi.

**FINANS SERVİSİ**

Yeni mezunlara verildi. Yöğun mesleki eğitim sonrası öğrencilere sertifikaları BDDK Başkanı Mehmet Ali Akben, Finansal Kurumlar Birliği Başkanı Mehmet Canketin, Marmara Üniversitesi Sürrekli Eğitim Merkezi Müdürü Prof. Dr. Ahmet Yılmaz, Marmara Üniversitesi Yüksek Okulu Müdürü Doç. Dr. Özgür Çarıkçı ve Marmara Üniversitesi Genel Sekreteri Doç. Dr. Mehmet Ersoy tarafından verildi.

**FKB Başkanı Canketin**

Üç sektörün birliği olarak, ülkemize değerli bir katkı sağladığımız düşünüyoruz. Finansal okuryazarlığa ve ülkemize değerli bir katkı sağladığımız düşünüyoruz. Finansal okuryazarlığa ve ülkemize değerli bir katkı sağladığımız düşünüyoruz.

**MÜŞERİ MÜDÜRÜ**  
Prof. Dr. Yılmaz  
Marmara Üniversitesi

# 2023 yılında hedef 30 milyar dolarlık ihracat

Gaziantep Sanayi Odası (GSO) Yönetim Kurulu Başkanı Adil Sani Konukoğlu, "İhracatımız ithalattımızdan yüzde 30 daha fazla. Hem yatırım yapıp, hem de ihracatı artırma başarısını gösteriyoruz. Katma değeri yüksek üretim ve ihracatının da bunda büyük etkisi var" dedi.

**Konukoğlu, Gaziantep Büyükşehir Belediyesi'nin** başkanlığında, A Haber kanalında canlı yayımlanan "İhracat Finansmanıyla Güçlü Ekonomi" konferansında, Gaziantep Sanayi Odası'nın ihracatçıları için değerlendirmeler yaptı.

Gaziantep Büyükşehir Belediyesi Başkanı Fatma Sultan, Türk EXIMBANK Genel Müdür Yardımcısı Erol Güllüoğlu, Finansal Kurumlar Birliği Başkanı Vahit Çarıkçı Baydar ve Gaziantep Ticaret Odası Yönetim Kurulu Başkanı Beyhan Hidiroğlu'nun da katıldığı panelde, Gaziantep'in geçen yıl 6,2 milyar dolarlık ihracat gerçekleştirdiği, ihracatın ihracatçıların ihracatı için yüzde 6,5'lik katkı sağladığı, 2023'te ihracatın 30 milyar dolarlık hedefine ulaşmak istiyoruz.

**"MİLLİ VE YERLİ TEKNOLOJİ ÜRETİMİYİZ"**



# Aktif büyüklükleri 120 milyar TL'yi aştı

Bankacılık dışı finans kurumları finansal kiralama, faktoring ve finansman şirketlerinin aktif toplamaları, 2017'nin ilk yarısında 2016'nın aynı dönemine kıyasla, yüzde 19,5 artışla 120 milyar Türk Lirası'na (TL) ulaştı

Finansal Kiralama, Faktoring ve Finansman Şirketleri'nin toplam aktifleri Finansal Kurumlar Birliği (FKB), 2017 yılının ilk 6 aylık dönemi itibarıyla bir üçtektir aktif konsolide verilerini açıkladı.

Buna göre üç sektörün 2017'nin ilk yarısında 2016'nın aynı dönemine kıyasla, aktif toplamı yüzde 19,5 artışla 120 milyar TL'ye, işlem hacmi yüzde 18,4 artışla 91 milyar TL'ye, faaliyet konusu alanları yüzde 20,1 artışla 109 milyar TL'ye, çekirdek büyüklüğü yüzde 18,1 artışla 17 milyar TL'ye, karlılığı ise yüzde 28,6 artışla 1 milyar 334 milyon TL'ye ulaştı.

FKB'nin 2017 yıl 6 aylık konsolide verilerine ilişkin değerlendirilmede bulunan Finansal Kurumlar Birliği Başkanı Mehmet



## FINANS MERKEZİ İSTANBUL...

Finansal Kurumlar Birliği Başkanı Mehmet Cankın, "Finansal Merkez İstanbul (FMI) projesinin fiziki bir mekândan çok, Türkiye'yi uluslararası sermaye ve yatırımçılara, finansal teknolojilere cazip kılmak için yasal zeminin oluşturulması anlamına geliyor. Bu alanda bir sektör olarak bir araya gelerek çalışarak bu alanda bir liderlik rolünü oynayacakları konusunda kararlı olduklarını söyledi."

Cankın, "FKB'nin üzerinde önemle durduğu adres parçaları sistemleri bankacılık dışı finansal hizmetler, sermaye ve yatırım piyasaları gibi alanlarda faaliyet alanlarının genişletilmesine katkı sağladı. Büyüdüğümüz müddetçe Türkiye'nin

sektörünün payının artması, finansman kaynaklarının çeşitlendirilmesi, alternatif finansman olanaklarının yaygınlaştırılması, temin ettiği sektörlerin hak ve menfaatlerini koruyacak sağlıklı bir rekabet ortamı oluşturulması yönünde aktif bir rol oynamaları bekliyoruz. 4 yıllık bir süreçte bankacılık dışı finans alanının güçlü bir temeldir konumuna geldi ve sektörümüzün faaliyet alanlarının genişletilmesine katkı sağladı. Büyüdüğümüz müddetçe Türkiye'nin



Mehmet Cankın



## HER 20 YATIRIMDAN 1'i LEASINGLE

KOBİ'ler, makine alımı, üretim hattı gibi yatırımlarını finansal kiralama, işletme sermayesini banka kredisi ile finanse etmeye başladılar. Başta KDV olmak üzere birçok avantaj sunan nedeniyle yatırımlarda ağırlıklı leasing kullanılıyor.

Leasing yapgılarına başladı. Her 20 yatırımından biri leasing ile finanse ediliyor. Bu sayede KOBİ'lerin bankaya krediye başvurması gerekmiyor. Çünkü leasing ile yatırımın maliyeti düşüyor. KOBİ'lerin leasing ile yatırım yapması, işletme sermayesini banka kredisi ile finanse etmeye başladılar. Başta KDV olmak üzere birçok avantaj sunan nedeniyle yatırımlarda ağırlıklı leasing kullanılıyor.

