

A&T FİNANSAL KİRALAMA A.Ş.



A&T LEASING

2019 YEAR

ANNUAL REPORT



KPMG Bağımsız Denetim ve
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**CONVENIENCE TRANSLATION INTO ENGLISH OF INDEPENDENT
AUDITOR'S REPORT ON THE BOARD OF DIRECTORS' ANNUAL REPORT
ORIGINALLY ISSUED IN TURKISH**

To the Shareholders of A&T Finansal Kiralama Anonim Şirketi

Opinion

We have audited the annual report of A&T Finansal Kiralama Anonim Şirketi (the "Company") for the period between 1 January 2019 and 31 December 2019, since we have audited the complete set financial statements for this period.

In our opinion, the financial information included in the annual report and the analysis of the Board of Directors by using the information included in the audited financial statements regarding the position of the Company are consistent, in all material respects, with the audited complete set of financial statements and information obtained during the audit and provides a fair presentation.

Basis for Opinion

We conducted our audit in accordance with Standards on Auditing which is a component of the Turkish Auditing Standards ("TAS") issued by the Public Oversight, Accounting and Auditing Standards Authority ("POA") ("Standards on Auditing issued by POA"). Our responsibilities under Standards on Auditing issued by POA are further described in the *Auditor's Responsibilities for the Annual Report* section of our report. We declare that we are independent of the Company 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.

Auditor's Opinion on Complete Set of Financial Statements

We have expressed an unqualified opinion on the complete set of financial statements of the Company for the period between 1 January 2019 and 31 December 2019 on 30 January 2020.



Board of Directors' Responsibility for the Annual Report

In accordance with the Articles 514 and 516 of the Turkish Commercial Code numbered 6102 ("TCC") the Company's management is responsible for the following regarding the annual report:

a) The Company's management prepares its annual report within the first three months following the date of statement of financial position and submits it to the general assembly.

b) The Company's management prepares its annual report in such a way that it reflects the operations of the year and the and financial position of the Company accurately, completely, directly, true and fairly in all respects. In this report, the financial position is assessed in accordance with the Company's and financial statements. The annual report shall also clearly indicates the details about the Company's development and risks that might be encountered. The assessment of the Board of Directors on these matters is included in the report.

c) The annual report also includes the matters below:

- Significant events occurred in the Company after the reporting period,
- The Company's research and development activities.
- Financial benefits such as wages, premiums and bonuses paid to board members and key management personnel, appropriations, travel, accommodation and representation expenses, benefits in cash and kind, insurance and similar guarantees.

When preparing the annual report, the Board of Directors also considers the secondary legislation arrangements issued by the Ministry of Trade and related institutions.

Auditor's Responsibility for the Audit of the Annual Report

Our objective is to express an opinion on whether the financial information included in the annual report in accordance with the TCC and analysis of the Board of Directors by using the information included in the audited financial statements regarding the position of the Company are consistent with the audited financial statements of the Company and the information obtained during the audit and give a true and fair view and form a report that includes this opinion.

We conducted our audit in accordance with Standards on Auditing issued by POA. Standards on Auditing issued by POA require compliance with ethical requirements and planning of audit to obtain reasonable assurance on whether the financial information included in the annual report and analysis of the Board of Directors by using the information included in the audited financial statements regarding the position of the Company are consistent with the financial statements and the information obtained during the audit and provides a fair presentation.

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


Erdal Tıkma
Partner
30 January 2020
Istanbul, Turkey

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CHAIRMAN STATEMENT

Dear Esteemed Shareholders and Colleagues;

Global economic activity tended to decelerate throughout 2019. While the US economy exhibits relatively strong growth, the economies of the euro area and Japan among developed countries, and China, India and Brazil among developing countries, lose momentum in terms of growth performance. Uncertainties regarding the process of Britain's departure from the European Union (EU) and bilateral trade negotiations between the US and China continue. In this period, the normalization processes in global monetary policies have stalled due to the high level of concerns about global economic activity and uncertainties regarding global economic policies. In particular, the US Federal Reserve (Fed) announced that it would adopt a stable monetary policy stance. This led investors to search for returns. As a result of the increased risk appetite, net portfolio inflows were observed in the Emerging Country bond markets. Consequently, with the effect of a relative loosening in global financial conditions, borrowing costs of Emerging Markets in general decreased and risk premiums improved.

In sum, due to concerns about global economic growth and uncertainties in global policy, monetary policy normalization processes of developed countries have halted. This situation positively affected the global risk appetite and the risk premiums of Emerging Countries. Turkey with its country risk premium, the impact of geopolitical uncertainties and developments are dissociated from other developing countries in recent years.

On the other hand, recent volatility in financial markets and the rise in risk premium indicators keep downside risks on domestic demand outlook. The asset quality of the Turkish banking sector deteriorated to a limited extent, and the course of economic activity, financial conditions and employment developments will determine the NPL ratio of the sector in the upcoming period. The sector maintains its resilience against risks with its high liquid asset level, its prudent stance on asset quality and its capital adequacy which is above historical levels.

Despite the partial recovery signals in credit growth, the tightness in financial conditions has been effective in the slowdown in economic activity. In addition,

the slowdown trend in global growth and geopolitical developments, especially the EU countries, which have a significant share in the export market of our country, keep downside risks in terms of domestic economic activity.

From the perspective of the Financial Leasing Sector, the fluctuations in the global economy and geopolitical instability, the negative effect of the exchange rate increase that occurred in August 2018 continued throughout 2019. These developments, which caused the weakening of the investment environment, caused negative impulse in the leasing sector. The "Financial Lease Receivables" of the sector realized 56.6 billion TL in 30.09.2019. This figure was 78 billion TL for the same period of 2018. While "Financial Leasing Receivables" of A&T Finansal Kiralama A.Ş. was 404 million TL in 31.12.2018, it has been realized as 318 million TL as of 31.12.2019. "Financial Lease Receivables" of the Sector decreased by 28%. A&T Finansal Kiralama A.Ş.'s "Financial Lease Receivables" decreased by 21%. The sector, which closed the business volume of 2017 with 6.2 billion dollars and 2018 with 4.8 billion dollars, is expected to close 2019 with a volume of only 2.5 billion dollars.

The sector has experienced significant difficulties since the last quarter of 2018. The growth expectation of the economy for 2020 is 3.4% in the Central Bank of Turkey survey. The institutions like World Bank and Fitch Ratings have announced similar estimates. Therefore, 2020 will be more hopeful both for the Leasing Sector and A&T Finansal Kiralama A.Ş.

On behalf of the Board of Directors, I would like to extend our thanks to our clients, shareholders and creditor institutions for their valuable support and confident and also to extend our thanks to the general management and all the employees of the company for their effort and achievements.

Wail J A BELGASEM

Chairman

A&T FİNANSAL KİRALAMA A.Ş.
Activity Report as of year 2019

1 – GENERAL INFORMATION

1.1 - The Relevant Accounting Period Of Report

This Activity Report belongs to the period between 01.01.2019 and 31.12.2019

1.2 – Company Trade Name, Address and Branch Information

Company Trade Name : A&T Finansal Kiralama A.Ş.
Trade Registration No : 372702
Mersis Number : 1116858435411604
Related Tax Office : Ümraniye
Registered Tax Number : 001 008 5428
Address : Örnek Mahallesi Finans Çıkmazı Sokak
No.4 Ataşehir/İSTANBUL
Telephone : 0216 445 57 01 Pbx
Fax : 0216 445 57 07
Web : www.atleasing.com.tr
E-Mail : atleasing@atleasing.com.tr

Ankara Branch : Havuzlu Sokak No. 3 Aşağı Ayrancı /
ANKARA

Telephone : 0312 419 51 03-04

Fax : 0312 439 37 81

Incorporation Date (Issuance Date and Registered Date): 4 July 1997

Certificate of Status has been taken according to BRSA's activities pursuant to 24
October 2007 No.2437

1.3 - Shareholder and Organization Structure of the Company

A&T Finansal Kiralama A.Ş. was founded in 1997 as the subsidiary of Arab-Turkish Bank to perform leasing transactions. The capital of A&T Finansal Kiralama A.Ş., which was 95.500.000.- Turkish Lira in 2018, is 108.000.000.-TL as of April 2019.

The Shareholder structure of the company has not changed during year 2019

The Shareholder Structure of the company is as follows.

SHAREHOLDERS	SHARE RATE %	SHARE AMOUNT	ACQUISITION DATE
ARAP TÜRK BANKASI A.Ş.	99,98	107.978.400,00	TL Since Establishment
SALİH HATİPOĞLU	0,005	5.400,00	TL 07.07.2008
FEYZULLAH KÜPELİ	0,005	5.400,00	TL 09.11.2009
AZİZ AYDOĞDUOĞLU	0,005	5.400,00	TL 14.09.2010
ERDEM ÖZENCİ	0,005	5.400,00	TL 29.08.2013
TOTAL	100,00	108.000.000,00	TL

Organization Structure Of the Company

With the Board of Directors decision dated 09.10.2019 and numbered 19 / 5-9, there have been changes in the Organizational Chart of the Company. The new Organization chart of the company is as in Annex 1.

1.4 - Disclosures on Preferred Shares

There is no preferred share in the Company's Shareholding structure.

1.5 – Information about Governing Body, Top Management and number of Staff

Board of Directors

NAME SURNAME	DUTY	APPOINTMENT DATE
WAİL J A BELGASEM	Chairman	01.07.2019
FATMA SEZİN UÇAR	Deputy Chairman	29.03.2018
AFLAH OMAR MAGSI	Board Member	11.12.2019
ARCA ÖGEL	Board Member	24.10.2017
İHSAN BİLİCİ	Board Member & Gen.Man.	04.07.1997

Wail J. A. BELGASEM**Chairman**

A graduate of Garyounes University (Libya), Department of Accounting in 1993, Wail J. A. Belgasem, has been working at Libyan Foreign Bank since 1994. He served in the Internal Auditing Department, L/Cs Department, Participations Department and Banking Operation Department between 1994 and 1998. Mr. Belgasem was employed in the Rep. Office for BACB between 1998 and 2007. He served as Assistant Manager of Marketing & Foreign Relations Department between 2007 and 2009, Deputy Manager of Marketing & Foreign Relations Department from 2009 to 2011. Having served as Board Member at Aresbank (Spain) between 2013 and 2017. Mr. Belgasem has been Deputy Manager of International Finance Department between October 26, 2011 and May 03, 2019. After serving as Member of the Board of Directors at A&T Bank from July 21, 2017 until May 03, 2019, Mr. Belgasem was appointed as A&T Bank's General Manager on May 03, 2019 and assumed this position on June 10, 2019. Mr. Belgasem is the Chairman of the Board of Directors of A&T Leasing. He has 25 years of professional experience.

