



**TEB FAKTORİNG**  
BNP PARIBAS ORTAKLIĞI

**TEB FAKTORİNG ANONİM ŞİRKETİ**

**ANNUAL ACTIVITY REPORT FOR**

**THE PERIOD 01.01.2021 – 31.12.2021**



**AGENDA OF THE ORDINARY GENERAL ASSEMBLY MEETING OF TEB FAKTORİNG A.Ş. FOR  
2021 TO BE HELD ON MARCH 31, 2022**

1. Opening and formation of the Presidential Board,
2. Granting authorization to the Presidential Board for signing the meeting minutes,
3. Reading, discussion and approval of the Board of Directors' Activity Report' for the year 2021,
4. Reading of the summary of the annual audit report prepared by the Independent Audit Firm
5. Reading, discussion and approval of the 2021 financial statements,
6. Passing resolution on approval of the appointment of the member made pursuant to Article 363 of the Turkish Commercial Code in lieu of the member who resigned from the Board of Directors,
7. Release of the Board Members from their transactions in 2021,
8. Discussion and approval of the Board of Director's proposal on the dividend distribution or passing resolution on approval of the amended version or disapproval of the same,
9. Determination of number and term of office of the Board Members and election of the same,
10. Determination of benefit such as fees and remunerations to be paid to the Board of Directors,
11. Passing resolution on the appointment of the Independent Audit Firm and of the Group auditor proposed by the Board of Directors for the independent audit of our Company for the year 2022."

**TEB FAKTORİNG A.Ş.**



**DECLARATION OF RESPONSIBILITY UNDER ARTICLE 9 OF CHAPTER TWO OF THE COMMUNIQUÉ ON FINANCIAL REPORTING PRINCIPLES IN THE CAPITAL MARKET RELEASED BY THE CAPITAL MARKETS BOARD UNDER NUMBER II - 14.1**

We do hereby declare that;

- a) the Annual Activity Report of TEB Faktoring A.Ş. covering the period of 01.01.2021-31.12.2021 has been reviewed;
- b) Within the framework of our knowledge that we have in our area of duty and responsibility in the Company, the Annual Activity Report does not contain any misrepresentation as to the important matters, nor does it have any missing part that may mislead the reader as at the date of statement; and
- c) Within the framework of our knowledge that we have in our area of duty and responsibility in the Company, the information provided in the Annual Activity Report fairly reflects the Company's assets, liabilities, financial standing, and profit/loss, along with fairly reflecting the Company's development and performance and financial standing together with the major risks and uncertainties that it is exposed to.

Date: 28 February 2022

Mehmet Çağatay Baydar  
Chairman of the Board of Directors

Gülümser Özgün Henden  
Board Member and General Manager



## 1- GENERAL INFORMATION

Period of the Report	01.01.2021 - 31.12.2021
Trade Name	TEB Faktoring Anonim Şirketi
Trade Register Number	372141
Central Reg. System No.	833007688600077
Registered address	Gayrettepe Mahallesi Yener Sokak No: 1 Kat: 7-8 Beşiktaş İstanbul
Branch address	The addresses of our branches are given below
İstanbul European Branch	Dünya Ticaret Merkezi B1 Blok K:13 Yeşilköy İstanbul
İstanbul Anatolian Branch	Çınardere Mahallesi E5 Yanyolu Caddesi No:85 Pendik İstanbul
Ankara Branch	Mustafa Kemal Mah. 2120 Cad. No:4/A K:1 Çankaya Ankara
İzmir Branch	Şair Eşref Paşa Bulvarı No: 23/A Çankaya İzmir
Antalya Branch	Mehmetçik Mahallesi, Aspendos Bulvarı, No:81 Muratpaşa Antalya
Bursa Branch	Odunluk Mah. Akpınar (180) Caddesi Efe Towers A Blok K:11 No: 15A/38-39-40-41-42-43 Nilüfer Bursa
Gaziantep Branch	Zeytinli Mh. 79006 Sk. No:3 Koluman Tower K:15 D:34 Şehitkamil Gaziantep
Kayseri Branch	Anbar Mahallesi 14. Cadde No:20 Melikgazi Kayseri
Konya Branch	Fevzi Çakmak Mahallesi KOSGEB Caddesi No:1/1 Karatay Konya
Adana Branch	Çınarlı Mahallesi Atatürk Caddesi No:15 Kat: 2 Seyhan Adana
Samsun Branch	Kuzey Yıldız Mah. 100. Yıl Bulvarı No:38/58-59-60-61-66-67-68-69 Canik Samsun
Denizli Branch	Saraylar Mahallesi İzmir Yolu Bulvarı No:57 Denizli
Eskişehir Branch	İki Eylül Caddesi Başan Sokak No: 2 Eskişehir
İmes Branch	İmes Sanayi Sitesi C Blok 301/3 Yukarı Dudullu, Ümraniye İstanbul
Trabzon Branch	Sanayi Mah. Devlet Karayolu Cad. No: 85A Ortahisar Trabzon
Contact information (Head Office)	Phone :0 212 370 45 00 Fax:0 216 636 52 52
E-mail address	tebfactoring@teb.com.tr
Web Site	www.tebfactoring.com.tr

### Credit Rating:

Besides the market position of the brand that it represents in the factoring sector, as a result of the review of its corporate structure as an affiliate of Türk Ekonomi Bankası A.Ş. and the management level for the risks that Company carries, TEB Faktoring A.Ş. has been rated AA (National) in the long term and A1+ (National) in the short term in a report issued on 06.12.2021 by Saha Kurumsal Yönetim ve Kredi Derecelendirme Hizmetleri A.Ş.



## A- ORGANIZATION, CAPITAL AND PARTNERSHIP STRUCTURE OF THE COMPANY

### a) Vision and Mission

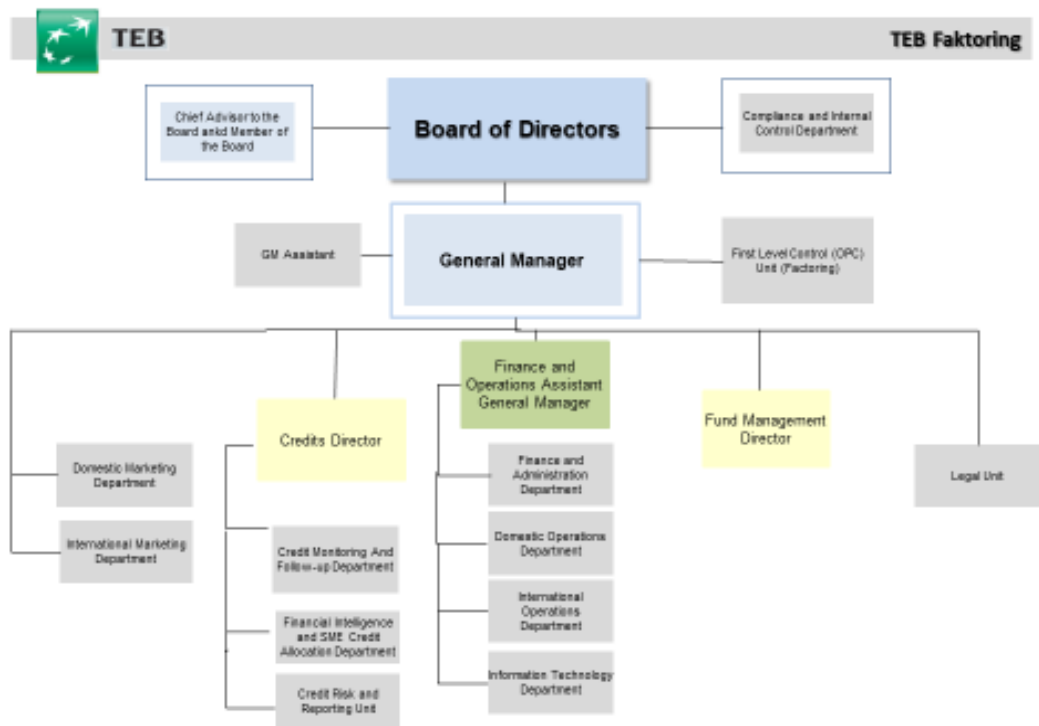
#### VISION

Our vision is to maintain our leadership, as the first institution that comes to mind in the sector with our service quality that makes a difference.