İçerideki makine alımı, üretim hattı gibi yatırımlarını finansal kiralama, işletme sermayesini banka kredisi ile finanse etmeye başladılar. Başta KDV olmak üzere birçok avantaj sunan nedeniyle yatırımlarda ağırlıklı leasing kullanılıyor.

### UZUN VADELİ FINANSMAN

Başkan Leasing Genel Müdürü Cankın, "Leasing, işletmelerin orta ve uzun vadede yatırımlarını finanse etmelerine olanak sağlıyor. Bu sayede işletmelerin nakit akışları rahatlıyor, banka kredilerine başvurmaları gerekmiyor. Çünkü leasing ile yatırımın maliyeti düşüyor. KOBİ'lerin leasing ile yatırım yapması, işletme sermayesini banka kredisi ile finanse etmeye başladılar. Başta KDV olmak üzere birçok avantaj sunan nedeniyle yatırımlarda ağırlıklı leasing kullanılıyor."

### HEDEF KİTLE, KOBİ'LER

Tatlısu Leasing Genel Müdürü Cankın, "Leasing, işletmelerin orta ve uzun vadede yatırımlarını finanse etmelerine olanak sağlıyor. Bu sayede işletmelerin nakit akışları rahatlıyor, banka kredilerine başvurmaları gerekmiyor. Çünkü leasing ile yatırımın maliyeti düşüyor. KOBİ'lerin leasing ile yatırım yapması, işletme sermayesini banka kredisi ile finanse etmeye başladılar. Başta KDV olmak üzere birçok avantaj sunan nedeniyle yatırımlarda ağırlıklı leasing kullanılıyor."

## YATIRIMCI LEASING İLE TANIŞMALI

FKB'nin Leasing Genel Müdürü Cankın, "Leasing, işletmelerin orta ve uzun vadede yatırımlarını finanse etmelerine olanak sağlıyor. Bu sayede işletmelerin nakit akışları rahatlıyor, banka kredilerine başvurmaları gerekmiyor. Çünkü leasing ile yatırımın maliyeti düşüyor. KOBİ'lerin leasing ile yatırım yapması, işletme sermayesini banka kredisi ile finanse etmeye başladılar. Başta KDV olmak üzere birçok avantaj sunan nedeniyle yatırımlarda ağırlıklı leasing kullanılıyor."

## RAKİBİMİZ, BANKALAR

Başkan Leasing Genel Müdürü Cankın, "Leasing, işletmelerin orta ve uzun vadede yatırımlarını finanse etmelerine olanak sağlıyor. Bu sayede işletmelerin nakit akışları rahatlıyor, banka kredilerine başvurmaları gerekmiyor. Çünkü leasing ile yatırımın maliyeti düşüyor. KOBİ'lerin leasing ile yatırım yapması, işletme sermayesini banka kredisi ile finanse etmeye başladılar. Başta KDV olmak üzere birçok avantaj sunan nedeniyle yatırımlarda ağırlıklı leasing kullanılıyor."

## DANIŞMANLIK HİZMETİ DE VERİYORUZ

Başkan Leasing Genel Müdürü Cankın, "Leasing, işletmelerin orta ve uzun vadede yatırımlarını finanse etmelerine olanak sağlıyor. Bu sayede işletmelerin nakit akışları rahatlıyor, banka kredilerine başvurmaları gerekmiyor. Çünkü leasing ile yatırımın maliyeti düşüyor. KOBİ'lerin leasing ile yatırım yapması, işletme sermayesini banka kredisi ile finanse etmeye başladılar. Başta KDV olmak üzere birçok avantaj sunan nedeniyle yatırımlarda ağırlıklı leasing kullanılıyor."



Finansal Kurumlar Birliği Başkanı ve Turkcell Finansman Genel Müdürü MEHMET CANKIN, Birlik olarak 2017'de toplamda yüzde 20-25 büyüme beklentileri olduğunu söylüyor. "2017 başında bu beklentimiz yüzde 15'ti, yukarı yönlü revize ettik" diyor. Leasing ve faktoringle büyümenin en az yüzde 25, finansman ise yeni oyuncularla yüzde 50'ye yakın olmasını bekliyor. Ardından önemli bir saptama yapıyor: "Yeni yönetmelikle bankalar da tüm satış kanallarında olabilecek. Böylece finansman şirketleri için en kritik olan noktalarda rekabet ortamı oluşacak. Bu da yeni finansman şirketlerinin sektöre girme istahını azaltıyor."

14 Ocak 2018

14 Ocak 2018



Nurettin Canikli büyümenin devlet ve özel sektörün birlikte çalışmasıyla olacağını söyledi.

## Kaynaklar artırılmalı

Başbakan Yardımcısı Nurettin Canikli'den cari açığın (döviz açığı) azaltılması için öneri geldi. Canikli, "Cari açığın asıl nedeni yüksek ithalat" dedi. Finansal Kurumlar Birliği'nin 5'inci genel kurulunda konuşan Canikli şöyle devam etti: "Kaynak açığı sorununu çözmeliyiz."



## DOSYA / FAKTORING

CHARTERED ACCOUNTANTS (CPA) - HONG KONG

**"İhracat faktoringindeki liderliğimizi sürdüreceğiz"**

**YERİNEZİ KORUYACAĞIZ:** 2008'de 14 Eylül'de TL için hacmi 90 milyar doları buldu. 2007 Eylül'ine göre illerimizin toplam hacmini 10,6 milyar TL oldu. 2007 yıl sonu için yüzde 30 büyüme hedefini buluyoruz. 2003'de sektörteki yerimizi 1400 konutla doldu. 11 yerleşim. Üçte bir KİDEİ işkoluna odaklanacağız. Bunun yanı sıra gayrimenkul emlak ve bayramda da büyüme hedefliyoruz.



**YÜZDE 49 PAK:** 2018'de İsracat faktörlerinde sektördeki patronların konularını bu türlerdeki diğer liderleri deyiş ettirmeyi amaçlıyoruz. İsracat, giyim, gıda ve otomotiv yapıyoruz. İsracat faktörlerinde önemli yapıyız. Güçlü sektörler. Bu sektörler de bu sektördeki devrimin devrimini değiştiriyoruz. Çok az yapıyor. Otomotiv, gıda, tekstil. İsracat faktörlerinde gücü yüzde 49. 2018'de bu gücü aynı seviyelerde tutacağız, sektörler ne olur buzdaki yüzde 50'ye çıkacağız. Değişiriz.

