

QNB Finans Finansal Kiralama Anonim Őirketi

**December 31, 2022
Annual Report**

(Convenience Translation of Annual Report Originally Issued in Turkish)

INDEPENDENT AUDITOR'S REPORT ON THE ANNUAL REPORT OF THE BOARD OF DIRECTORS

To the General Assembly of QNB Finans Finansal Kiralama Anonim Şirketi

1) Opinion

We have audited the annual report of QNB Finans Finansal Kiralama Anonim Şirketi (the“Company”) for the period 1/1/2022-31/12/2022

In our view, the financial information contained in the annual report of the board of directors and the investigations made by the Board of Directors on the status of the company are consistent with the full set financial statements audited and the information obtained during the independent audit and reflect the truth in all important aspects.

2) Basis of Opinion

Our independent audit was carried out in accordance with The Independent Audit Standards (BDS), which are part of the Turkish Audit Standards published by the Public oversight, Accounting and Audit Standards Authority (KGK). Our responsibilities under these standards are explained in detail in the Independent Auditor's Responsibilities Regarding Independent Auditing section of our Annual Report. We declare that we are independent of the Company in accordance with the Code of Ethics for Independent Auditors (Code of Ethics) published by the KGK and the ethical provisions contained in the legislation relating to independent auditors. Other ethical responsibilities under the code of ethics and legislation have also been fulfilled by us. We believe that the independent audit evidence we obtained during the audit provides a sufficient and appropriate basis for our opinion to be established.

3) Our Auditor's Opinion on Full Set Financial Statements

We express a positive opinion in our auditor's report dated January 30, 2023 on the company's full set financial statements for the period 1/1/2022-31/12/2022.

4) Responsibility of the Board of Directors for the Annual Report

In accordance with the Turkish Commercial Code No. 6102 (“TTK”) (“articles 514 and 516”), the company management is responsible for the following issues under Annual Report:

- a) To prepare the annual report within the first three months following the balance sheet day and submit it to the General Assembly.
- b) To prepare the annual report to reflect the flow of the company's activities for related year and its financial position in every aspect in an accurate, complete, straightforward, fair and honest manner. In this report, the financial status is evaluated according to the financial statements. The report also clearly points out the development of the company and the risks it is likely to face. The board's assessment of these issues is also included in the report.
- c) The annual report also includes:
 - Events of special importance that occurred in the company after the end of the activity year,
 - The company's research and development work,
 - Salary, premiums, financial benefits such as bonuses, allowances, travel, accommodation and representation expenses, facilities cash or in kind, insurance, guarantees and so on paid to members of the board of directors and senior managers.

When preparing the annual report, the board also takes into account the secondary legislation arrangements made by the Ministry of Commerce and related institutions.

5) Responsibility of the Independent Auditor for the Independent Audit of the Annual Report

Our aim is to give an opinion on whether the financial information contained in the annual report and the investigations carried out by the Board of Directors are consistent with the audited financial statements of the Company and the information obtained during the independent audit and to prepare a report containing our opinion.

Our independent audit was conducted in accordance with BDS. These standards requires consistency with ethical provisions and fulfillment of the execution of the audit to reasonably ensure whether the financial statements in the annual report and the investigations carried out by the Board of Directors are consistent with the findings acquired during the audit or whether the information provided is true.

PwC Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.

Talar Gül, Auditor in
charge of SMMM

January 30, 2023
Istanbul, Turkey

QNB FİNANS FİNANSAL KİRALAMA A.Ş.

STATEMENT ON ANNUAL REPORT FOR 2022

QNB Finans Finansal Kiralama A.Ş. Annual Report for 2022 is prepared and presented in accordance with the Communiqué on Principles of Financial Reporting in the Capital Market published by The Capital Markets Board (II-14.1).

**ŞAHİN
ŞAHİNBAŞ**
Chairman

**ADNAN MENDERES
YAYLA**
Vice Chairman

**METİN
KARABİBER**
Member

**A.MURAT
ALACAKAPTAN**
Member

ENGİN TURHAN
Member

**BÜLENT
YURDALAN**
Member

FATMA DENİZ ERGEN
Member

KUBİLAY CİNEMRE
Member

CONTENT

▣	General Information	1-8
▣	Financial Rights provided to Board Members and Senior Executives	9
▣	The Company's Research and Development Work	9
▣	Company Activities and Important Developments Related to Activities	9 – 15
▣	Financial Status	16 – 17
▣	Risks and Board Evaluation	18 – 19
▣	Other (Corporate Governance Principles Compliance Report)	19 – 31

QNB Finans Finansal Kiralama A.Ş. in the Sector

One of the first established companies in the leasing sector, QNB Finans Finansal Kiralama A.Ş. (QNB Finansleasing) has been active in financing investments since 1990. As one of the leading companies in the sector, it is a principle to follow customer-oriented strategy and to develop new products specific to customers' sectors and businesses. QNB Finansleasing, one of the first leasing companies to start branches in Anatolia, analyzes the needs of SMEs on-site and today has a wide service network with a total of 14 branches, 1 of which is in the Free Zone.

GENERAL INFORMATION

Report refers to accounting period: 01.01.2022-31.12.2022

Title: QNB Finans Finansal Kiralama A.Ş.

Address: Esentepe Mahallesi, Büyükdere Caddesi Kristal Kule Binası, No:215 Kat:22 34394 Şişli, İstanbul

Tax Office and Number: Boğaziçi Corporate, 388 002 3213

Trade Registry Office and Number: İstanbul Trade Registry Office Registry no: 263846-0

Internet address: www.qnbfl.com

E - mail address: info@qnbfl.com

Mersis no: 0388002321300091

Branches

In addition to the Company Headquarters, the Company has following branches.

	Şube Adı	Adres	Telefon	Faks
1	İst. Atatürk Hava Limanı Serbest Bölge	Atatürk Hava Limanı Serbest Bölge 2. Kısım A Blok No:44/3 Bakırköy / İSTANBUL	0 212 349 11 58	0 212 350 60 58
2	İkitelli	NurolPark - 15 Temmuz Mah. Bahar Cad. J Blok Kat:8 Ofis No: 43 Bağcılar / İSTANBUL	0 212 470 71 03	0 212 350 60 12
3	Dudullu	Barbaros Mah. Mor sümbül sok. no:7 kat 15. Nidakule Ataşehir / İSTANBUL	0 216 526 14 10	0 212 350 60 11
4	İzmit	Körfez Mah. Ahmet Ergüneş Sok. No:13/2 İzmit / KOCAELİ	0 262 321 43 08	0 262 335 17 89
5	Bursa	Balat Mah. Sanayi Cad. No: 435/13 İnanlar Cadde Kat: 3 BURSA	0 224 362 84 70	0212 350 60 74
6	Ankara	Kızılırmak Mah. Dumlupınar Bul. A Blok no:9A/836 Çankaya / ANKARA	0 312 457 11 99	0 312 457 12 91
7	Adana	Çınarlı Mah. 61027 Sokak Sunar Nuri Çomu İş Merkezi, A Blok No:18/73 Seyhan/ ADANA	0 322 457 32 54	0 322 457 79 58
8	İzmir	Şehir Nevres Bulvarı No:8/1 Montrö / İZMİR	0 232 488 11 87	0 232 488 11 84
9	Antalya	Tarım Mah. Aspendos Bulv. No:92/1 Ata Plaza Kat:2 Muratpaşa / ANTALYA	0 242 311 18 41	0 242 311 18 40
10	Gaziantep	Zeytinli Mah. 79006 Sok. No:3/22 Şehitkamil / GAZİANTEP	0 342 232 11 51	0 212 350 60 15
11	Diyarbakır	Peyas Mah. Urfa Bulvarı Rema C Blok No:124/A Kayapınar / DİYARBAKIR	0 412 251 11 93	0 412 251 11 97
12	Gebze	Hacı Halil Mah. Zübeyde Hanım Cad. No:39/A Kat:1 Gebze / KOCAELİ	0262 643 38 31	0262 643 38 31
13	Konya	Fevzi Çakmak Mah. Hüdayi Caddesi No: 3/C Karatay / KONYA	0332 342 52 94	0332 342 38 11
14	Levent	Esentepe Mah. Büyükdere Cad. Kristal Kule Binası B Kule K:2 Şişli / İSTANBUL	0212 268 19 96	0212 268 65 27

a) Partnership Structure:

As of December 31, 2022 and 2021, the list of the shareholders and their share of capital is as follows:

(Thousand TL)	December 31, 2022		December 31, 2022	
	Amount	%	Amount	%
QNB Finansbank A.Ş.	114,308	99,40	114,308	99,4
Other	692	0.60	692	0.6
				0
Total thousand TL by historical value	115,000	100.00	115,000	100.0
Inflation effect	39.222		39.222	
Total	154,222		154,222	

As of December 31, 2022 and 2021, the shareholders' publicly traded shares total is 42.16%.

The company has no privileged shares.

The registered capital upper limit of the company is TL 575,000 thousand (December 31, 2021 – TL 575,000 thousand).

The company's commercial title, "Finans Finansal Kiralama Anonim Şirketi", was changed to "QNB Finans Finansal Kiralama Anonim Şirketi" with the registration of the 30.03.2018 dated General Assembly resolutions on April 6, 2018. The commercial title of main shareholder QNB Finansbank was changed from "Finans Bank A.Ş." to "QNB Finansbank A.Ş." with the registration of 17.01.2018 dated General Assembly resolutions on 19.01.2018.

3.434.632.224 shares with 34.346.322.24 TL nominal value owned by NBG on 08.02.2016 which corresponds to 29.87 % of paid capital of the Company, were acquired by QNB Finansbank A.Ş. (QNB Finansbank) over a total value of 128.111.782 TL from 3.73 TL price for 100 pieces of shares with 1 TL nominal value per share according to the determination of Borsa İstanbul A.Ş. Principals and Methods Regarding Wholesale Purchase Transactions.

