

A&T FİNANSAL KİRALAMA A.Ş.



A&T LEASING

***2018 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 2018 and 31 December 2018, 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 2018 and 31 December 2018 on 29 January 2019.



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 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 and 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 and 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 Tıkmak, SMMM
Partner

29 January 2019
İstanbul, Turkey

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CHAIRMAN STATEMENT

Dear Esteemed Shareholders and Colleagues;

Although the global economic growth outlook remains favorable, transnational divergences have become more evident; downside risks to economic growth have increased. The acceleration in economic activity in the US continues with support from expansionary fiscal policies, and protectionist trade measures pose a downside risk to expectations. On the other hand, the leading indicators of the Eurozone indicate the deceleration in economic growth. Customs tariffs applied by the US for steel and aluminum exports may slow economic growth in the Eurozone. The foreign trade tension between the US and China limited the increase in metal prices. Meanwhile, oil prices continued to increase in the third quarter. Inflation rose in developed and developing countries, depending on rising oil prices.

In sum, the recent monetary policy normalization process in developed countries, the protectionist tendencies in foreign trade, the global financial conditions tightened due to the uncertainties in Europe and geopolitical developments in Europe, the weakening capital flows to developing countries caused the depreciation of local currencies and the increase in international financing costs.

In this context, as a result of the volatility experienced in domestic financial markets as well as overseas developments, the credit appetite of the banks weakened and the demand for loans decreased as a result of the slowing economic activity. The continued tightness in credit conditions keeps downside risks on domestic economic activity. On the other hand, the Turkish banking sector remains resilient to risks thanks to its strong capital structure and return on equity, its high liquid asset level and its cautious stance on asset quality.

In terms of the Financial Leasing Sector, despite fluctuations in the global economy and geopolitical instability in the leasing sector in Turkey in 2018, "The Financial Lease Receivables" in terms of TL increased. The Financial Lease Receivables amounted to 72 billion TL on 30.09.2018. This figure was 49 billion TL for the same period of 2017. The "Financial Lease Receivables" of A&T Leasing was 484 million TL and 333 million TL for the above mentioned periods. The "Financial Leasing Receivables" of A&T Leasing increased by 45% with the same rate parallel to the sector average. A&T Leasing and the sector could not sustain this growth in the last quarter of 2018 due to the dramatic increase in exchange rates. Nevertheless, A&T Leasing's "Financial Leasing Receivables" realized 404 million TL as of 31.12.2018 compared to previous year of 366 million TL with an increase of 10.4%.

The last quarter of 2018 was difficult for the sector. But there have been positive developments in terms of legislation. In recent years, tax laws and regulations made an important contribution. In 2017, the corporate sector and financial leasing sector were equalized in terms of tax practices in the Corporate Tax and Value Added Tax laws in favor of the financial leasing sector and some tax burdens on the sector were abolished. Therefore, following years will be more promising both for the sector and A&T Leasing.

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.

Abdulahakim Ali Emhemed KHAMAG

Chairman

A&T FİNANSAL KİRALAMA A.Ş.
Activity Report as of year 2018

1 – GENERAL INFORMATION

1.1 - The Relevant Accounting Period Of Report

This Activity Report belongs to the period between 01.01.2018 and 31.12.2018

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. Paid-up capital of A&T Finansal Kiralama A.Ş. was 85 million TL in 2017 and it reached to 95.5 million TL in March 2018.

The Shareholder structure of the company has not changed during year 2018
The Shareholder Structure of the company is as follows.

SHAREHOLDERS	SHARE RATE %	SHARE AMOUNT	ACQUISITION DATE
ARAP TÜRK BANKASI A.Ş.	99,98	95.480.900,00	TL Since Establishment
SALİH HATİPOĞLU	0,005	4.775,00	TL 07.07.2008
FEYZULLAH KÜPELİ	0,005	4.775,00	TL 09.11.2009
AZİZ AYDOĞDUOĞLU	0,005	4.775,00	TL 14.09.2010
ERDEM ÖZENCİ	0,005	4.775,00	TL 29.08.2013
TOTAL	100,00	95.500.000,00	TL

1.4 - Organization Structure of the Company

There have been no changes in the organizational structure of company during 2018.
The Organizational Structure of company is shown in Appendix 1.

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

Board of Directors

NAME SURNAME	DUTY	APPOINTMENT DATE
ABDULHAKİM ALİ EMHEMED KHAMAG	Chairman	09.12.2015
FATMA SEZİN UÇAR	Deputy Chairman	29.03.2018
ABDURAUF İBRAHİM SHNEBA	Board Member	20.03.2012
ARCA ÖGEL	Board Member	24.10.2017
İHSAN BİLİCİ	Board Member & Gen.Man.	04.07.1997

Abdulhakim Ali Emhemed KHAMAG**Chairman**

A graduate of University of Benghazi, Department of Statistics in 1979, Mr. Khamag completed his master's degree in Banking and Finance in 2006. He worked as Chief of Computer Unit at National Company for Pipes Manufacturing between 1979 and 1988. Between 1989 and 1995, Mr. Khamag worked at Libyan Foreign Bank. He worked at Chinaguity Bank Nouakchott between 1995 and 2000 as Manager in Internal Audit, Banking Operations Department and Personnel and Administrative Department. Mr. Khamag worked in various departments (Manager of Risk Department, Manager of Participations Department) of Libyan Foreign Bank between 2000 and 2009. He served as Chairman and CEO of the Libyan Local Investment and Development Fund between 2009 and 2013. Mr. Khamag was appointed as Manager of the Participations Department at Libyan Foreign Bank between May 2013 and September 2015. After serving as Member of the Board of Directors at A&T Bank from February 26, 2014 until January 29, 2015, Mr. Khamag was appointed as A&T Bank's General Manager on July 9, 2015 and assumed this position on September 1, 2015. Mr. Khamag is the Chairman of the Board of Directors of A&T Leasing and has been serving as the Deputy Chairman of the Board of Directors of BIA Bank – Paris since May 2013 till 2016. He has 38 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, she 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.

Abdurauf Ibrahim G.SHNEBA**Board Member**

A graduate of Tripoli University (Libya), Department of Statistics in 1984, Abdurauf Ibrahim G. Shneba has been working at Libyan Foreign Bank since 1987. He served in the Letters of Credit Department as Division Manager between 1987 and 1990 and as Assistant Manager in the Treasury Department from 1991 until 1992. Mr. Shneba was employed in the Letters of Credit Department and the Banking Operations Department at UAE between 1992 and 2002. He served as Banking Operations

Department Manager between 2006 and 2009, Manager of the Marketing & Foreign Relations Department from 2009 to 2011, and Portfolio Department Manager from 2011 until 2012. Having served as Board Member at Banco Arabe Espanol SA and Alubaf International Tunis Bank, he has been a Board Member at the Libya – Italy Chamber of Commerce since 2002. After working as Marketing Manager at Libyan Foreign Bank between January 2013 and February 2015, Mr. Shneba has been the Head of Marketing and Foreign Relations Department since February 2015. He was appointed as Member of the Board of Directors on March 15, 2012 and served as Chairman of the Audit Committee between March 29, 2013 and May 31, 2016 at A&T Bank. He is a Member of the Audit Committee at A&T Bank since May 31, 2016 and Member of the Board of Directors at A&T Leasing. Mr. Shneba has 31 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 : Alfitouri A.ADDEB

Management Team

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

Personnel Number
22 persons are employed in the company (including branch) as of 31.12.2018

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 29.03.2018, 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 01.01.2018 and 31.12.2018 to the Members of the Board of Directors and Senior Management is 2.747.753,81 Turkish Lira.

