

Stronger Together

2022 Annual Report



TÖDEB

The Payment and Electronic Money Institutions Association of Türkiye

Explore digital versions
of our reports



PAYMENT AND ELECTRONIC MONEY INSTITUTIONS ASSOCIATION OF TÜRKİYE

Saray Mah. Ahmet Tevfik İleri Cad. Onur Ofis Park İş Merkezi Sitesi A2 Blok No: 10 A
Kat: 4 İç Kapı No: 5 34768 Ümraniye / İstanbul
0 (850) 224 6493

bilgi@todeb.org.tr

todeb.org.tr

Stronger Together

As TÖDEB, we have a culture where we fulfill the requirements of reliability and behaving responsibly all along the line.

Through the inspiration we get from this culture, we work together for the collective development of our sector.



We generate solutions for the future of the financial ecosystem

For this purpose, we carry out education, research and
financial literacy activities.



Together, we develop the standards that shape the sector

We enable our members to work in solidarity through our communication and coordination skills.

Contents

8	INDEPENDENT AUDITOR REPORT ON THE ANNUAL ACTIVITY REPORT OF THE BOARD OF DIRECTORS
10	CORPORATE IDENTITY
11	VISION
11	MISSION
12	CORPORATE STRUCTURING OF TÖDEB
14	SECTORS AND MEMBER ORGANIZATIONS
16	FOREWORD OF THE CHAIRMAN OF THE BOARD
20	FOREWORD OF THE SECRETARY GENERAL
24	EXTERNAL ENVIRONMENT, SECTORAL OUTLOOK AND LEGAL FRAMEWORK IN 2022
27	FINTECH ECOSYSTEM OF TURKIYE
28	SERVICES OFFERED BY TÖDEB'S MEMBER ORGANIZATIONS
30	TÖDEB'S ACTIVITIES IN 2022
36	ACTIVITIES
45	CONTACT MEETINGS
47	OPINIONS, REQUESTS AND SUGGESTIONS
50	PRESS REFLECTIONS
58	ANNEX: HIGHLIGHTS FROM THE ACTIVITIES OF THE COMMITTEE AND WORKING GROUPS
67	FINANCIAL STATEMENTS

INDEPENDENT AUDITOR REPORT ON THE ANNUAL ACTIVITY REPORT OF THE BOARD OF DIRECTORS

To the General Assembly of the Payment and Electronic Money Institutions Association of Türkiye

Opinion

Since we audited the full set of financial statements for the accounting period between 01.01.2022 -31.12.2022 of the Union of Payment and Electronic Money Institutions Association of Türkiye and its Affiliates ("The Group"), we also audited the annual activity report for this accounting period.

In our opinion, the financial information included in the annual activity report and the analysis made by the Board of Directors by using the information contained in the audited financial statements about the status of the Group are consistent, in all material respects, with the audited full set of financial statements and the information we obtained during the independent audit, and they reflect the reality.

Basis of the Opinion

Our independent audit was conducted in accordance with the Independent Auditing Standards ("IAS"), which is a part of the Turkish Auditing Standards published by the Public Oversight, Accounting and Auditing Standards Authority ("POA"). Our responsibilities under the IASs are explained in detail within the Independent Auditor's Responsibilities for the Independent Audit of the Annual Report of our report. We hereby declare that we are independent from the Group in accordance with the Codes of Conduct for the Independent Auditors (including the Standards of Independence) ("Codes of Conduct") issued by POA and the ethical provisions in the legislation on independent auditing. Other ethical responsibilities within the scope of the Codes of Conduct and the legislation have also been fulfilled by us. We believe that the independent audit evidence that we have obtained during the independent audit provides a sufficient and appropriate basis for our opinion.

Our Auditor's View on the Full Set of Financial Statements

We expressed our unqualified opinion in our auditor's report dated 21 March 2023 on the Group's full set of financial statements for the accounting period between 01.01.2022 -31.12.2022

Responsibility of the Board of Directors for the Annual Report

The Group management is responsible for the following points regarding the annual report in accordance with the Articles 514 and 516 of the Turkish Commercial Code no. 6102 ("TCC"):

- a) It prepares the annual activity report within the first three months as of the balance sheet date and submits the same to the general assembly.
- b) It prepares the annual report in a way that accurately, completely, directly, realistically, and honestly reflects the flow of the Group's activities for the relevant year and its financial position in all aspects. In such report, the financial situation is evaluated according to the financial statements. The report also clearly indicates the development of the Group and the potential risks it may face. The evaluation of the board of directors regarding these issues is also included within the report.

c) The activity report also includes the following:

- Events having special importance that occur in the Group after the end of the activity year,
- Group's research and development activities,
- Financial benefits such as wages, premiums, bonuses paid to the members of the board of directors and senior executives, allowances, travel, accommodation and representation expenses, in-kind and in-cash benefits, insurances and similar guarantees.

While preparing the activity report, the Board of Directors also takes into account the secondary legislation regulations enacted by the Ministry of Commerce and related authorities.

Independent Auditor's Responsibility for the Independent Audit of the Annual Activity Report

Our aim is to provide an opinion on whether or not the financial information included within the annual activity report and the analysis made by the Board of Directors by using the information contained in the audited financial statements about the status of the Group, are consistent with the audited financial statements of the Group and the information we obtained during the independent audit and whether or not they reflect the reality in accordance with the provisions of the TCC and to issue a report including our opinion.

Our independent audit was carried out in accordance with IASs. These standards require the compliance with the ethical provisions and that the independent audit be planned and conducted to obtain reasonable assurance whether or not the financial information within the activity report and the analysis made by the Board of Directors by using the information contained in the audited financial statements about the status of the Group are consistent with the financial statements and the information obtained during the audit and whether or not they reflect the reality.

GÜRELI YEMİNLİ MALİ MÜSAVİRLİK VE BAĞIMSIZ DENETİM HİZMETLERİ A.Ş.
An Independent Member of BAKER TILLY INTERNATIONAL



Erdoğan BAŞARSLAN
Cap Auditor
İstanbul, 21 March 2023

Corporate Identity

TÖDEB is a professional organization of which payment and electronic money institutions operating in Türkiye are members.

TÖDEB is established through the inclusion of an article to the Law on the Payment and Securities Clearing Systems, Payment Services and Electronic Money Institutions numbered 6493 in accordance with the Law on the Payment and Securities Clearing Systems, Payment Services and Electronic Money Institutions numbered 7192, which is published in the Official Gazette dated 22.11.2019 and numbered 30956 and the Article 15 of the Law Amending Certain Laws.

STRUCTURING AND PURPOSES

TÖDEB, the status of which was published in the Official Gazette dated 28 June 2020, has started to operate in its headquarters located in Istanbul on 25 September 2020.

The Secretary General of TÖDEB carries out its administrative operations by ensuring the general coordination of its members and stakeholders with its team consisting of 14 people.

As of the end of 2022, 6 committees and 8 working groups are operating under the umbrella of TÖDEB, to which member representatives actively participate and contribute. The committee and working groups held a total of 117 meetings in 2022.

COMMITTEES

- Open Banking Committee
- Information Systems Committee
- Security Committee
- Law and Legislation Committee
- Compliance Committee
- Anti-Illegal Activities Committee

WORKING GROUPS

- Revenue Administration Working Group
- Human Resources Working Group
- QR Code Working Group
- Personal Data Protection Law ("PDPL") Working Group
- Financial Crimes Investigation Board ("MASAK") Working Group
- Media and Communication Working Group
- Accounting and Reporting Working Group
- POS Working Group

The main purpose of TÖDEB is to improve the communication and cooperation between the payment and electronic money institutions.

Envisioning to contribute to the growth and deepening of the sector, TÖDEB offers a trust-oriented cooperation platform with along the technology needed for this.

AS A SPEAKER OF A GROWING SECTOR "TOGETHER" TO THE FUTURE

Payment and electronic money institutions, which are members of TÖDEB, play a leading role in Turkey's digitalization and technology development processes.

The members of the institution contribute to the access of households to financial services and the sustainable development of our country through the national technological infrastructure they produced.

Membership of payment and electronic money institutions authorized by the CBRT to TÖDEB is a legal requirement. As of the first quarter of 2023, TÖDEB has a total of 75 members, 46 of which are electronic money institutions and 29 of which are payment institutions.

VISION

To contribute to the development of the sector by increasing the communication and cooperation between all of the payment and e-money institutions in Turkey,

To follow the developments in the financial sector closely, to share and transfer information, to contribute to technological and process-related developments in the sector,

To carry out training, promotion and research activities in order to ensure the development of the sector, to increase financial inclusion and financial literacy by spreading the communication activities for the target audience,

To promote payment institutions and electronic money institutions and to inform the public about this issue, through cooperation with national and international institutions.

MISSION

To increase the knowledge regarding the sector by offering differentiated experiences and innovative solutions in order to provide professional development in the field of payment services and electronic money, and to ensure the development of activities in the field of payment.

Corporate Structuring of TÖDEB

The Board of Directors is the decision-making body of TÖDEB.

TÖDEB's Board of Directors is elected for a two-years period from among the members through the decision of the General Assembly. The Board of Directors of TÖDEB for the second term was elected during the General Assembly held on 17 May 2022.

The Board of Directors adopts resolutions on matters other than the powers of the General Assembly and ensures that standards are established to ensure uniformity in terms of the practices members.

Board of Directors

Ufuk BİLGETEKİN, Chairman
(Vizyon Elektronik Para ve Ödeme Hizmetleri A.Ş.)

Serhat DOLAZ, Deputy Chairman
(Turkcell Ödeme ve Elektronik Para Hizmetleri A.Ş.)

Alp ÖZGEN, Member
(Aypara Ödeme Kuruluşu A.Ş.)

Emel ARSEVEN, Member
(Aköde Elektronik Para ve Ödeme Hizmetleri A.Ş.)

Erdal ÖZCAN, Member (Ozan Elektronik Para A.Ş.)

Erkan KORK, Member
(Pay Fix Elektronik Para ve Ödeme Hizmetleri A.Ş.)

Fevzi GÜNGÖR, Member
(Ödeal Ödeme Kuruluşu A.Ş.)

Kenan GÜVENÇ, Member
(Elekse Elektronik Para ve Ödeme Kuruluşu A.Ş.)

Nihat NARİN, Member
(Belbim Elektronik Para ve Ödeme Hizmetleri A.Ş.)

Orkun SAİTOĞLU, Member
(Iyzi Ödeme ve Elektronik Para Hizmetleri A.Ş.)

R. Tarık TOMBUL, Member
(Paytr Ödeme ve Elektronik Para Kuruluşu A.Ş.)

Serhat ŞENER, Member
(Sender Ödeme Hizmetleri A.Ş.)

Yeşim KARACA, Member
(Dgpara Ödeme ve Elektronik Para Kuruluşu A.Ş.)

Auditing Board

The auditing board, elected for two years by the decision of the TÖDEB's General Assembly, examines all the accounts and transactions of TÖDEB and presents them to the ordinary General Assembly meetings.

Derya EKEMEN FİDAN, Member (Octet Express Ödeme Kuruluşu A.Ş.)

Halim MEMİŞ, Member
(Moka Ödeme ve Elektronik Para Kuruluşu A.Ş.)

Gülnihal AKARTEPE, Member (Trend Ödeme Kuruluşu A.Ş.)

Disciplinary Committee

The disciplinary committee, elected for a period of two years from among the members by the resolution of TÖDEB's General Assembly, conducts disciplinary investigations related to disciplinary offenses stipulated in the Statute, renders decisions related thereto and submits them to the approval of the board of directors.

Serkan Aziz ORAL, Chairman (TURK Elektronik Para A.Ş.)

Ergi SENER, Member
(Nomu Pay Ödeme ve Elektronik Para Hizmetleri A.Ş.)

Halil KESKIN, Member
(Ria Turkey Ödeme Kuruluşu A.Ş.)

General Secretariat

Sühendan ENİSEL
Secretary General

Ceyda CİHAN
Sector Assistant Specialist

Faruk ÖYDEM
Administrative Assistant Specialist

Fatih KAYA
Member Relations Coordinator

Gül CERTEL
Office Attendant

Kemal PEHLİVAN
Information Systems Assistant
Specialist

Murat MERCAN
Media and Communication
Specialist

Neslihan BULUT
Training and Events Assistant

Sinan AKPINAR
Sector Coordinator

Sinan SÜNTERLER
Information Systems Coordinator

Tuba ÇAL
Training and Events Coordinator

Yigit NEYİGİT
Sector Specialist

Sectors and Member Organizations

TÖDEB, which started its activities at its headquarters in Istanbul on 25 September 2020, is a professional organization of which the payment and electronic money institutions operating in Turkey are members.

PAYMENT INSTITUTIONS

Payment institutions are organizations that are able to provide services such as the operation of the payment accounts, all kinds of remittances including the transfer of funds in the payment accounts, issuance and acceptance of payment instruments, remittance, mobile payment, intermediation for payment of the bills, providing consolidated account information and initiating payment processes.

- Aypara Ödeme Kuruluşu A.Ş.
- BRQ Link Ödeme Hizmetleri A.Ş.
- Ceo Ödeme Kuruluşu A.Ş.
- Efix Ödeme Hizmetleri A.Ş.
- Elekse Elektronik Para ve Ödeme Kuruluşu A.Ş.
- Faturakom Ödeme Hizmetleri A.Ş.
- Föy Fatura Ödeme Kuruluşu A.Ş.
- Global Ödeme Hizmetleri A.Ş.
- GönderAl Ödeme Hizmetleri A.Ş.
- İstanbul Ödeme ve Elektronik Para A.Ş.
- Klon Ödeme Kuruluşu A.Ş.
- Lidio Ödeme Hizmetleri A.Ş.
- MoneyGram Turkey Ödeme Hizmetleri A.Ş.
- Octet Express Ödeme Kuruluşu A.Ş.
- Ödeal Ödeme Kuruluşu A.Ş.
- Paragram Ödeme Kuruluşu A.Ş.
- Paratika Ödeme Hizmetleri A.Ş.
- Pay Fix Elektronik Para ve Ödeme Hizmetleri A.Ş.
- Paybull Ödeme Hizmetleri ve Elektronik Para A.Ş.
- Paynet Ödeme Hizmetleri A.Ş.
- Paytrek Ödeme Kuruluşu Hizmetleri A.Ş.
- Pratik İşlem Ödeme ve Elektronik Para A.Ş.
- Ria Turkey Ödeme Kuruluşu A.Ş.
- Sender Ödeme Hizmetleri A.Ş.
- Sundus Elektronik Para ve Ödeme Kuruluşu A.Ş.
- Trend Ödeme Kuruluşu A.Ş.
- Tronapay Ödeme Hizmetleri A.Ş.
- Vezne24 Tahsilat Sistemleri ve Ödeme Hizmetleri A.Ş.
- Western Union Turkey Ödeme Hizmetleri A.Ş.