As a result of the direct acquisition of QNB Finansbank shares by QNB on 15 June 2016, management control of the company was transferred indirectly to QNB. With this transaction, a Mandatory Share Purchase Offer obligation was created within the framework of the provisions of the Share Purchase Offer Communiqué II-26.1 of the Capital Markets Board.

As a result of the share transfer, QNB's share in the company's capital indirectly increased to over 97% and the right to sell the shares of other partners other than QNB became available within the framework of the Communiqué II-27.2 of the Capital Markets Board on the Rights to divest and Sell. Within the 3 months foreclosure period (16.06.2016-16.09.2016) starting from the share purchase date 15.06.2016, shareholders other than the dominant partner QNB have the right to sell their shares in the company. QNB Finansbank's share in the company's capital after right to sell claims is 81.41%.

On December 6, 2016, upon Finans Yatırım Menkul Değerler A.Ş. sale of its shares to QNB Finansbank, Finans Yatırım Menkul Değerler A.Ş. had no shares left in the Company and the Share of QNB Finansbank in the Company capital became 99.40%.

b) Number of Board Members, Senior Managers and Number of Staff

Number of Staff: 119

Members of the Board of Directors:

<u>Name-Surname</u>	<u>Title</u>
Sinan ŞAHİNBAŞ	Chairman of the Board of Directors
Adnan Menderes YAYLA	Vice President of Board of Directors
Metin KARABİBER	Board Member, General Manager
Engin TURHAN	Board Member
A. Murat ALACAKAPTAN	Board member
Bülent YURDALAN	Board Member
Kubilay CİNEMRE	Independent Member of the Board of Directors
Fatma Deniz ERGEN	Independent Member of the Board of Directors

Sinan Şahinbaş
Chairman of the Board of Directors

He graduated from TED Ankara College in 1984 and from Istanbul Technical University, Faculty of Engineering, and Department of Civil Engineering in 1988. He then obtained Master's Degrees in International Relations at Istanbul University and Finance at Yeditepe University. Şahinbaş started his professional career at QNB Finansbank in 1990 and held various positions in Treasury, Corporate Banking and credit departments until 1997. In 1997, he established representative offices in Turkey for QNB Finansbank (Suisse) SA and QNB Finansbank (Holland) NV. Şahinbaş started his career at Garanti Bank as head of Department in 1997 to establish a new risk management system for subsidiaries and was appointed deputy general manager of Garanti Bank (Holland) NV in the same year. After a year in office, Şahinbaş transferred to QNB Finansbank (Holland) NV as Deputy General Manager and served as the General Manager of the same bank between 1999 and 2001. Returning to Turkey in 2001, he started serving at QNB Finansbank A.Ş. as Chief Deputy General Manager and between 2003 (October) - 2010 (April) he served as the General Manager. Sinan Şahinbaş was appointed as the Vice Chairman of the Board of Directors of QNB Finansbank as of April 2010. Mr Şahinbaş has been appointed as a Member of the Board of Directors of QNB Finans Kiralama A.Ş. on March 23, 2011 and has served as Chairman of the Board between 01 June 2012 and 25 January 2022. Later on, Mr. Şahinbaş was appointed as the Chairman of the Board of Directors as of 30 June 2022.

Adnan Menderes YAYLA
Vice Chairman of The Board of Directors

He was born in Ankara in 1963. He graduated from Ankara University, Faculty of Political Sciences, and Department of Economics in 1985. He completed his MBA studies at the University of Illinois at Urbana-Champaign, USA from 1992-1994. Between the years of 1985-1995, he served as the Deputy Finance Inspector of the Ministry of Finance; between 1995-1996 at Privatization Department as the Head of Project Appraisal; between 1996-2000 at Price Waterhouse Coopers, Istanbul and London offices as Manager, Senior Manager and Partner; between the years of 2000-2008 as Deputy General Manager in charge of Financial control and Risk management at T. Foreign Trade Bank (Fortis). On 20 May 2008, he joined QNB Finansbank as Deputy General Manager and Group CFO. As of August 2008, he has been a member of the Executive Committee of QNB Finansbank and as Group CFO. Mr. Yayla was appointed as Member of the Board of Directors of QNB Finans Kiralama A.Ş., he held his office between March 31st, 2009-May 31st, 2012 and as of June 1st, 2012 he has been serving as the Vice President of Board of Directors.

Metin Karabiber
General Manager, Board Member

Born in 1961 in Adana, Karabiber graduated from the Department of Industrial Engineering of Çukurova University in 1982. He began his banking career at Interbank in 1985. He worked as a branch manager between 1990 and 1995 at İktisat Bank, between 1995 and 1997 at Demirbank, between 1997 and 1998 at QNB Finansbank A.Ş.. Between 1998-1999 he was Deputy General Manager at Sümerbank. He served as Regional Manager at Fortis Bank from 1999-2003; and as Deputy General Manager for Retail Banking-Sales at the same bank from 2003-2010. Metin Karabiber joined QNB Finansbank A.Ş. In October 2010 and assumed the position of Deputy General Manager of Commercial Banking until June 1st, 2016. Mr. Karabiber, served as Member of the Board of Directors between 8.11.2010-24.01.2013 at QNB Finans Kiralama A.Ş. . He was re-elected to the Board of Directors as of 29 March 2013. As of 1 June 2016, he serves as General Manager of QNB Finansleasing.

A. Murat Alacakaptan
Board Member

Born in 1963, Mr. Alacakaptan is a graduate of Istanbul University Faculty of Business Administration. He began his career as an Independent Auditor, working at Peat Marwick, Touche-Ross, Coopers & Lybrand respectively. Between 1990 and 1994, he was a Finance Manager at Aktif Finans Faktoring. He was Deputy General Manager of QNB Finansleasing from 1994 to 1998, then Deputy General Manager of Finans Deniz Leasing, and was appointed General Manager and Board Member of Finans Deniz Leasing in 1999. Mr. Alacakaptan joined QNB Finansleasing again in 2001 as General Manager and Board Member. As of 1 June 2016, he has left the post of managing director of QNB Finansleasing and currently serves as a member of the Board of Directors. Between December 2007-March 2011 he served as the Board Member of Fider (Financial Leasing Association) and at Finans Faktoring Board Member between June 2009-November 2010.

Engin Turhan
Board Member

Born in 1980, Turhan graduated from Marmara University, Faculty of Economics and Administrative Sciences, Department of Economics. He has a master's degree in International Political Economy and Business Administration. He started his banking career at Finansbank A.Ş in 2003 with the MT (Management Trainee) program. After working in different departments in the Credits department until 2005, Turhan moved to Project Finance, where he worked as an expert and manager in Project Monitoring, Project Evaluation, Corporate Finance and Syndication departments. After being appointed as the Corporate Banking Structured Finance and Syndication Group Manager in 2012, the Derivatives Sales function was also assigned to him in 2014 and he was appointed as the Director. In 2015, Commercial Banking was added to his existing functions, and as of June 2016, he served as Assistant General Manager responsible for Commercial Banking and Project Finance. As of January 2022, he continues to serve as the Assistant General Manager responsible for Obi and Commercial Banking, together with the Cash Management and Foreign Trade function.

Bülent Yurdalan
Board Member

He graduated from Eskişehir Academy of Economic and Commercial Sciences, Kütahya Faculty of Management Sciences in 1980. He started his banking career with Pamukbank in 1982 and continued with Citibank in Turkey. At QNB Finansbank A.Ş. which he joined at the beginning of 1988, he took senior positions in branch operations, Inspection Board, Treasury Operations, General Accounting, Internal Control Departments and some foreign and domestic Fiba Group banks. Yurdalan was appointed Chairman of the Board of Inspectors in 2003, and served as Chairman of Internal Systems between 2013 and 2018. Bülent Yurdalan was appointed as Member of Board of Directors at QNB Finans Faktoring A.Ş. as of September 2014. Mr. Yurdalan, is a Member of Board of Directors at QNB Finans Finansal Kiralama A.Ş. as of May 7, 2019 and also serves as the Chairman of Board of Directors at QNB Finans Finansal Kiralama A.Ş..

Fatma Deniz Ergen
Independent Member of the Board of Directors

Deniz Ergen, born in 1966; She graduated from Ege University Linguistics and an MSc in Systems Engineering from Istanbul Aydın University. She completed Koç University Management Program and Insead University Finance Certificate Programs for Bank Managers. She started banking at Interbank A.Ş in 1993; She worked at Denizbank in 1999 and then at Finansbank A.Ş between 2000 and 2009. In Finansbank; Branch Office, Aegean Regional Directorate of Retail Banking; She served as the Retail Banking Group Manager and finally the Assistant General Manager responsible for Branches Sales. Later, she worked as the Assistant General Manager in charge of Stores and Operations at MUDO Magazicilik A.Ş. and has been providing managerial consultancy, organizational relationship systems coaching, mentoring and trainer in her own company since 2014. She served as an Independent Board Member of Vefa Holding in 2016.

Kubilay Cinemre
Independent Member of the Board of Directors

Born in 1966, Cinemre graduated from Boğaziçi University, Department of Economics in 1987. He earned a master's degree from the same department in 1992. He started his banking career as an MT at İnter Bank in 1987, Cinemre worked at İktisat Bank and İmpex Bank in the field of treasury and capital markets. Having served as the Head of Department in Finansbank's Treasury Department in 1991, Cinemre started to work as Assistant General Manager at Alternatif Bank and General Manager at Alternatif Menkul Kıymetler. In 1997, he worked at Merrill Lynch International London as a director in emerging markets for 4 years. At the end of 2000, he became the Deputy General Manager of Garanti Bank Treasury and Capital Markets and Project Finance. He continued this duty until 2007. In 2007, Merrill Lynch Investment Bank and Merrill Lynch Menkul Değerler A.Ş. He founded the company and undertook the general management of both companies until 2011. In 2011, Fokus Investment Holding A.Ş. he founded. The Holding still continues its activities in the fields of portfolio management and renewable energy.