#### MISSION

Our mission is to maintain our sector leadership and continue to add value to our country's economy by offering high quality and distinctive solutions with our innovative approach, valuing our customers and employees, focusing on efficiency, reliability and sustainability in our activities.

### b) Organization Chart:



### Marketing

Our Company guarantees the receivables of its customers, operating in a wide range, from their commercial activities, enables them to cash out their receivables rapidly and reliably, and follows the collection process on their behalf, thus significantly contributing them to focus on their business. Our Company's priority has been to collect receivables of our customers of any scale, primarily SME's, and to provide them cash without waiting for the payment maturity dates by producing adequate solutions for their needs and business models, and to offer such services rapidly and efficiently thanks to the cooperation it has established with its extensive branch network.



Increasingly providing its support to our exporters during the pandemic that continued also in 2021, our Company continued to lessen the operational burden of exporters, while providing affordable financing and factoring receivable, enabling exporters to have continuous cash flow without interruption and continue their export business in a safe environment with export factoring.

In line with the digital transformation and technological developments that have been occurring globally and at a fast pace, our Company continued its services also during the pandemic period by implementing such processes that comply with the new principles of operation. By developing the "Easy Apply " and TEB Faktoring mobile applications whereby our customers can send their factoring applications with invoiced cheques at any place and moment they need, our Company has expanded the use of Online Branch utilization where they can follow their current factoring transactions and view the necessary information and documentation of their transactions.

Our Marketing teams, which have been in close and continuous contact with their customers during this process, will carry on the digital transformation and process improvement projects that will speed up the effective risk management, efficiency, automation, and service during the year 2022 too and keep adding value to their customers, facilitating their business with time saving and lessening of operational burdens, and contributing to our Company's position among the market leading players.

### **Credits and Risk Management**

TEB Faktoring manages the credit risk with TEB Group's synergy and corporate culture by focusing on 'effective risk management' in the scope of its core business line. Our Company closely follows up the global macro/micro economic developments, markets, and sectoral dynamics and carries out financial analysis and intelligence procedures during the credit allocation process for both its customers and also the debtors of invoices that are the subject of factoring processes. Accordingly, our Company takes credit allocation decisions based on the sellers' and buyers' creditworthiness. The credit lines are determined depending also on the buyer's creditworthiness with a payment schedule that is previously structured in line with the customer's commercial needs considering its financial and operational structure. All of the processes regarding credit allocation, risk monitoring, and intelligence are fulfilled in the context of Credits. Moreover, the Department of Credits is in charge of early risk detection and initiation of administrative follow-up (collection) processes through the early detection of potentially non-performing loans and the Department also evaluates the entities' and individuals' debt payment obligations, along with the intelligence information on the companies' general outlook.

### **Fund Management**

TEB Faktoring implements an effective risk and assets-liabilities management to meet the financing need that arises within the framework of its operations, to ensure the resource diversity, and to maintain the credit line level. Our Company possesses the wide financial possibilities in local and foreign markets thanks to the synergy of TEB A.Ş. and BNP Paribas Group and has the ability to reach adequate funding resources under the current market conditions. In line with the financing provided to our customers, we are borrowing from the market in the same currency and term to take measures against exchange rate, liquidity, and interest rate risks.

In 2022, the objective of Fund Management is to vary the funding resources in line with the changing market conditions and to significantly contribute to the achievement of our Company's profit target through the optimum management of liquidity, interest rate and exchange rate risks thanks to the existing assets-liabilities management strategy.



### **Domestic and International Operations**

The basic duties of domestic and international operation departments are to ensure the security and efficiency of our Company's existing and potential factoring transaction portfolio, to carry out transactions accurately and in due time according to the local and group regulations and practices, to ensure the information flow, to monitor, check, and steer transactions, to follow up the legislative and sectoral developments, and to develop and implement digitalization and automation projects. At the same time, they aim at producing the fastest and the most efficient solutions for our customers and providing them with a service of good quality. Moreover, they establish one-to-one contact with our correspondents in the context of our international operations to ensure the efficient conduct of operational processes.

### **Compliance and Internal Control**

Compliance and Internal Control Department is in charge of identifying all company-related risks and performing all internal controls in the scope of the Company's operations and activities and the Department operates in coordination with the internal audit teams of TEB and BNP Paribas Group to follow up the conduct of internal audits, to adapt the relevant procedures to the Company, to report the operational risk incidents, and to take any required measures. The findings of audits and important matters in connection therewith are reported to the Board of Directors through the Audit Committee.

### **Finance and Budget/Reporting**

Finance and Budget/Reporting Department is in charge of creating accounting and reporting systems and controlling the outputs of such processes in accordance with IFRS, BRSA regulations, other statutory regulations and the policy and corporate culture of TEB and BNP Paribas Group. The Department carries out the independent audit processes of the entire financial audit and inspection scope of the Company from the beginning to the end. It submits the Company's taxation statements and ensures the adaptation of any changes in legal obligations and legislation to our Company. It plays a key role in the completion and submission of effective budget and forecast studies in coordination with all of the Company's business units, in the follow-up and reporting of the financial targets' outcomes to the stakeholders and in informing the senior management on the potential financial/fiscal risks.

### **Information Technologies**

It is aimed to implement a large number of projects in order to better meet the expectations of our existing and new customers in an efficient and fast way and also to improve the software of our Company's main factoring application for ameliorating our Company's digitalization processes.

The Information Technologies Department is in charge of managing and completing these projects. Furthermore, the Department contributes to the various improvements for our website's modern infrastructure and plays a role in the development of integration projects for the mobile projects' infrastructures and for the factoring applications received from different channels. It is also responsible for reporting the operations and for managing the relevant processes that will make the Information Systems compliant with the BRSA Communiqué on the Management and Audit of Factoring Companies' Information Systems. Besides, the Department follows up, coordinates, and implements the IT programs received through our foreign stakeholders that our Company is affiliated with.

Thanks to the utmost sensitivity shown to the information security issues, the Information Technologies Department plays a key role in the implementation of both the legislation and the IT standards of BNP Paribas Group at our Company and quickly takes the required actions by closely following the security risks, and deliver regular reports to the Company's Management.



**Capital:** TRY.50.000.000,-

**a) Partnership Structure:**

NAME, SURNAME AND TITLE OF THE SHAREHOLDER	RESIDENTIAL ADDRESS	NUMBER OF SHARES	CAPITAL AMOUNT (TRY)
TÜRK EKONOMİ BANKASI A.Ş.	TEB Kampüs C ve D Blok, Saray Mahallesi, Sokullu Caddesi, No:7/A-7B Ümraniye 34768	49.999.997,37	49.999.997,37
TEB HOLDİNG A.Ş.	TEB Kampüs C Blok, Saray Mahallesi, Sokullu Caddesi, No:7/A Ümraniye 34768 İstanbul	2,63	2,63

TEB Yatırım Menkul Değerler A.Ş., BNPP Yatırımlar Holding A.Ş., and Galata Yatırım Holding A.Ş. transferred their shares to TEB A.Ş. on 27th of May, 2021.

**b) Amendments to the Articles of Association:** There was no change in the Articles of Association in 2021.

**c) Changes that Occurred during the Financial Year:** None.

**B- INFORMATION ON PRIVILEGED SHARES**

There are no privileged shares.

**C- INFORMATION ON THE MANAGING BODY, TOP LEVEL MANAGERS AND PERSONNEL OF THE COMPANY**

**a) Managing Body of the Company:** It is the Board of Directors which is formed of 9 (nine) real persons, who are the members of the Board of Directors.