ELECTRONIC MONEY INSTITUTIONS

Electronic money institutions are institutions that issue the monetary value in return for funds, which is stored electronically, used to perform payment transactions defined in the Law no. 6493, and accepted as payment instruments also by real and legal persons other than the electronic money issuer.

- A Ödeme ve Elektronik Para Hizmetleri A.Ş.
 - Ahlatıcı Ödeme ve Elektronik Para Hizmetleri A.Ş.
 - Aköde Elektronik Para ve Ödeme Hizmetleri A.Ş.
 - As Ödeme Hizmetleri ve Elektronik Para A.Ş.
 - BELBİM Elektronik Para ve Ödeme Hizmetleri A.Ş.
 - Birleşik Ödeme Hizmetleri ve Elektronik Para A.Ş.
 - BPN Ödeme ve Elektronik Para Hizmetleri A.Ş.
 - CEMETE Elektronik Para ve Ödeme Hizmetleri A.Ş.
 - D Ödeme Elektronik Para ve Ödeme Hizmetleri A.Ş.
 - Dgpara Ödeme ve Elektronik Para Kuruluşu A.Ş.
 - DSM Ödeme ve Elektronik Para Hizmetleri A.Ş.
 - ERPA Ödeme Hizmetleri ve Elektronik Para A.Ş.
 - Fastpay Elektronik Para ve Ödeme Hizmetleri A.Ş.
 - Faturamatik Elektronik Para ve Ödeme Kuruluşu A.Ş.
 - Fzypay Elektronik Para ve Ödeme Hizmetleri A.Ş.
 - Hızlıpara Ödeme Hizmetleri ve Elektronik Para A.Ş.
 - IQ Money Ödeme Hizmetleri ve Elektronik Para A.Ş.
 - İninal Ödeme ve Elektronik Para Hizmetleri A.Ş.
 - İyzi Ödeme ve Elektronik Para Hizmetleri A.Ş.
 - Lydians Elektronik Para ve Ödeme Hizmetleri A.Ş.
 - Moka Ödeme ve Elektronik Para Kuruluşu A.Ş.
 - Moneypay Ödeme ve Elektronik Para Hizmetleri A.Ş.
 - N Kolay Ödeme ve Elektronik Para Kuruluşu A.Ş.
 - Nomu Pay Ödeme ve Elektronik Para Hizmetleri A.Ş.
 - Ozan Elektronik Para A.Ş.
 - Paladyum Elektronik Para ve Ödeme Hizmetleri A.Ş.
 - Papara Elektronik Para A.Ş.
 - Papel Elektronik Para ve Ödeme Hizmetleri A.Ş.
 - ParaQR Elektronik Para ve Ödeme Hizmetleri A.Ş.
 - Parolapara Elektronik Para ve Ödeme Hizmetleri A.Ş.
 - Payco Elektronik Para ve Ödeme Hizmetleri A.Ş.
 - Paytr Ödeme ve Elektronik Para Kuruluşu A.Ş.
 - Rubik Elektronik Para ve Ödeme Hizmetleri A.Ş.
 - SecurIT Ödeme ve Elektronik Para Hizmetleri A.Ş.
 - Sipay Elektronik Para ve Ödeme Hizmetleri A.Ş.
 - Token Ödeme Hizmetleri ve Elektronik Para A.Ş.
 - Tom Pay Elektronik Para ve Ödeme Hizmetleri A.Ş.
 - TT Ödeme ve Elektronik Para Hizmetleri A.Ş.
 - TTM Elektronik Para ve Ödeme Hizmetleri A.Ş.
 - TURK Elektronik Para A.Ş.
 - Turkcell Ödeme ve Elektronik Para Hizmetleri A.Ş.
 - Turkonay Elektronik Para ve Ödeme Hizmetleri A.Ş.
 - UPT Ödeme Hizmetleri ve Elektronik Para A.Ş.
 - Vepara Elektronik Para ve Ödeme Hizmetleri A.Ş.
 - Vizyon Elektronik Para ve Ödeme Hizmetleri A.Ş.
 - Vodafone Elektronik Para ve Ödeme Hizmetleri A.Ş.
- In 2022,**
- **A total of 18 institutions, 15 of which are electronic money and 3 of which are payment institutions, have received operating permission from the CBRT and have joined to TÖDEB as members.**
 - **The applications made by the 5 member institutions to the CBRT in order to expand the scope of their activities were approved.**

Message from the Chairman of the Board



In 2022, our Association continued to respond to the need for accurate and healthy communication with the public in our sector, which continues its development with the contribution of digitalization and new technologies, and to make strategic contributions to cooperation, coordination, education and financial inclusion studies within the scope of its wide ecosystem.

Ufuk BİLGETEKİN
Chairman of the Board

Dear Stakeholders,

MY CONDOLENCES TO OUR NATION, HOPE TO GET BETTER SOON.

We are saddened by the earthquake disasters that occurred in Kahramanmaraş on 6 February 2023. Although it is possible to eliminate economic losses by working hard and helping each other, our losses caused us to be shocked and to deeply suffer.

On behalf of the TÖDEB's Board of Directors and our Members, I wish God's mercy on the tens of thousands of souls who lost their lives in this dramatic natural disaster, condolences to their relatives, quick recovery to our injured ones, health, and well-being. Right after the earthquake, our Board of Directors assembled and took various decisions to provide support. As a first step, we started a donation campaign for our "TÖDEB Container City" project in order to get through this process together. We transferred all the donation income that we obtained from this campaign to the Turkish Ministry of Family and Social Services Strategy Development Department to be used for the purpose of establishing a container city.

On the other hand, we made a recommendation through our Board of Directors regarding the payment and electronic money services offered by our Members in the provinces affected by the earthquake, for a reasonable period of time, including the transactions to be made from ATMs, for taking care of not collecting any commissions, taking commissions in low amounts and providing similar facilities. Through these steps, we have contributed to both our citizens in the region and our sector stakeholders.

2022, THROUGH GLOBAL AND LOCAL ECONOMIC DEVELOPMENTS, HAS EXPANDED THE EXISTENCE, STRENGTH AND INFLUENCE OF FINTECH SECTOR.

While the pandemic had largely fallen off the agenda in the first weeks of 2022, the abruptly developing Russia- Ukraine war caused an upward and rapid acceleration in energy and commodity prices, as well as high inflation on a global scale. While inflationary conditions were the main basis of the world agenda throughout the year, despite the global economic conditions, our country achieved a high growth rate of 5.6% in 2022 and became the 3rd country with the highest growth rate among the G-20 member countries.

The constant crisis conditions that global markets have faced in recent years and the great simultaneous change have once again pointed to the fact that turbulent periods throughout history have often triggered innovation and accelerated the movement towards a different balance. Technology-advanced innovation in financial services is the most current and developing example of this.

Along with the pandemic, protection and closure measures based on social distancing implemented around the world have forced a radical change in financial services as well as the business and trade cycle, and the transition to remote access formats has gained great momentum in a short time..

The global and local media now often talk about the profound changes and innovations that fintech has brought to the financial services sector. In a world where internet access and smartphone usage are supported by budget friendly data automation and data storage conditions, the use of fintech-based solutions is increasing dramatically. As the participation of our members in the FAST system increases, as TR QR applications become more widespread, and even as the Digital Turkish Lira, the first payment transactions of which were successfully carried out by the Central Bank of the Republic of Turkey (CBRT) and the work related thereto was carried out with great care develops, both market players and the structure of the markets in which they compete will develop further. The development of our sector will accelerate with the realization of the Istanbul Financial Center project, which will enable all national and international stakeholders operating with a focus on technology to communicate and interact.

As the participation in the FAST system increases, as TR QR applications become more widespread, and even as the Digital Turkish Lira, the first payment transactions of which were successfully carried out by the CBRT and the work related thereto was carried out with great care develops, both market players and the structure of the markets in which they compete will develop further.

Fintechs, especially digital financial services and payment and electronic money institutions, play an important role in sustaining active financial markets, benefiting from data, analytics and new business models, as well as promoting flexible and inclusive development and recovery. On the other hand, as geographic and physical barriers resisting the services are overcome, information will become more widely available to consumers and service providers. This will support a more efficient and inclusive outlook and growth of global and local financial systems.

In this context, it is important that fintech development has the legal infrastructure, regulations and control mechanisms that are needed to support the innovation and growth of the digital economy. This issue concerns many axes, from competition to financial stability and integrity, to protecting the consumer and data privacy. On this axis, the sensitivity of our relevant public authorities at the point of communication and exchange of views with the payment and electronic money sector in order to support the innovations and rapid development of the legislation is very valuable for our sector and we would like to express our gratitude to all the officials of our relevant authorities who did not spare their support in this regard.

2022 HAS BEEN A YEAR WITH FULL OF IMPORTANT DEVELOPMENTS FOR TÖDEB AND OUR MEMBERS

TÖDEB, which was established within the scope of the Law no. 6493, is a professional organization in the nature of a public institution being formed as a legal entity, to which payment and electronic money institutions operating in Turkey are obliged to become members.

In 2022, our Association continued to respond to the need for accurate and healthy communication with the public in our sector, which continues its development with the contribution of digitalization and new technologies, and to make strategic contributions to cooperation, coordination, education and financial inclusion studies within the scope of its wide ecosystem.

The number of members of TÖDEB, which gathers institutions that have received payment or electronic money institution licenses from the CBRT under the same umbrella, has reached 75 with the participation of 19 new members.

Payment and electronic money institutions that make up our members constitute the backbone of our country's fintech universe. In this context, we consider the growth of TÖDEB as an important gain and expansion for our sector and we are of the opinion that it has internalized important opportunities for the country's economy. Sectoral expansion will also increase the competition between payment and electronic money institutions and thus the service quality as well. Constructive and fully compliant competition will contribute to our Members' reinforcing the value proposition they offer to customers, increasing customer satisfaction, and enhancing the reputation of our sector at the other end of the cycle.

Message from the Chairman of the Board

A YEAR FULL OF INTENSE LEGISLATION CHANGES

The year 2022 has been a period during which legislative changes were intense and the compliance of our sector with new legislation was of key importance.

The Regulation on Payment Services and Electronic Money Issuance and Payment Service Providers published by the CBRT in the last days of 2021 introduced special regulations that will contribute to the development of cooperation between the established financial players and our Members. In addition, with the introduction of open banking and service model banking business models to the legislation, it has been possible to develop new financial products and services that will ultimately advantage the user.

Many topics starting from the opening of the protection accounts that payment and electronic money institutions are obliged to keep before the banks within the framework of the legislation to which they are subject, to the provision of services such as POS, remittance, bill payment, or to the provision of support services through the identity of interface provider to the service banks that find their place in the new legislation, require working in harmony with banks and close cooperation.

Another important achievement provided by the new regulation is the workplace registration system, which was introduced to prevent fraud and malicious use in the field of payments. We believe that as the information sharing among the members of the financial ecosystem improves, the added value produced and shared and the growth leverage offered to the economy will become stronger.

Our Association has focused on open communication and effective coordination with public authorities throughout the year in line with its mission of implementing of this important change accurately and completely by our Members. Works were carried on with our Members in order to fully meet the requirements arising from the new legislation and to develop solutions to eliminate the potential difficulties encountered in practice.

TÖDEB will continue to manage its relations with the public in a tight manner and to be the voice of the sector in 2023 and beyond.

TÖDEB'S DATA TRANSFER SYSTEM (TDTS) HAS GONE LIVE IN THE LAST QUARTER OF THE YEAR TÖDEB's Data Transfer System ("TDTS"), which aims to enlighten the

public about payment and electronic money institutions and to share healthy statistics about the size of our sector, went live in the last quarter of the year and our members started to enter data.

We believe that TDTS will add value to the payment and electronic money sector, which is a key participant of our country's financial ecosystem, both in terms of investment and reputation. It is aimed to start sharing data with the public via TDTS in 2023. Both consumers and investors will have access to transparent information about the sector and companies and will objectively shape their investments and preferences. We believe that TDTS will reinforce the confidence in our sector and thus contribute to the Turkish economy.

WITH THE AIM OF DIRECTING THE ATTENTION OF YOUNG GENERATIONS TO THE FINTECH SECTOR

The interest of young generations in digitalization and fintech is getting stronger each passing year, and on the other hand, as the participants of our sector develop, their contribution to employment as an employer increases.

From this point of view, TÖDEB focused on educational activities and entered the process of increasing its qualified work in this field.

In this context, TÖDEB started training activities in cooperation with professional organizations. Our sector was introduced to new generations during the "10 Sessions - 10 Speakers" seminar series that we held with 42 Schools (42 Okullari), and JAVA and .NET trainings were presented to the participants in the two TÖDEB classes specially opened within Patika.dev.r.

Subsequently, TÖDEB Academy was established in 2022 to provide professional development in the field of payment services and electronic money. Training programs within the body of the Academy, where our Members' officials and academics provide training on payment and electronic money legislation, security, information systems, compliance, accounting and similar fields, started in the last quarter of 2022 and covered basic training contents for legislation and practice.

TÖDEB's goal is to increase the impact it produces in cooperation with both our Academy and educational institutions, and to strengthen the perception, level of knowledge and inclusiveness about fintech by reaching wider audiences. We were pleased with the feedback we received after our trainings and the appreciation of our stakeholders. I would like to take this opportunity to thank the representatives of the relevant public institutions and the officials of our member organizations for their contribution to the training activities.

Dear Stakeholders,

In 2022, our sector completed its institutional development process within the framework of new regulations and entered the period of accelerating innovation and transferring resources.

Through innovations such as remote identification that will contribute to the development of digital payment systems, our sector will grow even more, improve its presence and awareness in the Turkish financial ecosystem, where it is a responsible stakeholder, and reinforce the added value it produces in every aspect.