Auditor:

As of 31 December 2022, as per the Turkish Commercial Code, Capital Market Legislation and Banking Regulation and Supervision Agency regulations, PWC Independent Audit and Independent Accountant Financial Consultancy A.Ş. have been elected for the independent external audit company for the year 2022.

Audit Committee:

<u>Name-Surname</u>	<u>Title</u>
Kubilay CİNEMRE	President
Fatma Deniz ERGEN	Member

The Board of Directors unanimously decided to designate the audit committee as responsible for financial reporting in accordance with Article 9, paragraph 2 of the "Communiqué on Principles of Financial Reporting in Capital Markets" published in the Official Gazette No. 28676 dated 13 June 2013.

Corporate Governance Committee:

<u>Name-Surname</u>	<u>Title</u>
Kubilay CİNEMRE	President
A. Murat ALACAKAPTAN	Member
Selim MURAT	Member

The duties of the Remuneration Committee and Nominating Committee are carried out by the Corporate Governance Committee.

Committee on Early Detection of Risk:

<u>Name-Surname</u>	<u>Title</u>
Fatma Deniz ERGEN	President
A. Murat ALACAKAPTAN	Member

Early Detection of Risk Committee; as per the article 4.5.1. of the communique (serial: IV, NO:63-Article 6) on amendment on the communiqué on Determination and Implementation of Corporate Governance Principles (serial: IV, No:56), published in the official gazette dated 22 February 2013 and numbered 28567, with 15 April 2013 dated 962 numbered resolution of Board of Directors it is decided to restructure as a separate committee.

Sustainability Committee:

<u>Name-Surname</u>	<u>Position</u>
Metin KARABİBER	Chairman
Semra KARSU	Member
Ateş YENEN	Member
Fatih KZILTAN	Member

By resolution of the Board of Directors dated June 23, 2021, numbered 1286, it was decided that the Sustainability Committee would be structured as a separate committee in accordance with Corporate Governance Communiqué No. II -17.1.

QNB Finans Finansal Kiralama A.Ş. Senior Management

<u>Name-Surname</u>	<u>Title</u>	<u>Professional Experience</u>
Metin KARABİBER	General Manager Board Member	37 years
M. Fatih KIZILTAN	Deputy General Manager - Assistant General Manager Credits	35 years
Semra KARSU	Deputy Chief Financial Affaris and Operations	33 years
Ateş YENEN	Assistant General Manager Marketing and Sales	29 years

Metin KARABİBER

General Manager – Member of the Board of Directors

CV information is given among the Members of the Board of Directors.

Semra KARSU

Assistant General Manager-Financial Affairs/Operation

Born in 1967, Mrs. KARSU graduated from Notre Dame de Sion High School and then from Istanbul University Faculty of Business Administration, and she earned a Master's Degree in Business Administration from the same university. She started her career at Garanti Leasing in 1990. Mrs. Karsu joined QNB Finansleasing in 1996 as Director of Financial Control and Accounting. She was appointed Group Director in 1999 and Deputy General Manager in 2002 and is responsible for the Financial Control & Accounting, Finance, Operations, Credit Monitoring, Information Technology and Legal Departments.

M. Fatih KIZILTAN

Assistant General Manager – Credits

Born in 1957, Mr. Kızıltan is a graduate of Marmara University Faculty of Business Administration. He started working as a Credit Risk Control Specialist at Yapı Kredi Bank. He joined QNB Finansleasing in 1990. In February March 2000, he was appointed Group Director of the Credits Department and in March 2008 he was appointed Deputy General Manager in charge of credits. Mr. Kızıltan has been serving as the Deputy General Manager as of October 2022.

Ateş YENEN
Assistant General Manager-Marketing and Sales

Born in 1969 YENEN graduated from TED Ankara College and then from Hacettepe University, Department of Economics. He started his career at the İktisat Bank in 1993. Mr. YENEN started his career at QNB Finansbank in 2000 and was appointed as Corporate Banking Group Manager in 2008 after serving as Ankara Corporate Branch Manager. He was the Group Manager of QNB Finansbank Large Commercial Banking Sales and Strategy Management and Trade Finance between 2010 -2012. Ateş YENEN was appointed Deputy General Manager for sales at QNB Finansleasing in 2012.

There is no process done within the framework of the permission granted to Members of the Board of directors in accordance with Turkish Commercial Code Articles 395th and 396th.

FINANCIAL RIGHTS PROVIDED TO BOARD MEMBERS AND SENIOR EXECUTIVES

As of December 31, 2022, the total amount of fees and benefits paid to senior executives was 11.169 thousand Turkish Liras (December 31, 2021 – 7.158 thousand TL). Board of Members in charge at QNB Finansbank A.Ş were paid monthly 8.070 TL gross wage between 1 January – 31 March 2022, Independent Board Members were paid monthly 9.170 TL net wage, other Board Members were paid monthly 4,780 TL net wage, and it was resolved unanimously to pay 10.500 TL to each Board of Member in charge at QNB Finansbank A.Ş.; to pay 11.900 TL net wage monthly to each Independent Board Member, to pay 6,250 TL net wage monthly to each of other Board Members upon the resolution adopted at the General Assembly dated 31 March 2022.

THE COMPANY'S RESEARCH AND DEVELOPMENT WORKS

The Company is engaged in research and marketing activities in order to increase its market share.

COMPANY ACTIVITIES AND IMPORTANT DEVELOPMENTS RELATED TO ACTIVITIES

a) Internal Control System and Audit Activities

Internal control system was established in order to carry out Company activities in accordance with Law of Leasing, Factoring and Financing Companies no: 6361 and other relevant legislation, intracompany policy, rules and customs, and to provide the obtaining of information in a timely manner. The Company's Internal Audit and Internal Control personnel provide assurance and consultancy services that the internal control system is functioning at a sufficient level. Both control functions are carried out under the supervision of the Board of Directors through the Audit Committee. Process audits under risk-based annual plan and internal control activities under quarterly periods are carried out and information is given about results of activities at Audit Committee meetings held every 6 months.

b) Information on the Company's Own Shares Acquired

The Company did not have its own share acquired during the 2022 fiscal period.

c) Subsidiaries

The Company does not have a subsidiary in which it has a share directly or indirectly.

d) Private and Public Audit Activities

The company is audited by an independent audit firm at the end of the period in June, and in a full scope at the end of the year. In addition, the Banking Regulation and Supervision Agency (BDDK) audit started in the company in 2021 and this audit is still continuing as of the date of the publication of the annual report. In 2022, an audit was carried out by the Financial Crimes Investigation Board on “decisions on freezing of assets and applications of international banned lists”.

e) Information about the Lawsuits Filed Against the Company

There are no lawsuits filed against the Company and that could affect the financial position and activities of the Company.

f) Administrative and Judicial sanctions

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

g) Donations and Grants

Our company has donated 160.275 TL between 01.01.2022 and 31.12.2022 on various dates.

h) Corporate Community Information

In the 2022 operating year, there are no measures taken or avoided for the benefit of the holding company or a company affiliated to it. Transactions and amounts belonging to the holding company and its subsidiaries are given in the article 24nd of the attached Financial statements report dated 31 December 2022. No countermeasures have been provided in relation to these transactions, nor has the company been harmed, so there is no compensation for the damages.

i) Legislative Changes That Could Significantly Affect Company Operations

None.

j) Events of Special Importance That Occurred in the Company After the End of the Year of Operation

None.

k) Extraordinary General Assembly meeting Held During the Term

None.

I) Ordinary General Assembly meeting Held During the Term

**31 MARCH 2022 DATED
QNB FİNANS FİNANSAL KİRALAMA ANONİM ŞİRKETİ
ORDINARY GENERAL ASSEMBLY MEETING
MINUTES**

The Ordinary General Assembly of QNB Finans Finansal Kiralama Anonim Şirketi for 2021 was held on 31.03.2022 at 11:00 am at Esentepe Mah. Büyükdere Cad. Kristal Kule Binası No: 215 Kat: 22 Şişli, İstanbul under the supervision of Mr. Emrah Gözeller, the Representative of the Ministry assigned with the letters dated 30.03.2022 and numbered 73303070 issued by the T.R. Ministry of Commerce İstanbul Provincial Directorate of Commerce.

Invitation to the meeting was announced including the agenda items and as stipulated at laws and articles of incorporation at the Turkish Trade Registry Gazette dated 03.03.2022 and no: 10529 and Hürses Newspaper dated 04.03.2022 and No. 15723, at the Company's www.qnbfl.com website, at Public Disclosure Platform on 28.02.2022 and also at Electronic General Assembly System of Merkezi Kayıt Kuruluşu A.Ş.

From the audit of the list of participants, it is seen that out of 11.500.000.000 shares of corresponding to total 115.000.000 TL capital of the company, 114.308.442, 339 TL represented by proxy and 5,00 TL by personnel representation; of the shares corresponding to a total of 114,308,449,339 TL which met the quorum set forth by related Law and Articles of Incorporation, the meeting was opened both in physical and electronic environment and the negotiation of agenda is commenced.

Agenda items were read within the scope of Article 9 of the Internal Directive on Operating Principles and Procedures of the General Assembly. Mr. Adnan Türkkan, asked if there was a proposal for an amendment to the order in which the agenda items to be discussed. Since there was no proposal from the participants in the meeting for this matter, the agenda items were began to be discussed.