Members of our Board of Directors as of 31.12.2021:

Members of the Board of Directors	Name and Surname
Chairman	Dr. Akın AKBAYGİL
Deputy Chairman	Özden ODABAŞI
Board Member	Ayşe AŞARDAĞ
Board Member	Canan BUMİN
Board Member	Nicolas de BAUDINET de COURCELLES
Board Member	Gökhan ÖZDİL
Board Member	Gülümser ÖZGÜN HENDEN
Board Member	Lionel Claude JOUBAUD
Board Member and General Manager	Mehmet Çağatay BAYDAR

Under the Board of Directors resolution taken on the 24th of December, 2021,

it is decided that the Chairman of Board of Directors Mr. Akın AKBAYGİL, PhD, be assigned as the Member of Board of Directors; the Member of Board of Directors Mr. Mehmet Çağatay BAYDAR as the Chairman of Board of Directors, and the Member of Board of Directors Ms. Gülümser ÖZGÜN HENDEN as the General Manager as from the 1st of January, 2022.





**b) Resumes of Board Members as of 31.12.2021:**

<b>Dr. Akın Akbaygil</b>	<b>Chairman</b>
1988-Present	TEB A.Ş. Deputy Chairman
1986-Present	TEB A.Ş. Credit Committee Chairman
2017-2019	Ekonomi Yatırımlar Ltd. Board Member
March 2011-Present	TEB Holding A.Ş. CEO
2005-Present	TEB Faktoring A.Ş. Chairman
March 2011-March 2017	TEB Holding A.Ş. Board Member – CEO
February 2005-March 2017	TEB Mali Yatırımlar A.Ş. Board Member – CEO
April 2008-March 2017	TEB A.Ş. Audit Committee Deputy Chairman
March 2013-March 2016	TEB A.Ş. Independent Board Member
2011-April 2014	TEB N.V. Chairman
1999-2013	Ekonomi Bank IBU Ltd. Deputy Chairman
2011-2012	TEB Yatırım Menkul Değerler A.Ş. Chairman
2011-2011	Fortis Yatırım Menkul Değerler A.Ş. Board Member
1998-2011	TEB N.V. Deputy Chairman
October 2003-March 2011	TEB Mali Yatırımlar A.Ş. CEO
2005-2010	TEB Finansal Kiralama A.Ş. Chairman
July 1998-February 2005	TEB Mali Yatırımlar A.Ş. Deputy Chairman
2004-2007	TEB Portföy Yönetimi A.Ş. Chairman
1997-2005	TEB Sigorta A.Ş. Chairman TEB Faktoring Board Member
1996-2005	TEB Finansal Kiralama A.Ş. Board Member
February 1988-October 2003	TEB A.Ş. Deputy Chairman - CEO
2001-2002	Banks Association of Turkey Deputy Chairman
1994-2001	Banks Association of Turkey, Board Member
April 1988-July 1988	İlkesan Yat. ve Gel. A.Ş. Deputy Chairman
March 1986-April 1988	İlkesan Yat. ve Gel. A.Ş. Board Member
June 1983-February 1988	TEB A.Ş. Board Member, CEO
May 1982-June 1983	TEB A.Ş. Board Member
1965-1982	Akbank T.A.Ş. Director of Foreign Affairs
1969-1973	İstanbul University, Faculty of Economics, Ph.D.
1967-1968	İstanbul University, Faculty of Economics, MBA
1962-1967	İstanbul University, Faculty of Economics, BA

<b>Özden Odabaşı</b>	<b>Deputy Chairman</b>
March 2021-Present	TEB Faktoring A.Ş. Deputy Chairman
March 2017-Present	TEB A.Ş. Board Member
1998-2016	The Economy Bank N.V. CEO
1997-1998	FB Finansbank Suisse S.A. CEO
1994-1997	Finansbank Hollanda N.V.
1987-1993	Finansbank A.Ş. Marketing Director/Assistant General Manager
1986-1987	BNP-Akbank A.Ş. Marketing Manager
1984-1986	Citibank N.A. İstanbul Customer Representative/Marketing Manager
1983-1984	Mobil Oil Türk A.Ş. Internal Control Assistant Manager
1981-1982	Northern Illinois University Business Administration MBA
1980-1981	Boğaziçi University, Faculty of Economics and Administrative Sciences, Department of Business Administration, Master's Degree
1976-1980	Middle East Technical University, Faculty of Administrative Sciences, Department of Business Administration, Bachelor's Degree



<b>Ayşe Aşardağ</b>	<b>Member and Deputy Chairman of the Audit Committee</b>
May 2021-Present	TEB Faktoring A.Ş. Board Member
March 2020-Present	TEB Sh. A.(Kosovo) Deputy Chairman
March 2017-Present	TEB A.Ş. Deputy Chairman of the Audit Committee
March 2016-May 2021	TEB Faktoring A.Ş. Deputy Chairman
2016-2017	TEB ARVAL Araç Filo Kiralama A.Ş. Board Member
2012-2017	Ekonomi Yatırımlar Limited, Board Member
2012-Present	TEB Yatırım Menkul Değerler A.Ş. Deputy Chairman TEB Finansman A.Ş. Deputy Chairman
2011-2016	TEB Faktoring A.Ş. Board Member The Economy Bank NV. Board Member
2011-December 2014	TEB Portföy Yönetimi A.Ş. Board Member
2010-Present	TEB A.Ş. Board Member
2009-2020	TEB Sh. A.(Kosovo) Board Member
2003-2013	Ekonomi Bank IBU Ltd. Board Member
2001-Present	TEB Holding A.Ş. Budget and Financial Control Coordinator
2010-2011	Fortis Bank A.Ş. Board Member
2009-2010	TEB ARVAL Araç Filo Kiralama A.Ş. Board Member
2008-2009	TEB ARVAL Araç Filo Kiralama A.Ş. Deputy Chairman Etkin Temizlik Hizmetleri A.Ş., Chairman
2007-2010	TEB Tüketici Finansman A.Ş. Deputy Chairman
2007-2009	TEB Sh. A.(Kosovo) Deputy Chairman
2007-2008	TEB Sigorta A.Ş. Chairman TEB İletişim ve Yayıncılık Hizmetleri A.Ş. Chairman Etkin Personel Taşımacılık Hizmetleri A.Ş. Chairman Etkin Temizlik Hizmetleri A.Ş. Chairman TEB Tüketici Finansman A.Ş. Board Member TEB ARVAL Araç Filo Kiralama A.Ş. Board Member
2007-2010	TEB UCB Konut Danışmanlık A.Ş. Chairman
2004-2010	Ege Turizm ve İnşaat A.Ş. Deputy Chairman
2001-2009	TEB Finansal Kiralama A.Ş. Auditor TEB Faktoring A.Ş. Auditor TEB Yatırım Menkul Değerler A.Ş. Auditor
2001-2010	TEB A.Ş. Auditor
2001-2007	TEB Sigorta A.Ş. Board Member TEB Portföy Yönetimi A.Ş. Auditor
1995-2001	TEB A.Ş. Budget and Financial Control Director
1994-1995	University of Glamorgan, Lecturer in Accounting
1987-1994	Price Waterhouse, İstanbul, London Audit Unit
1992	Institute of Chartered Accountants in England and Wales, ACA
1982-1987	Boğaziçi University, Faculty of Administrative Sciences, Business Administration Department

<b>Canan Bumin</b>	<b>Board Member and Chief Advisor to the Chairman</b>
March 2016-Present	TEB Faktoring A.Ş. Board Member
May 2015-Present	TEB Faktoring A.Ş. Chief Advisor to the Chairman
2005-2015	BRSA Head of Departments
2000-2005	BRSA Vice Head of Department
1993-2000	Undersecretariat of Treasury Banking Specialist
1992-1993	İş Bankası A.Ş. Head Office
1988-1992	Middle East Technical University, Business Administration