I would like to thank our Secretary General and our Association employees who contributed to our sector with their valuable work during this process, and I would like to present my respects on behalf of our Board of Directors and myself.

Ufuk BİLGETEKİN
Chairman of the Board

TÖDEB's goal is to increase the impact it produces in cooperation with both our Academy and educational institutions, and to strengthen the perception, level of knowledge and inclusiveness about fintech by reaching wider audiences. We were pleased with the feedback we received after our trainings and the appreciation of our stakeholders. I would like to take this opportunity to thank the representatives of the relevant public institutions and the officials of our member organizations for their contribution to the training activities.

Message from the Secretary General



TÖDEB, being the developing power of its sector, has completed the mission of being the voice of its members and the umbrella organization in terms of sectoral cooperation over the past two years.

Sühendan ENİSEL
Secretary General

TÖDEB ACCELERATES ITS STRUCTURING STEPS FOR A BETTER ADAPTATION TO A CHANGING AND DEVELOPING SECTOR AND BEING MORE PRODUCTIVE, AND PREPARES FOR THE FUTURE GROWTH PHASE

TÖDEB, which was established with the mission of increasing the knowledge of the sector by providing differentiated experiences and innovative solutions in order to provide professional development in the field of payment services and electronic money, and to ensure the development of activities in the field of payment, has been operating at its headquarters in Istanbul since its establishment on 25 September 2020.

TÖDEB, being the developing power of its sector, has completed its mission of being the voice of its members and being the umbrella organization in terms of sectoral cooperation over the past two years.

Our identity as a public institution and our corporate structure have enabled us to carry out the coordination and interactive communication between the sector and our regulatory authorities in a healthy and correct manner. In this context, the opinions of our members were evaluated with an independent and analytical perspective, the demands of our stakeholders and their opinions contributing to the sector's legislation were compiled in a common discourse and conveyed to the authority.

As of the end of 2022, 6 committees and 8 working groups are operating under the roof of TÖDEB, with the active participation and contributions of member representatives.

DURING THE DAYS WE PREPARED OUR 2022 REPORT, OUR COUNTRY HAS EXPERIENCED A DRAMATIC AND DESTRUCTIVE NATURAL DISASTER.

Two earthquakes centered in Kahramanmaraş, which occurred on February 6, affected 11 provinces and caused many losses of life.

As TÖDEB General Secretariat employees, we wish God's mercy on our citizens, who lost their lives during the earthquakes, our condolences and patience to their relatives, and a quick recovery to the injured ones.

Dear Stakeholders,
The year 2022 was completed as a period during which we took important and decisive steps in order to develop our corporate structure and team, update our processes according to changing regulations and stakeholder needs, and most importantly, increase the positive impact we produce in our ecosystem.

Before we mention the works that we have implemented throughout the year, taking a brief look at the development dynamics of our industry on global and local axes will guide us in correctly positioning the progress we have made.

WHILE FİNTECH IS CHANGING THE LOOK OF THE FINANCIAL SERVICES INDUSTRY, COMPREHENSIVE LEGISLATION AND INFRASTRUCTURE CHANGES INTERCEDE

Fintech is in the stage of growth and rapid development in terms of its area of influence and the volumes it reaches in our country, as it is in most of the world's markets. The reflection of this development is observed through international remittance, wallet applications, prepaid cards, POS services, bill payments and mobile payment applications that most of us currently use.

In this context, new infrastructures, service providers, products and business models fundamentally shape the market structures. While the technological and structural developments experienced are slowly removing the boundaries between different segments of the financial sector, they bring the product and service complementarity and providing end-to-end service to the user to forefront. For example, financial service providers are increasingly applying to third parties in order to offer their products and services, while companies without financial service provider identification are increasingly incorporating financial services into their product ranges.

This major change prompts public authorities to implement an inclusive, financial stability and coherent legislative infrastructure. In addition to the infrastructure, the regulations that are being developed also aim at ethical and honest competition conditions, efficiency, cyber and operational robustness and security, ensuring the confidentiality of personal data, and ultimately protecting consumers and investors.

On the other hand, one of the most important achievements of 2022 has been the breakthroughs we have made as to our physical and institutional structuring.

Our General Secretariat moved to its new office in Ümraniye, Istanbul on 2 December 2022. The opening of our new Headquarters was realized with the presence of Murat ZAMAN, Deputy Minister of Treasury and Finance, and Muhammet ERIŞEN, Deputy Chairman of the BRSA, and the participation of our Members.

Our new office has an infrastructure and superstructure equipped with up-to-date technology that allows our staff to work more efficiently and effectively. This new structure has provided a contemporary space for our workshops and similar meetings with the participation of our Members and other stakeholders.

Another important development of the year is the growth we achieved in our organizational structure. As a result of the increasing efforts of our Association, the number of our employees, which was 8 at the end of 2021, reached 14 on 31 December 2022. Taking this opportunity, I wish success to all my colleagues

A NEW PERIOD FOCUSED ON RESULTS AND EFFICIENCY IN TERMS OF OUR COMMITTEES AND WORKING GROUPS Our committees and working groups are the basic building blocks of TÖDEB.

As of the end of 2022, 6 committees and 8 working groups are operating under the roof of TÖDEB, with the active participation and contributions of member representatives.

In order to speed up the productivity of our committees and working groups and to accelerate solution-oriented work, we have both updated our working procedures and principles and balanced the participation of our members at the level of 20 people for each committee and 10 people for the working group. In addition, by sharing the agenda and outputs of our committees and working groups with all our members at the meetings we organize periodically with the participation of our chairman and coordinators, our strategy of consultation and healthy information flow has been preserved, and the positive outcomes of this restructuring process have been experienced together with our Members.

Our committees and working groups held a total of 117 meetings in 2022. In 2022, when the legislative changes and reflections continue, the most intense work was carried on in our Law and Legislation Committee.

Message from the Secretary General

As TÖDEB, we will continue to do our part in order for our Members to become leaders at both the national and international level in 2023. In this sense, we aim to come together with foreign equivalent organizations during international events.

As TÖDEB, it has been one of our primary goals to establish a strong communication with our Members and respond to their needs from the very first day. For this reason, we determine the agenda of the Association according to the requests of the Members, and we consider the opinions and suggestions sensitively.

Through the working platform provided by TÖDEB, our committee and working group participants actively continued their efforts to inform the Members and guide them to good practices at the point of development and implementation of the legal regulations that shape the short, medium and long future of our sector. During the same process, opinions and requests of our Members were examined in detail at committee and working group meetings, and results that contributed to the knowledge of our industry were produced and shared.

We would like to thank our committee presidents and working group coordinators and their assistants and our participants who took charge, who put the sector's benefit at the forefront and put their signature to the outputs that have an impact by providing sectoral benefit with their devoted work.

EFFECTIVE COMMUNICATION WITH MEMBERS AND AUTHORITY

As TÖDEB, it has been one of our primary goals to establish a strong communication with our Members and respond to their needs from the very first day. For this reason, we determine the agenda of the Association according to the requests of the Members, and we consider the opinions and suggestions sensitively.

While we discuss about the hesitations regarding the implementation of the new legislation regarding the fintech sector in 2023 together with our Members, the unresolved problems will be sensitively emphasized and opinions will be shared with the relevant authorities. I would like to underline that we will try to produce the best solution for their needs in close cooperation with our members throughout this entire process.

We try to increase the channels where our members come together with the authorities, and to keep communication between stakeholders effective by creating stronger collaborations. For this purpose, we continued our work by organizing various trainings, workshops, meetings and similar educational and development activities for public institutions and other institutions and organizations and our Members throughout the year, and we also made our plans for the new period.

ACCELERATION PROCESS IN TERMS OF INTERNATIONAL ACTIVITIES

Considering the current potential of our sector and public incentives, our expectations that globalization accelerate remain strong.

As TÖDEB, we will continue to do our part in order for our Members to become leaders at both the national and international level in 2023. In this sense, we aim to come together with foreign equivalent organizations during international events.

Through these activities, which will be carried out with the aim of sharing international knowledge and transferring experiences, it is aimed to observe successful practices, develop experiences, and increase the global awareness about our sector

We know that our members are very enthusiastic about offering their products and services to international markets. In this regard, we will organize events in the future to contribute to our Members in forming a basis for investment and incentive opportunities with international organizations that have strategic importance in the development of financial and operational cooperations for the export of innovative products abroad.

Dear Stakeholders,

While our Union members continue to contribute to the national technological infrastructure, households' access to financial services, and the sustainable development of our country with the multiplier effect they produce, TÖDEB will continue to be the harmonious voice of its Members and to carry out works that add value to the sector.

Kind regards,

Sühendan ENİSEL

Secretary General

External Environment, Sectoral Outlook and Legal Framework in 2022



GLOBAL ECONOMIC OUTLOOK JOURNEY TO STILLNESS

JOURNEY TO STILLNESS THOROUGH SERIES OF CRISIS



5.6%

The Turkish economy achieved a high growth rate of 5.6%.

The year 2022 started in an environment where uncertainties regarding the pandemic were discussed together with forecasts about inflationary trends. By the middle of February, a geopolitical risk that has been occupying the agenda for a long time as a result of the developments between Russia and Ukraine was realized. The first result of this development, which marked a new breaking point for the global economy, was the rapid increase in energy prices and the barrel price of Brent oil reached the peak of the last 10 years in a short time.

While facing a global energy crisis, it was observed that some goods prices reached record levels. In this process, the fight against inflation became the first priority all over the world, and the policies to fight against inflation, implemented by central banks, which have a key role in the global economy, were based on monetary tightening and interest rate hikes.

In 2022, Fed increased the policy rate to 4.50%-4.75%, being the highest level that is observed since 2007, and the ECB increased the policy rate to 3% through the rate hikes it started in the second half of 2022.

While the years when liquidity was plentiful and financing costs were low, were left behind, many concepts, from consumption patterns to daily life routines, have begun to change. With the pressure of the climate crisis, fast consumption has been replaced by a process evolving towards a circular economy. With the pressure of inflationary conditions and the decrease in individual welfare, less spending, longer-term use and savings have been the rising values. This trend, which is observed especially in developed economies, has caused the renewal intervals of products such as cars, consumer electronics and durable household goods to be extended, and thus slowness in the relevant sectors.

In summary, this process, which started with the pandemic in the last period, continued with the break in the supply chains and was crowned with commodity and energy crises at the last stage, has led to the questioning of globalization and an increase in the number of those who think that globalization will be replaced by partial localization.

TURKISH ECONOMY: SUCCESSFUL DECOMPOSITION THOROUGH GROWTH PERFORMANCE

According to Turkish Statistical Institute's data, the Turkish economy, which grew by 7.6% in the first quarter and 7.8% in the second quarter of 2022, grew by 4% in the third quarter and 3.5% in the last quarter of the year. And a high growth rate of 5.6% was achieved throughout the year.

In the first half of 2022, while the industry sector was at the forefront of growth, the effects of the rapid growth in services and especially in the tourism sector were observed throughout the year. While the contribution of private consumption to growth became evident especially in the second half of the year, the contribution of foreign demand was observed to be relatively limited due to the weakening of economic activity in export markets.

CLIMATE CRISIS: A TREND THAT WILL SHAPE THE FUTURE

Studies on the long-term fight against climate change and global warming, which are classified as the most important risk threatening the future of humanity, have gained great importance recently, and governments and the private sector have become much more working together in converging strategies and action plans to produce a solution on a global scale.

The 27th annual United Nations Conference of Parties was held in Egypt in the autumn of 2022.

While the 27th United Nations Conference of Parties to the United Nations Framework Convention on Climate Change (COP 27), gathered in the shadow of negative geopolitical and economic global developments, especially the Russia-Ukraine tension, its results remained also limited.

The most important achievement of the Climate Summit is the agreement of the contracting parties on the establishment of the Loss and Damage Fund for the countries that are in the most vulnerable position in the face of the climate crisis.

The Fund aims to compensate for the losses and damages of developing countries that feel the negative effects of climate change severely and economies of which are affected.

During the United Nations Intergovernmental Panel on Climate Change convened at COP27, it was noted that greenhouse gas emissions should be reduced by 45% until 2030 in order to limit global warming with 1.5°C. On the other hand, one of the most important issues in the transition to a low-carbon economy is transition finance. It is emphasized that global transformation requires an annual investment of 4-6 trillion USD. At this point, the joint action and synergetic cooperation of all national and international financial institutions will be important.

The climate crisis is an important risk for the Turkish economy and the real sector. The issue that needs to be evaluated first here is the EU Green Deal, which was announced in our biggest export market, the EU.

In this context, while the EU is moving towards a zero-carbon level, it envisages to activate the Border Carbon Adjustment mechanism in order to eliminate the negative effects of the process on its economy. This mechanism brought up the demand of a fee/tax from countries that do not have carbon pricing in terms of the exportations to the EU. It is a plain fact that the Turkish economy, which makes nearly half of its exports to the EU, will be affected by the EU's "green transformation".

The carbon border adjustment, which will create a cost above the GDP, will increase the costs of the sectors that use energy intensively and have high carbon emissions in the production processes of our country.

External Environment, Sectoral Outlook and Legal Framework in 2022

THE GLOBAL FINTECH SECTOR IS GROWING EXTRAORDINARILY

The fintech sector is growing extraordinarily both in our country and in the global markets. The basis of this growth is the fact that the sector's technology integration and customer-oriented approaches have overcome the difficulties mentioned with along the traditional financial systems.

HIGHLIGHTS AMONG MANY TRENDS SHAPING THE FINTECH INDUSTRY AND SECTORAL GROWTH

WIDE USE OF ARTIFICIAL INTELLIGENCE AND MACHINE LEARNING

Today's global economy is data oriented. Any sector that intends to survive, grow and be competitive under the current market conditions should benefit from data science, artificial intelligence and machine learning. Fintech industry is one of the business lines that has achieved this and started to collect results thereof rapidly.

Fintech determines its business models, strategies and products by processing big data through online transactions and most importantly using analytical processes. This approach, which is followed, reduces the possibility of encountering any error and improves widespread financial inclusion.

Thus, it offers an ecosystem where large consumer groups who are unaware of financing techniques and products can easily benefit from financial services without any difficulty.

DIGITAL BANKING AND FINANCIAL SERVICES

Along with digitalization, the traditional banking understanding is also changing rapidly, and the number of digital banks that provide services only through digital channels without a branch is increasing all over the world. While fintech organizations stand out as an important player that can provide services in this field, they are expected to play an important role in providing a better and innovative service by analyzing the financial behavior of consumers.