1- It was unanimously decided to elect Adnan Türkkan as the Chairman of the Meeting, Kenan Kahraman as the Vote Collector and Sunay Cambaz as the record writer, and to authorize the meeting committee to sign the meeting minutes.

2- Annual Report of the Board of Directors for the year 2021 was presented at the Public Disclosure Platform (KAP), at Company website www.qnbfl.com on the website, Electronic General Assembly System of the Merkezi Kayıt Kuruluşu A.Ş. Due to the fact that the annual report has been submitted, the motion regarding the approval of the annual report was submitted to the approval of the General Assembly, the motion was unanimously decided.

3- The Independent Auditor's Report for the year 2021 was presented at the Public Disclosure Platform (KAP), at Company website www.qnbfl.com on the website, Electronic General Assembly System of the Merkezi Kayıt Kuruluşu A.Ş. to shareholders to examine and give opinion, the report was deemed as read, proposed to the approval of General Assembly and accepted unanimously. The "opinion" part of the Company's Independent Auditor's report for 2021 was read. Mr. Uğur Gögütler, the representative of Our Company's Independent Auditor, PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. was present at the meeting.

4- The Financial Statements audited by PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. as stated in the annex of 2021 Annual Report of Board of Directors of the Company, was presented at the Public Disclosure Platform (KAP), at Company website www.qnbfl.com on the website, Electronic General Assembly System of the Merkezi Kayıt Kuruluşu A.Ş. shareholders to examine and give opinion and was prosed to deem the financial statement as read and read only the main items of Balance Sheet and Profit/Loss Accounts, the proposal was unanimously accepted. As a result of the voting, it was unanimously decided to approve the financial statements for 2021.

5- As a result of the vote, it was unanimously decided to release the Members of the Board of Directors separately for the activities, transactions and accounts of the Company in 2021.

6- With respect to the profit generated due to the 2021 activities declared in the financial statements dated 31.12.2022 prepared as per the 28.02.2022 dated 1310 numbered resolution of board of directors of our Company in compliance with regulation, communique and circulars published by Banking Regulation and Supervision Agency regarding accounting and financial reporting principals, and explanations announced by Banking Regulation and Supervision Agency and audited by PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. to accept the attached profit distribution proposal (Annex-1) prepared in compliance with Capital Market Board legislation and profit distribution policy of our Company.

The company's net distributable profit for 2021 after deducting taxes of TL 76.486 thousand from the profit for the period of TL 278.022 thousand in the financial statements of 31.12.2021 is allocated as an excess reserve of TL 201.536 and to authorize the Board to Directors regarding the use of reserves.

7- The Board of Directors of Mr. Erkin Aydın and Mr. Engin Turhan, who were appointed to the Board Memberships vacant with the resignation of Mr. Sinan Şahinbaş and Mr. Osman Ömür Tan during the period, pursuant to Article 363 of the Turkish Commercial Code, to serve during the term of their predecessors. Their membership was approved unanimously.

8- From April 1 2022, it was resolved unanimously to pay 10,500TL(attendance fee) to each Board of Member in charge at QNB Finansbank A.Ş.; to pay 11,900TL(attendance fee) net wage monthly to each Independent Board Member, to pay 6,250TL(attendance fee) net wage monthly to each of Board Members.

9- As per the Turkish Commercial Code, Capital Market Legislation and Regulations of the Banking Regulation and Supervision Agency, the Board of Directors unanimously elected PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. as the independent audit company, for the independent audit of activities and accounts in the year 2022 at the meeting dated 09/03/2022.

10- Between 01.01.2021 and 31.12.2021, our Company made a total donation of 51,750 TL to various foundations on various dates. In line with the motion, it was decided unanimously that the upper limit on donations that can be made by the Company in 2022 should be set at TL 150,000 TL in accordance with the legislation relating to the Capital Markets Law.

11- It was unanimously decided to to permit the Board Members about transactions stipulated in articles 395 and 396 of Turkish Commercial Code.

12- Information was given about the procedures conducted in 2021 under 1.3.6. numbered article of "Corporate Governance Principles" the Annex to Corporate Governance Communiqué II-17.1 of the Capital Markets Board. Except for the transactions carried out within the limits of the provisions of the law and related legislation in 2021; not significant transaction leading a conflict of interest between the Company or its affiliates in relation with the shareholders, board members, senior managers who are in control of management and their spouses and second degree relatives, nor have any transactions carried out in the the field of business of the Company or its affiliates on its own or others behalf, nor participation to another Company with limited liability within the same field of business is realized.

13- As no other issues remained on the agenda, the Chairman greeted attendants with respect and ended the meeting.

**Annex-1
PROFIT DISTRIBUTION
TABLE**

Dividend Distribution Table of FİNANS FİNANSAL KİRALAMA A.Ş. for 2021 (thousand TL)			
1. Paid / Issued Capital			115.000
2. General Legal Reserve (According To Legal Records) (*)			23.000
If there is a concession in profit distribution in accordance with the articles of association, information on the concession in question			
		According To CMB	According to Legal Records (LR)
3.	Profit For The Period	278.022	278.022
4.	Taxes (-) (**)	76.486	76.486
5.	Net Profit For The Period (=)	201.536	201.536
6.	Losses Of Previous Years (-)	-	-
7.	General Legal Reserve (-) (***)	-	-
8.	NET DISTRIBUTABLE PROFIT FOR THE PERIOD (=)	201.536	201.536
9.	Donations Made During The Year (+)	52	
10.	Net Distributable Profit With Donations Added	201.588	
11.	First Dividend To Shareholders	-	
	- Cash	-	
	- Free of Charge	-	
	Total	-	
12.	Dividend Distributed To Privileged Shareholders	-	
13.	Other Dividends Distributed	-	
	- Members Of The Board Of Directors,		
	- Employees		
	- To Persons Other Than Shareholders		
14.	Dividend Distributed To Usufruct	-	
15.	Second Dividend to Shareholders	-	
16.	General Legal Reserve	-	
17.	Statutory Reserves	-	
18.	Special Reserves	-	
19.	EXCESS RESERVE 140140	201.536	
20.	Other Sources Projected to be Distributed	-	

(*) According to the legal records, the total of the General Legal Reserve(TTK article 519 (1)) has been written.

(* *) As it is considered by the Banking Regulation and Supervision Agency that the income amounts related to deferred tax assets cannot be considered as cash or internal sources and therefore the portion of the profit arising from the said assets should not be subject to profit distribution and capital increase, as of December 31, 2021, 100.586 thousand TL of deferred tax income arising from the company's deferred tax assets which is included in the above stated net period profit shall not be subject to tax income distribution but shown in excess reserves.

(* * *) The amount of General Legal Reserve (TTC article 519 (1)) has not been allocated from the profit in 2021 as the Company has reached 20% of its paid-in capital.

Dividend Ratios of FİNANS FİNANSAL KİRALAMA A.Ş. for 2021

	GROUP	TOTAL DISTRIBUTED DIVIDEND		TOTAL DISTRIBUTED DIVIDEND / NET DISTRIBUTABLE	PROFIT SHARE WITH A NOMINAL VALUE OF TL 1	
		CASH (TL)	FREE (TL)	Ratio (%)	AMOUNT (TL)	Ratio (%)
NET	A					
	B.					
	TOTAL	-	-		-	-

FINANCIAL POSITION

Share Certificate Performance

FFKRL Share Price Chart for 2022 - TL



Financial indicators (thousand TL)

Leasing Receivables, net	14.026.383
Total Assets	16.857.635
Shareholders' Equity	1.636.294
Profit for The Period	401.554

Financial Ratios

	31.12.2022	31.12.2021
Return on Equity	% 28,2	% 17,9
Return on Assets	% 2,8	% 2,1
Debt to Equity	8,8	8,7

Ratings

According to the latest rating report by credit rating agency Fitch Ratings dated January 13, 2023, the Company's long-term foreign currency borrowing rating is B-; Outlook is "Negative" and long-term local currency borrowing rating is B-; Outlook is "Negative". National Long Term Rating is AA (tur) and Outlook is "Stable".

Strategic Objectives of Our Company

The mission of our Company is to be the leading company in the sector in efficiency and profitability. Strategic targets to realize this goal are customer orientation, working with expert personnel, rapid answer to customer requests with advanced technological infrastructure and increasing the speed of transactions, focusing on investment demands of SMEs and micro-size enterprises and optimal structuring of distribution of investments on regional, sectoral and company basis. In addition to carrying out marketing and informing activities to have leasing used increasingly in investment financing, the Company also has a strategic target to raise such personnel who will enable the Company to reach its goals.

The Board of Directors reviews and approves the strategic objectives established by the directors and the extent to which they achieve these objectives at the monthly executive meetings where the Company's activities are discussed. In these meetings, Company performance is measured, market conditions are evaluated and targets are revised in accordance with changing market conditions if necessary.

Dividend Policy

The principles regarding the distribution of profits of our Company are determined by taking into account the relevant articles of the articles of association, the provisions of the Turkish Commercial Code, The Capital Market Law and other relevant legislation. The dividend distribution is decided upon by the General Assembly in accordance with the proposal of the Board of Directors.

In determining the profit distribution policy, the Company's financial results for the related year, current economic conditions, etc. is effective. In the event that profit distribution is decided, the distribution rate is determined by the General Assembly in such a way as not to be contrary to the provisions of the relevant legislation and the articles of association of the Company. Dividends are distributed in the form of cash and/or recorded shares.

The profit distribution policy is changed by taking a decision of the Board of Directors on the condition that the reason for the change is stated and it is announced to the public within the framework of the Board's regulations regarding the disclosure of special cases to the public.