**HACİM ARTTAKI:** 2013'de "Ticari Ağı Finansmanı Platformunu" faaliyete geçiren İsimli'nin, bu yıl boyunca yurt dışındaki krediler için bankalarda çalışarak bu sistemden yararlanarak uyguladığı ödemeler, tedavisi için hastanelere kapandı. yapılan işlemlerin, her tene, on bin TL'ye kadar çıkması görülmüştür. Doğru kapandı ve uyguladıkları hizmetler mevcut hastanelerin, bu konuda çalışmalarını sürdürmektedir. Ama daha büyük tedaviler için, sayıları da görülmüştür.

**ÖZÜLÜK EDİCERİ:** Farklı büyüteçler aynı şekilde çalışmazlar. Yurtta ve yurtdışı üyelerimiz garantili olarak en fazla 20 farklı boyutuna her büyüteç için 1 adetlik fiyatımızdır. Fiyatımızda Post-Net'te alıştığımız teknolojiyi ağırlama ve taşıma giderlerini içermek üzere nakliye bedeli de girer. Ülkelerimizde farklı boyutlukta büyüteçler kullanılır. Yani her büyüteç farklı büyüteçler ve farklı büyüteçler farklı büyüteçler kullanılır. Aynı büyüteçler farklı büyüteçler kullanılır.

İlkörün ilave olarak nakit olarak için faktörlerin büyüme rakamlarına bakarak görülmektedir. Sebepin ilave olarak nakit olarak ve ilave olarak büyüme rakamlarından görülmektedir ve az önce 30 rakamların büyüme rakamlarından bakarak görülmektedir. İlkörün ilave olarak nakit olarak için faktörlerin büyüme rakamlarına bakarak görülmektedir.

## KOBUTLERIN ROLÜ

[illegible]

ECET'ın idareleri ve çalışanları destek olarak İstanbul'da gerçekleştirilen çalışmalar hakkında ECE ve ECEE, Sanayi ve Teknoloji Bakanlığı, ECET, TİM ve Türk Ekonomik düşüncesi Türkiye'nin birçok sektöründe KOTİ faaliyetlerini yapar. Bu kapsamda Denizli, Bursa, Samsun, Adana, Erzurum, Edirne ve son olarak Kocaeli'de düzenlenen organizasyonlar KOTİ'nin faaliyetleri arasında. Sonuç olarak bu organizasyonlar katılımcıların beklentileri karşıladı.

## TEKNOLOJİK ÇÖZÜMLER

Tekirazın en önemli özelliği ise son dönemlerde sürekli büyüyen bir ticaret ağına sahip olmasıdır. Bu büyüme, hem yerel hem de dış pazarlara

in M. Çiftçiye bnyar, ilke taryn daki aktan fakortan- is buanin dany, tarynle danyan boyd rany danyan ekledigin idelir.

## 2017 yıl dokuz aylık rakam

faktörler sektörü	
Şirket sayısı	61
Julie sayısı	388
Çalışan sayısı	4.800
Müşteri sayısı	106.200
Toplam ciro	162.500
Toplam alacaklar	34.717
Toplam stoklar	36.514
Özkaynaklar	6.536
Dönem net kârı	730

Ülkenin GSYİH büyüme oranının karısının 6 puan yarıklı faktörler etkisiyle büyümesine denk geldiği bilgisi de verildi. Başka bir deyişle,

04 February 2007

## KOBİ'lerle güçlü ve güvenli yarınlara



■ **TÜRKİYE**'nin üreten kentlerine düzenlenen "KOBİ'lerle Güçlü ve Güvenli Yarımlara" buluşmasının son toplantısı 15 Ocak'ta yapıldı. Tarihi Havazgazi Fabrikası'nda Gazeteci Noyan Doğan'ın moderatörlüğünde gerçekleştirilen buluşmada alanında uzman isimler KOBİ'lere finansmanda nefes aldracak yöntemleri anlattı. Toplantıya, Büyükşehir Belediye Başkanı Aziz Kocaoglu, Finansal Kurumlar Birliği Yönetim Kurulu Başkanı Mehmet Cankin, Finansal Kurumlar Başkan Vekili Çağatay Baydar,

Ege Bölgesi Sanayi Odası Başkanı Ender Yorgancılar, Ege İhracatçı Birlikleri Koordinatör Başkanı Yardımcısı Nurettin Tarakçoğlu, Kredi Kayıt Bürosu Genel Müdürü Kasım Akdeniz, ESBAŞ Yürütme Kurulu Başkanı Faruk Güler ve sektör temsilcileri katıldı.

### KİMSEYE İHTİYACIMIZ YOK

terdi. Edimbank Genel Müdür Yardımcısı Necati Büyükkaras is Edimbank 2017'de 25 milyar nakit, 14,5 milyar dolar sigorta olmak üzere 39,5 milyar dolar destek vermeyi planladıklarını açıkladı. Büyükşehir Belediye Başkanı Kocaoglu ise, "Türkiye ortalamasından yüzde 63 daha fazla veriyoruz. Bu İzmir'in yaşam biçimine, İzmir sanayisi ve iş adamının dürtüsüne ve devlete ve milletine bağlılığına tekabül eder. Bu kentin kalkınmasında kimseyi ihtiyacı yok" dedi.

■ Timur TARLIĞ / İZMİR, (DHA)

## Uzmanlar Kahramanmaraşlı Kobi'lere Finansal Kiralamayı anlattı

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Finansal Kiralama Faktoring ve Finansman Şirketleri Birliđi and Subsidiaries  
Consolidated financial statements together with independent auditors' report  
for the year ended 31 December 2017

# Independent auditors' report



KPMG Bağımsız Denetim ve Serbest  
Muhasebeci Mali Müşavirlik Anonim Şirketi  
İş Kuleleri Kule 3 K:2-9  
Levent 34330 İstanbul

Tel +90 (212) 316 60 00  
Fax +90 (212) 316 60 60  
www.kpmg.com.tr

To the Board of Directors 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 subsidiaries (together will be referred to as a "Group") which comprise the consolidated statement of financial position as at 31 December 2017, and the consolidated statement 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 Group as at 31 December 2017 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Turkish Accounting Standards ("TAS").

### *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 those standards 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 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.

### *Other Matters*

The consolidated financial statements of Group for the year then ended 31 December 2016 were audited by another auditor who expressed an unmodified opinion on those statements on 17 March 2017.