3 – RESEARCH AND DEVELOPMENT STUDIES

There are no research and development activities between 01.01.2018 and 31.12.2018.

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 TL 38,754,78.
Intangible Fixed Assets Investments are 45.581.20 TL.
Real Estate Investment: None.

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

The Company established internal control system for the aim of running its activities in accordance with the law numbered 6361 and related legislation and to get the information in a timely manner. Audit and consultancy services are provided by the internal control personnel to ensure that the internal control system is functioning at an adequate level. Deputy Chairman of the Board of Directors Fatma Sezin UÇAR She was appointed as the Member of the Board of Directors responsible for the Internal Control Department on 29.03.2018. Internal Control activities are carried out under the supervision of Deputy Chairman Mrs.Fatma Sezin UÇAR. Internal Control Activities are carried out as daily, weekly and monthly based controls and an annual report is presented to the Board of Directors every 6 months.

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

Direct or indirect subsidiaries of the Company: None.

4.4 – Information on the Company's Own Shares

The company has no share in own ownership.

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 2018, BDDK did not conduct any audit at the Company's headquarters.

There was no public audit in 2018.

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 2018 budget figures and realization rates adopted by the Board of Directors of the Company are shown in the table below.

	31.12.2018	31.12.2018		
	Current period	Budget	Variance	%
BANKS	59.253.031,08	38.843.630,00	20.409.401,08	52,54
RECEIVABLES FROM LEASING TRANS. (Net)	360.918.519,84	342.435.413,00	18.483.106,84	5,40
RECEIVABLES UNDER FOLLOW-UP (Net)	1.612.054,94	6.334.590,00	-4.722.535,06	-74,55
<i>Receivables under Follow –Up From Leasing Trans.</i>	2.822.078,21	13.010.461,00	-10.188.382,79	-78,31
<i>Specific Provisions (-)</i>	-1.210.023,27	-6.675.871,00	5.465.847,73	-81,87
PROPERTY AND EQUIPMENT (Net)	4.357.106,58	4.384.073,00	-26.966,42	-0,62
INTANGIBLE ASSETS (Net)	133.658,93	57.069,00	-76.589,93	-134,21
OTHER ASSETS	4.964.553,06	6.753.034,00	-1.788.480,94	-26,48
 FUNDS BORROWED	 305.245.136,69	 275.476.457,00	 29.768.679,69	 10,81
<i>Short Term Funds Borrowed</i>	147.940.907,90	147.940.907,90	0,00	0,00
<i>Medium Term Funds Borrowed</i>	157.304.228,79	127.535.549,10	29.768.679,69	23,34
MISCELLANEOUS PAYABLES	6.912.672,82	9.204.732,00	-2.292.059,18	-24,90
PROVISIONS	4.731.132,15	4.746.256,00	-15.123,85	-0,32
<i>Reserves for Employee Benefit</i>	3.133.460,60	3.970.278,00	-836.817,40	-21,08
<i>Tax Provision</i>	1.597.671,55	775.978,00	821.693,55	105,89
<i>Other Provisions</i>				

SHAREHOLDERS EQUITY	113.211.546,04	109.320.364,00	3.891.182,04	3,56
<i>Paid-in Capital</i>	95.500.000,00	95.000.000,00	500.000,00	0,53
<i>Supplementary Capital</i>	45.450,18	59.301,00	-13.850,82	-23,36
<i>Legal Reserves</i>	3.771.376,19	3.814.283,00	-42.906,81	-1,12
<i>Prior Years Income/Loss</i>	347.691,70	200.522,00	147.169,70	73,39
<i>Current Year Income/Loss</i>	13.545.534,15	10.246.258,00	3.299.276,15	32,20
<i>Finance Lease Incomes</i>	34.659.343,25	31.717.982,00	2.941.361,25	9,27
<i>Interest Received from Banks</i>	5.183.157,35	3.802.103,00	1.381.054,35	36,32
<i>Personnel Expenses</i>	7.051.386,59	6.610.677,00	440.709,59	6,67
<i>Personnel Indemnity Provision Expenses</i>	77.944,58	1.140.000,00	-1.062.055,42	-93,16
<i>General Office Expenses</i>	2.094.133,39	1.989.051,00	105.082,39	5,28
<i>Interest On Funds Borrowed</i>	10.736.870,76	8.566.934,00	2.169.936,76	25,33
<i>Specific Provisions For Leasing Receivables</i>	352.929,47	5.053.997,00	-4.701.067,53	-93,02
<i>Provisions for Taxes</i>	3.823.925,15	2.966.894,00	857.031,15	28,89

The investment amount was expected to be 162.440.000.- TL in 2018 however, the actual amount was realized 100.112.485,30 TL

Budget : ROE % 9,3 Realized : 12,7
 Budget : ROA % 2,5 Realized : 3,3

Ordinary General Assembly

All decisions taken at the Ordinary General Assembly held on 29.03.2018 were fulfilled.

**MINUTES OF ORDINARY GENERAL ASSEMBLY OF A & T FİNANSAL
KİRALAMA ANONİM ŞİRKETİ HELD ON 29 MARCH 2018**

A & T Finansal Kiralama A.Ş. Ordinary General Assembly Meeting for 2017 was held on 29.03.2018 at 14.00 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 Customs and Trade / İstanbul Provincial Trade Office of Trade Letter dated 28.03.2018, no.90726394-431.03-E-00033153932

Having established by examining the list of attendants that out of 84,983,000 shares corresponding to the Company's nominal value 84,983,000 representing Arap Türk Bank A.Ş. Salih HATİPOĞLU, Erdem ÖZENCİ in person having 4,250 shares with a nominal value 4,250 TL, Salih HATİPOĞLU in person having 4,250 shares with a nominal value 4,250 TL, Feyzullah KÜPELİ in person having 4,250 shares with a nominal value 4,250 TL, Aziz AYDOĞDUOĞLU in person having 4,250 shares with a nominal value 4,250 TL, totally represented the nominal value of 85,000,000 TL considering the shares corresponding to the value of 85,000,000 TL. Thus the minimum quorum as stipulated by the law and the articles of incorporation was secured. The shareholders have no objection of the invitations have not made in any circumstance in accordance with the Turkish Commercial Law Article 416. After confirming that, The Board Members Mr. Abdulhakim Ali Emhemed KHAMAG, Mr. Abdurauf İbrahim SHNEBA, Mrs. Arca ÖGEL and Mr.İhsan BİLİCİ and Hasan Hüseyin AKTAŞ 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. Customs and Trade Ministry of Domestic Trade General Directorate, It was decided to open the meeting by Mr. Feyyaz BAL representing the Ministry of Customs and Trade.