Fatma Sezin Uçar**Deputy Chairman**

Fatma Sezin Ucar graduated from Bogazici University, Faculty of Economics and Administrative Sciences, Department of Business Administration with an honor degree in 2000. In Turkey İş Bankası A.Ş. she acted as a Assistant Credit Specialist in Corporate Loans Allocation Department (2000-2005), Credit Specialist (2005-2009) and Assistant Credit Manager (2009-2015). Since 2015, Mrs. Uçar has been working as a Unit Manager in the same department. In the General Assembly of A&T Finansal Kiralama A.Ş. held on 29/03/2018, Mrs. Uçar became the Board Member while she was appointed as the Deputy Chairman of the Board of Directors at the same date.

Aflah Omar MAGSI**Board Member**

A graduate of Tillotsan College, Huston USA, Department of Accounting in 1984, Aflah Omar Magsi, has been working at Libyan Foreign Bank since 1985. Respectively he served in the Cash Operations Management and Financial Planning between January 1985-May 1990 and in the Letter of Credit Management between May 1990-August 1993. From July 1993 to August 1999 he worked as Deputy Managing Director at Arab Investment and Trade Bank / Abu Dhabi and he served in the Banking Operations

Management at Libyan Foreign Bank between Aug 1999-October 2003. Aflah Omar Magsi was the Office Manager of the Investment Office in Gambia. From Jan 2004 to Aug 2009 he served in the Banking Operations Management at Libyan Foreign Bank from September 2009 to Dec 2018 he served in the Cash Management and Board Secretary at Arab Investment and Trade Bank / Abu Dhabi. Mr. Magsi, has been serving as Manager of Payment Management at Libyan Foreign Bank since Feb 2019. Aflah Omar Magsi was appointed as Member of the Board of Directors at A&T Bank on May 03, 2019 and Member of the Audit Committee at A&T Bank on July 26, 2019. He has 35 years of professional experience.

Arca ÖGEL

Board Member

Arca Ögel graduated from the Department of English Language and Literature at Ege University. After 1 year of education in the Banking School of Ziraat Bankası A.Ş., Mrs. Ögel started his career as a specialist in 1992 at the Harbiye Branch of Ziraat Bank. She worked as a specialist and Assistant Manager in the same branch until 2003. She worked in the same branch between the years 2003 and 2009 and continued as the Operation Manager in Ziraat Bank Regional Branch Ziraat Bankası A.Ş. Mrs. Ögel worked between the years of 2009 and 2012 as a Manager in Ziraat Bankası Levent Branch and also the same position between the years 2012 and 2015 in Ziraat Bankası Etiler Branch. Mrs. Ögel has been continuing her same position as a Manager in Ziraat Bankası Maslak Branch since year 2015. Mrs. Arca Ögel has been a Board member of A&T Finansal Kiralama A.Ş. since year 2017.

İhsan BİLİCİ

Board Member & G.M.

Mr. Bilici was born in 1957 and graduated from the Bursa Academy of Economic and Commercial Sciences in 1980. He earned his Master Degree in Business Administration in Doğuş University. He began his career in 1981 as an inspector in Anadolubank and worked as branch manager, Head of Credit Department, Head of District in T. Emlak Bankası and as a Berlin Representative in the same bank. He started to work in A&T Finansal Kiralama A.Ş. starting from year 1998. He has been working as General Manager and Member of the Board of Directors since this year.

Senior Management

General Manager : İhsan BİLİCİ
Deputy General Manager : Moataz Mohamed Tamer

Management Team

Financial & Administrative Coordinator : Aziz AYDOĞDUOĞLU
Operation Manager : H.Çisel SEMERCİÖZ
Marketing Manager : Volkan BİNGÖL
Credit Manager : Celal ŞAHİN
Treasury Manager : Cem ÇINAR
İnternal Auditor : Mohamed Aboajilla Otman HNISH
Ankara Branch Manager : Ekrem SAĞANAK

Personnel Number

21 persons are employed in the company (including branch) as of 31.12.2019

1.6 - Transactions Concerning the Members of the Board of Directors within the Framework of Permission Granted by the General Assembly of the Company

At the Ordinary General Assembly meeting held on 29.03.2019, the Board of Directors gave the necessary authority and permissions to the members of the Board of Directors to perform the procedures stipulated in Articles 395 and 396 of the Turkish Commercial Code.

2 – FINANCIAL RIGHTS PROVIDED TO THE MEMBERS OF THE BOARD OF DIRECTORS

The total amount of payments made between 01.01.2019 and 31.12.2019 to the Members of the Board of Directors and Senior Management is 5.327.498,46 Turkish Lira.

3 – RESEARCH AND DEVELOPMENT STUDIES

There are no research and development activities between 01.01.2019 and 31.12.2019.

4 – COMPANY ACTIVITIES AND IMPORTANT DEVELOPMENTS RELATED TO THE OPERATIONS

4.1-Information on the Investments of the Company in the Relevant Accounting Period

Tangible Fixed Assets Investments in the relevant year are 15,766,76.TL

Intangible Fixed Assets Investments are 142,146.00 TL.

Real Estate Investment: None.

4.2 – Information on the Company's Internal Control System and Internal Audit Activities

The "Financial Leasing, Factoring and Financing Companies Law" numbered 6361 of the company activities, "Regulation on the Establishment and Operating Principles of Financial Leasing, Factoring and Financing Companies", which came into force after being published in the Official Gazette No. 28627 dated 24 April 2013. An Internal Control system has been established in order to execute in accordance with the obligations and ensure timely availability of information. Vice Chairman of the Board of Directors Fatma Sezin UÇAR has been appointed as the Board Member responsible for the Internal Control Department with the Board of Directors decision dated 29.03.2018. Internal Control activities are carried out under the Vice Chairman of the Board of Directors, Mr. Sezin UÇAR. Internal Control Activities are carried out as Daily, Weekly and Monthly controls, and an annual report is submitted to the Board of Directors every 6 months.

4.3 – Information on Direct or Indirect Participations of the Company and Share Ratios

There is no Direct or indirect subsidiaries of the Company.

4.4 – Information on the Company's Own Shares

The company does not have its own shares acquired.

4.5 – Disclosures on the Private Audit and Public Audit in the Accounting Period

The Company is audited with an independent audit firm and by the Arap Türk Bankası A.Ş. every year which is the main shareholder. The Company is also subject to the supervision and supervision of the Banking Regulation and Supervision Agency.

In 2019, BDDK did not conduct any audit at the Company's headquarters.

There was no public audit in 2019.

4.6 – Information on the Lawsuits and Possible Consequences of the Company against the Company's Financial Status and Activities

There are no lawsuits filed against the Company which may affect the financial situation and activities of the Company.

4.7 – Explanations on the Administrative and Judicial Sanctions Imposed on the Company and the Members of the Governing Body on the grounds of Unconstitutional Practices

There are no administrative or judicial sanctions imposed on the Company and the Members of the Board of Directors due to violations of the provisions of the legislation.

4.8 – Determined Targets and Ordinary General Assembly

The 2019 budget figures and realization rates adopted by the Board of Directors of the Company are shown in the table below.

	31.12.2019 Current period	31.12.2019 Budget	Variance	%
BANKS	95.278.351,70	57.994.385,00	37.283.966,70	64,29
RECEIVABLES FROM LEASING TRANS. (Net)	286.767.057,04	267.207.399,00	19.559.659,04	7,32
RECEIVABLES UNDER FOLLOW-UP (Net)	3.438.294,90	9.110.304,00	-5.672.009,10	-62,26
<i>Receivables under Follow –Up From Leasing Trans.</i>	10.889.524,90	13.772.667,00	-2.883.142,10	-20,93
<i>Specific Provisions (-)</i>	-7.451.230,00	-4.662.363,00	-2.788.867,00	59,82
PROPERTY AND EQUIPMENT (Net)	10.523.199,29	4.024.215,00	6.498.984,29	161,50
INTANGIBLE ASSETS (Net)	196.846,14	24.155,00	172.691,14	714,93
OTHER ASSETS	3.918.907,15	5.434.113,00	-1.515.205,85	-27,88
FUNDS BORROWED	258.653.206,40	196.470.390,00	62.182.816,40	31,65
<i>Short Term Funds Borrowed</i>	97.024.686,77	97.024.686,77	0,00	0,00
<i>Medium Term Funds Borrowed</i>	161.628.519,63	99.445.703,23	62.182.816,40	62,53
MISCELLANEOUS PAYABLES	9.124.085,36	17.400.775,00	-8.276.689,64	-47,57
PROVISIONS	3.199.436,73	6.226.286,00	-3.026.849,27	-48,61
<i>Reserves for Employee Benefit</i>	2.660.741,66	5.106.041,00	-2.445.299,34	-47,89
<i>Tax Provision</i>	538.695,07	1.120.245,00	-581.549,93	-51,91
<i>Other Provisions</i>	--	--	--	--

SHAREHOLDERS EQUITY	128.259.502,31	123.646.501,00	4.613.001,31	3,73
<i>Paid-in Capital</i>	108.000.000,00	107.000.000,00	1.000.000,00	0,93
<i>Supplementary Capital</i>	5.509,838,33	70.663,00	5.439.175,33	7.697,35
<i>Legal Reserves</i>	4.642.291,93	4.575.018,00	67.273,93	1,47
<i>Prior Years Income/Loss</i>	-474.102,24	598.337,00	-1.072.439,24	-179,24
<i>Current Year Income/Loss</i>	10.579.980,47	11.402.483,00	-822.502,53	-7,21
<i>Finance Lease Incomes</i>	31.497.170,22	31.309.528,00	187.642,22	0,60
<i>Interest Received from Banks</i>	10.596.470,70	7.999.690,00	2.596.780,70	32,46
<i>Personnel Expenses</i>	10.938.183,42	8.755.018,00	2.183.165,42	24,94
<i>Personnel Indemnity Provision Expenses</i>	128.216,06	1.200.000,00	-1.071.783,94	-89,32
<i>General Office Expenses</i>	2.562.343,88	2.373.052,00	189.291,88	7,98
<i>Interest On Funds Borrowed</i>	8.996.359,91	8.787.411,00	208.948,91	2,38
<i>Specific Provisions For Leasing Receivables</i>	5.936.568,57	3.532.925,00	2.403.643,57	68,04
<i>Provisions for Taxes</i>	2.432.938,94	3.233.009,00	-800.070,06	-24,75

The investment amount was expected to be 60.000.327,00.- TL in 2019 however, the actual amount was realized 59.412.594,02.- TL

Budget : ROE % 9,67 Realized : 8,58
 Budget : ROA % 2,83 Realized : 2,84

Ordinary General Assembly

All decisions taken at the Ordinary General Assembly held on 28.03.2019 were fulfilled.