<b>Nicolas de Baudinet de Courcelles</b>	<b>Board Member, Chairman of the Compliance and Audit Committee</b>
July 2019-Present	TEB A.Ş. Chairman of the Audit Committee and Chairman of the Compliance
February 2019-Present	BNPP Yatırımlar Holding A.Ş. Board Member
February 2019-Present	BNPP Fortis Yatırımlar Holding A.Ş. Board Member
January 2019-Present	TEB A.Ş. Board Member
2018-2019	TEB ARVAL Araç Filo Kiralama A.Ş. Deputy Chairman
December 2018-Present	TEB Faktoring A.Ş. Board Member and Chairman of the Audit Committee
December 2018-Present	TEB Yatırım Menkul Değerler A.Ş. Board Member and Chairman of the Audit Committee
2013-2019	BNP PARIBAS Compliance Group Corporate and Investment Banking-
1986-2012	BNP PARIBAS Compliance Group Corporate and Investment Banking
1981-1984	Sciences Po / Economics and Finance

<b>Gökhan Özdi</b>	<b>Board Member and Deputy Chairman of the Credit Committee</b>
September 2017-Present	TEB Faktoring A.Ş. Board Member
March 2016-March 2017	TEB Faktoring A.Ş. Board Member
2011-Present	TEB A.Ş. Assistant General Manager, Corporate Credits Group
2008-2011	Fortis Bank A.Ş., Assistant General Manager, Corporate and Commercial Banking Credits
2008-Present	Fortis Bank A.Ş. Mensupları Emekli Sandığı Vakfı and Fortis Bank Personeli Güvenlik Vakfı, Executive Vice President
2004-2008	Fortis Bank A.Ş. Mensupları Emekli Sandığı Vakfı and Fortis Bank Personeli Güvenlik Vakfı, Board Member
2007-2008	Fortis Bank A.Ş., Assistant General Manager, Retail Banking Credits
2005-2007	Fortis Bank A.Ş., Assistant General Manager, Credits Group
2004-2005	Türk Dış Ticaret Bankası A.Ş., Assistant General Manager, Credits Group
1996-2004	Türk Dış Ticaret Bankası A.Ş., Branch Manager
1992-1996	Türk Dış Ticaret Bankası A.Ş., Assistant Branch Manager
1989-1992	Türk Dış Ticaret Bankası A.Ş., Inspector, Internal Audit Group
1987-1989	Türkiye İş Bankası A.Ş., Head Office
1981-1986	Middle East Technical University, Economics

<b>Gülümser Özgün Henden</b>	<b>Board Member</b>
March 2021-Present	TEB Faktoring A.Ş. Board Member
March 2018-March 2021	BNP Paribas Finansal Kiralama A.Ş. Board Member
November 2015-December 2021	TEB A.Ş. Corporate Banking Assistant General Manager
2015-November 2015	TEB A.Ş. Corporate Businesses Group Director
2011-2014	TEB A.Ş. Corporate Banking Sales Director
2003-2011	TEB A.Ş. Commercial Banking Sales Marketing and Product Development Director
2001-2003	Garanti Bankası A.Ş. Commercial Banking, Senior Manager
2000-2001	Osmanlı Bankası A.Ş. Corporate Banking Manager
1995-2000	Finansbank A.Ş. Manager
1992-1995	Garanti Bankası A.Ş. MT
1987-1992	Middle East Technical University, Business Administration



<b>Lionel Claude Joubaud</b>	<b>Board Member</b>
August 2021-Present	TEB Faktoring A.Ş. Board Member
January 2012-Present	BNP Paribas France- Retail Banking
2004-2012	French Republic Civil Servant
2001-2004	Engineering School Corps des Mines
1998-2001	Engineering School Ecole Polytechnique
1996	Scientific Bachelor Degree

<b>Mehmet Çağatay Baydar</b>	<b>Board Member and CEO</b>
September 2021-Present	Factors Chain International (FCI) Deputy Chairman
2006-2021	TEB Faktoring A.Ş. CEO and Board Member
June 2011-2013 and 2016-2019	Factors Chain International (FCI) Chairman of the Executive Committee
2016-2019	Finansal Kurumlar Birliği Deputy Chairman
2003-2006	Koç Finansal Kiralama A.Ş. CEO and Board Member
2000-2003 (September)	Koç Faktoring Hizmetleri A.Ş. CEO
1996-2000 (October)	EGS Group
1995-1996	Med Marine Denizcilik Kılavuzluk ve Römorkaj Ltd. CEO
1990-1995	Factofinans Alacak Alımı A.Ş. Assistant General Manager
1987-1990	Arthur Andersen Co. Audit Company
1982-1987	Boğaziçi University, Faculty of Economics and Administrative
1975-1982	Saint-Michel French High School
1971-1975	T.E.D. Ankara College

**c) Senior Management of the Company:**

<b>Title</b>	<b>Name and Surname</b>
Board Member and CEO	Mehmet Çağatay BAYDAR
Chief Advisor to the Chairman	Canan BUMİN
Assistant General Manager	Sevil DİNÇER

<b>Sevil Dinçer</b>	<b>Assistant General Manager</b>
January 2015-Present	TEB Faktoring A.Ş. Finance and Operations Assistant General Manager
2014-Present	Factors Chain International(FCI) - Chairman of the Business and IT Solutions
2011-2014	Factors Chain International(FCI) - Member of the Communication Committee
2014-2015	Strateji Faktoring A.Ş. and Yatırım Finansal Kiralama A.Ş. Board Member, Member of the Internal Control Committee
2013-2019	Finansal Kurumlar Birliği - Chairman of the Factoring Regulation Committee
2006-2014	Strateji Faktoring A.Ş. and Yatırım Finansal Kiralama A.Ş. Board Member Strateji Faktoring A.Ş. Assistant General Manager Responsible from Accounting, Finance, Operations and IT
2004-2006	Strateji Faktoring A.Ş. Marketing and Customer Relations, Finance Senior
1996-2004	Toprak Faktoring A.Ş. Marketing and Customer Relations Senior Manager
1993-1996	AEG Genel Elektrik T.A.Ş. - Trade, Progress Payment Manager
1988-1992	Middle East Technical University, Business Administration

The resumes of Mehmet Çağatay Baydar and Canan Bumin are included under the title of "Resumes of Members of the Board of Directors".

**d) Internal Control Management of the Company:**

<b>Title</b>	<b>Name Surname</b>
Compliance and Internal Control Senior Manager	Tolga GÜLŞEKERCİ



e) Number of Personnel: 96

**D- INFORMATION ON THE ACTIVITIES OF THE BOARD MEMBERS WHICH ARE WITHIN THE SCOPE OF THE PERMISSION GIVEN TO THEM BY THE GENERAL ASSEMBLY AND ARE RELATED TO TRANSACTIONS CARRIED OUT BY THE RELEVANT BOARD MEMBERS WITH THE COMPANY EITHER IN HIS/HER OWN NAME OR ON BEHALF OF THIRD PERSONS AND THE ACTIVITIES WHICH ARE WITHIN THE SCOPE OF PROHIBITION OF COMPETITION:** None.

**2- FINANCIAL RIGHTS GRANTED TO THE BOARD OF DIRECTORS AND THE SENIOR MANAGERS**

**Financial benefits paid to the members of the Board of Directors:** None

**Total financial benefits and fees paid to the senior managers:** TRY.5.300.081,-.

**Information on the total amount of the cost of allowances, travel, accommodation and representation expenses, material means in kind or in cash, insurance and similar guarantees:** TRY.178.133,-.