1. The Company's agenda was discussed by the General Manager and Board Member Of 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. It was adopted unanimously Mr. İhsan BİLİCİ 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 2017. The report was read and discussed. Chairman of the Board of Directors has put the vote the Activity report of Board of Directors. Board of Directors has unanimously resolved the approval of the Activity Report.

4. In accordance with the 4th article of the Agenda, It has been passed the approval of 2017 Audited Balance Sheet and Profit / Loss accounts with the reading and negotiation of the Independent Auditors' Report for the year 2017. The Audited Balance Sheet and P&L Account of 2017 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 2017 of Independent Auditor's Report was read, discussed and adopted 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 31.12.2017. 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 red the Board of Directors proposal regarding the distribution of profits. The amount of TL 2.345.656, 77 was allocated as tax provision and the amount of TL 587.713,03 was allocated as 1st Legal Reserve from the pre-tax profit amount of 11.490.980, 62 occurred in 2017. It was also decided to add the remaining net profit of TL 8.557.610, 82 in the company's profits of previous years, TL 8.209.919, 12 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 "Capital" about 7. With regard to amendment of Article T. C. Ministry of Customs and Trade Directorate General of Domestic Trade date 23.02.2018, No.50035491-431.02-E and Barcode No. 00032306979 permission result, the draft amendment was discussed. Articles of Association "Capital" about the new form of Article 7 it was decided by a unanimous vote by the written acceptance form below.

NEW FORM:

Article 7: CAPITAL OF THE COMPANY

Capital of the company is 95.500.000, 00 (Ninety Five Million Five Hundred Thousand) Turkish Lira, divided into 95.500.000 (Ninety Five Million Five Hundred Thousand) registered shares, with per nominal value of 1, 00 Turkish Lira each.

The previous capital amount 85.000.000, 00 (Eighty Five Million) Turkish Lira had been fully paid up.

The new capital increase of 10.500.000, 00 (Ten Million Five Hundred Thousand) Turkish Lira has been transferred from the year 2016 profit; 2.290.080,88 Turkish Lira and the year 2017 profit; 8.209.919,12 Turkish Lira to bring the total new capital to 95.500.000,00 (Ninety Five Million Five Hundred Thousand) Turkish Lira.

NAME AND SURNAME	SHARE AMOUNT		SHARE QUANTITY
ARAP TÜRK BANKASI A.Ş.	95,480,900.00	TL	95,480,900
SALİH HATİPOĞLU	4,775.00	TL	4,775
FEYZULLAH KÜPELİ	4,775.00	TL	4,775
AZİZ AYDOĞDUOĞLU	4,775.00	TL	4,775
ERDEM ÖZENCİ	4,775.00	TL	4,775
CAPITAL OF THE COMPANY	95,500,000.00	TL	95,500,000

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 01.04.2018, 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. Due to the 9th item of the agenda, it was passed to the approval of changes in the Board Membership in the period. Mrs. Sermin Nazime Saraç SOSANOĞLU was appointed as Board Membership on 12.04.2017 by the Board, replaced Mr.Fikret Utku ÖZDEMİR and Mrs. Arca ÖGEL was appointed as Board Membership on 24.10.2017 by the Board, replaced Mr. Osman ARSLAN. It was unanimously decided to approve the changes in the Board Membership in accordance with the Turkish Commercial Law item No.363.
10. 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 2018 Balance Sheet with unanimous decision.

11. Due to the 11th item of the agenda, it was passed to the identification and the fee to be prepared of Auditor for the year 2018. In accordance with the proposal of the Board of Directors, it was decided to sign a Independent Audit Agreement for the year 2018 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.
12. 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.
13. 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.

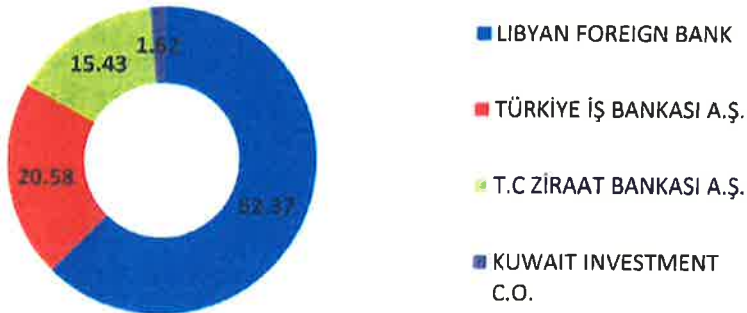
Our company, the parent company and its affiliated companies in all transactions carried out in the period of January 1-December 31, 2018 in accordance with the circumstances of our company, by the control of the dominant company or a subsidiary of a company connected to it for the benefit of the company and the company in 2018 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 2018 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 judge company and its affiliated companies are shown below.

Main Company : Arap Türk Bankası A.Ş.

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



Indirect Main company : Libyan Foreign Bank/Libya

- **Affiliated Corporations:** Alubaf Arab International Bank Bahrain – Banco Arabe Espanol, Madrid Spain (Aresbank) – Alubaf International Bank Tunis – Banque BIA Paris – Arab Bank For Inv. Foreign Trade

Arap Türk Bankası A.Ş.

- Interests Received From Deposits :None
- Commissions Paid to Letter of Guarantees : 6.561,45.- TL
- Paid Rents : 24.000,00 TL
- Bank Balance : TL 13.790,47 - USD 55.214,40 - EUR 4.843,36
- The Interest Payment of Credits Utilized from Indirect Main Company or Affiliated Corporations.

Alubaf Arab International Bank Bahrain	800.566,49 TL
Alubaf International Bank Tunis	566.339,79 TL
Banco Arabe Espanol, Madrid Spain (Aresbank)	1.140.276,76 TL
Libyan Foreign Bank/Libya	1.294.256,81 TL
Banque BIA, Paris Fransa	563.233,75 TL
Arab Bank For Inv. Foreign Trade	1.733.840,60 TL

5 – FINANCIAL POSITION

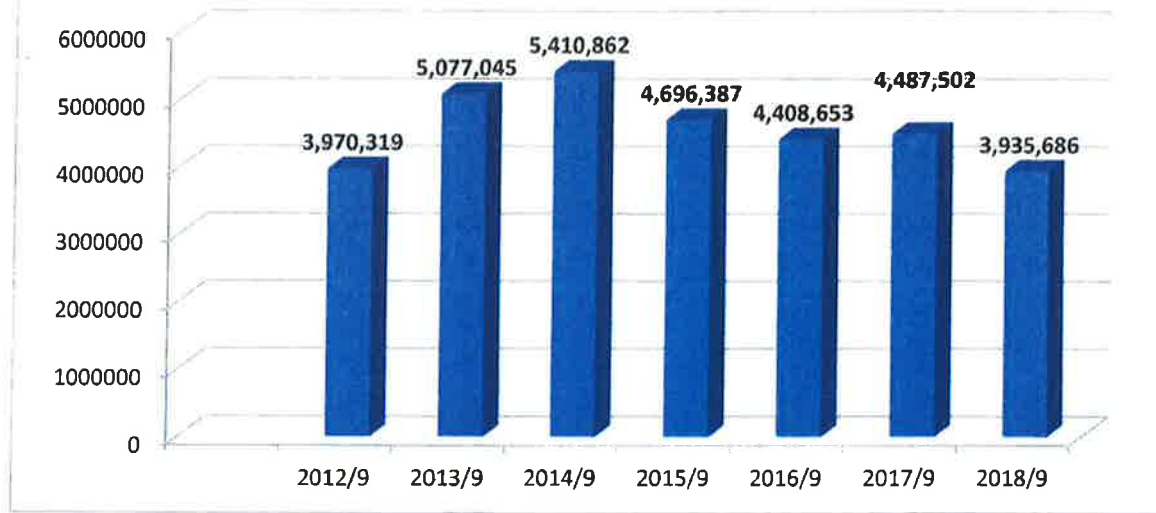
5.1 - Financial Position and Assessment Regarding Results of Operations and Strategy