**MINUTES OF ORDINARY GENERAL ASSEMBLY OF A & T FİNANSAL
KİRALAMA ANONİM ŞİRKETİ HELD ON 28 MARCH 2019**

A & T Finansal Kiralama A.Ş. Ordinary General Assembly Meeting for 2018 was held on 28.03.2019 at 10.00 o'clock at the address Vali Konağı Caddesi No: 10 Nişantaşı / İSTANBUL under the supervision of the Ministry Representatives Feyyaz BAL who was appointed by the T.R. Ministry of Trade / İstanbul Provincial Trade Office of Trade Letter dated 27.03.2019, no.90726394-431.03-E-00042982036

It was determined by examining the list of attendants that out of 95,480,900 shares corresponding to the Company's nominal value 95,480,900 representing Arap Türk Bank A.Ş. Salih HATİPOĞLU, Erdem ÖZENCİ in person having 4,775 shares with a nominal value 4,775 TL, Salih HATİPOĞLU in person having 4,775 shares with a nominal value 4,775 TL, Feyzullah KÜPELİ in person having 4,775 shares with a nominal value 4,775 TL, Aziz AYDOĞDUOĞLU in person having 4,775 shares with a nominal value 4,775 TL, totally represented the nominal value of 95,500,000 TL considering the shares corresponding to the share of 95,500,000 are attending. Thus the minimum quorum as stipulated by the law and the articles of incorporation was secured. The shareholders have no objection of the invitations without announcement in accordance with the Turkish Commercial Law Article 416. After confirming that, The Board Members Mr. Abdulhakim Ali Emhemed KHAMAG, Mrs. Fatma Sezin UÇAR, Mr. Abdurauf İbrahim SHNEBA, Mrs. Arca ÖGEL and Mr. İhsan BİLİCİ and Mr. Fatih AKIN as a representative of Independent Audit Firm KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. were available in the meeting; as it is perceived in the meeting place that the Share Registry of the Company, the Board of Directors of the Annual Report, the Auditors' Report, Financial Statements, the General Assembly agenda, The Article of Association related with the Article 7 considering the "Capital" with the old and new forms including the draft amendment with the allowance official letter and attachments of T.C. Trade Ministry of Domestic Trade General Directorate, It was decided to open the meeting by Mr. Feyyaz BAL representing the Ministry of Trade.

1. The General Assembly Agenda was declared by the General Manager and Board Member of the company, Mr. İhsan BİLİCİ.
2. In accordance with the 2th article of present agenda, regarding the election of Chairman, the written proposal presented by the shareholders has been voted. The Proposal was accepted unanimously Mr. İhsan BİLİCİ was elected as the Chairman. The Chairman Mr. İhsan BİLİCİ elected Mr. Salih HATİPOĞLU as the Vote Collection Officer and Mr. Aziz AYDOĞDUOĞLU as Minutes Registrar.

3. It has been passed to the agenda to approve the Activity Report of Board of Directors for the activities performed in 2018. The report was read and discussed. Chairman of meeting has put the vote the Activity report of Board of Directors has unanimously approved.
4. In accordance with the 4th article of the Agenda, It has been passed the approval of 2018 Audited Balance Sheet and Profit / Loss accounts with the reading and negotiation of the Independent Auditors' Report for the year 2018. The Audited Balance Sheet and P & L Account of 2018 which was audited by KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. has been read and negotiated. It was approved unanimously by the result of the vote. The year 2018 of Independent Auditor's Report was read, discussed and approved by consensus at the results of the vote.
5. Agenda item was discussed regarding the discharge of the Board members. The discharges of Board Members were presented to vote separately due to their responsibilities regarding the accounts and transactions ended on 31.12.2018. As the result of voting the Board Members were acquitted unanimously. The Board Members did not vote for their own release according to the Article 436 of the Turkish Commercial Law.
6. The Chairman has read the Board Of Directors proposal regarding the distribution of profits. The amount of TL 3.872.780,67 was separated as tax provision and the amount of TL 870.915,74 was separated as 1st Legal Reserve from the pre-tax profit amount of 17.418.314,82 occurred in 2018. It was also decided to leave the remaining net profit of TL 12.674.618,41 in the company in order to add the profits of previous years, TL 12.152.308,30 of this amount will be used for capital increase and not to distribute profits to shareholders and it was decided to meet the possible tax vulnerability from the profits of previous years.
7. Company's main contract article 7 about "Capital" with regard to amendment of Article T. R. Ministry of Customs and Trade Directorate General of Domestic Trade date 25.02.2019, No.50035491-431.02-E and Barcode No. 00041977824 permission result, the draft amendment was discussed. Articles of Association article 7 about "Capital" new form of Article 7 was approved by a unanimous vote by the written acceptance form below.

NEW FORM:

Article 7: CAPITAL OF THE COMPANY

Capital of the company is 108.000.000, 00 (One Hundred Eight Million) Turkish Lira, divided into 108.000.000 (One Hundred Eight Million) registered shares, with per nominal value of 1, 00 Turkish Lira each.

The previous capital amount 95.500.000, 00 (Ninety Five Million Five Hundred Thousand) Turkish Lira had been fully paid up.

The capital increase of 12.500.000, 00 (Twelve Million Five Hundred Thousand) Turkish Lira has been transferred from the year 2017 profit; 347.691,70 Turkish Lira and the year 2018 profit; 12.152.308,30 Turkish Lira to bring the total new capital to 108.000.000,00 (One Hundred Eight Million) Turkish Lira.

NAME AND SURNAME	SHARE AMOUNT		SHARE QUANTITY
ARAP TÜRK BANKASI A.Ş.	107,978,400.00	TL	107,978,400
SALİH HATİPOĞLU	5,400.00	TL	5,400
FEYZULLAH KÜPELİ	5,400.00	TL	5,400
AZİZ AYDOĞDUOĞLU	5,400.00	TL	5,400
ERDEM ÖZENCİ	5,400.00	TL	5,400
CAPITAL OF THE COMPANY	108,000,000.00	TL	108,000,000

8. The Chairman asked for the voting of the proposal presented by the shareholders determining the per diem payment of Board Members. Starting from the date of 01.04.2019, for the period of their mission, it was decided to make TL payment of equivalent amount of net US Dollars 1,000. - To Chairman and Board Members with a unanimous decision. The Foreign Board Members who participate from abroad to Board Meeting are being paid US 1,400 Dollars for covering the Board Meeting Expenses (transportation, accommodation and others).
9. The Chairman presented the proposal for vote that was given by the shareholders regarding the election of Board Members. In the proposal, Mr.Abdulhakim Ali Emhemed KHAMAG, Mrs.Fatma Sezin UÇAR, Mr.Abdurauf İbrahim G. SHNEBA, Mrs. Arca ÖGEL and the General Manager Mr.İhsan BİLİCİ, were advised as a candidate for Board of Directors.

In consequence of presence of Mr. Abdulhakim Ali Emhemed KHAMAG with a Tax number _____ and Passport No. _____, Mrs. Fatma Sezin UÇAR with Identity No. _____, Mr. Abdurauf İbrahim SHNEBA with a Tax No. _____ and Passport No. _____, Mrs. Arca ÖGEL with Identity No. _____ and the General Manager of the company Mr. İhsan BİLİCİ with a Identity No. _____, It was decided to be elected as Board Members until the Ordinary General Assembly Meeting where discussion the year 2019 Balance Sheet with unanimous decision.

10. Due to the 10th item of the agenda, it was passed to the identification and the fee to be prepared of Auditor for the year 2019. In accordance with the proposal of the Board of Directors, it was decided to sign a Independent Audit Agreement for the year 2019 with an amount of 23.000.-TL+ VAT yearly with KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (KPMG) and it was unanimously decided to authorize the Company General Management to sign the agreement.
11. The Chairman, asked for the vote the permission for Board Members to do transactions required the Turkish Commercial Law with the articles of 395 and 396. It was decided unanimously to give authorization and consent to Board Members of the Company in accordance with the Turkish Commercial Law of the articles 395 and 396.
12. Chairman of the meeting Mr.İhsan BİLİCİ, thanked the participants for the decisions taken in the meeting and ended the meeting. This said record was arranged and signed in the meeting location.

4.9 – Extraordinary General Assembly

No extraordinary general assembly meeting was held during the period.

4.10 – Donations and Aids

There are no donations and donations made during the period.

4.11 – Legal Actions to the Company or to the Company with a Judge Company, to the Benefit of a Company Under His or a Company Affiliated to the Judge Company and All Other Measures to Be Taken for the Beneficiary Company or a Company Associated with It or Not to Be Taken in the Past Activity Year

None

4.12 – In the event that the legal action is taken or the measure is taken or not taken according to the rules and conditions that are taken in the legal process, it is determined whether an appropriate counteraction is provided in each legal transaction and if the measure taken is not damaged or if the company is damaged.

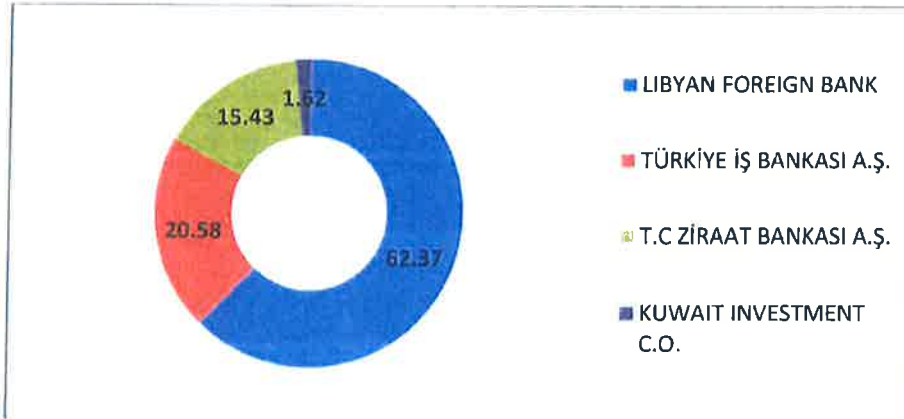
Our company, the parent company and its affiliated companies in all transactions carried out in the period of January 1-December 31, 2019 in accordance with the circumstances of our company, by the control of the dominant company or a subsidiary of a company connected to it for the benefit of the company and the company in 2019 activity or the all measures taken or taken into account for the benefit of an affiliated company, all measures have been evaluated. The Company has not suffered any loss due to a transaction that occurred in accordance with the conditions and conditions known for the 2019 operating year.