**3- RESEARCH AND DEVELOPMENT ACTIVITIES OF THE COMPANY**

**Research and Development activities carried out:** None.

**4- ACTIVITIES OF THE COMPANY AND SIGNIFICANT DEVELOPMENTS RELATED TO THE ACTIVITIES OF THE COMPANY**

a) **Information on the investments realized by the Company during the relevant financial year:** None.

b) **Information on the internal control system and internal auditing activities of the Company and the opinion of the managing body in this regard:**

The internal control mechanisms, which are to be complied with and implemented by the Company personnel at every level, have been established to ensure that the Company's activities are carried out in compliance with the legislation in force in the first place and then the Group's and the Company's policies and within the framework determined by the Board of Directors and further ensure the integrity and reliability of accounting and reporting systems. The Compliance and Internal Control Department, which reports to the Board of Directors through the Audit Committee, supervises the internal control system's companywide efficiency and effectiveness within the scope of the annual audit plan prepared pursuant to the risk assessments.

TEB Faktoring is subject to regular internal audits also by the Inspection Board of its controlling shareholder TEB A.Ş.. The Inspection Board of TEB A.Ş. is currently inspecting Company's compliance processes with the statutory regulations led by Financial Crimes Investigation Board (MASAK) regulations, BNP Paribas Group's procedures, codes of conduct, and internal directives in regard to the prevention of money laundering, fight against the financing of corruption and terrorism, and international financial sanction rules within the framework of the Audit for Financial Sanction Practices for the year 2021.



c) **Information on direct or indirect affiliates of the Company and its corresponding shares:**

Direct Affiliates	Percentage of Share
TEB Yatırım Menkul Kıymetler A.Ş.	3,38%
Ekonomi Yatırımlar Limited	0,13%
TEB Portföy Yönetimi A.Ş.	0,01%
TEB Arval Araç Filo Kiralama A.Ş.	0,00%

Indirect Affiliates	Percentage of Share
TEB Portföy Yönetimi A.Ş.	0,98%

We transferred our share in BNP Paribas Finansal Kiralama A.Ş. to TEB A.Ş in May, 2021.

d) **Information on the own shares acquired by the company:** None.

e) **Explanations related to the private and public audits conducted during the accounting period:**

Our Company's Financial Statements are subject to an independent audit process conducted by the independent audit firm DRT Bağımsız Denetim ve SMMM A.Ş. in the context of a quarterly limited investigation in March, June, and September for the consolidated Banking Regulation and Supervision Agency (BRSA) reports of the parent company TEB A.Ş.; independent limited audit on the 30th of June, 2021 for the Company's sole BRSA reporting; complete independent audit by the year-end on the 31st of December, 2021 for the Company's sole BRSA reporting and the consolidated Banking Regulation and Supervision Agency (BRSA) reports of the parent company TEB A.Ş.; limited audit in June and complete independent audit by the year-end in December for IFRS reports.

Our Company is audited annually on a consolidated basis by DRT Bağımsız Denetim ve SMMM A.Ş. also in the context of information systems' audit.

According to the Communiqué on the Management and Audit of the Information Systems of Financial Leasing, Factoring, and Financing Companies released by BRSA, companies' information systems are audited once every three years. The Agency is entitled to establish which year an audit will be launched for which companies. The Agency might vary the scope and frequency of information systems' audit where it deems necessary.

According to the Communiqué on the Management and Audit of the Information Systems of Financial Leasing, Factoring, and Financing Companies, our Company's information systems were audited in 2020 by DRT Bağımsız Denetim ve SMMM A.Ş.. DRT has issued an opinion that "By 31/10/2020, TEB Faktoring A.Ş. established effective, adequate, and compliant controls over its information systems according to the procedures and principles set out in the Communiqué on the Management and Audit of the Information Systems of Financial Leasing, Factoring, and Financing Companies."

Our Company has been undergoing an ordinary audit process by Banking Regulation and Supervision Agency since 2021 year end and the process is still ongoing.

f) **Information on lawsuits that are filed against the Company and may affect its financial position and operations and their possible consequences:**

Our Company has been a party to more than one lawsuit as a defendant and a plaintiff during the period within the scope of its ordinary factoring operations. Thereunder, the Company management has the opinion that there is not an ongoing litigation or legal proceedings that is not disclosed in the footnotes of the financial statements or for which required provisions are not allocated and that may have a negative impact on the financial position or the results of the Company operations. Our Company has allocated the provision of TRY.3.477 thousand in total for the ongoing lawsuits filed against the Company.



- g) **Statements on administrative or judicial sanctions imposed on the company and the members of the managing body due to practices contrary to the legislation provisions:**

During the year, TRY.75,000 was paid as an administrative fine imposed against the Company by regulatory and supervisory authorities and there is not any administrative or judicial sanction imposed against the Members of the Board of Directors of TEB Faktoring.

- h) **Information and assessments on whether or not the targets set in the previous periods were reached, whether or not the decisions of the general assembly were fulfilled and the justifications if the targets were not reached or the decisions were not fulfilled:**

Our Company achieved turnover of TRY.15.679 million and a net profit of TRY.56.528 thousand and its asset size was realized as TRY.4.767 million in 2021.

It was decided at the Company's Ordinary General Assembly that was held on March 31, 2021 not to distribute any distributable profit for 2020 to its shareholders but to transfer all of the net distributable profit to the extraordinary reserves account.

- i) **Where an extraordinary general assembly was held during the year, information about the extraordinary general assembly including the meeting date, decisions taken, and relevant actions:**

An Extraordinary General Assembly meeting was held on 14 July 2021 and;

It was discussed to empower the Board of Directors to issue locally and abroad the capital market instruments in the quality of bonds, commercial papers, and debt instruments. As a result of the discussions and within the framework of Turkish Commercial Code; Banking Law; Financial Leasing, Factoring, Financing and Savings Financing Companies Law; Capital Markets Law; and the applicable regulations of the Banking Regulation and Supervision Agency and Capital Markets Board regarding the debt instruments;

The Board of Directors was unanimously empowered for a 15-month period in order to issue debt instruments under the provisions of the Turkish Commercial Code and other legislation in force up to a total upper limit of TRY.600.000.000 (sixhundredmillion Turkish Liras) regarding the aforesaid debt instruments in Turkish Lira, to determine any and all borrowing matters, and to carry out the issuance process.

- j) **Information on the donations and grants made and social responsibility expenses incurred by the Company during the year:**

The total of donations and grants made in 2021 amounts to TRY.300, and all of the sum was donated to Türk Eğitim Vakfı.

- k) **If the Company is an affiliate of a group of companies, legal transactions effected with the parent company or an affiliate of the parent company or at the order of the parent company or for the benefit of the parent company or an affiliate of the parent company and all other measures taken in favor of the parent company or an affiliate of the parent company during the previous activity period or actions which the Company has refrained from taking for the same purpose:**

Within the activity period of the year 2021, there is not any legal transaction made in favor of Controlling Companies and the subsidiaries of Controlling Companies under guidance of the direct and indirect Controlling Companies. All legal transactions made between our Company and Controlling Companies and the Subsidiaries of Controlling Companies were conducted according to market practices, the rules of honesty and diligence of commercial life and the rule of compliance with precedent (under arm's length principle) under appropriate conditions, and our Company has not made any loss due to such transactions. Therefore, no adjustment was necessary.

There is not any loss of our Company as there is not any measure taken or refrained from taking in favor of direct and indirect Controlling Companies and the Subsidiaries of direct and indirect Controlling Companies.





## 5- FINANCIAL SITUATION

- a) **Analysis and evaluation of the managing body regarding the financial situation and operating results, the level of realization of the planned activities, the situation of the company against the specified strategic targets:**

The year 2021 that was under the negative impacts of the pandemic was a challenging period for global markets. The climate conditions of food exporting countries negatively affected the global food prices and the soaring transport costs increased the food prices. Further, the raw material and input costs rose due to the global supply chain interruptions and led to inflation hikes. Turkish economy was also affected by these difficulties observed at a global level and both manufacturer and consumer price indices rose in 2021. However, the acceleration of vaccination campaigns, lift of pandemic measures in manufacturing and service sectors, and increasing export demand gave rise to a rapid growth of Turkish economy and the growth rate of 2021 has been forecasted to be around 10%.