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

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

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

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

# Independent auditors' report

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

Responsibilities of auditors in an audit are as follows:

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

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

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

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

## **B) Other Legal and Regulatory Requirements**

- 1) Pursuant to the fourth paragraph of Article 402 of the Turkish Commercial Code ("TCC"); no significant matter has come to our attention that causes us to believe that for the period 1 January - 31 December 2017, the Group's bookkeeping activities and consolidated financial statements are not in compliance with TCC and provisions of the Association's articles of association in relation to financial reporting.
- 2) Pursuant to the fourth paragraph of Article 402 of the TCC; the Board of Directors provided us the necessary explanations and required documents in connection with the audit.

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



Ali Tuğrul Uzun, SMMM  
Engagement Partner

15 March 2018  
İstanbul, Turkey



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**Consolidated statement of financial position (balance sheet)  
for the year ended 31 December 2017**

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

		Current period	Prior period
		Audited	Audited
	Notes	31 December 2017	31 December 2016
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	3	10,475,414	11,112,537
Trade receivables	4	267,683	112,985
Current tax assets	8	22,588	-
Other current assets	5	18,176	16,451
<b>Total current assets</b>		<b>10,783,861</b>	<b>11,241,973</b>
<b>Non-current assets</b>			
Tangible assets	6	819,574	1,014,207
Intangible assets	7	1,239,618	1,244,697
Deferred tax asset	12	15,051	8,008
Other non-current assets		8,088	1,517
<b>Total non-current assets</b>		<b>2,082,331</b>	<b>2,268,429</b>
<b>Total assets</b>		<b>12,866,192</b>	<b>13,510,402</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 2017**

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

		Current period	Prior period
		Audited	Audited
	Notes	31 December 2017	31 December 2016
<b>Liabilities and Equity</b>			
<b>Current liabilities</b>			
Trade payables	9	492,343	477,206
Employee termination benefits obligations	10	218,255	245,865
Deferred income	11	1,906,000	1,848,667
Current provisions for employee termination benefits	10	111,192	58,446
Tax payables	12	124,592	90,355
Other current liabilities	13	282,002	80,450
<b>Total current liabilities</b>		<b>3,134,384</b>	<b>2,800,989</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities	12	17,676	13,620
Provisions for long-term employee benefits	10	199,043	82,577
<b>Total non-current liabilities</b>		<b>216,719</b>	<b>96,197</b>
<b>Total liabilities</b>		<b>3,351,103</b>	<b>2,897,186</b>
<b>Shareholders' equity</b>			
Other accumulated expenses that will not be reclassified to profit or loss	10	(50,662)	8,100
- <i>Defined benefit plans re-measurement (losses)/gains</i>	10	(50,662)	8,100
Retained earnings		10,605,116	9,773,951
Net period income/(loss)		(1,039,365)	831,165
<b>Total equity</b>		<b>9,515,089</b>	<b>10,613,216</b>
<b>Total liabilities and shareholders' equity</b>		<b>12,866,192</b>	<b>13,510,402</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 2017**

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

		Current period	Prior period
		Audited	Audited
	Notes	January 1 – 31 December 2017	January 1 – 31 December 2016
<b>Profit or loss</b>			
Sales	14	13,405,914	13,247,242
Cost of sales (-)	14	(3,935,875)	(3,529,505)
<b>Gross profit</b>	<b>14</b>	<b>9,470,039</b>	<b>9,717,737</b>
General administrative expenses (-)	15	(10,135,496)	(9,163,657)
Other operating income		40,074	1,300
Other operating expense (-)	16	(1,459,703)	(534,750)
<b>Operating profit</b>		<b>(2,085,086)</b>	<b>20,630</b>
Financial income	17	1,475,748	1,268,974
Financial expense (-)	18	(54,725)	(7,019)
<b>Profit/(loss) before tax from continuing operations</b>		<b>(664,063)</b>	<b>1,282,585</b>
- Tax expense for the period	12	(378,001)	(454,271)
- Deferred tax income	12	2,699	2,851
<b>Net period income</b>		<b>(1,039,365)</b>	<b>831,165</b>
<b>Other comprehensive income or loss</b>			
<b>Will not be reclassified to income or loss</b>			
- Actuarial income/(loss)		(59,050)	10,410
- Deferred income/(expense)	12	288	(1,785)
<b>Other comprehensive income or loss</b>		<b>(58,762)</b>	<b>8,625</b>
<b>Total comprehensive income or loss</b>		<b>(1,098,127)</b>	<b>839,790</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 2017

(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	Net Profit/ (Loss)	Retained Earning	Total shareholders' equity
Balance as of January 1, 2016	(525)	4,276,061	5,497,890	9,773,426	
Transfers	-	(4,276,061)	4,276,061	-	
Net income for the period	-	831,165	-	831,165	
Other comprehensive income/(loss)	8,625	-	-	8,625	
Total comprehensive income	8,625	831,165	-	839,790	
Balance as of December 31, 2016	8,100	831,165	9,773,951	10,613,216	
Balance as of January 1, 2017	8,100	831,165	9,773,951	10,613,216	
Transfers	-	(831,165)	831,165	-	
Net income/(loss) for the period	-	(1,039,365)	-	(1,039,365)	
Other comprehensive income/(loss)	(58,762)	-	-	(58,762)	
Total comprehensive income/(loss)	(58,762)	(1,039,365)	-	(1,098,127)	
Balance as of December 31, 2017	(50,662)	(1,039,365)	10,605,116	9,515,089	