While there are 5 banks that have obtained a digital bank establishment permit from the Banking Regulation and Supervision Agency, one of them has also received an operating permit as of the report date. In the upcoming period, the contribution of digital banking to the financial system will become more prominent.

BLOCKCHAIN

Blockchain technology uses data stored in categories or blocks, typically linked via cryptography. Blockchain digitizes record keeping transactions over a network. Thus, while transaction verification avoids being held to a single center, it also offers important security advantages by preventing any error originating from a single point, from affecting the entire network. Integrating this technology, or in other words, decentralized finance (DeFi, decentralized finance), into the financial system will make transactions easier, faster and safer, and will offer a new axis of growth.

As Fintech rapidly acts on its global development and improvement in technology, customers will be able to benefit from all services without the barriers of geographical location, economic situation and financial literacy, and growth and development will move in a more distributed and equitable direction.

PAYMENT AND ELECTRONIC MONEY SECTOR

In Turkey, especially in the last three years, a series of legal arrangements have been made to strengthen fintech institutions and encourage the digitalization of banks, encouraging entry into the ecosystem. The output of the incentives is clearly seen in the "Turkish Fintech Ecosystem Status Report 2022" published by the Finance Office of the Presidency of the Republic of Türkiye. Accordingly, while 629 active fintech institutions operate in Turkey, the ecosystem is gaining momentum strongly. In fact, on average, 9% of the startups established in the ecosystem come out of the fintech vertical.

In addition, the Istanbul Finance and Technology Base, which will be operational under the leadership of the Presidential Finance Office, and the Istanbul Finance Center located here, offer a very strong potential in terms of international capital flow, and it is expected that Turkey will become a regional and global fintech center.

With the participation of payment and electronic money institutions in FAST, the widespread use of QR codes, the introduction of open banking and interface provider services, and the implementation of remote identification, both the improvement in the products and business models of the institutions and the cooperation with the established players of the financial ecosystem will continue to increase.

Fintech Ecosystem of Türkiye

Through the issuance of payment and electronic money institution licenses in Turkey in 2015, the development of the Turkish fintech ecosystem has entered a new and rapid phase. It is thought that the fintech market will continue to grow strongly in payment services during the coming years.

HIGH GROWTH PROCEEDS IN TERMS OF THE SUPPORT OF LEGAL REGULATIONS.

Regulations in the fintech sector in Turkey started in the 2010s.

Following the new generation payment devices becoming mandatory in 2012, fintech startups started to appear in this field, and following the issuance of payment and electronic money institution licenses in 2015, the development of the Turkish fintech ecosystem entered a new and rapid phase.

A number of legal regulations have been put into effect in order to strengthen fintech companies of the 2019-2022 period, digitize banks and pave the way for open banking.

In 2022,

- Digital banking regulation entered into force,
- the first version of the API principles and rules of the data sharing services as to payment services was published,
- the first digital bank establishment permission was granted,
- the Istanbul Financial Center Law entered into force,
- Guidelines on Associating Business Models Presented in the Field of Payments with Payment Service Types has been published,
- Open banking has started to be implemented,
- Payment and electronic money institutions were also included in the FAST system,
- The first payment transaction on the Digital Turkish Lira Network was realized.

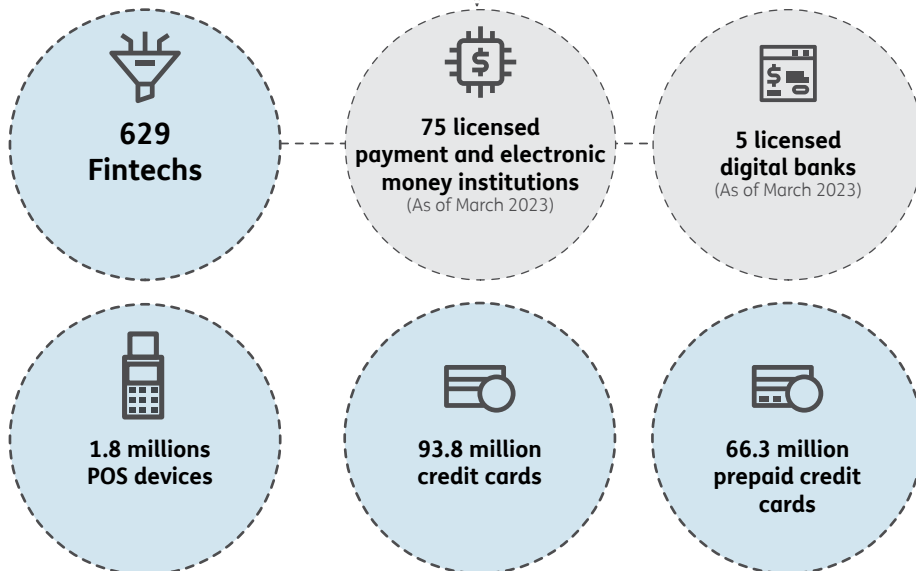
These developments indicate that the fintech market in our country will be active in the upcoming years and will maintain its strong growth.

A SECURE AND LEGALLY REGULATED FINANCIAL SERVICE: PAYMENT AND ELECTRONIC MONEY INSTITUTIONS

The most important assurance of the sector is that the payment service is provided by licensed TÖDEB member organizations with qualifications. Payment institutions and electronic money institutions are responsible for ensuring the security and confidentiality of funds and information, as well as capital, management, personnel and technical competence in order to obtain an operating license from the CBRT.

The fact that payment and electronic money institutions are subject to constant supervision and surveillance by both the CBRT and the Financial Crimes Investigation Board (MASAK) and authorized independent audit companies is a strong mechanism that ensures trust and stability in the sector.

HIGHLIGHTS FROM FINTECH ECOSYSTEM OF TÜRKİYE



Source: The Presidency of the Republic of Türkiye-Finance Office Fintech Ecosystem Status Report of Türkiye

Services Provided by Member Organizations of TÖDEB



- **Payment Account Maintenance**

It is the process of opening a payment account on behalf of the customer, depositing money into the payment account and withdrawing money.

- **Remittances**

These are the processes of transferring the funds in the payment account opened on behalf of the customer to an account in another institution that provides payment services. It also covers account-related fund transfers made with credit cards, debit cards, prepaid cards and similar payment instruments.

- **POS service**

It is the use of POS procured from banks by those who sell goods or services, in other words, it is the mediation for the acceptance of the card and the transfer of funds in terms sales made with a debit or credit card.

- **Issuance and Acceptance of the Payment Instrument**

This is enabling the use of cards, passwords and similar tools determined in the contract signed with the customer and used by the customer to initiate payment transactions, and to make payment transactions with these tools.

- **Remittance**

It is the transfer of funds from the sender to the receiver without opening an account on behalf of the customer. It is a type of remittance made without the customer's account before the institution.

- **Direct Carrier Billing**

It is the realization of the payment transaction by reflecting the payment amount on the customer's phone bill.

- **Paying bills**

It is the provision of the service of paying bills such as electricity, water, natural gas and communication to the customer. It includes transferring the invoice amount received from the customer to the invoice issuer institutions.

- **Payment Order Initiation Service**

This is an open banking service that refers to the delivery of the customer's payment order to the institution where the payment account is held.

- **Account Information Provision Service**

It is an open banking service that enables the customers to present information about their accounts before more than one institution through a consolidated online platform.

- **Electronic Money Issuance**

This means enabling the customer to spend and transfer as much as the amount of funds loaded instead of cash, as a result of transferring the funds received from the customer to the account or loading them to the card. Virtual wallet and prepaid cards are common applications of this.

TÖDEB MEMBERS HAVE LICENSE AND PUBLIC OVERSIGHT

New financial products, services and solutions are added to the fintech ecosystem, which has been in a rapid growth trend in recent years, and financial service users are offered options in terms of diversity and preference.

Member organizations of TÖDEB are among the Turkish fintech sector players that have licenses and public oversights.

Organizations that provide payment services, summarized in a legally regulated and regulated system, play critical roles in the financial sector with their innovative business models.

Payment services may be provided by both payment institutions and electronic money institutions. The point where electronic money institutions differ from payment institutions is that these institutions are able to issue electronic money in addition to the specified payment services.

Safe and easy payment solutions and virtual wallets and prepaid cards offered by electronic money institutions are among the prominent services and products of the sector.

DISTINCTION POINT FROM FINANCIAL INSTITUTIONS

Payment and electronic money institutions that do not have the authority to grant loan differ from other financial institutions at this point.

Member organizations offer payment services or issue electronic money only in return for the funds they receive.

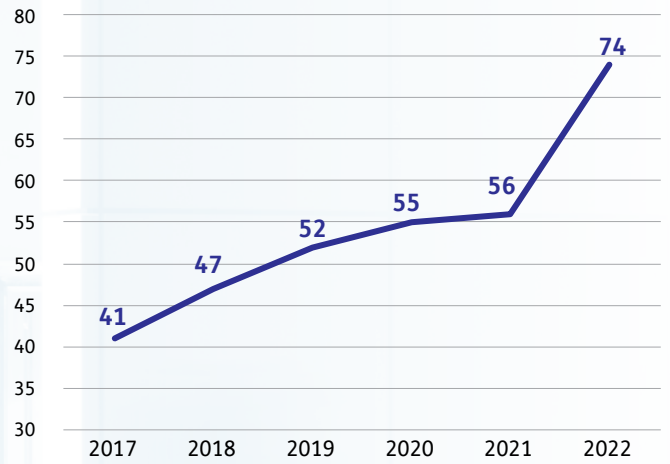
In accordance with the legal regulations, it is obligatory to protect the funds received from customers by payment and electronic money institutions and held on behalf of customers in special accounts opened before the banks. The deposited funds belong to the payment service user and cannot be used for any other purpose.



TÖDEB is growing with its members.

The number of members of TÖDEB, which gathers institutions that have obtained payment or electronic money institution licenses from the CBRT under the same umbrella, has reached 74 with the participation of 18 new members. As of March 2023, when the Activity Report was prepared for publication, this number increased to 75 with the participation of a new member.

NUMBER OF LICENSED PAYMENT AND E-MONEY INSTITUTIONS IN TÜRKİYE



Source: The Presidency of the Republic of Türkiye-Finance Office Fintech Ecosystem Status Report of Türkiye

MILESTONES

AUGUST

The Committee and Working Groups were restructured with an efficiency-oriented approach.

MAY

During the Ordinary General Assembly of TÖDEB, the Board of Directors was elected to serve for a period of 2 years.

OCTOBER

TÖDEB's Commercial Enterprise was established to organize income generating training, seminars, meetings, conferences and events. TDTS was put into use and data entry of the members was initiated.

NOVEMBER

TÖDEB Academy trainings started. Number of TÖDEB personnel exceeded 10.

DECEMBER

TÖDEB center was opened.

Analysis and sharing of sectoral data

It is one of the duties of TÖDEB to compile and archive general and statistical information about the member organizations of the Association and to disclose the analyzes and reports produced in line with this information to the public periodically.

TÖDEB DATA TRANSFER SYSTEM (TDTS) WAS PUT INTO USE IN 2022.

What is TÖDEB Data Transfer System?

TÖDEB Data Transfer System (TDTS) is a digital platform that enables the electronic analysis of the data transmitted by the members in accordance with the determined report sets and their disclosure to the public as statistical information. Works regarding the TDTS project were started in 2021, and a server ecosystem was created to meet the needs by completing the work on the system to be used and the software phase. During this projecting process, the security layers of TDTS were detailed; and the system was structured in such a way as to ensure the highest level of confidentiality and security of any data to be obtained from the members.

Within the combination of server and software architectures, many security steps such as access restrictions, use of today's technologies, use of electronic signature, use of VPN service, additional protection systems against attacks, reserved for servers and closed-circuit line and internet connections were included within the TDTS.

Within the physical hosting and management services in the TDTS, all international and local security standards were taken into account, and maximum importance was given to the continuity and perpetuity of the data flow. Following all these preparations, TDTS studies were completed in October 2022 and the platform was made available to members. During this process, detailed information was given to the members of the Association regarding the procedures and principles as to the TDTS and the reporting system, and then data entry into the system was initiated.

In order to make the statistical information about the sector and members accessible to the public in the first half of 2023, in December, TÖDEB requested all members to provide the necessary controls on the data they provided to TDTS.

The working cycle of TDTS will run with the steps of periodically uploading of the data determined by TÖDEB to the system by the members, analyzing the uploaded data within the system and sharing it with the public with along periodic updates. The management, hosting and licensing needs of the TDTS ecosystem are carried out in accordance with ISO 27001 / 27002, Tier 3-4 standards.



Alternative Constructive Support to Consumer Relations

TÖDEB's ARBITRAL TRIBUNAL FOR PRIVATE CUSTOMER ENTERED INTO SERVICE

The Regulation on the Principles and Procedures of the Arbitral Tribunal for the Private Customer of Payment and Electronic Money Institutions Association of Türkiye was approved and entered into force on 24 May 2021.

The amendments, which were approved by the General Assembly resolution dated 17 May 2022, were approved by the TÖDEB's Board of Directors resolution dated 14 December 2022, following the approval of the CBRT on 14 November 2022, and entered into force by being published on the TÖDEB's official website on the same date.

Following the entry into force of the regulation, the Arbitral Tribunal for the Private Customer of Payment and Electronic Money Institutions Association of Türkiye was established in order to resolve the disputes arising from the services provided under the Law no. 6493 between the payment and electronic money institutions being members of TÖDEB and their individual customers.

WHAT DOES IT COVER?

The resolution service offered through the Arbitral Tribunal for the Private Customer of Payment includes evaluating and finalizing of the applications of real persons who benefit from the services of the payment and electronic money institutions being members of TÖDEB.

WHAT DOES IT NOT COVER?

The applications of real persons arising from the transactions related to non-private commercial activities and applications made by legal entities cannot be accepted by the Arbitral Tribunal for the Private Customer of Payment.

HOW TO APPLY?

Private customers are required to submit a written application to the relevant payment or electronic money institution which is a member of TÖDEB, within **2 years**, at the latest, from the date of the transaction or action that is the subject of the dispute.