The factoring sector, which is directly affected by the changes in the economy and whose focus is on trade finance, continued to support the real sector in 2021, increasing its business volume by 34% and reaching a business volume of TRY.200 billion.

Factoring receivables of the industry grew by 34% and realized as TRY.59.5 billion.

TEB Faktoring, which has been operating as a member of TEB Group since 1997, successfully continued its domestic and international factoring services offered to the business world of our country in 2021 as one of the largest companies in the sector, supporting corporate firms and SMEs during this period and continued to serve and support the real economy.

In 2021, our Company grew more than the sector, achieving a turnover of TRY.15,679 million with an increase of 58%, and increased its factoring receivables by 85% to TRY.4.609 million.

TEB Faktoring has gained a net profit of TRY.56.528 thousand as of the end of 2021 with 94% increase. Thanks to this net profit, our return on equity (ROE) was 25.5% which has been significantly above the sector ROE of 18.2% .

Our Company decided not to distribute profits to its shareholders in 2021 and, as a result, further strengthened its equity.

Thanks to the measures taken to alleviate the negative effects of the global pandemic, support packages, increases in loans extended by the financial sector, restructuring operations, and temporary extensions of due dates in the definition of non-performing loans, the ratio of bounced checks and non-performing loans decreased in 2021.

In 2021, the non-performing loan (NPL) ratio in the factoring sector was 2.8%, while the cost of risk ratio was 0.99%. Focusing on the risk management, TEB Faktoring's 2021 NPL ratio and cost of risk ratio remained well below the sector's average and realized as 0.6% and 0.39% respectively.

In line with the vision that we have been provided with by our Board of Directors, our Company continued to support SMEs and corporate companies in the financing of domestic and international trade in 2021.

TEB Faktoring continued to be one of the leading companies in terms of export factoring transaction volume in Turkey, and also in the world among the members of FCI, the world's largest factoring chain, in 2021. Our company was selected as the world's best export factoring company for the 7th time in 2019 by FCI and is still the first and only factoring company that won the "Best Export Factor" award 7 times in history.

TEB Faktoring has also been awarded the most admired company prize in the factoring industry in our country three times.





In addition, the satisfaction of TEB Faktoring customers were measured at 88% in a customer satisfaction survey conducted for our Company in 2021 with the questions asked from different categories. The outcomes of this survey, which is planned to be repeated regularly, are carefully evaluated and we have the aim of further increasing the satisfaction and loyalty of our customers that are our main focus.

- b) Information on sales, efficiency, capacity to generate revenues, profitability and proportion of debts/equity of the Company for the current period in comparison to previous periods and information on other issues that might give an idea about the results of the activities of the Company and expectations for the future:**

Comparative financial data of our Company for the last two years are as follows:

(Thousand TRY)	2021	2020
Banks	108.082,-	98.725,-
Factoring receivables	4.608.874,-	2.485.670,-
Equity	246.612,-	191.526,-
Loans received	4.457.889,-	2.397.830,-
Total assets	4.766.721,-	2.623.555,-
Revenues from main activities	430.591,-	196.518,-
Financial expenses	310.845,-	125.969,-
General operating expenses	48.627,-	40.256,-
Provisions	16.105,-	3.155,-
Profit before tax	71.724,-	38.448,-
Tax	15.196,-	9.375,-
Net profit	56.528,-	29.073,-
Return on assets	1,59%	1,33%
Return on equity	25,52%	16,14%
General operating expenses/net Operating revenues	35,64%	49,77%

Continuing to serve its customers as well as maintaining its asset quality in 2021, TEB Faktoring aims to increase its transaction volume and profitability also in 2022 in line with the growth in the economy.

- c) Determination of and the managing body's assessments on the Company's capital allowance and indebtedness**

The minimum paid-in capital of factoring companies was increased to fifty million Turkish Liras under Article 22 of the "Law 7222 Amending the Banking Law and Certain Laws", which entered into force after having been released in the Official Gazette dated 25 February 2020 and numbered 31050.

As disclosed in our Company's balance sheet dated 31.12.2021, our Company's paid-in capital amounts to TRY.50.000.000. The company's capital is not uncovered and our current assets are in a position to cover our current liabilities.

- d) Measures planned to be taken to improve the financial structure of the company, if any:**

The financial structure of the Company is sufficiently strong enabling the Company to carry out its activities.



- e) **The information on the policy of dividend distribution and if profit distribution is not to be made, the justification for the reason why dividend distribution will not be made and proposal of how the undistributed dividend will be used:**

The policy of dividend distribution of our Company is dependent upon the General Assembly decision, provided that the sustainability of the Company is maintained.

Distribution of dividends by the Company is carried out in line with the provisions of the Turkish Commercial Law and in accordance with the principles and procedures specified in the Articles of Association, within the due period of time. Each shareholder is entitled to have a dividend amount which is proportionate to the distributed profit. No privileges are given regarding the distribution of dividends. The dividend to be distributed is determined by the General Assembly taking into consideration the Company's liquidity status and future investments.

Our Company will propose to its General Assembly not make any distribution to its shareholders from its distributable profits for 2021, and to transfer them to the extraordinary reserves account as will be seen in the Statement of Profit Distribution for 2021 presented below:

<b>TEB FAKTORİNG A.Ş.</b> <b>STATEMENT OF PROFIT DISTRIBUTION</b> <b>2021</b> <b>( TRY)</b>		
	<b>31/12/2021</b>	
<b>A- DISTRIBUTION OF CURRENT YEAR INCOME</b>		
1- CURRENT YEAR INCOME		71.723.605,47
2- TAXES & STATUTORY LIABILITIES PAYABLE (-)		- 15.195.814,15
- Corporate Tax (Income Tax)	- 7.102.912,08	
- Income Tax Deduction		
- Other Taxes & Statutory Liabilities	- 8.092.902,07	
NET INCOME FOR THE YEAR		56.527.791,32
3- PRIOR YEARS' LOSSES (-)		-
4- FIRST LEGAL RESERVES (-)		- 2.546.335,00
5- OTHER STATUTORY RESERVES (-)		-
NET INCOME AVAILABLE FOR DISTRIBUTION		53.981.456,32
6- FIRST DIVIDEND TO SHAREHOLDERS (-)		-
- To Owners of Ordinary Shares	-	
- To Owners of Preferred Shares (Preemptive rights)	-	
7- DIVIDEND TO PERSONNEL (-)		-
8- DIVIDEND TO BOARD OF DIRECTORS (-)		-
9- SECOND DIVIDEND TO SHAREHOLDERS (-)		-
- To Owners of Ordinary Shares	-	
- To Owners of Preferred Shares (Preemptive rights)	-	
10- SECOND LEGAL RESERVES (-)		-
11- STATUTORY RESERVES (-)		-
12- EXTRAORDINARY RESERVES (RETAINED EARNINGS)	-	53.981.456,32
13- OTHER RESERVES		-
14- SPECIAL FUNDS		-
<b>B- DISTRIBUTION OF RESERVES</b>		
1- DISTRIBUTED RESERVES		-
2- SECOND LEGAL RESERVES (-)		-
3- DIVIDENDS TO SHAREHOLDERS (-)		-
- To Owners of Ordinary Shares	-	
- To Owners of Preferred Shares (Preemptive rights)	-	
3- DIVIDENDS TO PERSONNEL (-)		-
3- DIVIDENDS TO BOARD OF DIRECTORS (-)		-
<b>C- EARNINGS PER SHARE</b>		113,06
- To Owners of Ordinary Shares ( KR%)	113,06	
- To Owners of Preferred Shares (Preemptive rights) (TRY%)		
<b>D- DIVIDEND PER SHARE</b>		-
- To Owners of Ordinary Shares ( KR%)	-	
- To Owners of Preferred Shares (Preemptive rights) (TRY%)		



## 6- ASSESMENT OF RISKS AND MANAGING BODY

### a) Information on the risk management policy, if any, that the Company will apply against the risks envisaged:

In general, companies may be exposed to market risk, interest rate risk, credit risk, liquidity risk and operational risk due to their activities. Our company's risk management program generally focuses on minimizing the potential negative impacts of uncertainty in financial markets on the financial performance of our company. In line with the risk management policies, our Board of Directors regularly monitors and audits the risks that the Company may be exposed to.