This declaration was also given in the conclusion part of the Subsidiary Report prepared according to TTK article 199.

The transactions with the parent company and its affiliated companies are shown below.

Parent Company : Arap Türk Bankası A.Ş.

Shareholder's of Arab Turkish Bank and their shares are as follows.



Indirect Parent company : Libyan Foreign Bank/Libya

Affiliated Companies:

- Alubaf Arab International Bank Bahrain
- Banco Arabe Espanol, Madrid Spain (Aresbank)
- Alubaf International Bank Tunis

- Banque BIA Paris
- Arab Bank For Inv. Foreign Trade

Transactions Effected:

ARAP TÜRK BANKASI A.Ş.

- Interests Received From Deposits :None
- Commissions Paid to Letter of Guarantees : 8.841,00.- TL
- Paid Rents : 27.600,00 TL
- Bank Balance : TL 13.790,47 - USD 38.599,35 - EUR 405,07
- The Interest Payment of Credits Utilized from Indirect Parent Company or Affiliated Corporations.

Alubaf Arab International Bank Bahrain	935.867,73 TL
Alubaf International Bank Tunis	668.427,48 TL
Banco Arabe Espanol, Madrid Spain (Aresbank)	1.857.228,15 TL
Libyan Foreign Bank/Libya	1.291.964,93 TL
Banque BIA, Paris Fransa	377.046,99 TL
Arab Bank For Inv. Foreign Trade	957.666,86 TL

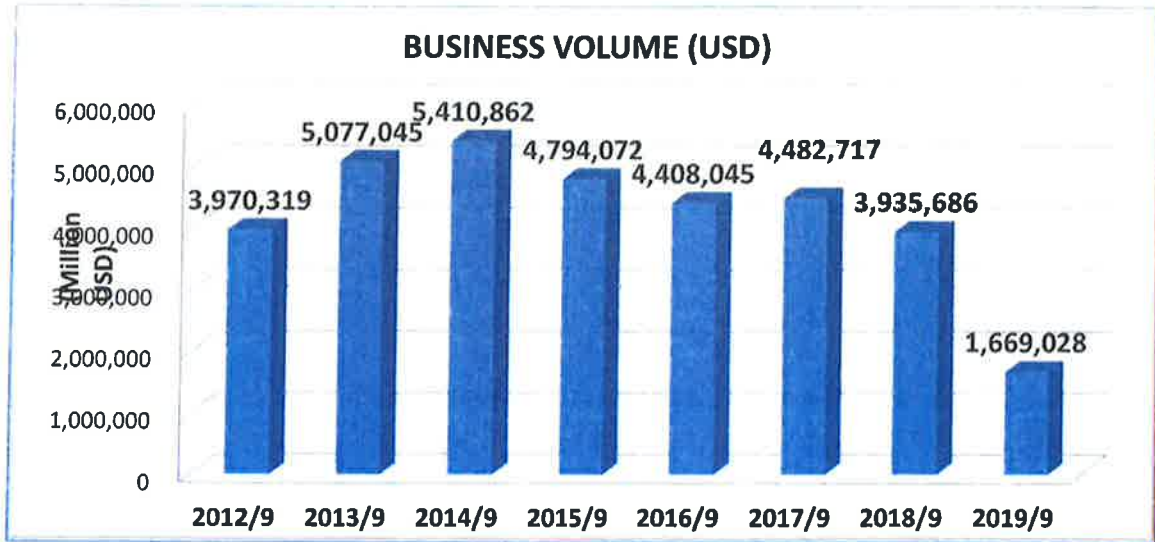
5 – FINANCIAL POSITION

5.1 - Financial Position and Assessment Regarding Results of Operations and Strategy

5.1.a Overview of Sector

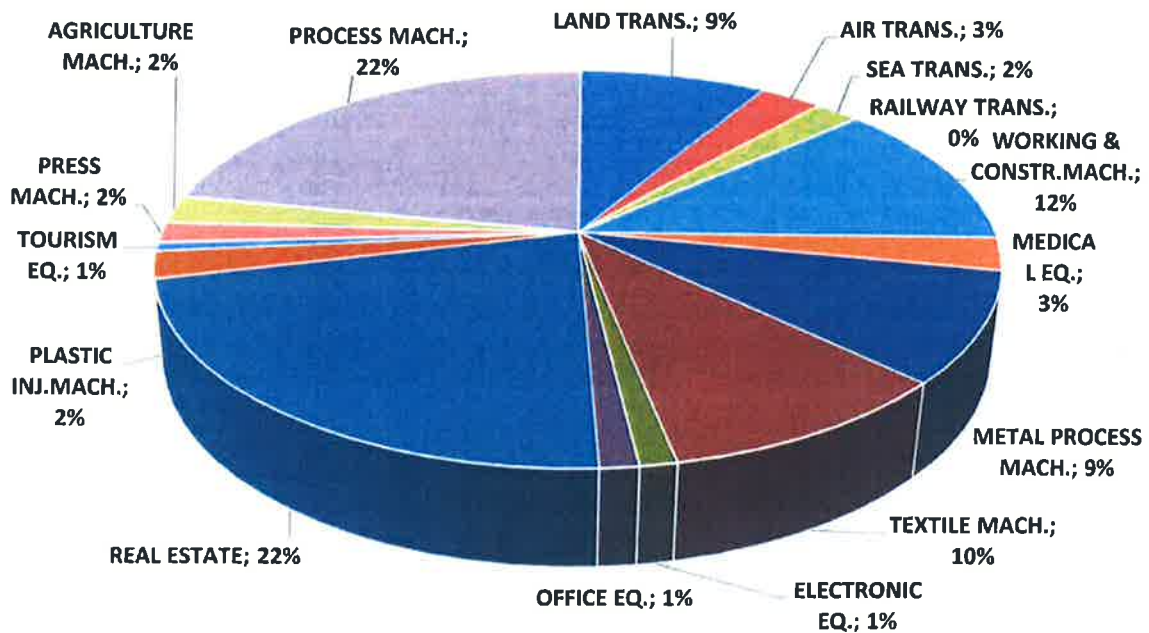
Business Volume of Financial Leasing Sector is shown below during the years (000 USD)

YEARS	I. Period	II. Period	III. Period	IV. Period	Total
2012	1.092.469	1.502.081	1.375.769	1.389.316	5.359.635
2013	1.387.602	1.905.083	1.784.360	1.912.502	6.989.545
2014	1.624.885	1.865.957	1.920.020	2.226.275	7.637.138
2015	1.477.838	1.690.792	1.527.757	1.566.219	6.364.877
2016	1.339.285	1.672.505	1.396.863	1.726.996	6.129.772
2017	1.392.649	1.472.041	1.618.027	1.706.345	6.193.833
2018	1.469.025	1.504.209	963.520	862.289	4.794.612
2019	410.047	684.611	574.370		



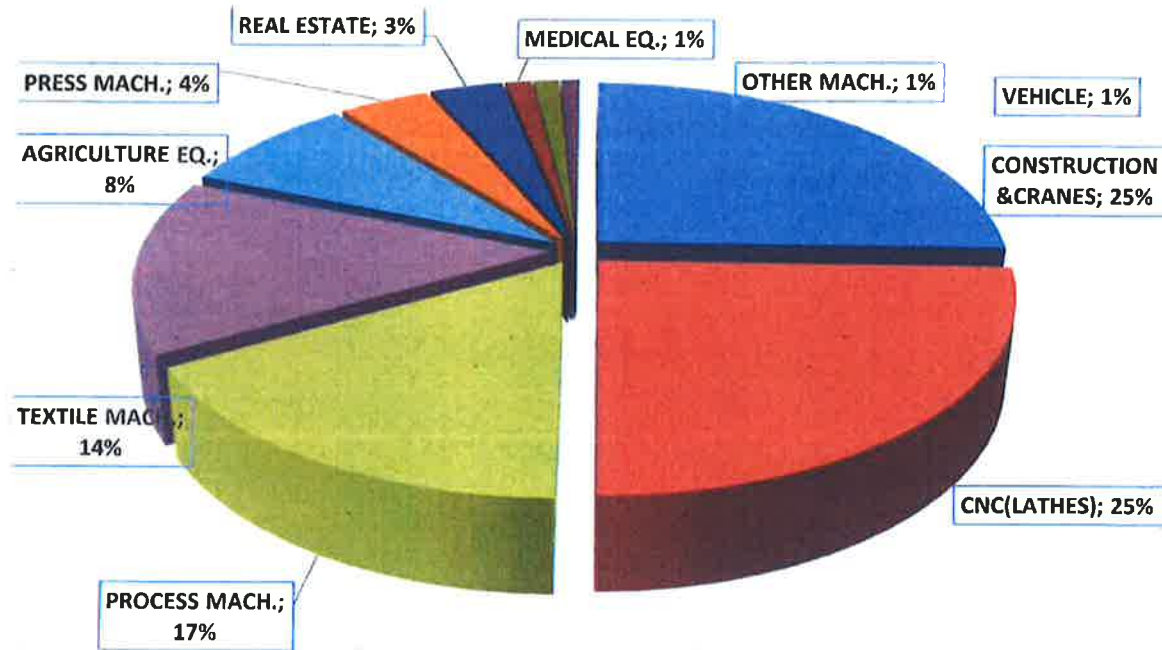
If we look at the investments of **Sector** in terms of type of leased assets briefly as of **30.09.2019**, the biggest share with a rate of 22% went to both Process Mach. and Real Estate separately. The Working and Construction Machinery took 12%, Textile Machinery 10%, Land Transportation and Metal Process Mach. 9% separately from the whole volume.