5.1.a Overview of Sector

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

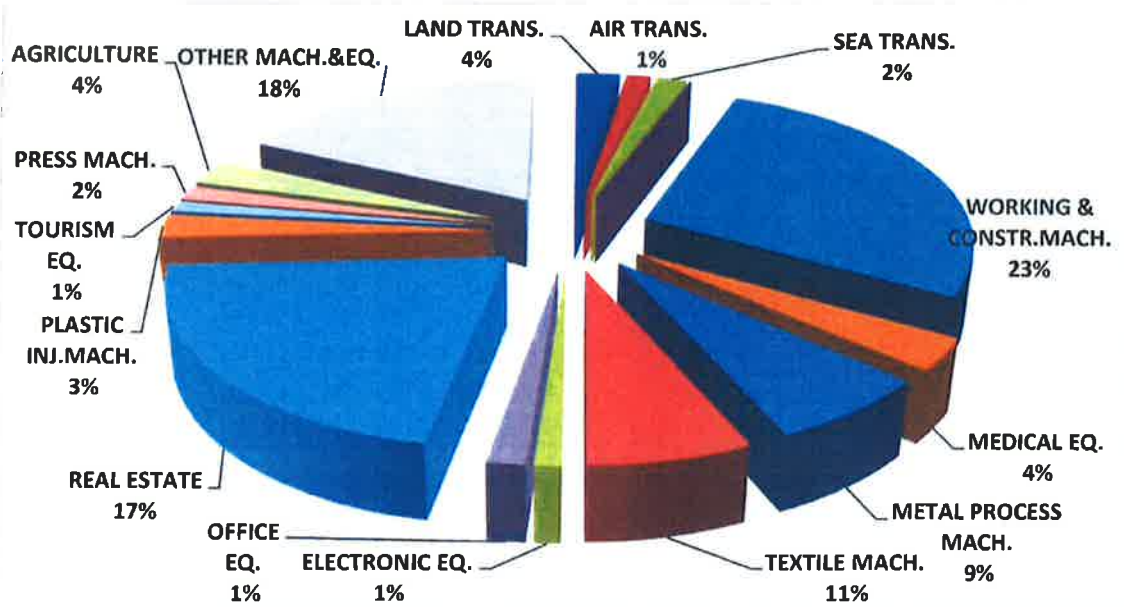
YEARS	I. Period	II. Period	III. Period	IV. Period	Total
2012	1.092.469	1.502.081	1.375.769	1.389.316	5.359.635
2013	1.387.602	1.905.083	1.784.360	1.912.502	6.989.545
2014	1.624.885	1.865.957	1.920.020	2.226.275	7.637.138
2015	1.477.838	1.690.792	1.527.757	1.566.219	6.364.877
2016	1.339.285	1.672.505	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		

BUSINESS VOLUME(000)(USD)

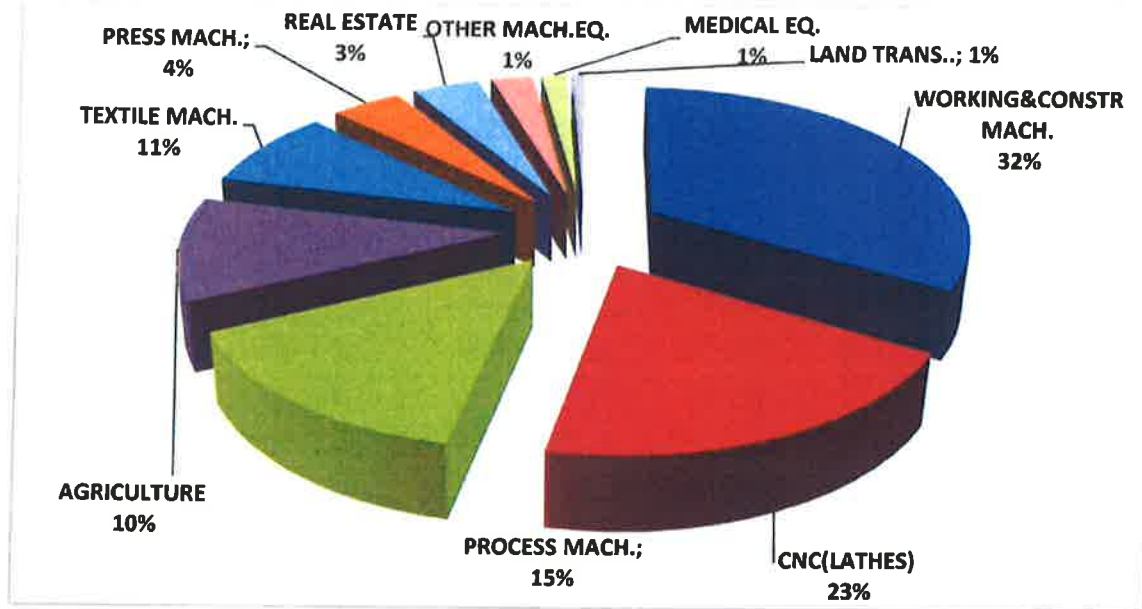


If we look at the investments of Sector in terms of type of leased assets briefly as of **30.09.2018**, the biggest share with a rate of 23% went to Working and Construction Machinery, 18% to Other Machinery and Equipment, 17% to Real Estate, 9% to Metal Processing Machines, 11% to Textile Machinery and finally by 4% to Vehicles, Land Transportation, Medical Equipment and Agriculture.

The breakdown of Financial Leasing Transactions of Sector by type of goods by the end of **30.09.2018** are as follows:



The breakdown of financial leasing transactions of A&T Finansal Kiralama A.Ş. by type of goods by the end of **31.12.2018** are as follows:



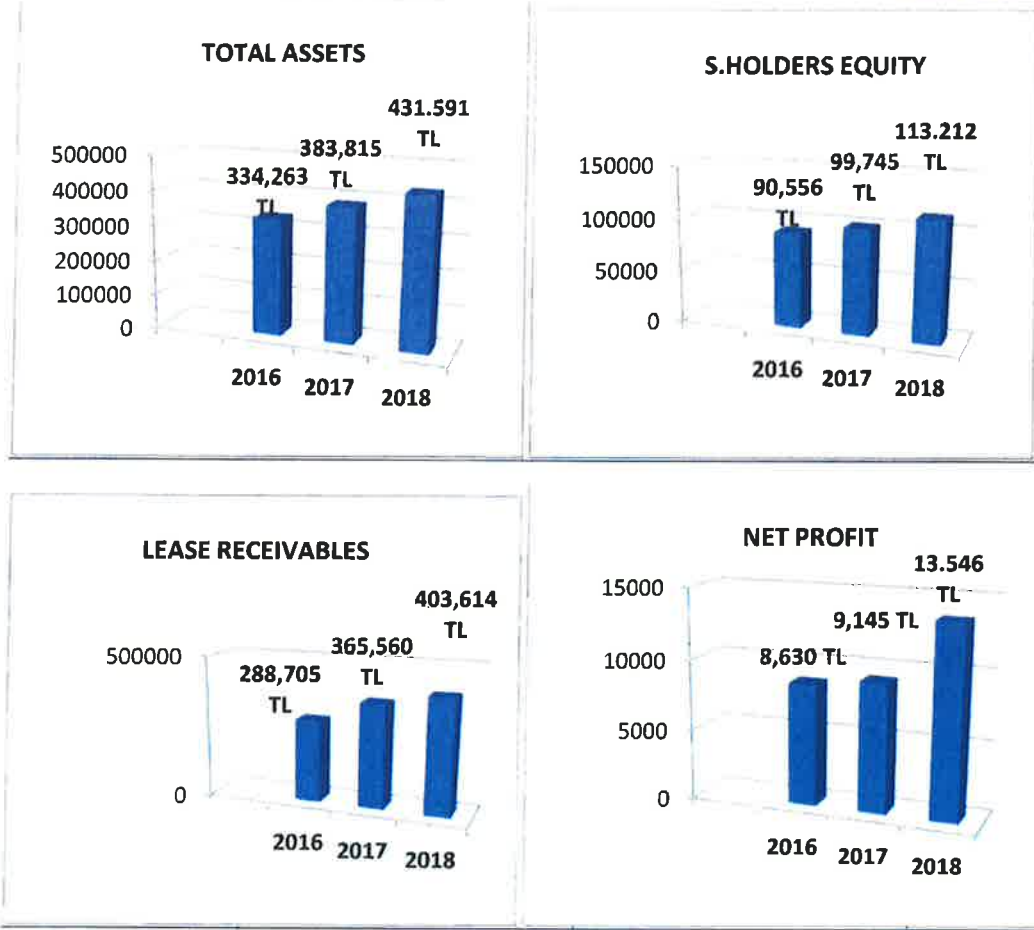
If we look at the investments in terms of type of leased assets briefly as of 31.12.2018 for A&T Finansal Kiralama A.Ş., the biggest share with a rate of 32% went to Working & Construction Machines. This was followed by 23% with CNC (Lathe), 15% by Process Machinery, %11 by Textile Machinery, %10 by Agriculture Machinery, finally 4% to Press Machinery.

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 31.12.2018 reached to 19 million USD. Additionally, The Total Finance Lease Receivables reached to 403.613.907 TL (Gross) as of 31.12.2018.

FINANCIAL INDICATORS

Years	2018	2017	Change
Total Assets(.000TL)	431.591	383.815	12%
S.Equity(.000TL)	113.212	99.745	13%
Leasing Receivables(.000TL)	403.614	365.560	10%
Net Profit (.000TL)	13.546	9.145	48%



5.1.b Company Activities

Marketing

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

Aims and Targets

- To manage the customer relationships in a profitable way.
- With value-added recommendations to acquire new customers.
- By creating customer satisfaction, retain and improve existing customers
- Creating a high-quality asset by gaining confident customers.
- 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 located within the main group. 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 developed considering 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 regions, 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 is planning to open branches in Konya, Kayseri and Gaziantep. 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

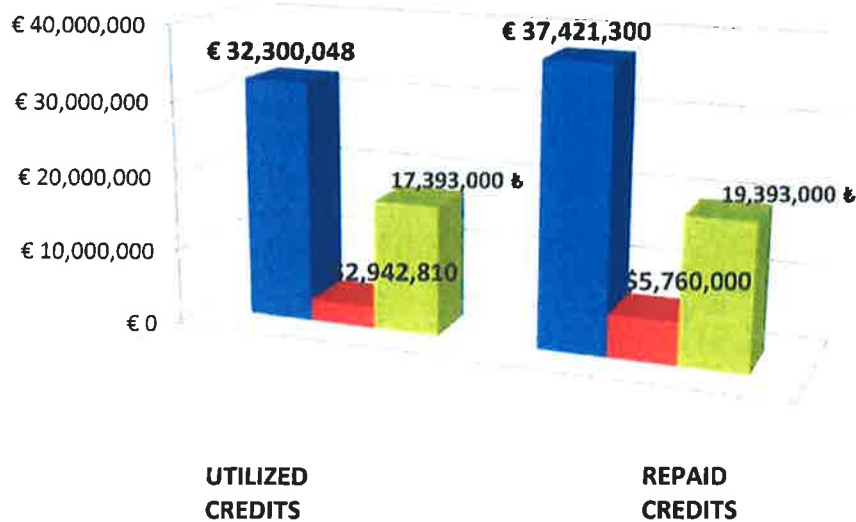
A&T Finansal Kiralama A.Ş. even in turbulent times of national or global market has not confronted any difficulty to find credits from domestic or foreign creditors. The main objective of A&T Finansal Kiralama A.Ş. is while taking into account the dynamics of financial markets, borrowing loans from banks 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 2018:

CREDITS			
	EUR	USD	TL
UTILIZED CREDITS	32.300.048	2.942.810	17.393.000
PAID CREDITS	37.421.300	5.760.000	19.393.000



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 markets.

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.

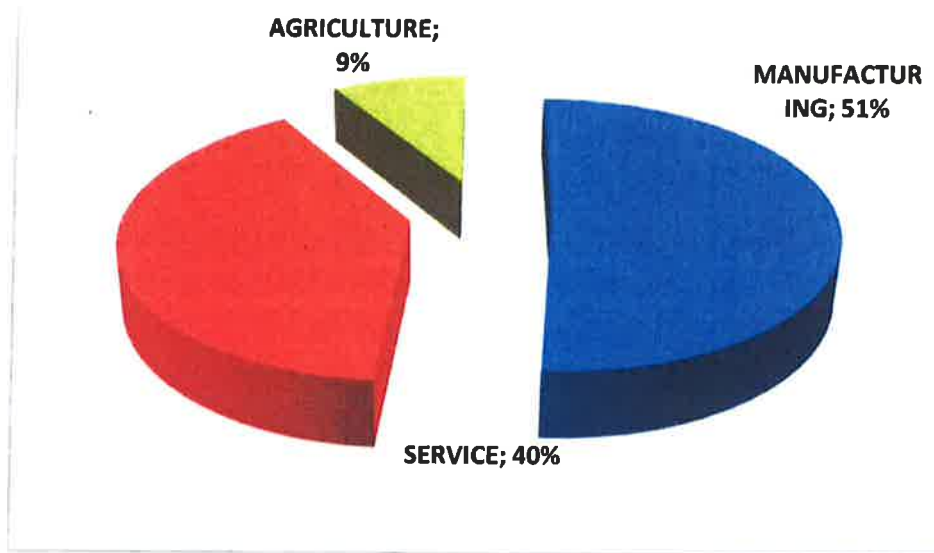
- i. The funds received from the affiliates of Libyan Foreign Bank.
- ii. The funds received from other banks.