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



## Consolidated statement of cash flows for the year ended 31 December 2017

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

		Current period	Prior period
		Audited	Audited
	Notes	1 January- 31 December 2017	1 January- 31 December 2016
<b>Cash flows from operating activities:</b>			
Net profit/(loss) for the year		(1,039,365)	831,165
<b>Adjustments for the reconciliation of net profit and net cash gained from operating activities:</b>			
Entrance fees and accrued shareholding costs	11	57,333	(228,412)
Depreciation and amortization	6, 7	520,903	502,799
Tax adjustments	12	375,302	451,420
Provision for employee termination benefits	10	57,416	61,080
Provision for unused vacation liability	10	52,746	35,050
Provision for doubtful receivables	4	(46,750)	49,000
Interest income	17	(1,447,005)	(1,268,037)
<b>Cash flows from operating activities before changes in operating assets and liabilities</b>		<b>(1,469,420)</b>	<b>434,064</b>
Changes in trade receivables, other receivables	4	(107,948)	190,553
Changes in current period tax assets	7	-	(981)
Changes in other current assets	5	(1,725)	14,255
Changes in other non current assets		(6,569)	195
Changes in trade payables	9	15,137	89,708
Changes in employee benefit obligations	10	(27,610)	(13,823)
Changes in other payables and other liabilities		178,962	(61,092)
Tax paid	12	(343,764)	(657,794)
Employee termination benefits paid		-	(24,787)
<b>Net cash used from operating activities</b>		<b>(1,762,937)</b>	<b>(29,702)</b>
<b>Cash flows from investing activities</b>			
Interest received	16	1,306,723	1,275,770
Cash flow from tangible and intangible asset purchase	6, 7	(400,134)	(282,545)
Cash inflow from tangible asset	6	78,943	-
<b>Cash flows from investing activities</b>		<b>985,532</b>	<b>993,225</b>
<b>Net cash/(used in) financing activities</b>			
Net changes in cash and cash equivalents		(777,405)	963,523
Cash and cash equivalents at the beginning of the period	3	11,050,852	10,087,329
<b>Period-end cash and cash equivalents</b>	<b>3</b>	<b>10,273,447</b>	<b>11,050,852</b>

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

## **Notes to the consolidated financial statements as of 31 December 2017**

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

### **1. Group's organization and nature of activities**

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

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

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

Finansal Kiralama, Faktoring ve Finansman Şirketleri Birliği together as the "Group" The Association and its subsidiaries are operating in Turkey and located in Esentepe Mahallesi, Büyükdere Caddesi, Bahar Sokak, No: 13 River Plaza Kat: 18 Ofis No: 48-49 34394 Şişli, İstanbul, Türkiye. As of the balance sheet date the number of personnel of the Group is 23 (December 31, 2016: 19).

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.

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

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

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

The Association performs the following tasks to accomplish this aim:

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

**Notes to the consolidated financial statements  
as of 31 December 2017**

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

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

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

- a) Making required investments in order to establish the system on which the information regarding transferred receivables including the data of invoices will be consolidated; as it is mentioned in article 43, titled as 'Receivables Recording Center', 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 Receivables Recording Center,
- 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 Receivables Recording Center,
- h) Investing the revenue collected as a result of its financial activities, and depositing the revenue to the bank accounts that are deemed appropriate, being authorized for such actions.
- i) Acting as a private integrator within the scope of the Tax Procedure Law General Notification numbered 421.
- j) Providing electronic invoice storage services under the Tax Procedure Law General Notification numbered 416, 421 and 424.
- k) Providing "e-Archives" service under the Tax Procedure Law General Notification numbered 433.
- l) Manufacturing, developing, handling and reproducing software in every kind of physical and electronic atmosphere, trading of them and acting as a service provider for them which are electronic invoicing, electronic books, electronic invoice software derived from or an integrated part of mentioned software and the service packages consisting of this software,
- m) Producing services on internet, communication medium and all kinds of informatics and exporting, importing domestically trading every kind of computer hardware, software whilst obeying the legislation.
- n) Maintaining, repairing, modifying and leasing the mentioned hardware and software, performing activities for software development and licencing, importing, exporting and domestically trading the related hardware and software.
- o) Servicing for establishing and operating of computer systems
- p) Organizing, seminars, symposiums, conferences and such education and consulting services on issues related to the activities and services within the Factoring Commercial Enterprise and generating income for them.

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

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

## **Notes to the consolidated financial statements as of 31 December 2017**

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

- 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.

### Approval of consolidated financial statements:

The consolidated financial statements prepared related to the accounting period which end up on 31 December 2017 have been approved by the Board of Directors of the Group on 15 March 2018 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.

## **2. Basis of presentation of financial statements**

### **A. Explanations on basis of presentation**

#### **Applied accounting standards**

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

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

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

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

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

#### **Netting/Offset**

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

#### **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 2017. 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.

## Notes to the consolidated financial statements as of 31 December 2017

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

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

Field of activity of commercial enterprises, respectively are;

- To make the necessary investments for the establishment of related systems about registration process specified in articles 21 and 22 of the relevant law and operates in accordance,
- According to 'Receivables Recording Center' 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	İstanbul/Turkey	100%	100,000
Finansal Kiralama Faktoring ve Finansman Şirketleri Birliği Faktoring İktisadi İşletmesi	İstanbul/Turkey	100%	100,000
Finansal Kiralama Faktoring ve Finansman Şirketleri Birliği İktisadi İşletmesi	İstanbul/Turkey	100%	105,000
<b>Total</b>			<b>305,000</b>

Standards and interpretations issued but not yet effective

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

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

### **TFRS 15 Revenue from Contracts with Customers**

As issued in September 2016 by POA, the new standard replaces existing TFRS guidance and introduces a new control-based revenue recognition model for contracts with customers. In the new standard, total consideration measured will be the amount to which the Group expects to be entitled, rather than fair value and new guidance have been introduced on separating goods and services in a contract and recognizing revenue over time. The standard is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted under TFRS. The Group is assessing the potential impact on its consolidated financial statements resulting from the application of TFRS 15.

### **Improvements to IFRSs**

The IASB issued Annual Improvements to IFRSs - 2014-2016 Cycle. The amendments for IFRS 12 are effective as of 1 January 2017, and other amendments are effective as of 1 January 2018. Earlier application is permitted. The Group does not expect that application of these improvements to IFRSs will have significant impact on its consolidated financial statements.

### *Annual Improvements to IFRSs 2014-2016 Cycle*

#### *IFRS 1 "First Time Adoption of International Financial Reporting Standards"*

IFRS 1 is amended to clarify that the deletion of short-term exemptions for first-time adopters within the context of 'Annual Improvements to IFRSs 2012-2014 Cycle' related to disclosures for financial instruments, employee benefits and consolidation of investment entities.

#### *IAS 28 "Investments in Associates and Joint Ventures"*

The amendment enable when an investment in an associate or a joint venture is held by, or is held indirectly through, an entity that is a venture capital organization, or a mutual fund, unit trust and similar entities including investment-linked insurance funds, the entity may elect to measure that investment at fair value through profit or loss in accordance with IFRS 9.