An application can be filed before the Tribunal by filling out the Application Form under the following conditions:

- In case the TÖDEB member organization does not respond to the application within **20 days** as from the date of application, right after the expiry of the said period,
- In case the answer submitted by the relevant member organization is not found sufficient, within **60 days** as from the date of the reply.

207 applications

Between 1 January 2022 and 31 December 2022, private customers of member organizations made a total of 207 applications before the Association.

THE APPLICATION FORM MAY BE FOUND IN THE "ARBITRATION TRIBUNAL APPLICATION FORM" FIELD ON THE TÖDEB WEBSITE / ACTIVITIES / ARBITRAL TRIBUNAL FOR PRIVATE CUSTOMER PAGE.

As a result of answering to the questions in the form and uploading the necessary documents, the application is sent to TÖDEB electronically.

Detailed information on issues such as on which subjects to apply to the tribunal, what to do before applying, how to make the application, according to which criteria the applications will be evaluated, how the evaluation process will work, the conclusion of the application and the notification of the Arbitral Tribunal's decisions to the relevant parties may be found on the "Information Brochure" section on the TÖDEB Website - Activities - Arbitral Tribunal for Private Customer page.

All documents related to the applications and all processes to be carried out are free of charge, and applications made by appearing before TÖDEB in person are not accepted.

TÖDEB's Arbitral Tribunal for Private Customer continues its activities in order to resolve the disputes between the payment and electronic money institutions being members of TÖDEB and private customers.



207 APPLICATIONS WERE FILED IN 2022

As of 31 December 2022, private customers of member institutions made a total of 207 applications before the Association.

- 18 of these applications were rejected without being included in the agenda of the Tribunal, as they did not meet the application requirements.
- The total number of applications that the Tribunal concluded in favor of the member: 64
- Number of applications resolved by member organizations without being referred to the Tribunal: 78 The number of applications that are currently being evaluated by the Tribunal and that have not yet been finalized: 42
- The number of applications that the Tribunal resolved in favor of the applicant: 2
- Number of applications not included in the agenda due to the applicant's declaration that he/she withdraws his/her application without being referred to the committee: 3



BREAKDOWNS ACCORDING TO THE SUBJECTS OF THE APPLICATIONS CONCLUDED BY ARBITRAL TRIBUNAL FOR PRIVATE CUSTOMER IN FAVOR OF THE MEMBER

Expenditure Objections 13
Loading Problems 6
Cancellation/Refund Requests 17
Wallet Problems 2
Defective Payment Services 2
Remittance Problems 3
Forgery/Fraud/Betting/Suspicious Transaction 3
Campaign/Cashback Problems 12
Membership Termination/Agreement Termination 1
User Account Problems 5



BREAKDOWNS ACCORDING TO THE SUBJECTS OF THE APPLICATIONS CONCLUDED BY THE ARBITRAL TRIBUNAL FOR PRIVATE CUSTOMER IN FAVOR OF THE APPLICANT

Membership Termination/Agreement Termination 2



BREAKDOWNS ACCORDING TO THE SUBJECTS OF THE APPLICATIONS WHICH ARE CURRENTLY BEING EVALUATED BY THE ARBITRAL TRIBUNAL FOR PRIVATE CUSTOMER BUT WHICH ARE NOT YET CONCLUDED

Expenditure Objections 8
Loading Problems 4
Cancellation/Refund Requests 17
Wallet Problems 4
Defective Payment Services 1
Forgery, Fraud, Betting, Suspicious Transaction 2
Campaign/Cashback Problems 1
User Account Problems 5



TÖDEB Akademi started its activities

FOR INFORMATION ABOUT TÖDEB ACADEMY'S ACTIVITIES
www.todeb.org.tr/todebakademi

ADDING VALUE TO THE FINTECH SECTOR WITH FOCUS ON DEVELOPMENT TOGETHER

TÖDEB Academy, which was structured to contribute to the qualified workforce capacity of the rapidly developing sector, started its activities in November 2022.

Acting with the mission of contributing to the development of qualified human resources in the field of payment services and electronic money, TÖDEB Academy has set out with the training programs that it has determined in the focus of priority needs about the legislation and various practices based on the legislation.

TÖDEB Academy, in the first stage, offered its trainings for the benefit of the employees of its member organizations. The first trainings were held in November and December 2022 and 217 people from member organizations participated in the trainings.

TRAINING HEADLINES IN 2022

- Sub-Regulations on Payment and Electronic Money Institutions
- Obligation to Create a Compliance Program
- Facilitating the Operation of Payment and Electronic Money Institutions

WITHIN THE SCOPE OF NOVEMBER TRAININGS

3 training classes were held under 2 different training programs. 115 people from 30 different Association member organizations attended these trainings. While 50% of the participants were involved in the evaluation process regarding the trainings, the average of the evaluation of the trainings held in November was 4.46 out of 5.

Sub-Regulations on Payment and Electronic Money Institutions

The training, which was designed over 3 hours, was held on 22 and 24 November 2022 as 2 separate training classes. During this training, trainers of which were Gökhan Uğur BAĞCI, Ömer BÜYÜKTOSUN and İrem MUTLU, within the scope of the "Regulation on Payment Services and Electronic Money Issuance and Payment Service Providers", published in the Official Gazette dated 1 December 2021 and numbered 31676, information and practices regarding the legal obligations to be fulfilled by payment and electronic money institutions were explained to the participants. A total of 76 people from member organizations participated in both trainings.

Taking into account the expected change in market dynamics and sector legislation, TÖDEB Academy will continue to internalize this change through training programs and will continue to develop and strengthen its pool of qualified trainers and stakeholders.

Obligation to Create a Compliance Program

The training was held on 30 November 2022 as a single 3-hour session, under the leadership of TÖDEB's Financial Crimes Investigation Board ("MASAK") Working Group Coordinator, Sermet AYDIN. Through this training, it is aimed to raise awareness about the additional obligations created by the fact that payment and electronic money institutions entered into the obligation to create a compliance program as of 1 May 2021, and to raise awareness about the practices. 39 people from member organizations participated in this training.

WITHIN THE SCOPE OF DECEMBER TRAININGS

5 training classes were held under 2 different training programs, and 102 people from 31 member organizations participated in the trainings. While 40% of the participants were involved in the evaluation process regarding the trainings, the average of the evaluation of the trainings held in December was 4.74 out of 5.

Program on Facilitating the Operation of Payment and Electronic Money Institutions

Through this training program, it is aimed to facilitate the putting into operation processes of the payment and electronic money institutions that have received operating licenses

During the program, besides the business steps to be followed during the putting into operation process, information and experiences regarding the process and practices were also cited. In this way, it is aimed to contribute to the reduction of operational costs and time savings by shortening putting into operation processes of the organizations.

The target audience of this program, which was held in the form of 4 separate 3-hour sessions and interviews, by taking into account different types of activities, was the senior executives and investors of the organizations. A total of 71 people from member organizations participated in this program.

The sessions of the program were held online, and the conversation session was held within the classroom in the TÖDEB center.

Obligation to Create a Compliance Program

The training was held on 20 December 2022 as a single 3-hour session, under the leadership of TÖDEB's Financial Crimes Investigation Board ("MASAK") Working Group Coordinator, Sermet AYDIN. Through this training, it is aimed to raise awareness about the additional obligations created by the fact that payment and electronic money institutions entered into the obligation to create a compliance program as of 1 May 2021, and to raise awareness about the practices. 31 people from member organizations participated in this training.

ABOUT THE FUTURE TÖDEB

Academy, which is structured to add value to the fintech sector with a focus on joint development, will continue to grow by expanding its sphere of influence and contribution in 2023 and beyond.

Taking into account the expected change in market dynamics and sector legislation, TÖDEB Academy will continue to internalize this change through training programs and will continue to develop and strengthen its pool of qualified trainers and stakeholders.

Date	Training	Instructors
6 December 2022	E-Money and Payment Gateway Activities	Yeşim KARACA
7 December 2022	Remittance Activities	Serhat ŞENER
8 December 2022	2022 Mobile Payment Activities	Serhat DOLAZ
9 December 2022	Bill Payment Activities	Kenan GÜVENÇ
23 December 2022	Sectoral Conversation Session	All Educators

Activities

JANUARY

PANEL ON FINANCIAL TECHNOLOGIES IN PAYMENT SERVICES

“Financial Technologies in Payment Services Panel” was held by the Competition Authority on 11 January 2022.

The panel was organized in order to follow the global developments regarding fintechs in payment services, to evaluate the current situation of the fintech ecosystem in payment services in our country and to determine the effects of developments in this field on competition, as well

as to identify approaches that may be adopted from the perspective of competition law.

During the panel where the opening speeches were made by Birol KÜLE, Chairman of the Competition Authority and Ekrem ARIKAN, the General Manager and Member of the Board of Directors of Merkezi Kayıt Kuruluşu A.Ş., the Chairman of the Board, Burhan ELİAÇIK and Member of the Board of Directors, Fevzi GÜNGÖR shared their views on “Integration of Fintechs into the Financial System and Open Banking” on behalf of TÖDEB.



FEBRUARY

VISIT TO THE PERSONAL DATA PROTECTION AUTHORITY (PDPA)

During the visit to Prof. Dr. Faruk BİLİR, Head of the Personal Data Protection Authority (PDPA), consultations were made about TÖDEB and the sector.



MAY

TÖDEB's 3rd ORDINARY GENERAL ASSEMBLY MEETING WAS HELD ON 17 MAY 2022.

At the TÖDEB's Ordinary General Assembly meeting held on 17 May 2022, opinions regarding the development of the sector within the framework of the needs of the new period were shared, and the members of the TÖDEB's Board of Directors, Supervisory Board and Disciplinary Committee were elected.

Faik Metin Tiryaki, the Vice President of the Competition Authority, Necip Fazıl Kaymak, the Vice President of the Presidency Finance Office, and Serdar Murat Öztaner, the General Manager of the CBRT, attended the General Assembly.

The 3rd Ordinary General Assembly is the first general assembly meeting including elections, held under TÖDEB's own organization.



PATİKADEV and 42 ISTANBUL SCHOOLS

COLLABORATIONS AIMING TO PROVIDE SOLUTIONS FOR THE QUALIFIED PERSONNEL NEED OF THE SECTOR

TÖDEB - 42 ISTANBUL SCHOOLS COLLABORATION

TÖDEB attaches great importance to developing various collaborations with institutions and organizations that are experts in their fields, in order to produce deep-rooted and sustainable solutions to the talent gap, which is one of the main problems in the field of payment services and electronic money.

As a result of these collaborations, shaped by the contributions of the TÖDEB's Human Resources Working Group, two separate projects based on education and development were implemented with

- 42 Istanbul Schools and
- Patika.dev.

Project opening meetings were held with the participation of Patika Dev and 42 Istanbul Schools officials and TÖDEB members on 16 February 2022, regarding two important collaborations, and detailed information was provided about the two projects.



TÖDEB - 42 ISTANBUL SCHOOLS COLLABORATION

“10 Sessions - 10 Speakers” seminar series was held as part of the training activities that focus on the interest of the new generation in the fintech sector and primarily aim to raise awareness and literacy for the sector. Speakers who contributed to the seminar series that brought together 42 Istanbul School students with the leading professionals of the sector and the topics discussed therein are summarized in the below table.

DATE	SPEAKER	SEMINAR SUBJECT
23 June 2022	TÖDEB Komiteler Sorumlusu Gülnur YERLİKAYALAR	TÖDEB’in Sektördeki Rolü ve Üyeleri
30 June 2022	Octet Express Ödeme Kuruluşu A.Ş. Satış ve Pazarlama Grup Başkanı Can SAYDAM	Türkiye’de Geleneksel Tahsilat Yöntemleri ve Ödeme Kuruluşlarının Rolü
6 July 2022	Pay Fix Elektronik Para ve Ödeme Hizmetleri A. Ş. Yönetim Kurulu Üyesi Erhan YAZGAN	Ödeme Hizmetleri Sektöründe Uyum, Risk Yönetimi, İş Kontrol ve İş Denetim
20 July 2022	Paratika Ödeme Hizmetleri A.Ş. Yazılım Mühendisi Okan PEHLİVAN	Fintek sektöründe bir yazılımcının sahip olması gereken nitelikler
27 July 2022	TT Ödeme ve Elektronik Para Hizmetleri A.Ş. Giray GÖDE	Fintek sektöründe yazılımcı olmak
3 August 2022	N Kolay Ödeme ve Elektronik Para Kuruluşu CTO Ceyhun SÖNMEZ	Bulut Bilişim
10 August 2022	TÖDEB Yönetim Kurulu Üyesi ve Ödeal Ödeme Kuruluşu A.Ş. Kurucu Ortağı Fevzi GÜNGÖR	Girişimcilik Hikayesi Ödeal Nasıl Kuruldu? Sektörde Hangi Challenges var?
17 August 2022	TT Ödeme ve Elektronik Para Hizmetleri A.Ş. Finansal Teknolojiler Pazarlama Grup Müdürü Merve SİVRİ	Mobil Ödeme Kavramı ve Kullanıldığı Alanlar
24 August 2022	TURK Elektronik Para A.Ş. Genel Müdürü Serkan Aziz ORAL	Elektronik Para ve Dijital Cüzdan Kavramı ve Elektronik Para Kuruluşlarının İş Modeli
1 September 2022	Paynet Ödeme Hizmetleri A.Ş. Ürün Yöneticisi Özgür KOLASAYIN	B2B Kanallarında Kullanılan Tahsilat Yönetimleri ve Teknolojileri

In addition to the seminar series, studies about adding a separate training module specific to the payment and electronic money institutions sector to the education curriculum of 42 Schools were started on 23 June 2022, under the leadership of TÖDEB Information Systems Working Group representatives.

TÖDEB AND PATİKA.DEV COLLABORATION

The “Bootcamp”, organized in cooperation with Patika.dev, was launched to meet the need for software developers in the Fintech sector, and through two TÖDEB classes dedicated to JAVA and .NET trainings new talents were supported on the way to becoming a software developer. The graduates of TÖDEB class, who successfully completed the Bootcamp were assisted to find work opportunities and were directed to the Human Resources teams of the member organizations.

Activities

JUNE

PDPL WORKSHOP

The first joint workshop was held with the Personal Data Protection Authority for the preparation of sector-specific guidelines. Prof. Dr. Faruk BİLİR, the head of PDPA, the managers of the PDPA and experts participated in the meeting.