It is planned that the funds provided from Libyan banks abroad 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.
- Arab Turkish Bank is planning to increase its branch number. Therefore, by cooperating with Arab Turkish Bank, it is expected to expand distribution channel.

The Company is active in below sectors shown in the following graph in 2018:



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

(Bln TL)	2016	2017	2018
Finance Lease Rec. (Gross)	288.705	365.560	403.614
Finance Lease Rec. (Principal)	279.303	332.334	360.919
Finance Lease Rec. (Interest)	30.774	40.823	43.733
Finance Lease Incomes	21.237	24.965	34.659
Net Operating P/L	10.805	11.491	17.369
Net Profit/Loss	8.630	9.145	13.546
(ROE) %	12,52	12,07	12,72
(ROA) %	3,42	3,20	3,3
Investment Volume	110.734	148.808	100.112
Debt /S.H.Equity ratio	2,59	2,65	2,70

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		
	TÜRK LİRASI	
	CURRENT PERIOD (31 / 12 / 2018)	PREVIOUS PERIOD (31 / 12 / 2017)
I. DISTRIBUTION OF DIVIDENDS		
1.1 PERIOD PROFIT	17,369,459.30	11,490,980.62
1.2 PROVISIONS FOR TAXES ON INCOME FROM CONT OPER. (-)	- 3,823,925 15	- 2,345,656.77
1.2.1 Corporate Tax (Income Tax)	- 3,872,780 67	- 2,608,936 78
1.2.2 Income Tax Deduction	48,855.52	263,280 01
1.2.3 Other Tax and Legal Obligations		
NET PROFIT/LOSS (1.1-1.2)	13,545,534.15	9,145,323.85
A.		

1.3	PREVIOUS PERIOD LOSS (-)		
1.4	FIRST LEGAL RESERVES (-) (*)		
1.5	STATUTORY RESERVES LEFT FOR ESTABLISHMENT OF COMPANY (-)		
B.	DISTRIBUTABLE NET PROFIT(1.3+1.4+1.5)		
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		
3.2	TO SHAREHOLDERS (%)		
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 examined first.

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 asset volume of leasing sector reached to 79.3 billion TL for the 24 companies as of 30.09.2018 and 72 billion TL in terms of Lease Receivables. The banking and leasing activities of the first 10 companies in the sector as a whole are in parallel with the other countries. Leasing was perceived by companies as a financial instrument often used to take advantage of VAT, so the infrastructure required for the development of the industry was not fully formed. As a matter of fact, after the elimination of the tax advantages provided after 2007, there was a sharp decline in the growth of the sector. However, regaining tax advantages, operational leasing and sales and leasing practices in certain groups of goods 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 have 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.**

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 construction and real estate sector. In this sense, the rentals will benefit more than leasing companies from the incentives to be recognized in the leasing sector. **

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.

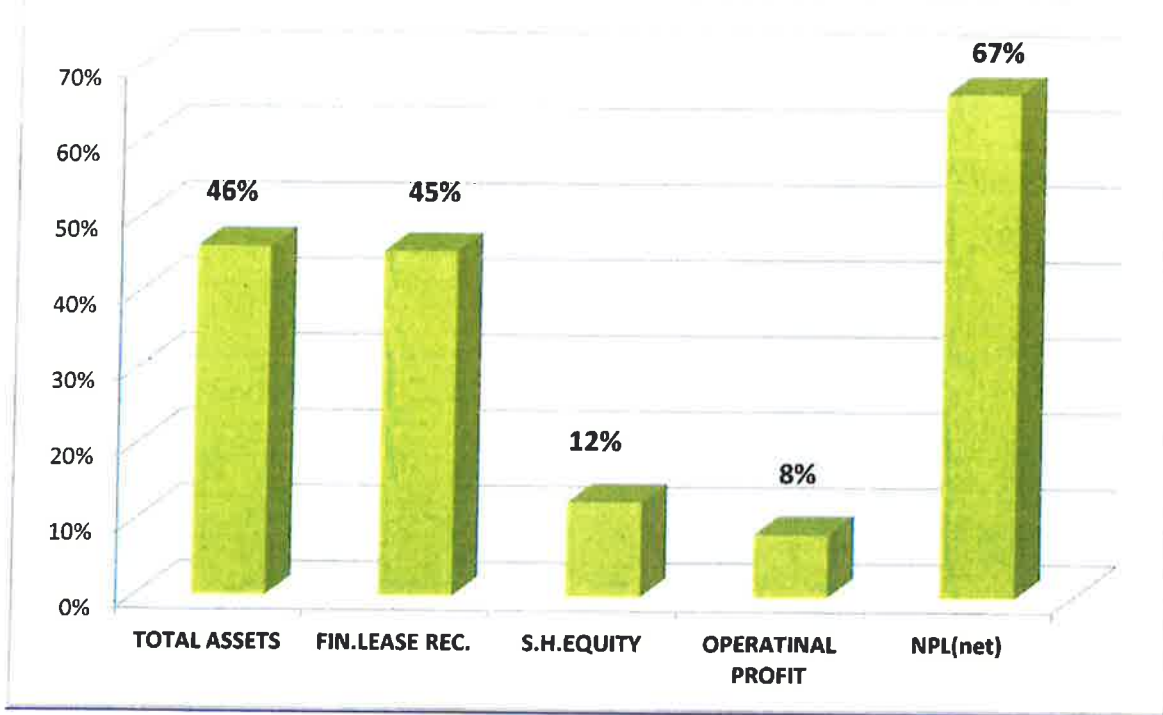
*Resource:Finansal kurumlar Birliđi

** Deloitte

Overview to the Leasing Sector (*)

TL(000)	YEARS		CHANGE
	2018/9	2017/9	%
TOTAL ASSET	79.279.962	54.294.419	46
FINANCIAL LEASE REC.	71.886.247	49.411.871	45
S.H.EQUITY	9.483.978	8.432.496	12
OPERATIONAL PROFIT	779.463	719.722	8
NPL(GROSS)	1.633.111	980.456	67

* Resource:Finansal kurumlar Birliđi



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 effect the rights of shareholders, creditors and other related individuals and organizations.