There are no privileged shares in profit sharing.

Cash dividend distribution is carried out until the end of the third month from the date of the General Assembly meeting at the latest when the distribution decision is made. The distribution of dividends in the form of bonus shares is carried out following the approval of the legislation.

Our Company does not distribute profit share advance and there is no regulation related to the matter in the Company's articles of association.

RISKS AND THE ASSESSMENT OF THE BOARD OF DIRECTORS

Information on the Company's risk management policy is evaluated in the sub-titles below.

Credit Risk

Credit risk is the risk that the other party will suffer financial loss as a result of the failure by one of the parties having a mutual relationship to meet its obligations in relation to a financial instrument. The Company strives to manage credit risk by limiting transactions with certain parties and by continuously evaluating the credibility of the parties it is involved with. The financial structures of the customers are examined based on account status documents and other information obtained in accordance with the relevant legislation. Credit risk density occurs when certain companies operate in similar business areas, are located in the same geographical area, or are similarly affected by changes in economic, political and such other conditions. Credit risk density indicates the Company's sensitivity to developments affecting a particular industry branch or geographic region. The Company tries to manage the credit risk by not concentrating its lending activities on a particular sector or geographic region. The Company also receives guarantees from its customers when it deems it necessary.

Market risk

It is the risk of the Company being adversely affected by fluctuations in interest rates, foreign currency exchange rates, inflation rates and prices in the market.

The Company is exposed to exchange rate risk, interest rate risk and liquidity risk while meeting the needs of its customers as a leasing company.

In order to keep the risks associated with the exchange rate and interest rate under control, the Company conducts forward foreign exchange contracts and interest rate swaps.

Liquidity risk

Liquidity risk is the risk that, as a result of a change in cash flow, there may not be enough cash available or cash inflows to meet cash outflows in full and on time. The Company monitors liquidity risk on a daily basis. As a countermeasure to this risk, the Company diversifies its financing sources and manages its assets with liquidity priority.

Exchange rate risk

Assets and liabilities denominated in foreign currencies make the company exposed to foreign currency risk together with trading commitments. The company uses derivative instruments when necessary to manage risks and compare future purchases and sales for each currency type.

Interest rate risk

Interest rate risk arises out of the possibility that changes in interest rates will affect financial statements. The Company is exposed to interest risk due to timing mismatches or differences in assets and liabilities that will be due or repriced in a given period. The loss that the Company may incur due to movements in interest rates depending on position status is managed by the Asset/Liability Committee and derivative contracts are used to limit interest risk.

Activities of Early Detection of Risk Committee

In accordance with the Turkish Commercial Code No. 6102 and the Corporate Governance Communiqué No. II-17.1 of the CMB, an Early Detection of Risk Committee was established by the resolution of the Board of Directors dated 15.04.2013. As of 31 December 2022, the Committee held meetings every 2 months (6 sessions) in accordance with legislation. Within the scope of the meetings, the Company's exposure or potential risks were assessed and it was examined whether the tolerance limits determined were exceeded.

Members of the Board of Directors are informed about sales, productivity, portfolio analysis, financial statements and profitability within the scope of executive reports prepared at the Board of Directors meetings held every month.

CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT

1.Statement of Compliance with Corporate Governance Principles

The implementation of the Corporate Governance Principles is of great benefit to the development of national and international capital markets and the Company's interests. The statement of Compliance with the Corporate Governance Principles by the company has been prepared within the framework of the Corporate Governance Principles published by The Capital Markets Board.

Our Company aims to ensure maximum compliance with these principles and studies are carried out in this manner. The adoption efforts to principals that are of exceptional nature and not yet implemented are going on and detailed information on adopted Corporate Governance Principals are explained under the sections titled Shareholder's of Compliance Report, public disclosure and transparency, stake holders and Board of Directors.

The work carried out in order to comply with the Corporate Governance communiqué II – 17.1 in the period 2012-2014 is listed below.

- Independent Board Members were elected and the structure of the Board was updated.
- The members of the Corporate Governance and Audit Committees were selected from among the independent and non-executive members in accordance with the communiqué.
- The members of the Corporate Governance Committee carried out the functions of the Early Detection of Risk, the Pricing Committee and the Nominating Committee.
- The Pricing Policy has been developed and disclosed to the public on the Company's website.
- Information Policy and Profit Distribution policy are listed on the Company's website.
- The Articles of Incorporation was amended in consideration of the mandatory principals.
- The content of the Company's website has been updated in accordance with the Communiqué.

As per the article 4.5.1. of the Communiqué (serial: IV, NO:63-article 6) on amendment of "Communiqué on Determination and Implementation of Corporate Governance Principles (serial: IV, No:56)" which entered into force upon publishing in the official gazette dated 22 February 2013 and numbered 28567 " it was decided by the 15 April 2013 dated 962 numbered Board of Directors resolution to organize the Early Detection of Risk committee a seperate Committee.

"Dividend Communiqué II-19.1" prepared to comply with the regulations of 6362 Numbered Capital Market Law entered into force upon promulgation on 30.12.2012 dated 28513 numbered Official Gazette, was entered into force on 01.02.2014. In order to comply with the related communiqué, our Company's "Dividend Distribution Policy" was updated and approved at the General Assembly dated 31.03.2014. In addition, within the scope of the same law, the "Disclosure Policy" has been updated in accordance with the Special Cases communiqué No.II-15.1 published in the Official Gazette dated 23.01.2014 and posted on the Corporate website of our company.

After the update on 03.01.2014 II-17.1 numbered Corporate Governance Communiqué The Investor Relationship Unit structure has been updated.

As QNB Finans Kiralama A.Ş., sustainability is defined as providing long-term financial, environmental, social and ethical value for the benefit of customers, shareholders, employees and society in line with the sustainability strategy of the QNB Group. With the awareness that we should reflect our responsibilities towards society and the environment in our activities, our company has accelerated its actions on sustainability and established its procedures / policies in 2022.

Within the framework of our sustainability approach, the Sustainability Committee was established by focusing on the needs of the future, the environment, our business and our human resources. Thus, in 2022 and beyond, environmental, economic and social sustainability factors should be observed as a whole in company management and product and service processes; we will ensure that the risks and opportunities related to these factors are managed effectively.

PART I-SHAREHOLDERS

2. Investor Relations Unit

In order to facilitate the exercise of shareholder rights and to ensure communication between the Board of Directors and shareholders, the Investor Relations Unit affiliated to the Corporate Governance Committee has been established. Principal duties of the Shareholder Relations Unit;

Ensure that records relating to shareholders are kept wholesome, safe and up to date,

Except for information about the Company that is not publicly disclosed, confidential and trade secret, to respond to written requests for information about the Company,

To ensure that the General Assembly meeting is held in accordance with applicable legislation, articles of association and other internal regulations,

To prepare documents that shareholders can benefit from at the General Assembly meeting,

To ensure that the voting results are recorded and that reports on the results are sent to shareholders,

To monitor and follow all matters relating to public disclosure, including legislation and the Company's disclosure policy,

Contact information of the employees who worked in the said unit between 01.01.2022 – 31.12.2022 is given below:

First and Last Name	Tel.	E-Mail
Selim Murat	0212 349 13 30	selim.murat@qnbfl.com
Sunay Cambaz	0212 349 11 80	sunay.cambaz@qnbfl.com
M. Zuhale Etiloy Keleş	0212 349 11 35	zuhale.etisoy@qnbfl.com

Questions from investors during the period were answered by people whose contact details given above.

3. Exercise of Shareholders' Right to Acquire Information

It is certain that shareholders and stakeholders need access to regular and reliable information regarding the management, financial and legal status of the company. In line with the principle of public disclosure and transparency, all information other than trade secrets is impartially disclosed to the public. This disclosure is made by means of independently audited periodic annual interim financial statements and footnotes thereto and public disclosure statements. This information is also posted on the Company's website.

There was no request for the appointment of a special auditor by shareholders during the period. In order to protect the confidentiality of information which is of trade secret nature or which has not yet been made public, it is considered that the issue of regulating the request for the appointment of a special auditor as an individual right in the articles of association will be evaluated in the future depending on developments.

4. General Assembly Information

Ordinary General Assembly meeting held on 31 March 2022;

The Ordinary General Assembly meeting of QNB FİNANS FİNANSAL KİRALAMA A.Ş for 2021 is held on 31 March 2022, at 11.00 am at Esentepe Mah. Büyükdere Cad. Kristal Kule Binası No:215 Kat:22 Şişli, İstanbul under the supervision of Mr. Emrah Gözeller, the representative of the Ministry assigned with the letters dated 30.03.2022 and numbered 73303070 issued T.R. Ministry of Commerce İstanbul Provincial Directorate of Commerce.

Invitation to the meeting was announced including the agenda items and as stipulated at laws and articles of incorporation at the Turkish Trade Registry Gazette dated 03.03.2022 and no: 10529 and Hürses Newspaper dated 04.03.2022 and No. 15723, at the Company's www.qnbfl.com website, at Public Disclosure Platform on 28.02.2022 and also at Electronic General Assembly System of Merkezi Kayıt Kuruluşu A.Ş.

From the audit of the list of participants, it is seen that out of 11.500.000.000 shares of corresponding to total 115.000.000 TL capital of the company, 114.308.442,339 TL represented by proxy and 7,00 TL by personel representation; of the shares corresponding to a total of 114,308,449,339 TL which met the quorum set forth by related Law and Articles of Incorporation, the meeting was opened both in physical and electronic environment and the negotiation of agenda is commenced.

5. Voting Rights and Minority Rights

There is no concession application for voting in the articles of association of our Company. Minority shares are not represented in our company management and no cumulative voting method is applied. Companies that are in mutual subsidiaries vote in the General Assembly.