VISIT TO THE TURKISH MINISTRY OF ENVIRONMENT, URBANIZATION AND CLIMATE CHANGE

Consultations were made with İsmail TÜZGEN, the General Manager of Geographic Information Systems of the Ministry of Environment, Urbanization and Climate Change, regarding the process of obtaining geographic data licenses of payment and electronic money institutions.

WORKSHOP ON EVALUATION OF THE LEGAL AND JUDICIAL PROCESSES

Through the participation of the officials of General Directorate of Penal Affairs of the Turkish Ministry of Justice, CBRT, Head of Fight Against Cyber Crimes Department of the Security General Directorate of the Ministry of Internal Affairs and members of TÖDEB, the Workshop on Evaluation of the Legal and Judicial Processes was held on the dated of 12-13 June 2022.

During the workshop, the opening speech of which was made by Burhan ELİAÇIK, the Chairman of TÖDEB, Songül YAZAR, the Deputy General Manager of CPRT and Şenol

TAŞ, the Deputy Director General of Criminal Affairs of the Ministry of Justice, the disruptions experienced in legal and judicial processes regarding the payment and electronic money sector were expressed, and concrete suggestions for improving the processes were shared.

CHANGE OF THE CHAIRMAN AND DEPUTY CHAIRMAN OF TÖDEB

At the board meeting dated 16 June 2022, Ufuk BİLGETEKİN was elected as the Chairman of the Board of TÖDEB and Serhat DOLAZ as the Deputy Chairman of the Board of Directors.

PROMOTION AND INFORMATION MEETING ABOUT THE FINANCIAL TECHNOLOGIES SECTOR

At the Promotion and Information Meeting About the Financial Technologies Sector that is held in cooperation with TOBB and TÖDEB, and the opening speeches of which were made by Ufuk BİLGETEKİN, the Chairman of TÖDEB and Koray Gültekin BAHAR, the President of the Assembly of TOBB Financial Technologies, Hürol KARLI, Head of Informatics, Software and Communication Services Department of the Turkish Ministry of Commerce, gave information about the “Internationalization of the Turkish Informatics Industry and E-Turquality (Stars of Informatics) Support Program of the Ministry of Commerce.



AUGUST

VISIT TO THE AMBASSADOR OF SINGAPORE

Potential collaborations between Singapore and Turkey in the field of fintech were evaluated with Mehmet Burçin GÖNENLİ, the Ambassador of Singapore of Türkiye.

TÖDEB'S DATA TRANSFER SYSTEM (TSTS) TRAINING

On 28 July 2022, the CBRT approved the TÖDEB's Data Transfer System (TDTS), which is an electronic data collection and public reporting platform established by TÖDEB under the authority given to it under its Statute. In this context, a training meeting was held by the software team that prepared the TDTS, where technical issues regarding the operation and use of the system were shared.



SEPTEMBER

VISIT TO ANITKABİR

TÖDEB's Board of Directors, Supervisory Board, Disciplinary Committee and team of the Secretary General visited Anıtkabir.

During the visit, Ufuk BİLGETEKİN, the Chairman of TÖDEB wrote the following note in the Anıtkabir Special Book and signed it on behalf of the Association.

"The founder of our republic, the hero of our struggle for independence, the great leader Gazi Mustafa Kemal ATATÜRK, today, as the Payment and Electronic Money Institutions Association of Türkiye, we are experiencing the joy and pride of being in your spiritual presence. With our wholehearted commitment to your principles, we will work with all our strength to raise the Republic of Türkiye above the level of contemporary civilizations you have referred. While moving step by step towards a bright future on the basis of science and technology in accordance with the dynamism of our developing and changing country, the targets you point out will be the light on our way."



Activities



VISIT TO DEPUTY MINISTER OF TREASURY AND FINANCE OF TÜRKİYE

The TÖDEB delegation met with Murat ZAMAN, the Deputy Minister of Treasury and Finance of Türkiye, and made consultations on payment and electronic money institutions and the sector.

OCTOBER

TURKISH-ARAB ECONOMIC 2022 FORUM

Ufuk BİLGETEKİN, the Chairman of TÖDEB, made a speech at the 13th Turkish-Arab Economic Forum held on 6 October and made evaluations about the sector.

BİLGETEKİN, who stated that the diversity of players in the financial system will pave the way for the development of new collaborations and business models, also pointed

out that according to the status report published by the Presidency Finance Office at the end of 2021, 9% of the startups established every year in the Turkish entrepreneurship ecosystem come out of the fintech vertical and drew attention to investment opportunities in the developing Turkish fintech sector.



DECEMBER

OPENING OF THE HEADQUARTERS OF TÖDEB

TÖDEB has experienced the excitement of continuing its journey that has started in 2020, as the developer power of the sector at its new headquarters.

The new headquarters of TÖDEB was opened on 2 December 2022 with the participation of Murat ZAMAN, the Deputy Minister of Treasury and Finance of Türkiye and Muhammet ERİŞEN, the Deputy Chairman of BRSA and TÖDEB members.

Murat ZAMAN, the Deputy Minister of Treasury and Finance, who gave a speech during the opening, emphasized that his belief that the financial sector will get better with all its actors in the coming period is very strong, and by pointing out the importance of fintechs, he mentioned the following: “As the Ministry of Treasury and Finance, our view on fintechs is as follows: we have to do whatever we can to improve it. Whatever they need, we should work to meet them within the framework of legislation. Hopefully, we will further increase our cooperation in the coming period.”

Muhammet ERİŞEN, the Vice Chairman of BRSA, who gave a speech during the ceremony, emphasized that although banks are the leading actors of the financial sector, the role of non-bank institutions in the financial system and the activities they perform are very important for both the financial sector and the digitalized world, and they follow it closely.

Ufuk BİLGETEKİN, the Chairman of TÖDEB, who, during the speech he gave at the opening, gave information about TÖDEB’s activities and future goals, mentioned the following: “The year 2022 has been a period in which legislative changes were intense and the harmonization of our industry with new legislation was important. Therefore, as the Association, we have focused on establishing open communication and effective coordination with public authorities. In the next period, we will continue to work with our members to develop solutions to meet the requirements that may arise within the scope of the new legislation and to eliminate the disruptions that may be encountered in practice.”



Activities

6th TURKISH CAPITAL MARKETS CONGRESS

Ufuk BİLGETEKİN, the Chairman of TÖDEB, took part as a speaker in the panel titled “From the Eyes of the Associations of the Finance World: Istanbul’s Journey of the Global Finance League” at the “Future of the Economy and Capital Markets” session at the 6th Turkish Capital Markets Congress.



2022 WORKSHOP OF THE FINANCIAL CRIMES INVESTIGATION BOARD (“MASAK”)

“2022 Workshop of the Financial Crimes Investigation Board (“MASAK”) was held under the leadership of the Financial Crimes Investigation Board (“MASAK”) of Ministry of Treasury and Finance of Türkiye and through the participation of our member organizations.

The workshop started with the opening speeches of Suat ŞİMŞEK, the Vice President of MASAK and Ufuk BİLGETEKİN, the Chairman of TÖDEB and TÖDEB members were informed by MASAK officials about suspicious transaction reports, establishing a compliance program and similar obligations, and current legislative changes within the scope of combating laundering proceeds of crime and financing of terrorism.



Contact Meetings

JANUARY

CONTACT MEETING ON THE RISK ANALYSIS OF COMPLIANCE WITH TARGETED FINANCIAL SANCTIONS ACCORDING TO THE FATF ACTION PLAN

With the aim of establishing an audit program focusing on compliance with targeted financial sanctions in accordance with the Action Plan created for our country by FATF, a meeting was held to inform the members of the TÖDEB Risk Analysis Working Group on how the said data should be prepared in order to transmit the data regarding the risk criteria determined by the Presidency of MASAK to the Presidency of MASAK.

JUNE

MINISTRY OF ENVIRONMENT, URBANIZATION AND CLIMATE CHANGE OF TÜRKİYE- CONTACT MEETING ON THE GEOGRAPHICAL DATA LICENSE REGULATION AND THE GEOGRAPHICAL DATA PERMITS REGULATION

During the meetings held with the officials of the Ministry of Environment, Urbanization and Climate Change of Türkiye as to the scope of the Law no. 7221, Presidential Decree dated 7 November 2019, Geographical Data License Regulation and Geographical Data Permits Regulation, it has been evaluated that TÖDEB members should obtain a license within the framework of the aforementioned legislation. A meeting was held in order to inform the members about the issues discussed with the Ministry officials.

MINISTRY OF ENVIRONMENT, URBANIZATION AND CLIMATE CHANGE OF TÜRKİYE - CONTACT MEETING ON THE GEOGRAPHICAL DATA LICENSE REGULATION AND THE GEOGRAPHICAL DATA PERMITS REGULATION

Through the participation of the officials of the Ministry of Environment, Urbanization and Climate Change of Türkiye, a contact meeting regarding the payment and electronic money institutions sector within the scope of the Law no. 7221, Presidential Decree dated 7 November 2019, Geographical Data License Regulation and Geographical Data Permits Regulation was held.

INTERBANK CARD CENTER CONTACT MEETINGS

In order to inform TÖDEB Members about the issues evaluated and the decisions taken in the existing Working Committees of Bankalararası Kart Merkezi A.Ş. ("ICC"), the meetings, during which the issues raised in the committee, the problems experienced and the solution proposals were evaluated by the participants who attended the ICC Working Committees on behalf of TÖDEB, were held in quarterly periods, in a way open to the participation of all TÖDEB Members.

SEPTEMBER

CONTACT MEETING ON EXPORT SUPPORT FOR PAYMENT AND ELECTRONIC MONEY INSTITUTIONS

TÖDEB aims to create development opportunities for its members in order to create a stronger ecosystem. Members of TÖDEB met about the "Fintech Supports" provided within the scope of "Internationalization of the Turkish Informatics Industry and E-Turquality (Stars of Informatics) Support Program of the Ministry of Commerce of Türkiye. During the event titled "Export Supports for Payment and Electronic Money Institutions", information was given on the scope, content and application processes of the supports that TÖDEB members can benefit from, and members' questions on the subject were answered.

NOVEMBER

CONTACT MEETING ON THE APPLICATION FOR ISSUING A RECEIPT BEFORE THE TURKISH REVENUE ADMINISTRATION

Within the scope of the regulation proposal on the subject by TÖDEB's law and other relevant departments, a contact meeting was held about the text study of the draft of the general communiqué prepared on "Documents to be Issued by Electronic Money Institutions and Payment Institutions" and including requests for issuing an account statement in a permanent business relationship, accepting of these statements as a document that replaces the receipt, and not requiring the receipt to be a printed document and about informing the members about the explanations and requests for the transition to the receipt system.

CONTACT MEETING ABOUT INFORMING THE MEMBERS ABOUT THE COMMITTEE WORKS BETWEEN 1 SEPTEMBER-31 OCTOBER

As to the period between 1 September-31 October, an online meeting was held on 10 November 2022 in order to inform all members about the issues evaluated in the committees of the Association, the decisions taken and the processes being carried out.

MEETING ON INFORMING THE MEMBERS ABOUT THE WORKS OF THE WORKING GROUP BETWEEN 1 September - 31 OCTOBER

As to the period between 1 September-31 October, an online meeting was held on 11 November 2022 in order to inform all members about the issues evaluated in the working groups of the Association, the decisions taken and the processes being carried out.



DECEMBER

CONTACT MEETING SPECIAL TO THE REPRESENTATIVES OF THE ASSOCIATION ON THE STATUS CHANGES OF THE ASSOCIATION

Based on the authority granted to the TÖDEB's Board of Directors at the 3rd Ordinary General Assembly, the Draft on Amendment of the Status, which includes amendments to the working principles, procedures and principles of the Association, particularly the voting rights, the election procedure for the membership of the Board of Directors and the financial provisions, has been prepared. A contact and evaluation meeting was held for the representatives of the Association regarding the changes and justifications thereof.

REMITTANCE SECTOR CONSULTATION MEETING

An evaluation meeting was held in order to consult the opinions and suggestions of the member institutions active in the field of money remittance regarding the sector.

Opinions, Requests and Suggestions

JANUARY	The request to separate the shopping clearing commission rates of the Interbank Card Center (“ICC”) applied for debit cards and prepaid cards was submitted to the CBRT.
	A request was made to the Ministry of Interior Affairs of Türkiye for putting into use the specialized police application before TÖDEB.
	The opinions of the Association regarding the Regulation on Payment Services and Electronic Money Issuance and Payment Service Providers and the Communiqué on Information Systems of Payment and Electronic Money Institutions and Data Sharing Services in the Field of Payment Services Providers have been conveyed to the CBRT.
	The Association’s views about the National Fintech Strategy Document were conveyed to the Finance Office of the Presidency of the Republic of Türkiye. Opinions on Payment Services Data Sharing Services API Principles and Rules were conveyed to the CBRT.
	A request for opinion on the process to be operated during identification by electronic money institutions was conveyed to the Financial Crimes Investigation Board (“MASAK”).
FEBRUARY	Our request for opinion on the Information and Communication Security Guideline was conveyed to the CBRT.
	The Financial Crimes Investigation Board (“MASAK”) has been asked for an opinion within the scope of the Institution’s legislation.
	A request has been submitted to the CBRT to enable TÖDEB and its Members to benefit from the FK Cloud Common Data Center Service.
	The CBRT was asked for its opinion regarding the representative database planned to be established before the Association.
	Within the scope of the Article 2.2.11 of the General Communiqué of MASAK (Sequence No: 5), a request for opinion on the scope of the identification obligation to be made in terms of the mobile payment services has been conveyed to the Authority.
	Proposals for legislative amendments were submitted to the Authority regarding the expansion of the scope of the principle of trust in third parties within the scope of MASAK legislation,
	The request to include the Members in Turkey’s Communication Platform (“TRIP”) System before the Interbank Card Center was submitted to the CBRT
	Additional time was requested from the CBRT within the scope of the Communiqué for the transmission of the independent audit reports of the information systems.
MARCH	Opinion was requested from the CBRT on the Procedures and Principles Regarding the TÖDEB’s Data Transfer System.
	The request for extension of the transmission date of the CBRT EVAS reports was submitted to the CBRT.
	A writ has been conveyed to the Banks Association of Türkiye and the Participation Banks Association of Türkiye in order to inform the banks about the transactions made over the protection accounts by the banks.
	Opinion was requested from the CBRT regarding the amendments made in the Regulation on the Principles and Procedures of the TÖDEB’s Arbitral Tribunal for Private Customer.
APRIL	A request for opinion on the Procedures and Principles Regarding the Conducting of the General Assembly Meetings of the Association in Electronic Environment was conveyed to the CBRT.
	A request for access to the Bank Identification Number (BIN) inquiry service was sent to ICC.
	The request for opinion on the revision of the previously concluded customer agreements was conveyed to the CBRT.
	Opinion was requested from the CBRT regarding the identification of the customers which are legal entities, in terms of POS services.
	An opinion was requested from the Personal Data Protection Authority regarding the compliance of the representative database with the legislation on the protection of personal data.
	A request for opinion on whether it is possible to subject protection accounts to attachment and other limited real rights encumbrance was submitted to the Ministry of Justice of the Republic of Türkiye.
	Problems encountered in the intermediation service for invoice payments and the request for legislative change were conveyed to the CBRT.
	The request for a re-evaluation of the required application and license fees for the institutions that intend to operate in the field of open banking during obtaining of the operation permit process has been submitted to the CBRT.
	A writ has been submitted to the Ministry of Justice of the Republic of Türkiye in order to resolve the problems regarding the inclusion of the officials of the organizations being member to the Association providing POS services in the judicial processes as “suspects”.