7.2 - Additional Information

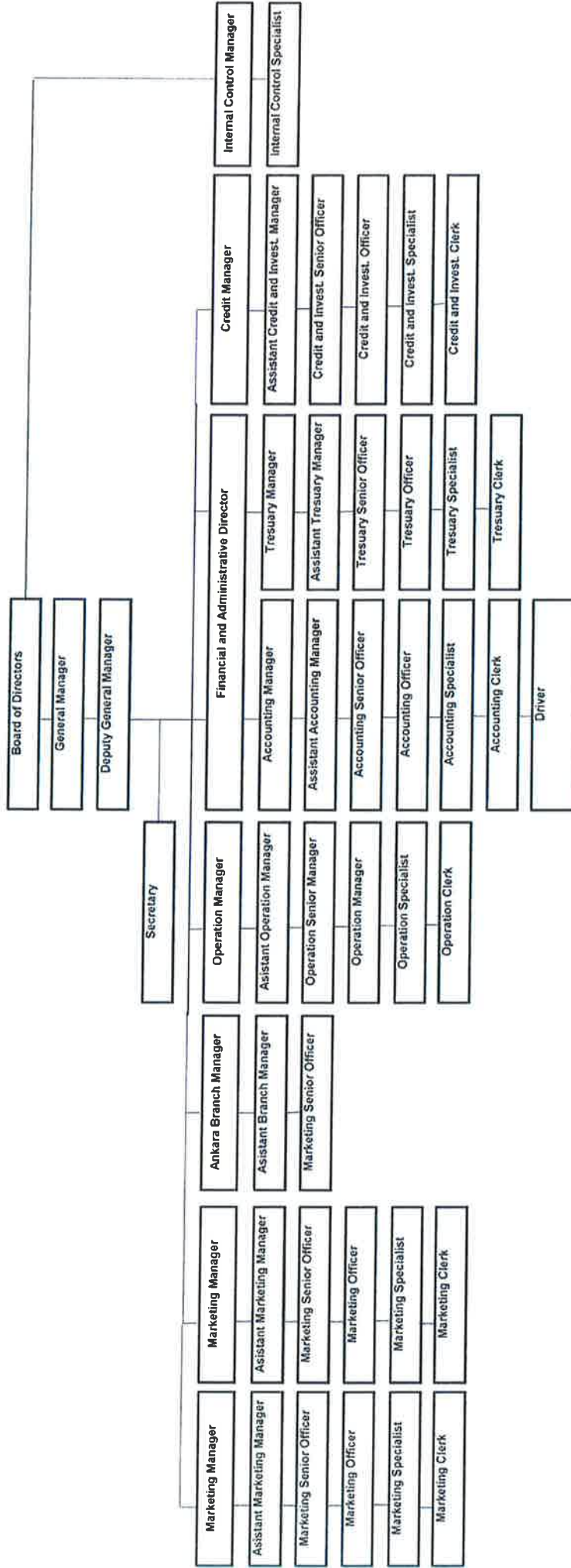
None

APPENDIX

APPENDIX.1 Organization Chart

APPENDIX.2 Balance Sheet and Profit/Loss Account belongs to year end 2018

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



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

ASSETS		TURKISH LIRA		
		CURRENT PERIOD		Total
		(31 / 12 / 2018)		
		TC	FC	
I. FINANCIAL ASSETS (Net)		38,676,475.61	20,578,232.94	59,254,708.55
1.1 Cash, Cash Equivalents		38,676,475.61	20,578,232.94	59,254,708.55
1.2 Financial Assets Where Fair Value Change Is Reflected To Income Statement				
1.3 Financial Assets Where Fair Value Change Is Reflected To Comp.Income Statement				
1.4 Financial Assets measured at Amortised Cost				
1.5 Derivative Financial Assets				
1.6 Financial Assets Under Follow-Up				
1.7 Specific Provisions/Expected Loss Provisions (-)				
II. LOANS (Net)		73,951,901.79	290,262,358.32	364,214,260.11
2.1 Factoring Receivables				
2.1.1 Discounted Factoring Receivables (Net)				
2.1.2 Other Factoring Receivables				
2.2 Financial Loans				
2.2.1 Consumer Credit				
2.2.2 Credit Cards				
2.2.3 Installment Commercial Credits				
2.3 Lease Receivables		73,821,713.45	288,780,491.72	362,602,205.17
2.3.1 Receivables From Leasing Transactions (Net)		73,334,040.63	286,546,524.35	359,880,564.98
2.3.1.1 Finance Lease Receivables		91,626,133.83	311,987,773.54	403,613,907.37
2.3.1.2 Operational Leasing Transactions				
2.3.1.3 Unearned Incomes (-)		18,292,093.20	25,441,249.19	43,733,342.39
2.3.2 Ongoing Contracts			970,638.93	970,638.93
2.3.3 Given Advances For Leasing Transactions		3,659.04	63,656.89	67,315.93
2.3.4 Other Receivables Related Leasing Transactions		484,013.78	1,199,671.55	1,683,685.33
2.4 Receivables Under Follow-Up (Net)		130,188.34	1,481,866.60	1,612,054.94
2.4.1 Factoring Receivables Under Follow-Up				
2.4.2 Financial Loans Under Follow-Up				
2.4.3 Leasing Receivables Under follow-Up		331,024.86	2,491,053.35	2,822,078.21
2.4.4 Specific Provisions (-)		200,836.52	1,009,186.75	1,210,023.27
2.5 Expected Loss Provisions (-)				
III. EQUITY INVESTMENTS				
3.1 Associates (Net)				
3.1.1 Subsidiaries Valued Based On Equity Method				
3.1.2 Unconsolidated Associates				
3.2 Subsidiaries (Net)				
3.2.1 Unconsolidated Financial Subsidiaries				
3.2.2 Unconsolidated Non-Financial Subsidiaries				
3.3 Joint-Ventures (Net)				
3.3.1 Joint-Ventures Valued Based On Equity Method				
3.3.2 Unconsolidated Joint-Ventures				
IV. PROPERTY AND EQUIPMENT (Net)		4,357,106.58		4,357,106.58
V. INTANGIBLE ASSETS (Net)		133,658.93		133,658.93
VI. INVESTMENT PROPERTY (Net)				
VII. CURRENT PERIOD TAX ASSETS				
VIII. DEFERRED ASSETS FOR TAX		350,304.67		350,304.67
IX. OTHER ASSETS		772,018.46	2,508,849.27	3,280,867.73
SUB TOTAL		118,241,466.04	313,349,440.53	431,590,906.57
X. PROPERTY AND EQ.HELD FOR SALE PURPOSE END HELD FROM TERMINATED OPERATIONS (Net)				
10.1 Held For Sale Purpose				
10.2 Held From Terminated Operations				
TOTAL ASSETS		118,241,466.04	313,349,440.53	431,590,906.57

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

TURKISH LIRA
CURRENT PERIOD
(31 / 12 / 2018)