6. Dividend Right

The principles regarding the distribution of profits of our Company are determined by taking into account the relevant articles of the articles of association, the provisions of the Turkish Commercial Code, The Capital Market Law and other relevant legislation. The dividend distribution is decided upon by the General Assembly in accordance with the proposal of the Board of Directors.

In determining the profit distribution policy, the Company's financial results for the related year, current economic conditions, etc. is effective. In the event that profit distribution is decided, the distribution rate is determined by the General Assembly in such a way as not to be contrary to the provisions of the relevant legislation and the articles of association of the Company. Dividends are distributed in the form of cash and/or recorded shares.

The profit distribution policy is changed by taking a decision of the Board of Directors on the condition that the reason for the change is stated and it is announced to the public within the framework of the Board's regulations regarding the disclosure of special cases to the public.

There are no privileged shares in profit sharing.

Cash dividend distribution is carried out until the end of the third month from the date of the General Assembly meeting at the latest during which the distribution decision is made. The distribution of dividends in the form of bonus shares is carried out following the approval of the legislation.

Our company does not distribute profit share advance and there is no regulation in this respect in the Company's articles of association.

7. Transfer of Shares

The Company's articles of association do not contain provisions restricting the transfer of shares.

PART II-PUBLIC DISCLOSURE AND TRANSPARENCY

8. Information Policy

The purpose of our disclosure policy is to ensure that information outside the scope of trade secrets is communicated to shareholders, investors, employees, customers, creditors and other parties on an equal basis in a full, timely, accurate, understandable, easy and accessible way at the lowest cost. The disclosure policy is published on the Company's website.

Information is transferred to the public through the Public Disclosure Platform (cap) in accordance with the Special Cases Communiqué II-15.1 of the Capital Markets Board (CMB) within the framework of the disclosure policy established by QNB Finans Kiralama A.Ş. The Company's financial statements are periodically disclosed to the public in quarterly periods and audited in relevant periods.

The names and duties of the persons responsible for the execution of the information policy are given below.

First and Last Name	Title	E-Mail
Selim MURAT	Internal Audit Manager	selim.murat@qnbfl.com
Sunay Cambaz	Manager Accounting Group	sunay.cambaz@qnbfl.com
M. Zuhale Etisoy Keleş	Manager Financial Control	zuhale.etisoy@qnbfl.com

9. Company Website and Content

Our company website address www.qnbfl.com the English version of the site is also available. The company's website is actively used for information and public disclosure. The website contains information and data provided by the Corporate Governance Principles.

In addition, in accordance with article 1524 of the Turkish Commercial Code and the Regulation on the Websites to be opened by Capital Companies, under the "Investor Relations" section, the section entitled of "Information Society Services QNB Finans Finansal Kiralama A.Ş. " is created. The section of the website dedicated to Information Society services is accessible to all.

10. Annual Report

All of the information listed in the corporate governance principles are included in the annual reports.

PART III-STAKEHOLDERS

11. Informing Stakeholders

The stakeholders are defined as any individual, institution or interest group who are related to activities and achieving the goals of the Company and includes shareholders, employees, creditors, customers, suppliers, various ngos, state and even potential account owners.

In order to ensure that stakeholders are informed, our Company conducts its activities honestly, reliably and publicly within the framework of the principles of public disclosure.

The Company's audited financial statements are periodically disclosed to the public in quarterly periods and important developments related to the Company's activities are also disclosed to the public through special case notification forms in accordance with the principles of public disclosure. In addition, by organizing in-house meetings, employees are provided with information about the developments in matters of interest to them.

In order for stakeholders to communicate the company's illegal and ethically inappropriate transactions to the Audit Committee and the Internal Audit Director, "notice form" application has been created on the site www.qnbfl.com.

12. Participation of Stakeholders In Management

An internal customer recommendation – follow-up model has been established for the participation of stakeholders in the management of the company and has started to be implemented in the period of December 2016-January 2017. Moreover, the participation of the employees in the management of the Company is ensured by the meetings and by the powers and responsibilities given in accordance with their job descriptions. In addition, detailed studies on promotion and performance measurement are carried out and employees are treated equally and their promotions are made in line with their performance. Employees are provided with training to increase their knowledge, skills and manners. In addition, the brokerages are provided with explanatory information about the Company if they request it.

13. Human Resources Policy

Aware of the importance of human resources in terms of realization and development of Company activities in the best manner; the main principals of Company human resources is determined as follows;

- To employ individuals with high personal and professional qualifications in our staff.
- Increasing the working efficiency by creating contemporary and healthy working spaces.
- To apply the participatory management approach within the Company.
- To ensure that employees receive the necessary training in order to increase their professional knowledge and gain the corporate culture.
- To make career planning based on performance.

The Human Resources Manager and the General Manager are responsible for the relations with the employees. There were no complaints of discrimination from employees during the period. The job descriptions of all company employees are determined in writing and the performance criteria are determined on the basis of title and duty and announced to the personnel.

14. Ethical Rules and Social Responsibility

There are no lawsuits filed against our company for damages to the environment during the period. Care is taken to ensure that the funded projects comply with the relevant legislation in terms of Environment and Public Health.

QNB Finansleasing expects its staff to comply with the company's core principles and code of ethics set out below. These rules of ethics are disclosed to the public through the website in periodic annual reports.

I - Compliance with the law

Company employees;

1. Act honestly, conduct in accordance with the financial leasing code of ethics and to avoid actions that would damage the reputation of the Company.
2. Perform their responsibilities in accordance with laws, regulations and internal regulations of the company (procedure, instructions, service summaries, authority-responsibility instructions).
3. Responsible for the complete, accurate, factual, understandable and timely delivery of the reports that the Company has to submit to the authorities and the public.
4. In any case, they cannot assist or cooperate with clients involved in the money laundering; they examine and refrain from conducting transactions that they know or have probable cause to suspect are related to the laundering and/or the financing of terrorism. All company employees comply with this rule and do not allow transactions that may damage the company's reputation.

5. To inform the Internal Audit Department and the Company Audit Committee of fraud, fraud attempts and illegal practices (such as laundering, tax evasion, or financing of terrorism) they learned or suspected. This information may be transmitted in writing or electronically, as well as to the Legal Counsel, the Director of Internal Audit, using the following mobile phone numbers without any time restrictions. In this way, the identities of the notifying persons are kept secret and necessary measures are taken to ensure that they do not suffer any victimization.

Legal Counsel	Adnan Türkkan	0532 322 51 42
Internal Audit Manager	Selim MURAT	0533 607 37 65

II - Protecting the Company's Goods and Values

Company employees;

1. They are obliged to protect the company's goods and values and to use them efficiently and in accordance with their purpose. The relevant personnel are responsible for the damage caused by careless use and the unnecessary waste of resources.
2. They are obliged to prevent the misuse of Company resources or use for personal benefit. They cannot use Company resources, information, relationships and position for personal benefit.
3. While using the e-mail address given to them by the company, they act with the awareness that they are company personnel during communications with people outside the Company and give due attention to the content and language of these messages.
4. They cannot give away the password that belongs exclusively to them for use in the Company's computer system, they cannot take and use the password that belongs to someone else, they cannot leave their personal computers open with the password entered.
5. The Company shall not employ its personnel for private business except for the Company related business, nor shall they use the Company's securities and real estate, which are not exclusively for their own use, for personal interests and private business except for the purpose.
6. They can't make the Company pay the expenses they have to pay in person.
7. They take care not to leave any information, documents, files, computer printouts and similar items on the desk even if they have been away from their desk for a few minutes to prevent unauthorized access.
8. They control all kinds of financing, buying, selling and other transactions carried out on behalf of the Company according to fair criteria, taking into account the interests of the Company.
9. In the selection of goods, services and suppliers, they follow a transparent policy that protects the reputation of the Company.
10. They ensure that the Company's IT system, telephone, fax and other office equipment are used only by authorized persons; they always effectively protect the access codes and equipment, even if they are displaced for a few minutes.
11. They use the internet only to meet the business needs of the Company or their work-related transactions, so as not to compromise the Company's IT system.

III - Rules to be Followed at Work

Company employees;

1. Take care of their external appearance and behavior in order to best ensure the reputation, prestige and representation of the Company.
2. They do not exceed the authority to be applied without a valid reason. They can apply to the Department of Human Resources with the approval of their management for all personal rights such as appointment and promotion.
3. They avoid welcoming family members or friends at work during or after work hours.
4. They take care that the computer screens used to perform various operations are not visible to customers and that business information is not exposed on the computer screens, even if they are away from the desk for a few minutes.
5. They ensure that confidential documents that need to be destroyed are destroyed so that they cannot be read again.
6. They do not discuss matters involving information that could harm the Company or its customers, in areas where customers are located, in corridors, stairs or in elevators.

7. Under the relevant law and the Company's instructions, they do not smoke in areas where customers are admitted or hosted.

IV - Respect for Coworkers

Company employees;

1. They do not offend colleagues or staff under their stewardship. They behave kindly, morally and modestly towards their co-workers.
2. They cannot discriminate in business relations based on language, race, sex, political thought, philosophical belief, religion, sect and similar reasons. They behave fairly and equally towards customers, suppliers, competing companies and other employees in the Company, avoiding prejudicial behavior. They may not engage in conduct that would cause the benefit of one party to the detriment of the other by misusing, cheating or concealing the information they possess.
3. They do not use tools such as telephone, radio and television in an uncomfortable way in the work environment and try to provide a quiet working environment.
4. They accept the equality of men and women in the working environment as a daily natural practice. Sexual harassment, sexually explicit comments and discussions are prohibited.
5. They refrain from commenting/criticizing people's age, ethnicity, political affiliation, union membership, religion, sexual preferences, seniority, marital status, pregnancy and nationality.