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**The new standards, amendments and interpretations that are issued by the International Accounting Standards Board ("IASB") but not issued by POA**

The new standards, interpretations and amendments to the International Financial Reporting Standards ("IFRS") listed below are issued by the IASB but these new standards, interpretations and amendments have not yet been adapted/published by the UPS and therefore do not constitute a part of TFRS. Accordingly, standards issued by the IASB but not yet published by the UPS are referred to as IFRS or IAS. The Group will make the necessary changes in its financial statements and footnotes after such standards and interpretations have entered into force in IFRS.

**IFRIC 23 - Uncertainty Over Income Tax Treatments**

On 17 June 2017, IASB issued IFRIC 23 Uncertainty over Income Tax Treatments to specify how to reflect uncertainty in accounting for income taxes. It may be unclear how tax law applies to a particular transaction or circumstance, or whether a taxation authority will accept a company's tax treatment. IAS 12 Income Taxes specifies how to account for current and deferred tax, but not how to reflect the effects of uncertainty. IFRIC 23 provides requirements that add to the requirements in IAS 12 by specifying how to reflect the effects of uncertainty in accounting for income taxes. The Interpretation is effective from 1 January 2019 with earlier application is permitted. The Group is assessing the potential impact on its consolidated financial statements resulting from the application of IFRIC 23.

**B. Summary of Significant Relevant Accounting Policies**

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

**(a) Cash and cash equivalents**

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

**(b) Financial instruments****Trade receivables and provision for doubtful receivables**

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

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

**(c) Tangible assets**

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

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

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

**(d) Intangible Assets**

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

	Years
Rights	3-10

## Notes to the consolidated financial statements as of 31 December 2017

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

### (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 types of payments are specified as defined retirement benefit plans.

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

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

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

The discount rate for pension commitments consistent with the maturity period and will be used for the payment of commitments, is estimated liabilities denominated in currencies, according to the changing discount rate that has been used over the years regarding the calculation as of December 31, 2017 and December 31, 2016. In line with a discount rate estimation for long-term inflation rate, the changing inflation rate has been used over the years.

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

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

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

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

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

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

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

#### *Interest income and expense*

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

### (g) Taxes on income

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

To be effective from January 1, 2006, in Turkey, whilst the corporate income is subject to corporate tax at 20%; according to the regulation numbered 7061, which is published in the Official Gazette dated December 5, 2017 and numbered 30261, the "Law on Amendments to Certain Tax Laws and Other Certain Laws" it is set at 22% to be applied to the corporate earnings of the tax years 2018, 2019 and 2020. In addition, the Council of Ministers was authorized to reduce the rate of 22% to 20% (31 December 2016: 20%).

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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 2017 and 31 December 2016 the Group has no provision, contingent liabilities and assets.

### **(l) Related parties**

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

Certain party,

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

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

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

## Notes to the consolidated financial statements as of 31 December 2017

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

### 3. Cash and cash equivalents

	31 December 2017	31 December 2016
Cash	4,163	6,865
Bank		
- Demand deposits	39,199	77,523
- Time deposits	10,432,052	11,028,149
<b>Total</b>	<b>10,475,414</b>	<b>11,112,537</b>

As of 31 December 2017, the yearly weighted average interest rates of the TL deposits in the banks range between 6% and 14.5% (31 December 2016: 6.75% - 12.75%) and the accrued interest amount is TL 201,967. (31 December 2016: 61,685 TL) The maturity dates of the TL deposits in the banks vary between 2 January 2018 and 29 January 2018. (31 December 2016: 2 January 2017 - 10 January 2017).

As of 31 December 2017 and 31 December 2016, cash and cash equivalents of the Group are presented by deducting interest accruals from cash and cash equivalents:

	31 December 2017	31 December 2016
Cash and cash equivalents	10,475,414	11,112,537
Minus (-): Interest accruals	(201,967)	(61,685)
<b>Cash and cash equivalents in the cash flow statement</b>	<b>10,273,447</b>	<b>11,050,852</b>

### 4. Trade receivables

	31 December 2017	31 December 2016
Receivables from registration process <sup>(*)</sup>	248,036	105,433
Receivables from "RRC" operations <sup>(**)</sup>	10,443	6,962
Receivables from members <sup>(***)</sup>	9,204	590
Doubtful trade receivables	181,515	134,765
Provision for doubtful receivables	(181,515)	(134,765)
<b>Total</b>	<b>267,683</b>	<b>112,985</b>

<sup>(\*)</sup> 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 is started being executed by "Finansal Kiralama İktisadi İşletmesi" since 9 February 2015.

<sup>(\*\*)</sup> Since 1 January 2015, "Faktoring İktisadi İşletmesi" with cooperation with "Kredi Kayıt Bürosu", serves the Receivables Recording Center (RRC) by which Factoring Companies and banks aggregate invoice information about the receivables they assign.

<sup>(\*\*\*)</sup> Receivables from members are consists of receivables from education services

Provision for doubtful receivables as of 2017 is as follows:

	2017	2016
Opening balance, 1 January	(134,765)	(85,765)
Provision on the current period	(46,750)	(49,000)
<b>Ending balance, 31 December</b>	<b>(181,515)</b>	<b>(134,765)</b>

## Notes to the consolidated financial statements as of 31 December 2017

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

### 5. Other current assets

	31 December 2017	31 December 2016
Prepaid insurance policies	14,006	9,207
Advances given for business	1,673	1,743
Personnel health insurance	1,777	2,993
Prepaid taxes and funds	720	875
Other	-	1,633
<b>Total</b>	<b>18,176</b>	<b>16,451</b>

### 6. Tangible assets

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

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

<sup>(1)</sup> There has been a transfer to the intangible assets.

Movements in tangible assets between 1 January - 31 December 2016 are as follows:

Property, plant and equipment	Furniture and fixtures	Leasehold improvements	Construction in progress	Total
<b>Cost</b>				
Opening balance, January 1, 2016	381,367	1,418,135	-	1,799,502
Additions	114,965	2,096	4,200	121,261
<b>Closing balance as of December 31, 2016</b>	<b>496,332</b>	<b>1,420,231</b>	<b>4,200</b>	<b>1,920,763</b>
<b>Accumulated depreciation</b>				
Opening balance, January 1, 2016	(108,845)	(427,624)	-	(536,469)
Charge for the period	(85,355)	(284,732)	-	(370,087)
<b>Closing balance as of December 31, 2016</b>	<b>(194,200)</b>	<b>(712,356)</b>	<b>-</b>	<b>(906,556)</b>
<b>Net book value</b>	<b>302,132</b>	<b>707,875</b>	<b>4,200</b>	<b>1,014,207</b>

As of 31 December 2017, there is no pledge or blockage (31 December 2016: None.) Depreciation expenses are reflected in General Administrative Expenses and Costs of Sales accounts.