The breakdown of Financial Leasing Transactions of Sector by type of goods by the end of **30.09.2019** are as follows:



5.1.b Company Activities

The breakdown of financial leasing transactions of A&T Finansal Kiralama A.Ş. by type of goods by the end of **31.12.2019** are as follows:



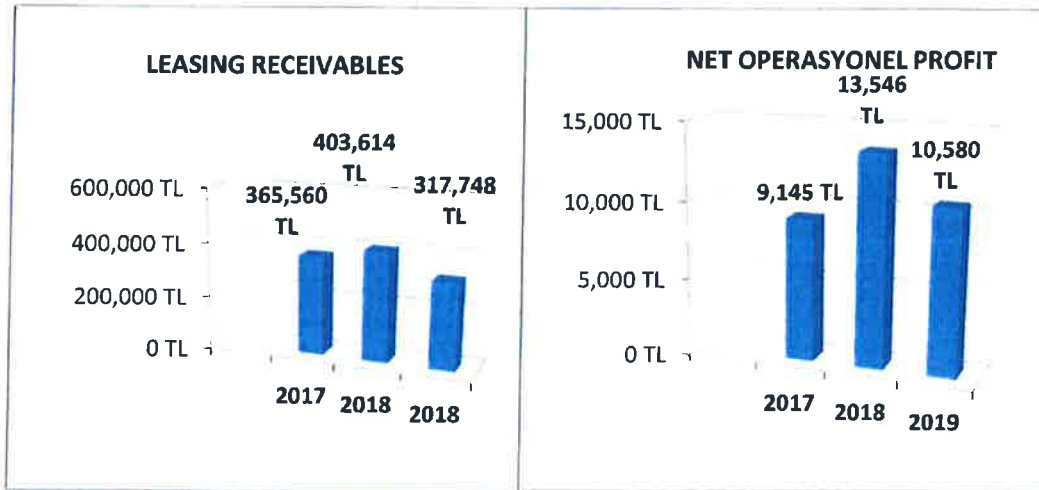
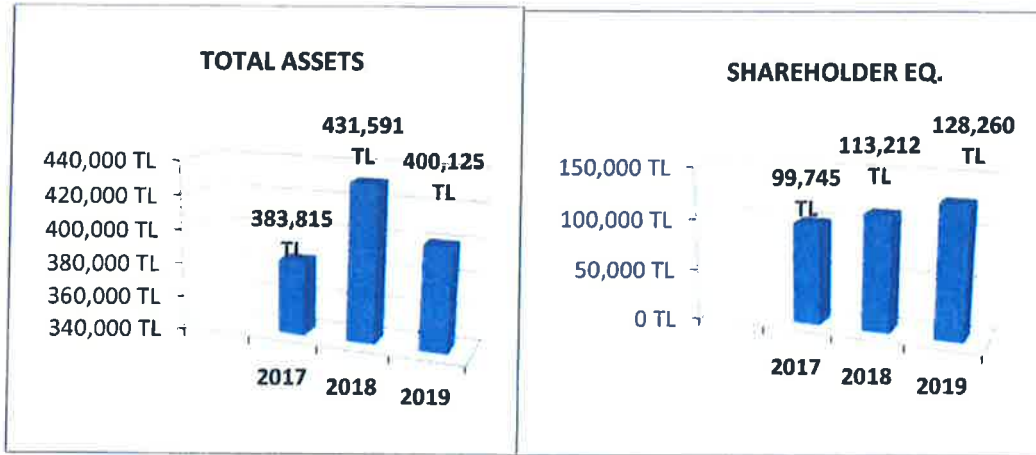
When we look at the share of outstanding principals below table, the biggest share goes to both Construction machinery and Lathe (CNC) with 25%. The other 3 consecutive biggest shares are Process Machinery with 17%, Textile Machinery with 14% and Agriculture machinery with 8%. These figures are followed by Press Machinery with 4%, Real Estate with 3% and finally Vehicle, Medical equipment and Other Machinery with 1%.

A&T Leasing leases the goods which have high second hand value in the market. This process ensures to the company to be effective in different markets and the company can avoid the customer risks.

The investment volume of A&T Finansal Kiralama A.Ş. as of 31.12.2019 realized USD 12,7 million. Additionally, The Total Finance Lease Receivables (gross) realized 317.747.815,28 TL and 286.767.057,04 (Net) as of 31.12.2019.

FINANCIAL INDICATORS

Years	2018	2019	Change
Total Assets(.000TL)	431.591	400.125	-7%
S.H. Equity (.000TL)	113.212	128.260	13%
Leasing Receivables(.000TL)	403.614	317.748	-21%
Net Profit (.000TL)	13.546	10.580	-22%



Marketing

Marketing Vision: Being the dominant company in a defined niche market.

Aims and Targets

- a. To manage the customer relationships in a profitable way.
- b. With value-added recommendations to acquire new customers.
- c. By creating customer satisfaction, retain and improve existing customers
- d. Creating a high-quality asset by gaining confident customers.
- e. To provide the appropriate funding to investors.

i. Market Penetration in the Current Market:

A&T Leasing is active in agriculture, service sector, construction sector and all segments in manufacturing sector. Machine tools, construction machinery and agriculture machinery equipment is main activities of the company. All the machines within the group were leased to the customer group located mainly in the area of Istanbul and Ankara. It is attempted to increase the penetration rate existing in this sector and product group.

ii. Market Development in the new Market:

A&T Leasing has good relations with suppliers of construction machinery, lathe machinery and agriculture machines. Therefore, these product groups will be considered and improved as new markets. At first, the regions in Konya, Kayseri, Gaziantep will be selected as the target market province. This is the province of the Arab-Turkish Bank branches are active, priority has been given to this area of market development planning. When A&T Leasing wants to enter the market in this region, the office facilities and network will be ready. The Company will have the chance to make financial leasing to the customers located in these regions. Depending on this, A&T Leasing may plan to open branches in Konya, Kayseri and Gaziantep in accordance with economic conditions. In case of opening any branch, at least 1 competent staff will be appointed in the said branches. If the Arab-Turkish Bank open new branches in the new areas, A&T Leasing will have a chance to interfere the new markets and the expansion of its network.

iii. Market Concentration:

The company will aim to increase its market share by focusing on a specific target customer base rather than having a low percentage of customers in a large market. Thus, A&T Leasing is known by players and suppliers in the market which is focus on. This also helps to increase the company's regional penetration rates. Hence A&T Leasing has an active position in the areas focused on. In this context, A&T Leasing has determined the net concentration fields. The selected area does not require costly investments. The dimensions are more suited to A&T Leasing as of the resource structure. Therefore, it is attempted to increase the penetration rate in these areas selected as a niche market.

Operation

Operation Department creates healthy and lasting solutions to increase customer satisfaction with services. It focuses on delivering real and sustainable services for all customers. The Operation Department reflects its work experience to the entire workflow for customer satisfaction. Adopting the principle of customer satisfaction, A&T Finansal Kiralama A.Ş. evaluates operational processes, regardless of the amount of the project. Speed, high-quality and customer-oriented service are the priorities of the department. Customer loyalty is created by standing equal distance to all customers. Following by all customers closely, It is aimed to provide a high quality of service for them.

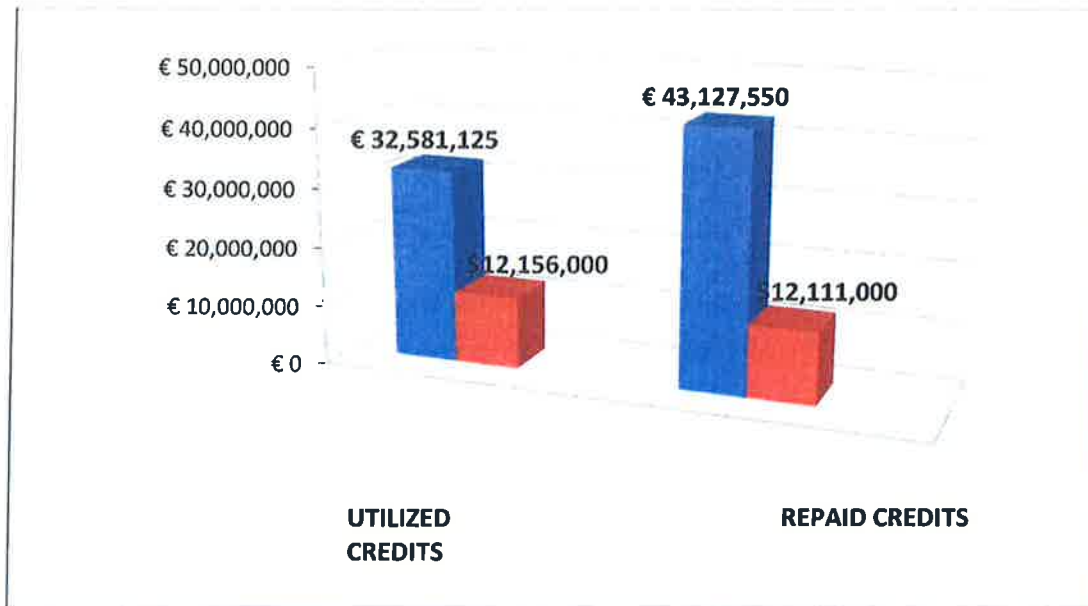
Treasury

A&T Finansal Kiralama A.Ş. even in turbulent times of national or global market has not confronted any difficulty to find credits from domestic or foreign creditors. The main objective of A&T Finansal Kiralama A.Ş. is while taking into account the dynamics of financial markets, borrowing loans from banks with a reasonable cost and lend them to customers for their long-term investment. In addition, as it is performed in previous years by the method of project financing, it is aimed to perform the self-financing of the project. The funding is provided from group banks and other banks.

Credit utilization is based on the needs of the customers and the market. Customer needs appear in terms of TL, EUR and USD currency. Foreign currency loan demands of exporters and the companies which have a foreign currency income are primarily provided from abroad with the long maturity. Foreign currency loan requests are taken into consideration whether the firms have foreign currency income and the foreign currency value of the financed machines. To work with some bank in the way of L/C financing strengthens the cash flow of the company. Vendor payments initially performed by this way and later by the help of rent collections the loans are to paid at the final maturity with the said banks. Domestic transactions are funded with the credits utilized from domestic banks.

The Utilized Amount and Repayment Amount of Credits of A&T Finansal Kiralama A.Ş. is shown below as of year end 2019:

CREDITS			
	EUR	USD	TL
UTILIZED CREDITS	32.581.125	12.156.000	-
PAID CREDITS	43.127.550	12.111.000	-



Strategy

A medium-term strategic plan was made by the company. The aim of strategic plan is to perform the activities of our company perfect and to make the staff focusing on the same purpose. Moreover, giving direction to the company according to changes in the volatile environment. Therefore, our strategic plan can be summarized as follows.