#### Credit Risk:

In the context of the transactions that are conducted within the framework of factoring contracts made with customers, the financial loss that the Company suffers due to the failure of the debtor (debtors) to fulfill its/their obligations under the said contracts is defined as a credit risk.

One of the most important values of our Company is its strong asset structure that we maintain with the help of conservative credit policies.

The company's credit exposure (factoring receivables / guarantees) has been spread over various sectors and geographical areas and covers a large number of customers. Our company makes efforts to reduce the credit risk by performing its transactions only with the parties having measurable credibility and reliable collaterals and, where possible, by obtaining collaterals at sufficient amounts. The credit risk that the Company faces, customer intelligence and loan repayment performances of the customers are constantly monitored. Credit risk is managed in accordance with the Credit Delegation Limits and Credit Policy decision taken by the Board of Directors and audited by the Board of Directors and the Audit Committee.

Although the factoring limit allocation and utilization authorization is basically exercised by the Board of Directors, the Board of Directors has delegated a part of this authority to the Credit Committee and the General Manager. The General Manager has, in turn, delegated some of this authority to the business lines on the basis of the rules approved by the Board of Directors.

Our company also takes into account the counterparty risk for the guarantees it receives from correspondents in the scope of the guarantee service it offers its customers and conducts risk assessment and limit allocation in accordance with the Company's credit policies.

#### Liquidity Risk:

Liquidity risk means the risk of not having enough cash or cash inflow to ensure that the cash outflows are made in due time and in full.

A suitable liquidity risk management has been established for the short, medium and long term funding and liquidity requirements of our Company's activities. The Company manages the liquidity risk by regularly monitoring estimated and actual cash flows and by maintaining adequate funds and borrowing reserves through the matching of financial assets and debt maturities.

#### Interest Rate Risk:

Interest rate risk means the risks that the Company may be exposed to due to maturity mismatches between its receivables and liabilities due to fluctuations in interest rates.

Our Company diligently performs the Asset-Liability Management, regularly monitors the maturity mismatch, and takes actions to minimize the negative effects of interest rate fluctuations in the market.

#### Operational Risk:

Operational risk incidents are defined as events that cause or may result in loss of earning (money, resources, physical assets, etc.), possible loss or loss of opportunity due to human error, system interruption or failure, insufficiently/poorly designed processes or external incidents.



Operational risk incidents encountered are the most objective and sensitive risk indicators reflecting our company's structural characteristics and operational risk profile.

Regarding the management of operational risks, an “Operational Risk Events Database” has been created to provide information flow for the identification, digitization, and quantification of the risks encountered by our Company and the functions and responsibilities have been determined.

The risks that we are exposed to are monitored regularly by the Audit Committee and necessary actions and corrective measures are considered and implemented.

Our Company also carries out its activities within the framework of its legal obligations and responsibilities, led by the Know Your Customer principles, and the Group’s compliance principles and policies, by also taking into account the compliance risk.

#### Committees Operating as of 31.12.2021

##### **CREDIT COMMITTEE (C LEVEL):**

Committee Chairman: Dr. Akın AKBAYGİL

Committee Vice Chairman: Özden ODABAŞI

Committee Members: Mehmet Çağatay BAYDAR  
Gökhan ÖZDİL

Permanent Attendees: Hans Wilfried J. Broucke

Committee Secretary: Mehmet Çağatay BAYDAR

Object: Evaluation of Credit Proposals C level – Senior Credit Committee.

Meeting Period: Every week or when needed

##### **CREDIT COMMITTEE (B LEVEL):**

Committee Chairman : Özden ODABAŞI

Committee Vice Chairman : Gökhan ÖZDİL

Committee Members: Mehmet Çağatay BAYDAR

Permanent Attendees: Ali İhsan ARIDAŞIR

Committee Secretary: Mehmet Çağatay BAYDAR

Object: Evaluation of Credit Proposals B level - Credit Committee.

Meeting Period: Every week or when needed



**COMPLIANCE & AUDIT COMMITTEE:**

Committee Chairman: Nicolas DE BAUDINET DE COURCELLES

Committee Vice Chairman: Ayşe AŞARDAĞ

Committee Members: Canan BUMİN  
Mehmet Çağatay BAYDAR

Permanent Attendees: Esra PERİ AYDOĞAN

Birol DEPER

Nimet Elif AKPINAR

Invited Attendees: Florian DUMAS

Joost VASTENAVONDT

Hakan TIRAŞIN

Committee Secretary: Tolga GÜLŞEKERCİ

Object: Submitting a report to the Committee regarding Compliance and Internal Control activities and in case there is a decision to be taken, to submit to the Committee for approval.

Meeting Period: Once every three months or when needed

**SPECIFIC PROVISIONS COMMITTEE**

Committee Chairman: General Manager

Committee Members: Finance and Operations Assistant General Manager  
Credits Director

Financial and Administrative Senior Manager

Credit Monitoring And Follow-up Senior Manager

Permanent Attendees: TEB A.Ş. Large SME Credits Follow-up Senior Manager

Committee Secretary: Financial and Administrative Senior Manager

Object: Evaluation of the status of customers to be provisioned.

Meeting Period: Monthly



#### **WATCH LIST COMMITTEE**

Committee Members: Credits Director  
Credit Monitoring And Follow-up Department  
Legal Advisor  
Marketing Senior Managers

Committee Secretary: Credit Monitoring And Follow-up Senior Manager

Object: Evaluation of issues such as bounced checks and protested bills over 15 days, return checks or promissory notes, close follow-up companies, payment protocols, etc.

Meeting Period: Monthly

#### **IT STEERING COMMITTEE :**

Committee Chairman: TEB Faktoring A.Ş. General Manager

Committee Members: TEB Faktoring A.Ş. Finance and Operations Assistant General Manager  
TEB Faktoring A.Ş. Digital Channel Marketing Manager  
TEB Faktoring A.Ş. Credits Director

TEB Faktoring A.Ş. Information Technology Senior Manager  
TEB Faktoring A.Ş. Information Security Officer

Permanent Attendees: TEB A.Ş. Group Companies Software Development Director or its representative  
TEB A.Ş. Group Companies Software Development Responsible or its representative  
TEB A.Ş. Service Manager as the representative of TEB A.Ş. Information Technology Assistant General Manager  
TEB A.Ş. Infrastructure Responsible or its representative  
TEB A.Ş. Information Security and IT Risk Responsible or its representative

Committee Secretary: TEB Faktoring A.Ş. Information Security Officer

Object: Ensuring information sharing between TEB Faktoring's senior management ,TEB A.Ş. and TEB Faktoring information technology teams, evaluation and planning of IT strategy, capacity, investments, architecture, infrastructure, assets, continuity, security, risk, data, suppliers, regulations, operations and projects.

Meeting Period: Once every six months



**MANAGEMENT COMMITTEE :**

Committee Chairman: General Manager

Committee Members: Finance and Operations Assistant General Manager  
Credits Director  
Fund Management Credit

Committee Secretary: Compliance and Internal Control Senior Manager

Object: Up-to-date status information and evaluation about Company activities

Meeting Period: Once a week or when needed ( It is held once a month with the participation of the entire management team.).