Opinions, Requests and Suggestions

MAY	A writ has been submitted to the Ministry of Justice of the Republic of Türkiye in order to resolve the problems regarding the inclusion of the officials of the organizations being member to the Association providing POS services in the judicial processes as “suspects”.
	An opinion was requested from the CBRT on the doubts regarding the CBRT’s instruction on “Agreements” dated 13.12.2021.
	The request for extension of the submission period of the independent audit reports was submitted to the CBRT.
	Legislative amendment requests regarding the intermediation for the salary payments of TÖDEB members have been submitted to the Ministry of Treasury and Finance of the Republic of Türkiye, the Ministry of Labor and Social Security of the Republic of Türkiye and the CBRT.
	Legislative amendment requests regarding the intermediation for TÖDEB members’ rental payments have been submitted to the Ministry of Treasury and Finance of the Republic of Türkiye and the CBRT.
JUNE	The request for adding the registered e-mail addresses of TÖDEB members to the UYAP distribution list was submitted to the General Directorate of Information Systems under the Ministry of Justice of the Republic of Türkiye.
	The Association’s views on the Turkish Fintech Guideline were conveyed to the CBFO.
	The opinions of the Association on the Regulation on the Amendment of the Law on the Regulation of Electronic Commerce have been submitted to the Ministry of Commerce of the Republic of Türkiye.
JULY	Sectoral Risk Assessment Report has been submitted to the Financial Crimes Investigation Board (“MASAK”).
	The request for adding the registered e-mail addresses of TÖDEB members to the UYAP distribution list was submitted to the General Directorate of Penal Affairs under the Ministry of Justice of the Republic of Türkiye.
	The request for exemption of TÖDEB members from license obligation within the scope of geographical data legislation was submitted to the General Directorate of Geographical Information Systems under the Ministry of Environment and Urbanization of the Republic of Türkiye and the CBRT.
	Requests for additional opinions on the Regulation and Communiqué were submitted to the CBRT.
	The opinions of the CBRT regarding the representative candidate application form prepared by the Association in accordance with the Regulation were requested.
AUGUST	An action plan and recommendations were submitted to the Risk Analysis General Directorate of the Ministry of Treasury and Finance of the Republic of Türkiye within the scope of combating the subterranean economy.
	The request of TÖDEB members to amend the relevant legislation regarding the issuance of receipts has been submitted to the Turkish Revenue Administration.
	Within the scope of the third paragraph of Article 5 of the Regulation prepared by TÖDEB, the samples of the receipts that are required to be used in electronic money activities and the samples of the receipts that will be submitted as a recommendation to the Members in terms of other transactions were submitted to the CBRT, for obtaining its opinions and evaluation.
	A request for obtaining an opinion on whether public legal entities have the capacity of representation was submitted to the CBRT.
	The request to include Association members in Turkey’s Communication Platform (TRIP) and IRIS System was submitted to ICC.
	In accordance with the twenty-sixth paragraph of Article 18 of the Regulation, the framework representation agreement, which includes the minimum elements required to be included in the agreement to be concluded between the members and their representatives, has been submitted to the CBRT’s opinion and evaluation.
SEPTEMBER	A request has been submitted to the Association of Financial Institutions for enabling TÖDEB and its Members to benefit from the FK Cloud Common Data Center Service.
	Opinions and suggestions regarding the draft Turkish Fintech Guideline prepared by CBFO were submitted to CBFO.

OCTOBER	Following the various meetings held with the CBRT and ICC regarding the IKS process, a writ containing the opinions and suggestions regarding the subject process was sent to the CBRT and ICC.
	Additional explanations regarding the request of TÖDEB members for the intermediation regarding their rental payments were submitted to the Ministry of Treasury of the Republic of Türkiye and Turkish Revenue Administration (GİB) and the CBRT.
	Additional comments regarding the API Principles and Rules Version 1.0.0 document of Payment Services Data Sharing Services were submitted to the CBRT's evaluation.
	The opinions of the Association on the Draft Regulation on the Amendment of the Law on the Protection of Competition have been submitted to the relevant authority.
	Opinions on the draft proposals prepared at the "Inter-Agency Cooperation within the Scope of Prevention of Fraud" meetings held under the coordination of the Banks Association of Turkey, with the participation of the BRSA, the General Directorate of Security and the representatives of our Association were submitted to the Banks Association of Turkey.
	Additional opinions regarding the request of TÖDEB members to amend the relevant legislation regarding the issuance of receipts were submitted to the Turkish Revenue Administration.
	The request of TÖDEB members to be included in the Instant and Continuous Transfer of Funds System (FAST) was submitted to the CBRT. Opinions on the Draft Regulation on Electronic Commerce Service Providers and Electronic Commerce Intermediary Service Providers have been submitted to the Ministry of Commerce of the Republic of Turkey.
	Following the meeting held with the CBRT and Financial Crimes Investigation Board ("MASAK"), additional opinions and suggestions regarding remote identification, customer acquisition and other relevant legislation were submitted to the CBRT and Financial Crimes Investigation Board ("MASAK").
NOVEMBER	TCMB ve MASAK ile gerçekleştirilen toplantının akabinde uzaktan kimlik tespiti, müşteri edinimi ve ilgili diğer mevzuatlarla ilişkin ilave görüş ve öneriler TCMB ve MASAK'a iletilmiştir.
	Opinions on the Draft Regulation Amending the Regulation on Bank Cards and Credit Cards were submitted to the BRSA and the CBRT.
	Opinions about the data surveillance forms updated by the CBRT were shared with the CBRT.
	The request for granting time within the scope of Btrans Reporting to Members who have obtained a new operating license has been submitted to the Turkish Revenue Authority.
	Opinions on the Draft Circular no. 2022/2 on Identity Authentication and Criteria to be Provided for Transaction Security in the Establishment of Contractual Relationship in terms of Electronic Banking Services and Electronic Environment were submitted to the CBRT and the BRSA.
DECEMBER	The opinions of the CBRT were requested regarding the doubtful issues within the scope of strong identity verification.
	Within the scope of the Preliminary Report of the Twelfth Development Plan Financial Services Development Specialization Commission, the content and policy recommendations were submitted to the Strategy Budget Department of the Presidency of the Republic of Türkiye.
	Additional opinions and suggestions regarding electronic money and POS services regarding remote identification and customer acquisition were conveyed to the CBRT.
	Opinions and evaluations regarding the National Fintech Strategy Document were submitted to the CBFO Financial Strategies and Analysis Department.
	Opinions and suggestions regarding the draft General Communiqué on Income Tax with serial number 322 were submitted to the Turkish Revenue Authority.
	A request for opinion regarding the identification of real persons in terms of mobile payment services was submitted to the Financial Crimes Investigation Board ("MASAK").
	The request for extension of time regarding the changes made in the UAVT web services within the scope of the identity sharing system has been submitted to the General Directorate of Population and Citizenship Affairs of the Ministry of Internal Affairs.
	A request regarding the evaluation of alternative connection methods for the products and services offered by ICC has been submitted to ICC.

Press Releases



14 JANUARY 2022 EKOTÜRK - FİNTECH WORLD

The Chairman Burhan ELİAÇIK, in addition to the New Regulation and Communiqué, he shared his ideas about the “Turkish Fintech Ecosystem Situation Report” published under the coordination of the Presidential Finance Office and open banking.ti.



5 MAY 2022 - BLOOMBERG HT/FINANCIAL TECHNOLOGY

The Chairman Burhan ELİAÇIK, commented on the Ecommerce data announced by the Ministry of Commerce, in April 2022 on Bloomberg TV.

FİNTEKLER VE DİJİTAL EKONOMİ İÇİN GÜVENİLİR YAPININ TEMELİNİ ATIYORUZ

Türkiye Ödeme ve Elektronik Para Kuruluşları Birliği'nin (TÖDEB) 3. Olağan Genel Kurul'unda başkanlığa seçilen Vizyon E-Para Yönetim Kurulu Başkanı Ufuk Bilgetekin dijital ekonomi, startuplar, finteklerin gelişimi için üzerlerine düşen görevi yapmaya çalıştıklarını söyledi. Bu alanda, dünya ihtiyaçlarını ve dünyadaki gelişmeleri anlayan, takip eden, sorgulayan çok daha fazla uzman gence ihtiyaç olduğunu kaydeden Bilgetekin, "Türkiye, aktif genç nüfusuyla, güvenilir dijital ekonomide aktif rol oynayabilir" diye konuştu. Bilgetekin, dijital ekonomi otobanının

tesis edilmesi ve ödemeler alanının sağlıklı bir şekilde gelişmesini sağlanması için kamunun da ciddi enerji harcadığını vurgulayarak, "Örneğin Merkez Bankası. FAST, Kolay Adresleme, TR-Karekod ve ödemeler alanı açık bankacılık hizmetleri başta olmak üzere birçok proje gerçekleştirdi ve bu çalışmalarını geliştiriyor" ifadelerini kullandı, Kendilerinin de Birlik olarak mesleki faaliyetleri kolaylaştırarak, güvenin hakim olduğu bir meslek disiplini yarattıklarını anlatan Bilgetekin, bu disiplini daha da sağlamlaştırmak için yeni argümanlar geliştirdiklerini vurguladı.



Vizyon E-Para Yönetim Kurulu Başkanı Ufuk Bilgetekin dijital ekonomi, startuplar, finteklerin gelişimi için üzerlerine düşen görevi yapmaya çalıştıklarını söyledi.

23 JUNE 2022 - DÜNYA GAZETESİ (Newspaper)

PSM | BAYRAK DEĞİŞİMİ

TEŞEKKÜRLER ELİAÇIK, TEBRİKLER BİLGETEKİN!

Türkiye Ödeme ve Elektronik Para Kuruluşları Birliği (TÖDEB) 2022 yılı Olağan Genel Kurul Toplantısı'nda birleşim yeni Yürütme Kurulu Üyeleri, Bilgi Teknolojileri ve İletişim Kurumu Başkanı ve yeni yönetim kurulu üyeleri ile bir araya geldiler. Toplantıda, 2022 yılı faaliyetleri ve 2023 yılı hedefleri hakkında bilgilendirme yapıldı. Bilgi Teknolojileri ve İletişim Kurumu Başkanı, Türkiye Ödeme ve Elektronik Para Kuruluşları Birliği (TÖDEB) Başkanı Ufuk Bilgetekin'i tebrik ederek, birleşim sürecinde gösterdiği çabaları ve birleşim sürecinde birlikteliğini takdir etti. Bilgi Teknolojileri ve İletişim Kurumu Başkanı, Türkiye Ödeme ve Elektronik Para Kuruluşları Birliği (TÖDEB) Başkanı Ufuk Bilgetekin'i tebrik ederek, birleşim sürecinde gösterdiği çabaları ve birleşim sürecinde birlikteliğini takdir etti.

TÖDEB
Türkiye Ödeme ve Elektronik Para Kuruluşları Birliği

2022-2024 DÖNEMİ TÖDEB YÖNETİM KURULU

<p>Yürütme Kurulu Başkanı Ufuk Bilgetekin Yürütme Kurulu Üyesi ve Ödeme Hısmetleri</p>	<p>Yürütme Kurulu Başkanı Vekili Serhat Deveci Türkiye Ödeme ve Elektronik Para Hısmetleri</p>	<p>Yürütme Kurulu Üyesi ve Ödeme Hısmetleri Aygün Ödeme Kuruluşu Ödeme Kuruluşu Türkiye Ödeme ve Elektronik Para Hısmetleri</p>	<p>Yürütme Kurulu Üyesi ve Ödeme Hısmetleri Türkiye Ödeme ve Elektronik Para Hısmetleri Türkiye Ödeme ve Elektronik Para Hısmetleri</p>
---	---	--	--

1 JULY 2022 - PSM MAGAZINE

Verli fintek'ler unicorn olacak

Türkiye Ödeme ve Elektronik Para Kuruluşları Birliği (TÖDEB) Başkanı Ufuk Bilgetekin, "Fintek ekosistemi çok hızlı büyüyor. Sektörümüz hem yerli hem de yabancı yatırımcıların ilgi odağı olmayı sürdürecektir. Unicorn çıkarma potansiyelimiz yüksek. Son dönemin en cazip ve dinamik sektörüyüz" dedi

Türkiye Ödeme ve Elektronik Para Kuruluşları Birliği (TÖDEB) Başkanı Ufuk Bilgetekin, "Fintek ekosistemi çok hızlı büyüyor. Sektörümüz hem yerli hem de yabancı yatırımcıların ilgi odağı olmayı sürdürecektir. Unicorn çıkarma potansiyelimiz yüksek. Son dönemin en cazip ve dinamik sektörüyüz" dedi.

Türkiye Ödeme ve Elektronik Para Kuruluşları Birliği (TÖDEB) Başkanı Ufuk Bilgetekin, son yıllarda en hızlı büyüyen sektörlerden biri olan fintek ekosisteminin Türkiye'de de hızla büyüdüğünü belirtti. Bilgetekin, "Fintek ekosistemi çok hızlı büyüyor. Sektörümüz hem yerli hem de yabancı yatırımcıların ilgi odağı olmayı sürdürecektir. Unicorn çıkarma potansiyelimiz yüksek. Son dönemin en cazip ve dinamik sektörüyüz" dedi.