## Notes to the consolidated financial statements as of 31 December 2017

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

### 7. Intangible assets

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

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

<sup>(1)</sup> There has been a transfer from the tangible assets.

Movements in intangible assets between 1 January 2016 - 31 December 2016 are as follows:

	Rights	Other intangible assets	Total
<b>Cost</b>			
Opening balance, January 1, 2016	1,361,029	-	1,361,029
Additions	111,284	50,000	161,284
<b>Closing balance as of December 31, 2016</b>	<b>1,472,313</b>	<b>50,000</b>	<b>1,522,313</b>
<b>Accumulated depreciation</b>			
Opening balance, January 1, 2016	(144,906)	-	(144,906)
Charge for the period	(127,710)	(5,000)	(132,710)
<b>Closing balance as of December 31, 2016</b>	<b>(272,616)</b>	<b>(5,000)</b>	<b>(277,616)</b>
<b>Net book value</b>	<b>1,199,697</b>	<b>45,000</b>	<b>1,244,697</b>

As of 31 December 2017, there is no pledge or blockage (31 December 2016: None.) Amortisation expenses are reflected in General Administrative Expenses and Costs of Sales accounts.

### 8. Current period tax assets

As of 31 December 2017 the Group has TL 22,588 in taxable income account (31 December 2016: None).

### 9. Trade payables

	31 December 2017	31 December 2016
Trade payables to third parties	492,343	477,206
<b>Total</b>	<b>492,343</b>	<b>477,206</b>

## Notes to the consolidated financial statements as of 31 December 2017

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

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 2017, the Group has TL 207,373 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 2016: TL 189,850).

### 10. Liabilities and provisions related to employee benefits

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

The indemnities payable amounts to one month salary for each term of service and the maximum amount is calculated on the TL 4,732.48 for 31 December 2017 (31 December 2016: TL 4,297.21).

	31 December 2017	31 December 2016
Provision for employment termination benefits	199,043	82,577
<b>Total</b>	<b>199,043</b>	<b>82,577</b>

	31 December 2017	31 December 2016
Unused vacation provision	111,192	58,446
<b>Total</b>	<b>111,192</b>	<b>58,446</b>

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

	31 December 2017	31 December 2016
Discount rate	4.21%	4.50%
Inflation rate	7.00%	6.00%

The movement of severance pay for 2017 and 2016 is as follows:

	2017	2016
Opening balance (1 January)	82,577	56,695
Interest cost	8,601	5,727
Service cost	48,815	55,353
Severance payment	-	(24,788)
Actuarial (gain)/loss	59,050	(10,410)
<b>Closing balance (31 December)</b>	<b>199,043</b>	<b>82,577</b>

## Notes to the consolidated financial statements as of 31 December 2017

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

The movement of unused vacation provision for 2017 and 2016 is as follows:

	2017	2016
Opening balance (1 January)	58,446	23,396
Vacation provision for the current period	52,746	35,050
<b>Closing balance (31 December)</b>	<b>111,192</b>	<b>58,446</b>

### 11. Deferred income

As of 31 December 2017, 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 2017 and the portion of the following years' amounting to TL 1,906,000 was accounted as deferred income (31 December 2016: TL 1,848,667).

### 12. Tax and liabilities payable

	31 December 2017	31 December 2016
Corporate tax provision	378,001	454,271
Advance corporate tax	(253,409)	(363,916)
<b>Total</b>	<b>124,592</b>	<b>90,355</b>

### Deferred tax asset/(liability), net

	Taxable temporary differences		Deferred tax asset/(liability)	
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
Depreciation correction of tangible and intangible assets	(4,817)	(4,306)	(963)	(861)
Provisions for severance pay	37,463	18,736	7,493	3,747
Provisions for accumulated leave	31,686	25,608	6,970	5,122
Accumulated financial losses	7,048	-	1,551	-
<b>Deferred tax asset/(liability)</b>	<b>71,380</b>	<b>40,038</b>	<b>15,051</b>	<b>8,008</b>

### Deferred tax liability

	Taxable temporary differences		Deferred tax asset/(liability)	
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
Depreciation correction of tangible and intangible assets	(120,364)	(86,807)	(24,073)	(17,361)
Provision for severance pay	28,326	16,745	5,665	3,348
Unused vacation liability	3,331	1,965	732	393
<b>Deferred tax liability</b>	<b>(88,707)</b>	<b>(68,097)</b>	<b>(17,676)</b>	<b>(13,620)</b>

### Deferred tax assets/liabilities, net

	Taxable temporary differences		Deferred tax asset/(liability)	
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
Depreciation correction of tangible and intangible assets	(125,181)	(91,114)	(25,036)	(18,223)
Provision for severance pay	65,789	35,481	13,158	7,096
Provision for accumulated leave	35,017	27,573	7,702	5,515
Accumulated financial losses	7,048	-	1,551	-
<b>Deferred tax assets/liabilities, net</b>	<b>(17,327)</b>	<b>(128,060)</b>	<b>(2,625)</b>	<b>(5,612)</b>

## Notes to the consolidated financial statements as of 31 December 2017

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

Reconciliation of tax expense for the years ended 2017 and 2016 is as follows:

	31 December 2017	31 December 2016
Profit/(loss) before tax	(664,063)	1,282,585
Tax amount due to profit/(loss) before tax	132,813	(256,517)
Non-deductible expenses	(272,559)	(100,598)
Tax exempt profit	(239,850)	(100,708)
Accumulated financial losses not subject to deferred tax	4,273	4,411
Additional discounts' effect	21	(328)
Previous years' temporary differences not subject to deferred tax	-	2,320
<b>Total</b>	<b>(375,302)</b>	<b>(451,420)</b>

The movement of deferred tax for the years ended 2017 and 2016 is as follows:

	31 December 2017	31 December 2016
Opening balance	(5,612)	(6,678)
Accounted on income statement	2,699	2,851
Accounted on shareholders' equity	288	(1,785)
<b>Total deferred tax liability</b>	<b>(2,625)</b>	<b>(5,612)</b>

### 13. Other current liabilities

Other current liabilities consist of taxes and funds payable TL 265,901 and other liabilities TL 16,101 (31 December 2016: Other current liabilities consist of taxes and funds payable TL 73,280, reverse charge value added tax TL 186, and other TL 6,984).