**THE NON-PERFORMING LOANS (NPL) SALES AND WRITE-OFF EVALUATION COMMITTEE (NPLCOM):**

Committee Chairman: General Manager

Committee Vice Chairman: Finance and Operations Assistant General Manager

Committee Members: Credits Director  
Legal Advisor  
Credit Monitoring And Follow-up Senior Manager  
Financial and Administrative Senior Manager

Permanent Attendees: Representative of TEB A.Ş. Legal Group,

Committee Secretary: Credit Monitoring And Follow-up Senior Manager

Object: Evaluation of NPLs for write-off or assignment to an asset management company

Meeting Period: Once every three months or when needed



**NEW PRODUCT COMMITTEE :**

Committee Chairman:	General Manager
Committee Members:	Finance and Operations Assistant General Manager
	Credits Director
	Marketing Senior Managers
	Digital Channel Marketing Manager
	Credit Monitoring And Follow-up Senior Manager
	Financial and Administrative Senior Manager
	Operation Senior Manager
	Permanent Control and Compliance Senior Manager
	Legal Advisor
Permanent Attendee	TEB A.Ş. Group Companies Software Development Responsible
Committee Secretary:	Permanent Control and Compliance Senior Manager
Object: Evaluating the suitability of the product in all aspects in case of a new product in factoring transactions	
Meeting Period : When needed	

**CUSTOMER ACCEPTANCE COMMITTEE (CAC)**

Committee Chairman:	General Manager
Committee Members:	Marketing Senior Managers
	Credits Director (Invited Attendee)
	Legal Advisor (Invited Attendee)
Committee Secretary:	KYC Control Manager
Object: Evaluation of high risk customers	
Meeting Period: When needed	





**TRANSACTION APPROVAL COMMITTEE (TAC):**

Committee Chairman:	General Manager
Committee Members:	Legal Advisor
	Permanent Control and Compliance Senior Manager
Invited Attendees :	Finance and Operations Assistant General Manager
	Fund Management Director
	Financial and Administrative Senior Manager
	Information Technology Senior Manager
	Operation Senior Manager
Committee Secretary:	Permanent Control and Compliance Manager
Object:	Evaluation of a new transactions which are not detailed in our current procedures.
Meeting Period:	When needed

**DISCIPLINARY COMMITTEE :**

Committee Chairman:	Mehmet Çağatay BAYDAR
Committee Members:	Sevil DİNÇER
	Devrimhan KAŞKAYA
Permanent Attendee:	Melisa TANER
Committee Secretary:	Ayşe ÜLGEN
Object:	Evaluating audit findings/suggestions or incidents, determinations and complaints from third parties, and determining disciplinary penalties within the framework of the rules and principles specified in Human Resources Regulation.
Meeting Period:	When needed

**b) Information on the activities and reports of the early risk detection and risk management committee if established:**

There is a Credit Monitoring and Follow-up Department subordinated to the Credits Group within the body of the Company. The said Department issues daily, weekly, monthly, quarterly and annual reports, various works and researches either about the whole credit risk, or credit risks which are problematic or have begun becoming problematic in order to enable an early warning system for the risk to be detected and to eliminate the risk.



**c) Potential risks on sales, productivity, revenue generation capacity, profitability, debt/equity ratio and similar issues:**

Due to the soaring global energy prices, anticipated continuation of supply chain problems, and interest rate increases expected from FED and the EU central banks, the continued rise of raw material and input costs and foreign currency increases are the risks forecasted for developing countries like Turkey in 2022. The year 2022 is expected to be a period where the companies that have access to raw material/energy and affordable financing in commodity supply management will come to the forefront. On the other hand, SMEs will be negatively affected by soaring energy and labor costs.

To avoid any potential cost and exchange rate hikes to be faced in Turkish economy in parallel with the global developments, steps are being taken to bring down the inflation and exchange rates via VAT reductions, incentive packages for manufacturers, and measures to protect TRY currency. Moreover, KGF (Credit Guarantee Fund) loans shall be extended to spur the domestic demand and increase the growth rate. Further, the forecast that tourism revenues will increase thanks to international roaming and continued rise in export demand are perceived as positive signs.

The importance of accurate management of market risks for a healthy economic growth has increased. The most important source of motivation of SMEs for a healthy growth under the current economic environment is to open up to new markets beyond domestic markets, to trade with companies that they cannot measure their risk in countries they do not know, and at the same time to preserve their cash flow and equity.

Providing all these services to exporters, TEB Faktoring continues to be the biggest supporter of companies of all scales especially SMEs, by providing guarantee, collection and financing services together or individually depending on the need and is the leading company of its sector in the growth of exports.

Besides its support offered to SMEs, TEB Faktoring provides customized solutions that add value to corporate companies. While offering advantageous solutions for all parties led by the supplier financing for the corporate companies, our Company serves multinational groups via Multi-Local, a unique approach also with the contribution received from BNP Paribas' global network and synergy.

TEB Faktoring meets the customer needs that change with the developing technology by providing an effective and lean customer experience, by standing by the customer wherever and whenever they need and as they prefer. Providing all of its customers, primarily SMEs, with an ever-increasing support, TEB Faktoring has been contributing to and supporting Turkey's sustainable economy.

In line with the changes brought about by our rapidly changing age and technology, sustainable digital transformation and services play an important role every passing day in the real economy and competition. TEB Faktoring continued to develop its digital channels also in 2021, in accordance with its customer-oriented and innovative vision.

Adopting an effective and efficient company management principle, TEB Faktoring continuously ameliorates its business processes and attaches great importance to digital transformation and efficient customer relations management in order to accurately analyze the customers' needs and to meet such needs and to provide them with the services of better quality. TEB Faktoring has intensified its investments in these areas in recent years.

TEB Faktoring will continue supporting its customers through all possible channels depending on the needs and preferences by harmonizing the digital and conventional channels.

Taking the customer needs and feedbacks as a reference in the innovation and digital transformation projects, TEB Faktoring has focused on "Easy Apply" and TEB Faktoring mobile applications whereby its customers can send their factoring applications with invoiced checks at any place and moment they need.

In order to reach its customers, TEB Faktoring is considering the potential cooperation opportunities with Fintech companies and digital platforms, which are the important parts of digital business models, as part of the diversification of its distribution channels.



TEB Faktoring will carry on the digital transformation and process improvement projects that will speed up the effective risk management, efficiency, automation, and service during the year 2022 too and remain among the players that add value to its customers and that steer the market.

In this context, TEB Faktoring is planning to be present at any time and in any place where the customers need factoring services by implementing in 2022 its integration projects that are useful for customers and solutions that will especially contribute to the supplier financing product and planning also to put in place the applications that allow customers to easily access, get results quickly, and have a better user experience.

Upon release of the 'Regulations on Remote Identification Methods and Establishment of Contractual Relations Electronically' by the Banking Regulation and Supervision Agency on the 11th of February, 2022, a very important step has been taken in the digital transformation of our industry. In compliance with the regulations, our Company will start the implementation very soon by performing the system developments.

TEB Faktoring aims to establish a system where its customers can perform their transactions remotely, to the extent permitted by the legislation. TEB Faktoring has already digitalized its application process and will further reinforce its infrastructure via digital channels in 2022 by closely following the trends and developments for a lean customer experience.

TEB Faktoring adopted the principles of "faster, cost-efficient, safer business" as a part of its digitalization projects, and, within this scope, the Automated Decision Making System (ADS) project was put in place by the beginning of 2018 to ensure the automatic finalization of transactions by using the decision trees developed by TEB Faktoring. In this way, the process was accelerated and the customers were responded to quickly, as a result, customer satisfaction has been improved, and, at the same time, cost savings have been achieved. The transactions realized through this channel and their results are monitored regularly. The performance of ADS was positive during the last two years despite the global pandemic and other negative conditions. The projects to improve the system performance are currently worked on.

Cost management, which is one of the main drives of profitability, has gained more importance in the current environment, where costs are increasing and competition is intense, and it has brought about the requirement to take savings measures. Our Company, which achieved to manage its overhead expenses well in 2021, will display the same sensitivity in 2022 too and will continue to create a more efficient working platform with less employment thanks to the digitalization projects.

## 7- OTHER ISSUES

- a) **Explanations about any development that arises with regard to the Company after the end of the activity year and has a special importance so as to affect the rights and interests of the partners, creditors and other relevant individuals and entities;** None.
- b) **Additional information:** None.