- a) Being clear about what the company's goals, being aware of the company's resources and enhance the ability to react consciously against a dynamic market.
- b) To determine a target by planning for a determined future and to determine the path to follow on how to achieve these goals.
- c) In this connection to gather information about customers and the market to combine this information and make predictions about the future.

Marketing Strategy in the strategic plan focused on three areas.

- i. Raising the penetration rate in the present market
- ii. Developing new markets
- iii. To be known and effective in a defined niche market.

For this purpose, it is aimed to work with current customers and starting to work with new customers by creating values.

It is focused on two main sources in Fund Management for the financing of the activities.

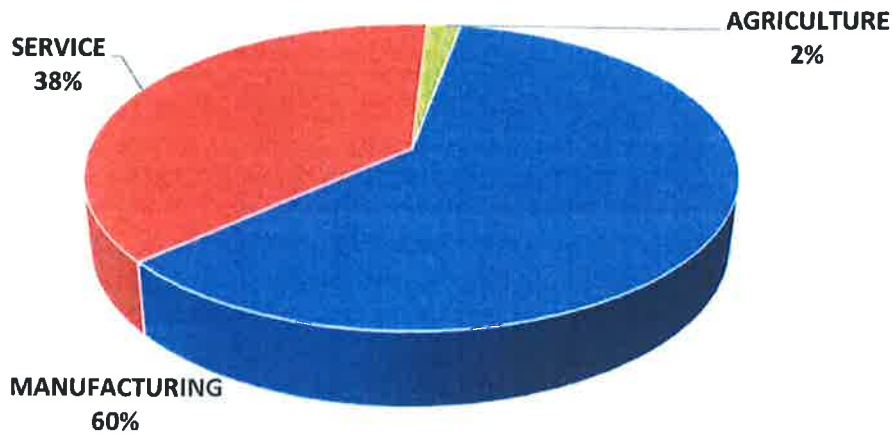
- i. The funds received from the International banks.
- ii. The funds received from other banks.

It is planned that the funds provided from international banks are to be used for import financing and the credits utilized from domestic market are to be used to finance domestic transactions.

The below method is to be considered for the Company to be more effective and efficient as an organization in the sector.

- The ratio of current market penetration will be increased by developing cooperation with the old and new suppliers.
- Market Development is to be activated by focusing on new sectors such as Tourism and Medical Equipments.
- New niche areas will be explored.
- The distribution channel will expand in cooperation with the branches of Arap Turk Bank.

The Company is active in below sectors shown in the following graph in 2019:



A&T Finansal Kiralama A.Ş. is active in Construction segment of the services sector and manufacturing. However, the efficiency of the company remains limited in the health, education and tourism sector. The largest portion in the Manufacturing Sector belong

firstly Metal Processing Machinery, secondly to machines exist in plastic industry. The company has operations in virtually every field of agriculture.

5.2- Sales, Productivity and Profitability Ratios

(8ln TL)	2017	2018	2019
Finance Lease Rec. (Gross)	365.560	403.614	317.748
Finance Lease Rec. (Principal)	332.334	360.919	286.767
Finance Lease Rec. (Interest)	40.823	43.733	35.360
Finance Lease Incomes	24.965	34.659	31.497
Net Operating P/L	11.491	17.369	12.997
Net Profit/Loss	9.145	13.546	10.580
(ROE) %	12,07	12.72	8,76
(ROA) %	3,20	3,3	2,84
Investment Volume	148.808	100.112	59.413
Debt /S.H.Equity ratio	2,65	2,70	2,02

5.3- Evaluation of the Company's capital against unfulfilled molds

The capital of the company has not been unrequited and has not occurred in debt.

5.4- Profit Share Distribution Policy

The principles of the Company's dividend distribution are determined by taking into account the relevant articles of the Articles of Association and the provisions of the Turkish Commercial Code and other relevant legislation.

Dividend Distribution is approved and resolved by the General Assembly in accordance with the proposal of the Board of Directors.

In determining the profit distribution policy, the financial results of the company, current economic conditions and so forth are effective. The Company did not distribute cash profit. Dividend distribution is carried out by adding the profit to be distributed to the capital of the company.

The Company's Profit Distribution Table is Shown below.

A&T FİNANSAL KİRALAMA A.Ş. DIVIDEND POLICY TABLE		
	TURKISH LIRA	
	CURRENT PERIOD (31 / 12 / 2019)	PREVIOUS PERIOD (31 / 12 / 2018)
I. DISTRIBUTION OF DIVIDENDS		
1.1 PERIOD PROFIT	12,997,076.12	17,369,459.30
1.2 PROVISIONS FOR TAXES ON INCOME FROM CONT OPER. (-)	- 2,417,095.65	- 3,823,925.15
1.2.1 Corporate Tax (Income Tax)	- 2,432,938.94	- 3,872,780.67
1.2.2 Income Tax Deduction	15,843.29	48,855.52
1.2.3 Other Tax and Legal Obligations	10.579.980,47	13.545.534,15
NET PROFIT/LOSS (1.1-1.2)		
A. PREVIOUS PERIOD LOSS (-)		
1.3 FIRST LEGAL RESERVES (-) (*)		(870.915,74)
1.4 STATUTORY RESERVES LEFT FOR ESTABLISHMENT OF COMPANY (-)		
1.5		
B. DISTRIBUTABLE NET PROFIT(1.3+1.4+1.5)		12.674.618,41
1.6 FIRST DIVIDEND TO PARTNERS (-)		
1.6.1 Shareholders		
1.6.2 To Owners of Privileged Shares		
1.6.3 Incentive notes		
1.6.4 Profitable Bonds		
1.6.5 To Holders of Profit and Loss Sharing Certificates		
1.7 DIVIDEND TO PERSONNEL (-)		
1.8 DIVIDEND TO BOARD OF DIRECTORS (-)		
1.9 SECOND DIVIDEND TO SHAREHOLDERS (-)		
1.9.1 Shareholders		

1.9.2	To Owners of Privileged Shares		
1.9.3	Incentive notes		
1.9.4	Profitable Bonds		
1.9.5	To Holders of Profit and Loss Sharing Certificates		
1.10	SECOND SERIES LEGAL RESERVES (-)		
1.11	STATUS RESERVES (-)		
1.12	EXTRAORDINARY RESERVES		
1.13	OTHER RESERVES		
1.14	SPECIAL FUNDS		
II.	DISTRIBUTION FROM RESERVES		
2.1	DISTRIBUTION RESERVES		
2.2	SECOND ORDER LEGAL RESERVES (-)		
2.3	SHARE TO SHAREHOLDERS (-)		
2.3.1	Shareholders		
2.3.2	To Owners of Privileged Shares		
2.3.3	Incentive notes		
2.3.4	Profitable Bonds		
2.3.5	To Holders of Profit and Loss Sharing Certificates		
2.4	SHARE TO PERSONNEL (-)		
2.5	SHARE TO BOARD OF DIRECTORS (-)		
III.	PROFIT PER STOCK		
3.1	TO SHAREHOLDERS	0.0980	0.1433
3.2	TO SHAREHOLDERS (%)	9.80	14.33
3.3	TO PREFERRED STOCKHOLDERS		
3.4	TO PREFERRED STOCKHOLDERS (%)		
IV.	BONUS PER SHARE		
4.1	TO SHAREHOLDERS		
4.2	TO SHAREHOLDERS (%)		
4.3	TO PREFERRED STOCKHOLDERS		
4.4	TO PREFERRED STOCKHOLDERS (%)		

6 – RISKS AND ASSESSMENT OF MANAGEMENT

6.1 - Risk Management Policy

Market Risk: The risk of company in general affected by means of interest rates, exchange rate fluctuations, fluctuations in the stock price and damaging inflation rates. Financial leasing company faces interest rate risk, currency risk and liquidity risk while meeting the needs of customers. When the contract is signed with the customers, description of goods, maturity, currency of invoice compliance with the payment schedule and other similar parameters are taken into consideration to minimize the market risk.

Credit Risk: The credit approach of A&T Finansal Kiralama A.Ş. is to work with the customers having high perfect repayment ability, strong financial datas, giving importance to ethical values with a strong track record of payment. After reviewing the customers' financial structures, A&T Finansal Kiralama A.Ş manages credit risk by continually assessing the creditworthiness of customer. Following the collection of financial documents of the companies, the adequacy of the collateral to cover credit risk, the second-hand value subject to leased equipment is important for the assessment of the risk. Attention is paid to the monitoring of the performance of the customer's payment as well.

Liquidity Risk: It is the risk of inadequate cash flow while meeting the needs of company's net financial shortage on time as a result of changes in cash flows. Liquidity risk is monitored on a daily basis. In order to hedge this risk, the company diversifies funding sources and manage the assets with a liquidity priority.

Currency Risk: The assets and liabilities in terms of foreign currency run the risk of foreign currency. The company carries a small foreign currency position risk due to its transactions as a result of its operations. The Company uses derivative financial instruments to manage foreign exchange risk when it is needed.

Interest Rate Risk: As the changes in market interest rates affect the prices of financial instruments, the company is exposed to interest rate risk. Because of the Central Bank's monetary policy and the global financial crises, interest rate risk must be monitored. The Company gives importance to the compatibility of interest rates and maturity mismatch while utilizing and placing the loans.

Company Portfolio: The evaluation and analysis of credits are carried out by the credit department. Enquiry about the customers is important by means of asset quality. Credit claims are evaluated on the basis of customer need for the equipment, financial performance of the customer and the ability payback of the customer. During the period of those evaluations, the performance of the leasing sector and the overall economy is taken into consideration. When the assessment is complete, the amount of equipment, payment terms and guarantees come to the final decision and the decision-making process is performed as soon as possible. While preparing the credit portfolio, the cash flow, credit worthiness and debt structure of the customer is first examined.

A&T Finansal Kiralama A.Ş. prefers to focus on sectors which create added value for the economy. Each customer and vendor is perceived as business partner. A&T Finansal Kiralama A.Ş. aims to behave selectively for a low-risk portfolio and profitability.

6.2 - Information on the Early Detection and Management of Risk Committee and Reporting

No committee has been established for the early detection and management of risk.