V - Team Spirit

Company employees;

1. They strive to adapt quickly to the working conditions required by the job description.
2. They show no discontent in carrying out a duty assigned to them as conditions require or in order to protect the interests of the Company.
3. Not only do they play a passive role in fulfilling the task assigned to them, but they also take the initiative to make the most of the day-to-day work with a view to protecting the interests of the Company, acting within the framework of hierarchy rules and legal regulations.

VI - Rules for Private Life

Company employees;

1. They may not be members of an illegal political party or organization and may not participate in illegal activities during their office at the Company. They cannot accept any duty to support political parties and organisations. They can become member's only to social organizations (Sports Club, PTA, Lions and Rotary associations, etc.) providing that they do not disrupt their work nor receive payment for such activities.
2. They have to adopt a lifestyle that will not create negative opinions about the Company in their work and private lives and will not be contrary to the rules of society. They have to take care to ensure a standard of living that is appropriate to their sources of income and pay attention to the amount they owe and their repayments in the use of personal loans are in accordance with their income. They do not borrow by spending amounts that are incompatible with the social status or economic power they possess.
3. Without the permission or knowledge of the Company, they may not work directly or indirectly in any paid or unpaid work outside the Company during their leave of absence, or after the end of work hours or during general holidays as long as their employment contract are in force.
4. They cannot engage in activities that require to be considered merchants and tradesmen, nor can they establish secret or open commercial partnerships with customers. They may not be employed in any kind of publications, companies or commercial offices or businesses, even if free of charge; they cannot publish newspapers, magazines, etc.. They cannot do any work that will provide them with additional income.
5. They do not gamble, they do not engage in conduct contrary to the general code of ethics that would dishonor and cause criticism of the environment.

VII - Responsibilities to the Company

Company employees;

1. They do not mislead the company by providing untrue information and documents at the time of execution of employment contract. People who have previously been employed by another employer and who will sign an employment agreement with the Company, if they have committed in any way to their previous employer and this could adversely affect their duties and performance at the Company, must notify and provide this information and a copy of the commitment/agreement to the Department of Human Resources for evaluation before the signing of the contract.
2. When they are involved in a disgraceful criminal or political case/investigation outside the Company, whether or not the case is related to the Company, they must immediately provide the Department of Human Resources with the necessary information about this case.
3. Since their political views are individual, they cannot in any way reflect their own views as corporate views or give that impression. They may not use any of the company's tools, equipment or facilities for political purposes.
4. They may not claim or accept any value from third parties in order to carry out the transactions within the scope of their duties and responsibilities.
5. As long as they act on behalf of the Company, they cannot take actions that will benefit them or their family members by causing harm to the Company, nor can they ask other personnel to do so.
6. They do not abuse their duties or powers in exchange for special interests. They may not benefit themselves or other persons directly or indirectly in exchange for special interests and unjustly, nor may they promise to benefit real or legal persons.

VIII - Relationships with Customers

Company employees;

1. They provide clear, accurate and timely information to the customers in all services and transactions with mutual trust approach, and perform on time and complete customer services.
2. They inform customers clearly about the rights and obligations, benefits and risks associated with the products and services offered to them.
3. They may not make disparaging, misleading or misrepresenting about the activities, services and financial powers of other companies in order to obtain customers.
4. They cannot enter into personal account and debit – credit relations with any customer, supplier on behalf of themselves or family members.
5. In order to avoid potential conflicts of interest, they do not recommend products or services other than company products and services to customers or third parties without the approval of their respective business lines regardless of it is a paid or free service.
6. They do not purchase products from Company customers at a price below market price or make financial commitments such as installments, promissory notes and so on.
7. They avoid treating customers in a rude, disinterested or humiliating way.
8. They talk to customers in a calm and gentle manner.
9. They try to resolve any disputes or misunderstandings that may occur with customers during the any process in good faith and calmly.
10. They don't engage in their own personal affairs in front of clients.
11. While customers wait in line, they avoid having private, personal and long conversations with other customers.
12. They avoid addressing customers by their first names and speaking and behaving in a manner that is incompatible with professionalism as a Company staff.
13. They do not ask customers to assist in activities other than those sponsored by the Company.

IX - Providing Information about Privacy and Personal Transactions

1. All company personnel are obliged to keep confidential and carefully keep all information and documents related to customers, except information and documents that are legally required to be provided to the person and authorities authorized to request information and documents.
In accordance with the Banking Law, partners of financial leasing companies, board members, members, attorneys and officers cannot disclose the secrets of the bank or customers learned due to their duty to any party except for authorized institutions. This provision also applies to the organizations and employees for which companies receive support services. This obligation continues after leaving office.
2. Company information (procedures, instructions, business methods, special information other than marketing of products, etc.) and internal correspondence may not be shared with persons outside the Company. It is forbidden to take them out of the company or to transfer them electronically. In cases it is required to provide the above-mentioned information (including those covered by confidentiality agreements with the parties to whom support services will be received), the opinion of legal department will be taken.
3. The person who has the financial information belonging to a Company before it is disclosed to the public or shareholders in accordance with their duties is called an Insider, and the information that they have is called Inside information.
In capital Markets Law, defines the Insider Trading as the actions of using the information yet to be revealed to the public, which may affect the value of capital market instruments in favor of the actor or a third person, disrupting the equity among the people who transacts in the capital market and benefits or preventing a loss. . The board of directors, board members, auditors, other personnel, those who may be aware of such information during the nature of their duties or occupations of the joint stock company which commits this crime and any other people to whom such information may be revealed due to direct or indirect contact with the abovementioned shall be imposed to imprisonment and be subject to heavy fines.
4. The personnel who have confidential information about the financial structure of the company and who have the duty to disclose special cases to the public are obliged to protect the confidentiality of such information until the information sent to the stock exchange or Capital Markets Board is made public.
5. The employees of the Company show all necessary ease to the audit personnel during the audits and investigations to be carried out, and do not hide any information.
6. Employees of the Company may not make oral statements or give written information about the Company and the Company's strategies, operating principles and matters that are considered confidential to the media or persons related to media without the permission of the Deputy General Manager to which they are affiliated.
7. In social or private meetings, Company employees refrain from participating in discussions on the status of the Company or the financial status of the customers.

X - Transaction Prohibitions

1. Personnel who have internal information may not benefit from using this information for themselves or someone else in exchange or off-exchange trading before it is made public.
The personnel who have information about the Company or the publicly traded joint stock companies that are customers of our Company and which may affect the market value of the shares / assets when they are disclosed, cannot buy or sell such shares / assets and cannot enter into any trade relations with them until the disclosure is made to the public. They are also prohibited from using this information through family relatives or third parties.
2. Under the Capital Market Regulations, the Chairman and Members of the Board of Directors, the General Manager and the Assistant General Managers are required to submit a special case statement to the Istanbul Stock Exchange on the same day if they buy or sell the shares of our Company.
3. Company personnel may not be interested in daily or short – term trading of Capital Market Instruments. They cannot deal with the management of personal portfolios during working hours, it is essential to concentrate all attention and time on the job.

XI - Rules for Accepting Gifts

Company personnel are prohibited from requesting or receiving gifts directly or indirectly from customers, suppliers or other third parties with whom the company is associated on behalf of the company, except as set out below. These rules also apply to gifts given by the parties to the family and relatives of the staff.

1. Company personnel may not receive cash or convertible gifts from customers, suppliers or third parties in any way. They avoid behaviors that create the expectation of gifts from these individuals.
2. Gifts given by customers, suppliers or third parties that are excessive and out of the normal range are not accepted by giving reference to Company policy.
3. It is prohibited to accept gifts from the customer, supplier or third parties in form of getting sent to holiday with all costs covered not can they be invited to a party.

If it is necessary to travel with customers, suppliers or third parties, it is essential that the travel expenses of the personnel is paid by the Company. However, the relevant Deputy Director General can review the request and confirm that travel expenses are covered by the other party.

When an offer is received for participation in exhibitions, fairs, conferences, meetings organized by customers, suppliers or third parties, participation in these is evaluated and decided by the relevant Deputy General Manager within the framework of the approaches in this procedure.

4. Gifts received for the sake of good relations and cultural habits with a financial value of over 200 TL are sent to the Human Resources department by filling out a gift delivery letter. All such gifts accumulated in a calendar year are distributed to the staff at the end of the year through a raffle to be attended by the director and affiliated personnel or donated to a charity / foundation.
5. The acceptance of gifts consisting of promotional materials such as calendar, pen, calendar, book, album etc. or food items that may be spoiled in a short time (within normal limits) is evaluated by the relevant personnel within the framework of the principles in this procedure and does not need to be recorded in the gift book.
6. If the customer, supplier or third party invites the company's personnel to dinner for the purpose of a job-related negotiation, these requests may be accepted, provided that they are not frequent and are within the normal range. Such job interviews are avoided in overly expensive and luxurious venues.
7. Such offers are not accepted on the grounds of our company's gift-taking policy if the customer, supplier or third party invites or gives tickets to the company's staff for entertainment or similar activities.
8. In cases where it is thought that the rejection of the gift given within the framework of the principles set out in this procedure will have a bad effect due to local and cultural differences, the opinion of the Department of Human Resources is requested for exceptional applications.
9. Personnel who finds out that these rules have not been complied with are required to notify the Legal Department.