LIABILITIES		TC	FC	Total
I. FUNDS BORROWED		-	305,245,136.69	305,245,136.69
II. FACTORING PAYABLES				
III. LEASING TRANSACTIONS PAYABLES				
3.1 Finance Leasing Payables				
3.2 Operational Leasing Payables				
3.3 Other				
3.4 Deferred Finance Leasing Expenses (-)				
IV. MARKETABLE SECURITIES ISSUED (Net)				
4.1 Bills				
4.2 Assets Backed Securities				
4.3 Bonds				
V. DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING				
VI. DERIVATIVE FINANCIAL LIABILITIES HELD FOR HEDGING				
VII. PROVISIONS	3,133,460.60	-	3,133,460.60	
7.1 Restructuring Reserves				
7.2 Reserves For Employee Benefits	3,133,460.60	-	3,133,460.60	
7.3 General Provisions				
7.4 Other Provisions Diğer Karşılıklar				
VIII. CURRENT PERIOD TAX LIABILITY	3,088,090.42		3,088,090.42	
IX. DEFERRED LIABILITIES FOR TAX				
X. SUBORDINATED LOANS DEBT INSTRUMENTS				
XI. OTHER LIABILITIES	1,841,254.85	5,071,417.97	6,912,672.82	
SUB TOTAL	8,062,805.87	310,316,554.66	318,379,360.53	
XII. LIABILITIES FOR PROPERTY AND EQUIPMENT HELD FOR SALE PURPOSE AND HELD FROM TERMINATED OPERATIONS				
12.1 Held For Sale Purpose				
12.2 Held From Terminated Operations				
XIII. SHAREHOLDERS' EQUITY	113,211,546.04		113,211,546.04	
13.1 Paid-In Capital	95,500,000.00		95,500,000.00	
13.2 Supplementary Capital	228,147.37		228,147.37	
13.2.1 Share Premium				
13.2.2 Share Cancellation Profits				
13.2.3 Other Capital Reserves (Inflation Indexing Difference)	228,147.37		228,147.37	
13.3 Re Not Classification to Profit or Loss Accumulated Other Compr Income or Expenses -	182,697.19		182,697.19	
13.4 Reclassification to Profit or Loss Accumulated Other Compr Income or Expenses				
13.5 Profit Reserves	3,772,870.01		3,772,870.01	
13.5.1 Legal Reserves	3,771,376.19		3,771,376.19	
13.5.2 Status Reserves				
13.5.3 Extraordinary Reserves	1,493.82		1,493.82	
13.5.4 Other Profit Reserves				
13.6 Profit Or Loss	13,893,225.85		13,893,225.85	
13.6.1 Prior Year Income / Loss	347,691.70		347,691.70	
13.6.2 Net Current Year Income / Loss	13,545,534.15		13,545,534.15	
TOTAL LIABILITIES	121,274,351.91	310,316,554.66	431,590,906.57	

INCOME STATEMENT OF A&T FİNANSAL KİRALAMA A.Ş.

TURKISH LIRA
CURRENT PERIOD
(31 / 12 / 2018)

INCOME AND EXPENSE ITEMS		
I.	MAIN OPERATING INCOMES	34,659,343.25
	FACTORING INCOMES	
1 1	Interest Received From Factoring Receivables	
1 1 1	Discounted	
1 1 2	Other	
1 2	Fees And Commissions Received From Factoring Receivables	
1 2 1	Discounted	
1 2 2	Other	
	FINANCIAL LOANS INCOMES	
1 3	Interest Received From Financial Loans Receivables	
1 4	Fees And Commissions Received From Financial Loans	
	LEASE INCOMES	34,659,343.25
1 5	Finance Lease Incomes	32,904,989.23
1 6	Operational Lease Incomes	
1 7	Fees And Commissions Received From Lease Transactions	1,754,354.02
II.	FINANCING EXPENSES (-)	10,877,400.53
2 1	Interest On Funds Borrowed	10,736,870.76
2 2	Interest On Factoring Transactions Payables	
2 3	Finance Lease Expenses	
2 4	Interest On Securities Issued	
2 5	Other Interest Expenses	
2 6	Fees And Commissions Paid	140,529.77
III.	GROSS PROFIT / LOSS (I+II)	23,781,942.72
IV.	MAIN OPERATING EXPENSES (-)	12,261,987.15
4 1	Personnel Expenses	7,051,386.59
4 2	Personnel Indemnity Provisions Expenses	77,944.58
4 3	Research And Development Expenses	
4 4	General Office Expenses	4,317,554.39
4 5	Other	815,101.59
V.	GROSS OPERATING PROFIT / LOSS (III+IV)	11,519,955.57
VI.	OTHER OPERATING INCOMES	305,052,019.08
6 1	Interest Received From Banks	5,183,157.35
6 2	Interest Received From Reverse Repurchase Agreements	
6 3	Interest Received From Marketable Securities Portfolio	
6 3 1	Financial Assets Held For Trading	
6 3 2	Financial Assets Where Value Change Is Reflected To Income Statement	
6 3 4	Measured at Amortised Cost	
6 4	Divident Incomes	
6 5	Profit On Money Market Transactions	
6 6	Derivative Financial Transactions Profit	60,529.06
6 7	Foreign Exchange Profit	298,767,513.19
6 8	Other	1,040,819.48
VII.	PROVISIONS	352,929.47
7 1	Specific Provisions	352,929.47
7 2	Expected Loss Provisions	
7 3	General Provisions	
7 4	Other	
VIII.	OTHER OPERATING EXPENSES (-)	298,849,385.88
8 1	Marketable Securities Value Losses	
8 1 1	Financial Assets Where Value Change Is Reflected To Income Statement Value Losses	
8 1 2	Financial Assets Where Value Change Is Reflected To Comprehensive Income Statement Value Losses	
8 2	Fixed Assets Value Losses	
8 2 1	Tangible Fixed Assets Value Losses	
8 2 2	Property And Equipment Held For Sale Purpose And Held From Terminated Operations	
8 2 3	Intangible Assets Value Losses	
8 2 4	Associates, Subsidiaries And Joint Venture Value Losses	
8 3	Loss From Derivative Financial Transactions	3,572.50
8 4	Foreign Exchange Loss	298,844,396.07
8 5	Other	1,617.31
IX.	NET OPERATING PROFIT / LOSS (V+...+VIII)	17,369,459.30
X.	SURPLUS WRITTEN AS GAIN AFTER MERGER	
XI.	PROFIT / LOSS FROM INVESTMENTS BASED ON EQUITY METHOD	
XII.	NET MONETARY POSITION GAIN / LOSS	
XIII.	CURRENT PERIOD PROFIT/LOSS FROM CONTINUED OPERATIONS (VII+VIII)	17,369,459.30
XIV.	CONTINUED OPERATIONS TAX PROVISIONS (±)	3,823,925.15
14 1	Current Tax Provisions	3,872,780.67
14 2	Deferred Tax Expense Effect (+)	
14 3	Deferred Tax Income Effect (-)	48,855.52
XV.	PERIOD PROFIT / LOSS CONTINUED OPERATIONS (X+XII)	13,545,534.15
XVI.	INCOME FROM TERMINATED OPERATIONS	
16 1	Property And Equipment Income Held For Sale	
16 2	Sale Profits From Associate, Subsidiary And Joint Venture	
16 3	Other Income From Terminated Operations	
XVII.	EXPENSE FROM TERMINATED OPERATIONS (-)	
17 1	Property And Equipment Expense Held For Sale	
17 2	Sale Losses From Associate, Subsidiary And Joint Venture	
17 3	Other Expense From Terminated Operations	
XVIII.	PROFIT / LOSS BEFORE TAXES FROM TERMINATED OPERATIONS (XIII-XIV)	
XIX.	PROVISIONS FOR TAXES ON INCOME FROM TERMINATED OPERATIONS (±)	
19 1	Current Tax Provisions	
19 2	Deferred Tax Expense Effect (+)	
19 3	Deferred Tax Income Effect (-)	
XX.	NET PROFIT / LOSS FROM TERMINATED OPERATIONS (XV+XVI)	
XXI.	NET PROFIT / LOSS (XIV+XIX)	13,545,534.15
	EARNING PER SHARE	
	Earning Per Share From Continuing Operations	
	Earning Per Share From Terminated Operations	
	DILUTED EARNING PER SHARE	
	Earning Per Share From Continuing Operations	
	Earning Per Share From Terminated Operations	