6.3 - Future Risks

LEASING SECTOR

The size of the leasing sector in Turkey when examined by 30.09.2019, 23 companies, about a \$ 60 billion asset size and is seen to have the lease receivables of \$ 57 billion. The fact that all of the top 10 companies in the sector are subsidiaries of the sector leads banking and leasing activities to run more parallel to other countries. Since leasing is perceived as a financial instrument used by companies to take advantage of VAT advantage, the infrastructure required for the development of the sector has not been fully formed. As a matter of fact, after removing the tax advantages provided after 2007, there was a sharp decrease in the growth of the sector. However, the provision of tax advantages in certain commodity groups, operational leasing and sell and lease back applications have positively affected the growth of the sector.

In the private sector, the perception that firms with limited financial resources and limited access to banking are on the way to leasing also prevents the sector from developing sufficiently. The risk of the contribution of the leasing sector being limited to the sectors that move together with the economic conjuncture like construction. The

use of leasing in sectors with strategic importance for sustainable growth will be important in 2019.

When assessing macroeconomic forecast released by international organizations in 2019 are expected to capture a limited growth of Turkey's economy. International examples suggest that the increased indebtedness of the private sector and the likely balance sheet structure that may deteriorate during the period of low growth may lead companies to leverage more for capital investments. When the the sector structure is evaluated in Turkey the possibility of above discussion seems to be low. The fact that the vast majority of companies operating in the leasing sector are bank subsidiaries suggests that the leasing sector will be adversely affected as a possible credit supply shrinks in the banking sector. More importantly, it is estimated that the tendency of firms to postpone capital investments in a period when low economic growth is expected will also reduce the demand for leasing. However, especially in the growth potential of reaching a wider trading volume of the leasing sector in Turkey it is clear that SMEs have a positive impact on the high and highly competitive sectors. The negativity and the main risks of the sector are: The lack of deep 2nd hand market in the leasing sector in Turkey is the only cause of leasing concentration in certain sectors

such as automotive and construction. The shallow structure of the market, particularly in areas requiring technical expertise, leads to limited leasing companies operating in the "operational leasing" area. When the employee profile in the sector is examined, it is seen that a significant part of the employees passed through the banking sector and learned a certain amount of information about leasing and sectors after they have passed the sector. It is important to encourage activities that will support the transfer of technical knowledge of strategic sectors, which will develop the qualified workforce needed by the sector. The establishment of distributorship network with large and foreign machinery / equipment manufacturers will bring the sector to a more healthy and sustainable structure. In order for leasing activities to continue in a healthier structure, it is important that a third party supports the sector as a service provider. Despite the flexibility provided by the sector since 2013, bureaucratic rigidities continue to appear. Considering the linkage between the development of the leasing sector and the increase in investment in the country, it is important to include the investment incentives to be recognized in the priority sectors and the investments to be made through leasing in the scope of this incentive. In this sense, the rentals will benefit more than leasing companies from the incentives to be recognized in the leasing sector. (** Deloitte)

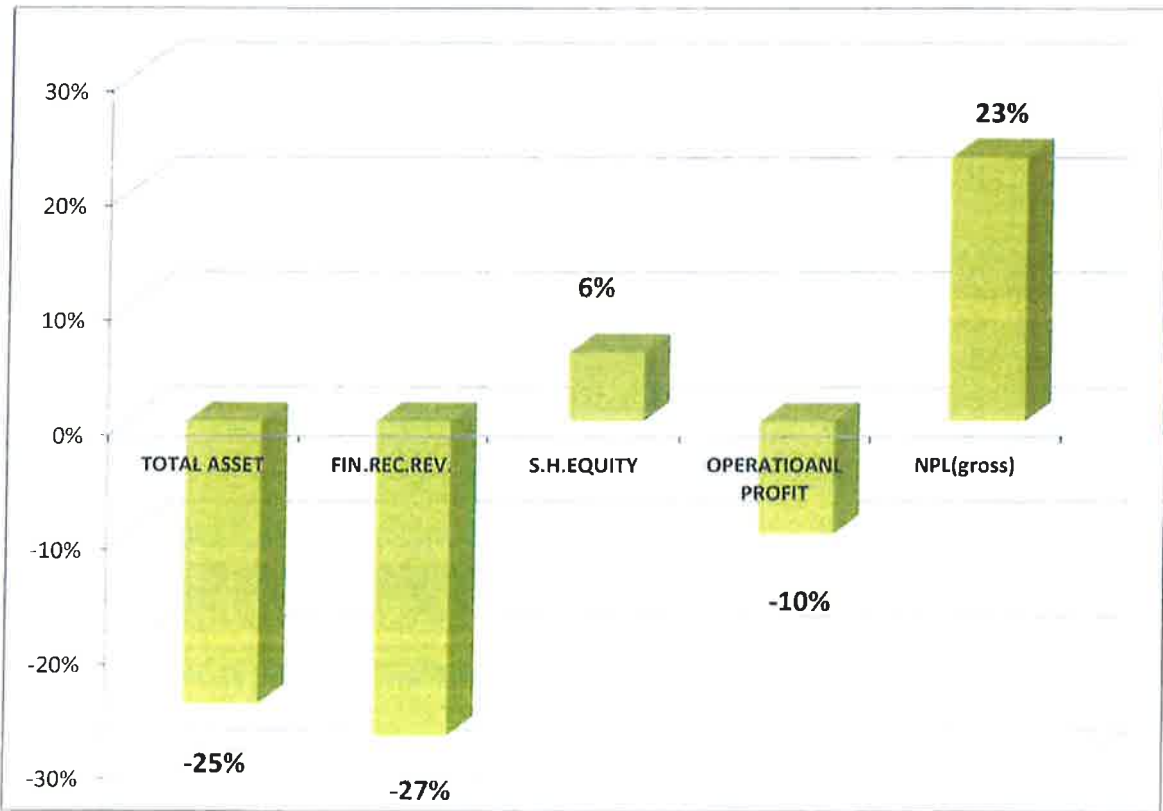
Some international rating companies have also expressed the view that the moderate growth expected in 2020 in the sector will be due to the base effect and deferred investments. However, the fact that the financing of production machinery received a high share of 22% from the total lease contracts in 2019 seems to be a positive sign for 2020.

As a result, the tightening of monetary policy on a global basis starting from 2015 and the expected decline in the leverage ratios of the banking sector are exerting pressure on credit costs and access to finance. Companies with limited borrowing capacity, which want to maintain cash balance, have the potential to benefit more from the leasing sector. The more the half business volume of leasing sector in Turkey goes to working and construction and real estate sector. (**Deloitte)

Leasing will continue to be a preferred financing tool for economic development in 2019, due to its flexible and easy structure, the availability of long-term financing, the availability of SMEs and the lack of pressure on companies' cash flows. (*Resource: Finansal kurumlar Birliđi)

Overview to the Leasing Sector (*)

TL(000)	YEARS		CHANGE
	2019/9	2018/9	%
TOTAL ASSET	59.663.392	79.280.000	-25
FINANCIAL LEASE REC.	56.598.809	78.046.000	-27
S.H. EQUITY	10.053.204	9.484.000	6
OPERATIONAL PROFIT	1.137.638	1.262.000	-10
NPL(GROSS)	4.730.946	3.845.000	23



7 –OTHER SUBJECTS

7.1 - Special Activities occurred After the End of Fiscal Year

There are no special activities occurred after the Fiscal year end which may affect the rights of shareholders, creditors and other related individuals and organizations.

7.2 - Additional Information

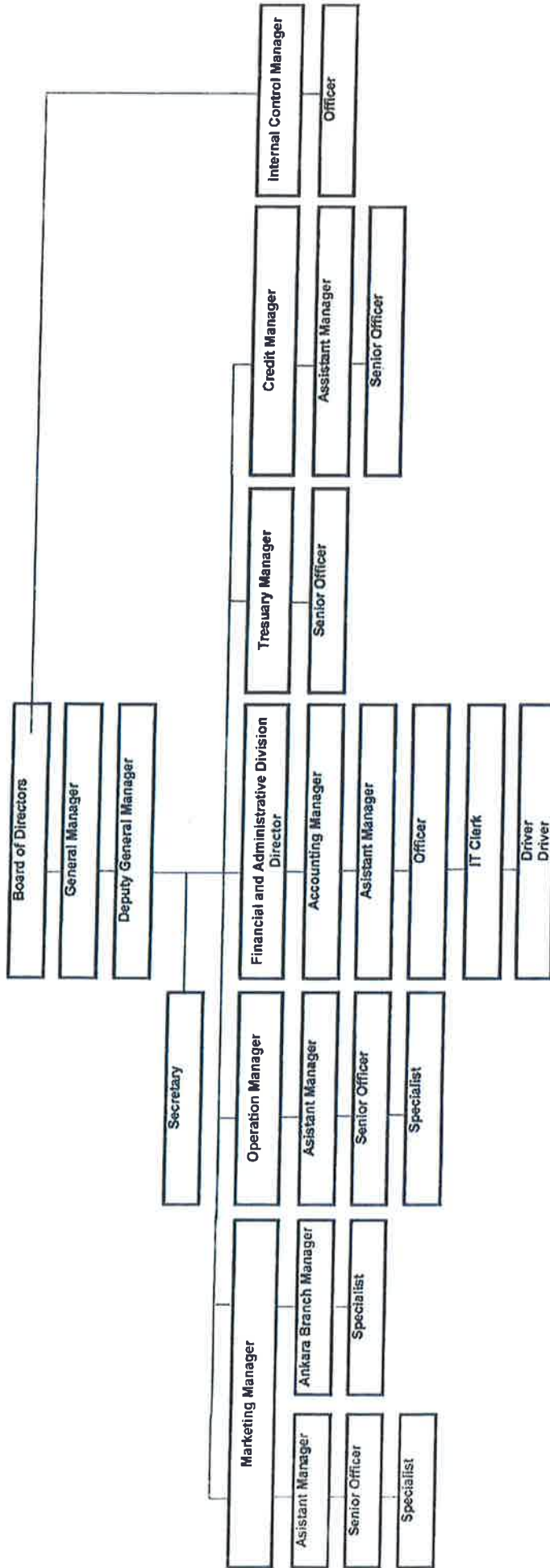
The company received a valuation report from TSKB Gayrimenkul Değerleme A.Ş., for its real estate owned and used as the Head Office Building. The total value of the building, which has a cost value of 4.206.876,55 Turkish Lira in the book records, has been appreciated as 10,000,000.00 Turkish Lira. The valuation difference between the book value and the valued amount of the building is classified under Equity.