XII - Gift Giving and Donation Rules

1. No personnel may donate to a political organization / Party on behalf of the Company.
2. Care is taken to ensure that the gifts to be given to audit authorities, customers, suppliers and other persons on special occasions (holidays, New Year's Eve) are within reasonable limits. Within the framework of the limits given to the departments, the decision and follow-up responsibility for this matter rests with the Group Manager and the Assistant General Manager.
3. The same customer, supplier, or third party cannot be given gifts more than once in a calendar year. Except for promotional materials such as (calendar, pen, calendar, book, album, etc.). In exceptional cases, the approval of the Human Resources Department is requested.
4. The amount of donations that can be made in one financial year cannot exceed four per thousand of our Company's resources. However, it is obligatory that at least half of the donations and grants made consist of donations and grants that can be considered as expense or discount in determining the corporate tax base. Follow-up of this application is done by accounting department.
5. Personnel who finds out that these rules have not been complied with are required to notify the Legal Department.

XIII – Result

1. Company personnel may be subject to disciplinary action that will result in termination of the employment contract if they violate the rules set out in this instruction.
2. This procedure is located in a common area in the network environment of the Company and subsequent changes to the procedure are followed here by the personnel.
3. In the ordinary audits conducted by the Internal Audit Department, it is checked whether or not it has acted in accordance with this procedure.

CHAPTER IV-BOARD OF DIRECTORS

15. Structure and Formation of the Board of Directors

The members of the board of directors are elected by the decision of the General Assembly dated 31.03.2022 and the structure of the board of directors as of 31.12.2022 is as follows. The term of office of the members is 3 years.

Board of Directors:

Sinan ŞAHİNBAŞ (*)	(Chairman – Executive)
Adnan Menderes YAYLA	(Vice Chairman of the Board of Directors-Non-Executive)
Metin KARABİBER	(Member of the Board of Directors General Manager – Executive)
Engin TURHAN	(Board member-Non-Executive)
A. Murat ALACAĞAPTAN	(Member of the Board of Directors – Non-Executive)
Bülent YURDALAN	(Board member-Non-Executive)
Kubilay CİNEMRE	(Independent Member of the Board of Directors – Non-Executive)
Fatma Deniz ERGEN	(Independent Member of the Board of Directors – Non-Executive)

The CVs of the Members of the Board of Directors are included in the annual report.

As of 31.12.2022, there are 6 non-executive members in the Board of Directors and two of them are independent members with qualified under the provisions of CMB's Corporate Governance Communiqué II-17.1. The Chairman of the Board and the General Manager are different people.

The Corporate Governance Committee, which assumes the duties and responsibilities of the Nominating Committee, submitted the report dated 31.01.2022 to the board of directors on whether 2 independent board member candidates meet the independence criteria. Furthermore, independent member candidates requested to make statement that they meet the independence criteria.

Board members Sinan Şahinbaş, Adnan Menderes Yayla, Osman Ömür Tan and independent members Turhan Kubilay Cinemre and Fatma Deniz Ergen have duties outside the Company and details are given below.

On 31.03.2022 dated General Assembly it is decided to authorize the Members of the Board of Directors, for the procedures set forth in Turkish Commercial Code Article 395th and 396th.

Member of Board of Directors:

Sinan ŞAHİNBAŞ	(In – Group-QNB Finansbank AŞ. Vice President of the Board of Directors)
Adnan Menderes YAYLA	(In – Group-QNB Finansbank AŞ. Deputy General Manager Executive Committee Member)
Engin TURHAN	(In – Group-QNB Finansbank AŞ. Deputy General Manager)
Bülent YURDALAN	(In – Group-QNB Finansbank AŞ. Head of internal systems)
Fatma Deniz ERGEN	(Out - Group - Deniz Ergen Consulting Services Ltd Sti, owner of the company.)
Kubilay CİNEMRE	(Out - Group - Fokus Investment Holding A.Ş., founding partner)

16. Operating Principles of the Board of Directors

The Chairman of the Board of Directors meets with the other board members and the general manager (executive chairman) to determine the agenda of the board meetings. The number of board meetings that took place in 2022 is 41. Although a secretariat is not established to inform and communicate the members of the Board of Directors, the documents and information related to the issues on the agenda of the meeting are delivered to the members of the Board of Directors with utmost care to ensure an equal flow of information. Reasonable and detailed reasons of counter votes against the issues negotiated in the meetings are recorded into decision book. Participation in the Board of Directors meetings is provided on the issues covered in the Corporate Governance Principles of the CMB. Members of the Board of Directors are not granted weighted voting rights and /or negative veto rights.

Related party transactions and significant transactions submitted for the approval of the board of directors are included in the financial statements and notes of the report in the quarter periods and are submitted to the CMB. The financial statements and report footnotes prepared by the company in the quarter period are approved by all members of the board of directors, including independent members. There are no transactions submitted for the approval of the General Assembly which are not approved by the independent members.

17. The Number, Structure and Independence of the Committees Formed in the Board of Directors

The Corporate Governance Committee was established by the decision of the Board of Directors No. 442 dated 15/03/2005 in order to monitor the Company's compliance with the Corporate Governance Principles, to make improvements in this matter and to make recommendations to the Board of Directors. In accordance with article 4.5.1 of the Communiqué Serial: IV, No:56 of the CMB, the corporate governance committee was decided to consist of 3 members by the decision of the Board of Directors of the Company dated 30.3.2021 and numbered 1273. Kubilay Cinemre, an Independent Board Member, was appointed as chairman and Ahmet Murat Alacakaptan and Selim Murat, who had no executive duties, were appointed as a members.

The Corporate Governance Committee also carries out the duties and responsibilities of the Nominating Committee and Pricing Committee. He was also fulfilling the duties and responsibilities of the Committee on Early Detection of Risk until 15 April 2013. As per the article 4.5.1. of the Communiqué (serial: IV, NO:63-article 6) on amendment of "Communiqué on Determination and Implementation of Corporate Governance Principles (serial: IV, No:56)" which entered into force upon publishing in the official gazette dated 22 February 2013 and numbered 28567 " it was decided by the 15 April 2013 dated 962 numbered Board of Directors resolution to organize the Early Detection of Risk committee a separate In accordance with Article 4.5.1 of the communiqué serial: IV, No:56 of the CMB, Turhan Cemal Beriker, one of By the resolution of the Board of Directors of the Company dated March 30, 2021, numbered 1273, the independent member of the Board of Directors Fatma Deniz Ergen was appointed as the Chairman and Ahmet Murat Alacakaptan, who has no executive duties, was appointed as a member.

Since the number of independent board members is 2, one board member is in more than one committee due to the requirement that all members of the Audit Committee and the chairman of the Corporate Governance Committee be independent members.

The Risk Committee was established on 28 June 2010 to monitor, evaluate, manage the company's loan portfolio, decide on loan applications and develop strategies. The members of the committee were elected by the board of Directors Resolution dated 28 July 2017 as follows; Sinan Şahinbaş, Mr. Metin Karabiber, Mr. Semra Karsu, Ms. Fatih Kızıltan, Mr. and Ateş Yenen, Mr.

18. Risk Management and Internal Control Mechanism

The risks our Company faces in general are identified as credit risk, interest rate risk, currency risk, liquidity risk, market risk and operational risk and assessment of these risks and the measures taken are stated in annual budget planning and monthly executive reports and also submitted to the supervision of Board of Directors. The risks faced by the Company are evaluated in the meetings of ALCO, credit monitoring committee, marketing committee, operations committee and legal committee held within the Company. The Board of Directors evaluates and supervises the risk management of the Company at its monthly executive meetings and, where necessary, revises the risk factors.

Internal control system was established in order to carry out Company activities in accordance with Law of Leasing, Factoring and Financing Companies no: 6361 and other relevant legislation, intracompany policy, rules and customs, and to provide the obtaining of information in a timely manner. The Company's Internal Audit and Internal Control personnel provide assurance and consultancy services that the internal control system is functioning at a sufficient level. Both control functions are carried out under the supervision of the Board of Directors through the Audit Committee. Within the scope of the annual plan, which is based on risk, process audits and internal control activities are carried out on a quarter-term basis and information about the results of the activities are given at the Audit Committee meetings held every 6 months.

In addition, a Risk Committee has been established to monitor, evaluate, manage the Company's loan portfolio, make decisions on credit practices and develop strategies.

19. Strategic Objectives of the Company

The mission of our Company is to be the leading company in the sector in efficiency and profitability. Strategic targets to realize this goal are customer orientation, working with expert personnel, rapid answer to customer requests with advanced technological infrastructure and increasing the speed of transactions, focusing on investment demands of SMEs and micro-size enterprises and optimal structuring of distribution of investments on regional, sectoral and company basis. In addition to carrying out marketing and informing activities to increase the use of leasing in investment financing, the Company also has a strategic target to raise such personnel who will enable the Company to reach its goals.

The Board of Directors reviews and approves the strategic objectives established by the directors and the extent to which they achieve these objectives at the monthly executive meetings where the Company's activities are discussed. In these meetings, Company performance is measured, market conditions are evaluated and targets are revised in accordance with changing market conditions if necessary.

20. Financial Rights

The allocation of all rights, interests and wages to the members of the Board of Directors is within the authority of the General Assembly and General Manager who is a part of the Board of Directors as executive member are paid salaries and premiums within the scope of his executive duties. The decision of the General Assembly dated 31 March 2022 was resolved unanimously to pay 10,500 TL to each Board of Member in charge at QNB Finansbank A.Ş.; to pay 11,900 TL net wage monthly to each Independent Board Member, to pay 6,250 TL net wage monthly to each of other Board Members.

December 31, 2022, the total amount of fees and benefits paid to senior executives was TL 11.169 thousand (December 31, 2021 – TL 7.158 thousand).

The criteria and pricing principals used to determine all sort of right, benefit and prices provided to the Board Members and Senior Managers are disclosed to public in Company website under "Pricing Policy" section.

The company did not lend to any Board Members or Directors, make loans, and provide guarantees such as sureties in their favor.