### 14. Sales and cost of sales

	1 January- 31 December 2017	1 January- 31 December 2016
Association participation share costs	4,099,667	4,125,342
Domestic registration fee income	3,816,723	3,748,950
"RRC" income <sup>(1)</sup>	3,156,600	3,000,300
Financing company participations share costs	690,667	485,334
Education expenses	638,981	539,580
Factoring sector participation share cost	613,333	775,069
Financial leasing participations share cost	291,000	453,667
Foreign registration fee income	20,000	39,000
Financing company entrance fees	-	80,000
Other revenue	78,943	-
<b>Total</b>	<b>13,405,914</b>	<b>13,247,242</b>
Sales returns (-)	-	-
<b>Net Sales</b>	<b>13,405,914</b>	<b>13,247,242</b>
<b>Cost of sales (-)</b>	<b>(3,935,875)</b>	<b>(3,529,505)</b>
<b>Gross profit</b>	<b>9,470,039</b>	<b>9,717,737</b>

<sup>(1)</sup> "RRC" revenues, as stated in Article 43 as Receivables Recording Center, of the Financial Leasing, Factoring and Finance Companies Law no 6361; consist of the centralized invoice record infrastructure cost of participation and centralized invoice record system service fee, related to the system by which Factoring Companies and banks aggregate invoice information about the receivables they assign.

## Notes to the consolidated financial statements as of 31 December 2017

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

### 15. General administrative expenses

	1 January- 31 December 2017	1 January- 31 December 2016
Personnel expenses	(5,119,454)	(4,144,500)
Rent expenses	(1,372,220)	(1,217,573)
Promotion and advertising expenses	(931,232)	(808,218)
Consultancy and audit expenses	(855,946)	(650,644)
Depreciation and amortization charges	(414,128)	(405,878)
General office expenses	(382,298)	(417,732)
Outsourced benefits and services	(252,931)	(246,319)
Conference and organization expenses	(235,229)	(646,284)
Travel expenses	(176,635)	(177,813)
Banks' withholding deductions	(110,524)	(127,320)
Representation and hospitality expenses	(107,853)	(121,020)
Membership fees	(66,296)	(85,336)
Accounting costs	(30,706)	(30,300)
Stamp tax	(18,889)	(6,491)
Taxes and other legal duties	(20)	(20)
Other expenses	(61,135)	(78,209)
<b>Total</b>	<b>(10,135,496)</b>	<b>(9,163,657)</b>

### 16. Other operational expenses

	1 January- 31 December 2017	1 January- 31 December 2016
Anadolu Tour	(326,133)	-
Withholding tax	(179,819)	(52,159)
Search Conference	(179,189)	-
Advertisement design expense	(161,070)	(81,184)
Travel expenses	(159,789)	(55,717)
Benefaction expense	(143,391)	(138,750)
Leaseurope membership expense	(66,300)	-
Sales loss of fixed assets	(63,155)	-
Perception survey expense	(61,360)	(61,360)
Provision expense	(54,362)	(48,196)
Representation expense	(52,128)	(80,058)
Uludağ summit participation	(13,007)	-
Rounding difference	-	(17,250)
	-	(76)
<b>Total</b>	<b>(1,459,703)</b>	<b>(534,750)</b>

### 17. Financial income

Financial income consists of interest income from deposits amounting to TL 1,431,015 and foreign exchange gains amounting to TL 44,733. Interest income includes interest accrual income amounting to TL 201,967 (31 December 2016: TL 1,268,037 interest income, foreign exchange gain amounting to TL 937, interest accrual income amounting to TL 61,685).

### 18. Financial expense

Financial expenses consist of commission expenses amounting to TL 3,442 and foreign exchange difference expenses amounting to TL 51,283 (31 December 2016: commission expenses amounting to TL 3,241 and foreign exchange difference expenses amounting to TL 3,778).

### 19. Related party transactions

As of 31 December 2017 and 31 December 2016 the Group has no related party transactions and balances.

There are no compensations to key management personnel as of 31 December 2017 and 31 December 2016.

### 20. Subsequent events following the balance sheet date

None.



## Notes to the consolidated financial statements as of 31 December 2017

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

### 21. Financial instruments and financial risk management

#### Risk management objectives and principles

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

#### 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 fronts 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 December 31, 2017

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

#### As of December 31, 2016

	Other Receivables	Trade Receivables	Deposits at bank	Financial investments
Maximum exposure to credit risk at the reporting date (A+B+C+D+E) (1)	-	112,985	11,105,671	-
- 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	-	112,985	11,105,671	-
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	-	134,765	-	-
- Past due (gross carrying amount)	-	(134,765)	-	-
- Impairment (-)	-	-	-	-
- The part of net values under guarantee with collateral.	-	-	-	-
- Not past due (gross carrying amount)	-	-	-	-
- Impairment (-)	-	-	-	-
- The part of net values under guarantee with collateral.	-	-	-	-
E. Off-balance sheet items with credit risk	-	-	-	-

## Notes to the consolidated financial statements as of 31 December 2017

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

### Liquidity risk

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

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

The table below shows the Group's distribution of non-derivative financial liabilities' maturity profile as of 31 December 2017 and 2016:

December 31, 2017					
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	492,343	492,343	492,343	-	-
<b>Total</b>	<b>492,343</b>	<b>492,343</b>	<b>492,343</b>	<b>-</b>	<b>-</b>
December 31, 2016					
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	477,206	477,206	477,206	-	-
<b>Total</b>	<b>477,206</b>	<b>477,206</b>	<b>477,206</b>	<b>-</b>	<b>-</b>

### Interest rate risk

The Group has no interest rate risk as of 31 December 2017 since it has no asset with flexible interest. (31 December 2016: 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 2017 the Group has no foreign currency balance and was not exposed to exchange rate risk (31 December 2016: None).

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

None.





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Esentepe Mah. Büyükdere Cad. Bahar Sok. No: 13  
River Plaza Kat: 18 Ofis No: 48-49 34394 Şişli / İSTANBUL, TURKEY

Phone: (+90 212) 924 44 70  
Fax: (+90 212) 285 24 39 - 281 66 47  
E-mail: [fkf@fkf.org.tr](mailto:fkf@fkf.org.tr)