APPENDIX

APPENDIX.1 Organization Chart

APPENDIX.2 Balance Sheet and Profit/Loss Account belongs to year end 2019

**A&T FINANSAL KİRALAMA A.Ş.
ORGANIZATION CHART**



STATEMENT OF FINANCIAL POSITION OF A&T FİNANSAL KİRALAMA A.Ş. (BALANCE SHEET)

ASSETS	TURKISH LIRA		
	CURRENT PERIOD		
	(31/12/2019)		
	TC	FC	Total
I. CASH, CASH EQUIVALENTS AND CENTRAL BANK	76,121,828.28	19,158,745.18	95,280,573.46
II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND	-	-	-
III. DERIVATIVE FINANCIAL ASSETS	-	-	-
IV. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COM	-	-	-
V. FINANCIAL ASSETS AT AMORTISED COST (Net)	50,158,402.88	235,667,981.56	285,826,384.44
5.1 Factoring Receivables	-	-	-
5.1.1 Discounted Factoring Receivables (Net)	-	-	-
5.1.2 Other Factoring Receivables	-	-	-
5.2 Financial Loans	-	-	-
5.2.1 Consumer Credit	-	-	-
5.2.2 Credit Cards	-	-	-
5.2.3 Installment Commercial Credits	-	-	-
5.3 Leasing (Net)	50,018,685.38	232,369,404.16	282,388,089.54
5.3.1 Receivables From Finance Lease	64,244,219.04	253,503,596.24	317,747,815.28
5.3.2 Receivables From Operating Lease	-	-	-
5.3.3 Unearned Income (-)	14,225,533.66	21,134,192.08	35,359,725.74
5.4 Other Financial Assets At Amortised Cost	-	-	-
5.5 Non Performing Receivables	725,437.43	10,164,087.47	10,889,524.90
5.6 Allowances for Expected Credit Loss/Specific Provisions (-)	585,719.93	6,865,510.07	7,451,230.00
VI. SHAREHOLDING (Partnership) INVESTMENTS	-	-	-
6.1 Investments In Associates (Net)	-	-	-
6.2 Investments In Subsidiaries (Net)	-	-	-
6.3 Investments In Joint Ventures (Net)	-	-	-
VII. TANGIBLE ASSETS (NET)	10,523,199.29	-	10,523,199.29
VIII. INTANGIBLE ASSETS (Net)	196,846.14	-	196,846.14
IX. REAL ESTATES FOR INVESTMENT (NET)	-	-	-
X. CURRENT PERIOD TAX ASSETS	-	-	-
XI. DEFERRED TAX ASSETS	-	-	-
XII. OTHER ASSETS	1,542,854.37	6,755,020.28	8,297,874.65
SUB TOTAL	138,543,130.96	261,581,747.02	400,124,877.98
XIII. ASSETS HELD FOR SALE AND DISCONTINIUED	-	-	-
13.1 Assets Held For Sale	-	-	-
13.2 Assets Held For Discontinued Operations	-	-	-
TOTAL ASSETS	138,543,130.96	261,581,747.02	400,124,877.98

STATEMENT OF FINANCIAL POSITION OF A&T FİNANSAL KİRALAMA A.Ş. (BALANCE SHEET)

LIABILITIES	TURKISH LIRA		
	CURRENT PERIOD		
	(31./12/2020)		
	TC	FC	Total
I. FUNDS BORROWED	-	258,653,206.40	258,653,206.40
II. FACTORING PAYABLES	-	-	-
III. LEASE OBLIGATIONS	-	-	-
IV. SECURITIES ISSUED (NET)	-	-	-
V. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	-	-	-
VI. DERIVATIVE FINANCIAL LIABILITIES	-	-	-
VII. PROVISIONS	2,660,741.66	-	2,660,741.66
7.1 Restructuring Reserves	-	-	-
7.2 Reserves For Employee Benefits	2,660,741.66	-	2,660,741.66
7.3 General Provisions	-	-	-
7.4 Other Provisions	-	-	-
VIII. CURRENT PERIOD TAX LIABILITIES	1,297,052.82	-	1,297,052.82
IX. DEFERRED TAX LIABILITIES	130,289.43	-	130,289.43
X. SUBORDINATED LOANS DEBT	-	-	-
XI. OTHER LIABILITIES	1,260,405.75	7,863,679.61	9,124,085.36
SUB TOTAL	5,348,489.66	266,516,886.01	271,865,375.67
XII. PAYABLES RELATED TO ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)	-	-	-
12.1 Held For Sale	-	-	-
12.2 Discontinued Operations	-	-	-
XIII. SHAREHOLDERS' EQUITY	128,259,502.31	-	128,259,502.31
13.1 Paid-In Capital	108,000,000.00	-	108,000,000.00
13.2 Capital Reserves	228,147.37	-	228,147.37
13.2.1 Share Premium	-	-	-
13.2.2 Share Cancellation Profits	-	-	-
13.2.3 Other Capital Reserves	228,147.37	-	228,147.37
13.3 Accumulated Other Comprehensive Income that will not be Reclassified to Profit or Loss	5,281,690.96	-	5,281,690.96
13.4 Accumulated Other Comprehensive Income that may be Reclassified Subsequently to Profit or Loss	-	-	-
13.5 Profit Reserves	4,643,785.75	-	4,643,785.75
13.5.1 Legal Reserves	4,642,291.93	-	4,642,291.93
13.5.2 Statutory Reserves	-	-	-
13.5.3 Extraordinary Reserves	1,493.82	-	1,493.82
13.5.4 Other Profit Reserves	-	-	-
13.6 Profit Or Loss	10,105,878.23	-	10,105,878.23
13.6.1 Prior Periods Profit / Loss	474,102.24	-	474,102.24
13.6.2 Current Period Profit / Loss	10,579,980.47	-	10,579,980.47
TOTAL LIABILITIES AND EQUITY	133,607,991.97	266,516,886.01	400,124,877.98

STATEMENT OF PROFIT OR LOSS OF A&T FINANSAL KIRALAMA A.Ş.

INCOME STATEMENT		CURRENT PERIOD (31/12/2019)
I.	OPERATING INCOME	31,497,170.22
	FACTORING INCOME	
1.1	Interest Income on Factoring Receivables	-
1.1.1	Discounted	-
1.1.2	Other	-
1.2	Fees and Commissions Income from Factoring Operations	-
1.2.1	Discounted	-
1.2.2	Other	-
	FINANCIAL LOANS INCOME	
1.3	Interest income From Financing Credits	-
1.4	Fees and Commissions From Financing Credits	-
	FINANCIAL LEASE INCOME	31,497,170.22
1.5	Finance Lease Income	29,436,821.47
1.6	Operating Lease Income	-
1.7	Fees And Commissions Received From the Leasing Transactions	2,060,348.75
II.	FINANCIAL EXPENSES (-)	9,098,807.54
2.1	Interest Expense From Funds Borrowed	8,996,359.91
2.2	Interest Expense From Factoring Payables	-
2.3	Interest Expense of Finance Lease Expenses	-
2.4	Interest Expense From Securities Issued	-
2.5	Other Interest Expenses	-
2.6	Fees and Commissions Paid	102,447.63
III.	GROSS PROFIT / LOSS (I-II)	22,398,362.68
IV.	OPERATING EXPENSES (-)	16,938,729.75
4.1	Personnel Expenses	10,938,183.42
4.2	Employee Severance Indemnity Expense	128,216.06
4.3	Research and Development Expenses	-
4.4	General Administrative Expenses	5,392,765.50
4.5	Other	479,564.77
V.	GROSS OPERATING PROFIT / LOSS (III+IV)	5,459,632.93
VI.	OTHER OPERATING INCOME	114,010,309.76
6.1	Interest Income From Bank Deposits	10,596,470.70
6.2	Interest Income From Securities Portfolio	-
6.3	Dividend Income	-
6.4	Trading Account Income	-
6.5	Income From Derivative Financial Instruments	505,444.99
6.6	Foreign Exchange Gains	100,509,951.33
6.7	Other	2,398,442.74
VII.	PROVISION EXPENSES	5,936,568.57
7.1	Specific Provisions	-
7.2	Allowances for Expected Credit Loss	5,936,568.57
7.3	General Provisions	-
7.4	Other	-
VIII.	OTHER OPERATING EXPENSES (-)	100,836,298.00
8.1	Impairment Losses From Securities Portfolio	-
8.2	Impairment Losses From Non-Current Assets	-
8.3	Trading Account Loss	-
8.4	Loss From Derivative Financial Instruments	29,600.21
8.5	Foreign Exchange Loss	100,499,865.34
8.6	Other	6,832.45
IX.	NET OPERATING PROFIT / LOSS (VI+...+VIII)	12,997,076.12
X.	INCOME RESULTED FROM MERGER	-
XI.	PROFIT / LOSS FROM PARTNERSHIPS VALUED BY EQUITY METHOD	-
XII.	GAIN/LOSS ON NET MONETARY POSITION	-
XIII.	PROFIT FROM CONTINUING OPERATIONS BEFORE TAX (IX+X+XI+XII)	12,997,076.12
XIV.	INCOME TAX EXPENSE FROM CONTINUING OPERATIONS (±)	2,417,095.65
14.1	Current Tax Charge	2,432,938.94
14.2	Deferred Tax Charge	-
14.3	Deferred Tax Benefit	15,843.29
XV.	NET PROFIT FROM CONTINUING OPERATIONS (XIII+XIV)	10,579,980.47
XVI.	INCOME FROM DISCOUNTED OPERATIONS	-
16.1	Income from Assets Held for Sale	-
16.2	Gain on Sale of Subsidiaries, Associates and Jointly Controlled Entities	-
16.3	Other Income from Discontinued Operations	-
XVII.	EXPENSES FROM DISCOUNTED OPERATIONS (-)	-
17.1	Expense on Assets Held for Sale	-
17.2	Loss on Sale of Subsidiaries, Associates and Jointly Controlled Entities	-
17.3	Other Expenses from Discontinued Operations	-
XVIII.	PROFIT FROM DISCOUNTED OPERATIONS BEFORE TAX (XVI-XVII)	-
XIX.	INCOME TAX EXPENSE FROM DISCONTINUED OPERATIONS (±)	-
19.1	Current Tax Charge	-
19.2	Deferred Tax Charge (+)	-
19.3	Deferred Tax Benefit (-)	-
XX.	NET PROFIT FROM DISCOUNTED OP. (XVIII+XIX)	-
XXI.	NET PROFIT FOR THE PERIOD (XV+XX)	10,579,980.47
	Earning Per Share	