Çok cazip sektör
Ufuk Bilgetekin, ödeme sistemlerinin dijitalleşmesiyle birlikte fintek ekosisteminin hızla büyüdüğünü belirtti. Bilgetekin, "Fintek ekosistemi çok hızlı büyüyor. Sektörümüz hem yerli hem de yabancı yatırımcıların ilgi odağı olmayı sürdürecektir. Unicorn çıkarma potansiyelimiz yüksek. Son dönemin en cazip ve dinamik sektörüyüz" dedi.

Büyük kurumlar girdi
Bilgetekin, "Genel anlamda fintek hızla büyüyor. Sektörümüz hem yerli hem de yabancı yatırımcıların ilgi odağı olmayı sürdürecektir. Unicorn çıkarma potansiyelimiz yüksek. Son dönemin en cazip ve dinamik sektörüyüz" dedi.

31 AUGUST 2022 - MİLLİYET GAZETESİ (Newspaper)

'Fintech firms have potential to become unicorns'

ISTANBUL

The fintech ecosystem is growing fast in Türkiye and those financial technology companies have the potential to become unicorns, said Ufuk Bilgetekin, head of the Türkiye Payment and Electronic Money Institutions' Association (TÖBED).

After the Central Bank gave its approval to 16 more firms to operate in the industry, the

number of authorized electronic money institutions rose to 42.

"Local fintech companies have several strengths such as well-developed technological infrastructure and skilled workforce. But investments should become part of those strengths," said Bilgetekin.

Local companies need to increase their ability to attract international investments, which requires a more state-support-

ed investment program, he said.

Bilgetekin added that the Istanbul Finance Center offers a good opportunity for creating a market environment that will help the fintech ecosystem to flourish.

"We have not yet met our targets in terms of opening to foreign markets due to certain difficulties. However, companies in the sector have the vision and skill to become an im-

portant player in the region given the developments in money transfer and wallet products," said Bilgetekin. "Those companies have the potential to become unicorns."

The number of fintech companies reached 520 according to data from 2021, he noted, adding that 9 percent of the newly launched companies in the start-up ecosystem each year are fintech companies.

1 SEPTEMBER 2022 - HÜRRİYET DAILY NEWS

Press Releases



30 SEPTEMBER 2022 - A PARA TV, TECHNOLOGY AND FINANCE

TÖDEB's Chairman Ufuk BİLGETEKİN made evaluations about the fintech agenda and gave information about TÖDEB's activities.



7 OCTOBER 2022 - BLOOMBERG HT - FOKUS

TÖDEB's Chairman Ufuk BİLGETEKİN, talked about the latest developments in the payment and electronic money sector and the journey of TÖDEB.



Ufuk Bilgetekin

TÖDEB, 2023'TE SEKTÖRE NİTELİKLİ İŞ GÜCÜ KAZANDIRACAK

güncel gelişmeler kapsamında sektörde yeni oyuncuların devreye girmesiyle de birçok yeni iş birliğinde kritik konumunu hissettirecek.

TÖDEB'in önümüzdeki yıla ilişkin sektöre dair yeni planları nedir, Birliğinizin bünyesinde hayata geçirmeye hazırladığınız yeni projelerinizden söz eder misiniz?

Önümüzdeki yıla ilişkin sektöre dair önemli planlarımız arasında güncel ve güvenilir verilerle kamuoyunun aydınlatılmasının yer aldığını söyleyebiliriz. Birliğimizin genel ve istatistikî bilgileri toplama ve düzenli olarak kamuya açıklama yetkisi kapsamında oluşturduğumuz elektronik raporlama altyapısı TÖDEB Veri Transfer Sistemi'ni (TVTS) canlıya aldık. Sektörümüzün temel performans göstergelerini periyodik olarak yayınlamaya başlayacağız.

TVTS aracılığıyla üyelerimizden alınan doğru ve güncel verinin sektörümüzün gerek yatırım potansiyeli gerekse güven endeksinin arttırma noktasında katma değer sağlayacağına inanıyoruz.

Fintek alanında eğitilmiş bir istihdam sağlanması adına TÖDEB'in nasıl bir stratejisi mevcut?

Birliğimizin vizyonları arasında sektörün gelişmesini sağlamak amacıyla eğitim faaliyetlerinde bulunmak yer alıyor. Özellikle toplumda nitelikli iş gücünün oluşturulmasında, alanında uzman kişilerin yetiştirilmesinin esas olduğunu düşünüyoruz. Sektörümüze yönelik özellikle yeni jenerasyonun bilgilendirilmesi ve finansal okuryazarlığın artırılması girişimlerimiz kapsamında 42 Okulları ile önemli bir proje gerçekleştirdik. 42 İstanbul Okulunda eğitim gören öğrencilere, '10 Oturum - 10 Konuşmacı' etkinlikleriyle sektörümüzün tanıtımını yaptık.

Diğer bir yanda, yazılımcı yetiştirilmesine yönelik olarak Patika.dev ile gerçekleştirdiğimiz iş birliği kapsamında, JAVA ve NET eğitimlerine özel açtığımız iki adet TÖDEB sınıfında eğitimlerini tamamlayan öğrencilere sektörde çalışma imkânı veriliyor.

Bununla birlikte, ödeme ve elektronik para mevzuatı, güvenlik, bilgi sistemleri, muhasebe ve benzeri alanlarda üyelerimiz yetkililerinin ve akademisyenlerin eğitim vereceği TÖDEB Akademi bünyesinde eğitim programlarını 2023 yılında hayata geçireceğimizin haberini verelim. 2022 yıl sonuna kadar da mevzuat ve uygulamaya yönelik temel eğitim içeriklerini sadece üyelerimize yönelik olarak sunacağız. Hem ödeme ve elektronik para sektörü oyuncularının uygulamaya yönelik deneyimlerini paylaşacağı hem de teknik bilginin verileceği eğitim programlarımızın fintek sektörüne yönelik nitelikli iş gücü kazandırma noktasında oldukça faydalı olacağına inanıyoruz.

Üyeleri ile birlikte fintek sektörünün nabzını tutan Türkiye Ödeme ve Elektronik Para Kuruluşları Birliği (TÖDEB) 1 Aralık 2022 tarihinde tamamlanacak olan mevzuat uyum süreci sonunda üyelerinin lider konumlarını daha da güçlendirmeye hazır. TÖDEB Yönetim Kurulu Başkanı Ufuk Bilgetekin ile Kasım sayımızda bir araya geldik.

Türkiye Ödeme ve Elektronik Para Kuruluşları Birliği (TÖDEB) olarak sektörün güncel durumunu değerlendirir misiniz, geçtiğimiz yıl ile kıyaslandığında 2022'de sektör nasıl bir performans gösterdi ve ivme kaydetti?

Türkiye Cumhuriyet Merkez Bankası (TCMB) tarafından verilen son faaliyet izinleriyle, sektör içerisindeki lisanslı ödeme kuruluşu sayısı 30'a, elektronik para kuruluşu sayısı ise 42'ye ulaştı. Üyelerimizin fintek sektörünün tam merkezine yerleşerek oluşturdukları yeni finansal ürün ve hizmetlerle sektörün nabzını tuttuğunu söyleyebiliriz. Özellikle, 1 Aralık 2022 tarihinde tamamlanacak olan mevzuat uyum süreci sonunda hukuksal yükümlülüklerin ve teknik gerekliliklerin bütüncül bir şekilde yerine getirilmesiyle üyelerimizin lider konumlarının daha da güçleneceğine inancımız tam. İlerleyen dönemde sektörde mali güç ve kurumsallık açısından da adından söz ettirecek olan üyelerimiz; servis modeli bankacılığı veya açık bankacılık gibi

TÖDEB AKADEMİ, FİNTEK SEKTÖRÜNDE MESLEKİ GELİŞİMİ SAĞLAYACAK

Nitelikli iş gücünün temelinde eğitimin yattığını belirten Türkiye Ödeme ve Elektronik Para Kuruluşları Birliği (TÖDEB) Yönetim Kurulu Başkanı Ufuk Bilgetekin, fintek sektöründe mesleki gelişimi sağlayacakları TÖDEB Akademî'nin detaylarını okurlarımız için anlattı.



Sektörün geleceği için eğitim ve öğretim en önemli alan. Türkiye Bilgi ve İletişim Teknolojileri Birliği (TÖDEB) olarak bizler de bu alanda önemli bir rol oynayarak, fintek sektöründe mesleki gelişimi sağlayacakları TÖDEB Akademî'ni kuruyoruz. Bu kurumun amacı, sektördeki çalışanların mesleki gelişimlerini sağlamak ve onların kariyerlerini desteklemektir. Akademî, sektördeki çalışanların mesleki gelişimlerini sağlamak ve onların kariyerlerini desteklemektir. Akademî, sektördeki çalışanların mesleki gelişimlerini sağlamak ve onların kariyerlerini desteklemektir.

TÖDEB'in 2022 yılı faaliyetleri hakkında bilgi verirken, gelecekte hangi projelere ve gelişimlere odaklanacak? 2023 yılına ilişkin beklentileriniz nelerdir?

Cardo bankamız 2022 yılı için çok önemli bir döneme giriyor. Özellikle sektördeki hacimlere para piyasası ve teknoloji alanlarında önemli başarılar elde ettik. 2023 yılına ilişkin beklentilerimiz ise, özellikle teknoloji alanlarında önemli başarılar elde etmektir. Akademî, sektördeki çalışanların mesleki gelişimlerini sağlamak ve onların kariyerlerini desteklemektir. Akademî, sektördeki çalışanların mesleki gelişimlerini sağlamak ve onların kariyerlerini desteklemektir.

1 DECEMBER 2022 - MALL REPORT

TÖDEB genel merkezinin açılışı Hazine ve Maliye Bakan Yardımcısı Murat Zaman'ın katılımıyla gerçekleşti



Türkiye Ödeme ve Elektronik Para Kuruluşları Birliği'nin (TÖDEB) yeni merkezinin açılışı Hazine ve Maliye Bakan Yardımcısı Murat Zaman, BODK Başkan Yardımcısı Muhammet Ergeç ve TÖDEB Yönetim Kurulu Başkanı Ufuk Bilgetekin'in katılımıyla gerçekleşti. Açılış konuşmasında 2022 yılını TÖDEB için oldukça verimli bir yıl olduğunu belirten TÖDEB Yönetim Kurulu Başkanı Ufuk Bilgetekin, kamu otoriteleriyle açık diyalog ve etkin koordinasyon kurularak öncelikli verimlilik elde etti.



Açılış kapsamında yapıldı konuşmada Birliğin faaliyetleri ve gelecek dönem hedefleriyle ilgili bilgiler verildi. TÖDEB Yönetim Kurulu Başkanı Ufuk Bilgetekin, "2022 yılını, mevzuat değişikliklerinin yoğun olduğu, sektörümüzün yeni mevzuatlara uyumunun önem arz ettiği bir dönem oldu. Çalışmalarla birlik olarak kamu otoriteleriyle açık diyalog ve etkin koordinasyon kurularak öncelikli verimlilik elde etti. Bundan sonraki süreçte de yeni mevzuatlar kapsamında dijitalleşme ve teknoloji alanlarında çalışmalarını sürdürmektedir. Özellikle teknoloji alanlarında çalışmalarını sürdürmektedir. Özellikle teknoloji alanlarında çalışmalarını sürdürmektedir."



TÖDEB

"YENİ İŞ FIRSATLARI DOĞACAK"

Türkiye'deki fintek şirketlerinin sayısı 520'ye ulaştı. Türkiye girişim ekosisteminde kurulan girişimlerin her yıl ortalama yüzde 9'u da finteklerden oluşuyor. Fintek, ülkemizde son yılların en cazip ve dinamik sektörlerinden biri haline geldi. Bununla birlikte Türkiye Cumhuriyet Merkez Bankası tarafından verilen faaliyet iznileriyle sektöre pek çok yeni girişim geldi. Türkiye Ödeme ve Elektronik Para Kuruluşları Birliği (TÖDEB), ödeme ve elektronik para kuruluşları temsil eden en önemli kuruluş. TÖDEB Yönetim Kurulu Başkanı Ufuk Bilgetekin, 2022'de önemli değişikliklerin yaşandığı sektörün geleceğini şöyle anlattı.

Önce kısaca TÖDEB'in misyonu ve vizyonu nedir? Sektördeki gelişmeler nelerdir?

Birlikimiz, ödeme ve elektronik para kuruluşları arasında faaliyet gösteren ve teknoloji alanlarında önemli başarılar elde etmiştir. Özellikle teknoloji alanlarında önemli başarılar elde etmiştir. Özellikle teknoloji alanlarında önemli başarılar elde etmiştir.

Fintek sektöründe toplam kaç şirket var ve TÖDEB, fintek sektörünün yüzde kaçını temsil ediyor?

Cardo bankamız 2022 yılı için çok önemli bir döneme giriyor. Özellikle sektördeki hacimlere para piyasası ve teknoloji alanlarında önemli başarılar elde ettik. 2023 yılına ilişkin beklentilerimiz ise, özellikle teknoloji alanlarında önemli başarılar elde etmektir. Akademî, sektördeki çalışanların mesleki gelişimlerini sağlamak ve onların kariyerlerini desteklemektir. Akademî, sektördeki çalışanların mesleki gelişimlerini sağlamak ve onların kariyerlerini desteklemektir.

Gelecekte hangi projelere ve gelişimlere odaklanacak? 2023 yılına ilişkin beklentileriniz nelerdir?

Cardo bankamız 2022 yılı için çok önemli bir döneme giriyor. Özellikle sektördeki hacimlere para piyasası ve teknoloji alanlarında önemli başarılar elde ettik. 2023 yılına ilişkin beklentilerimiz ise, özellikle teknoloji alanlarında önemli başarılar elde etmektir. Akademî, sektördeki çalışanların mesleki gelişimlerini sağlamak ve onların kariyerlerini desteklemektir. Akademî, sektördeki çalışanların mesleki gelişimlerini sağlamak ve onların kariyerlerini desteklemektir.

2 DECEMBER 2022 - FINTECHTIME
Opening of TÖDEB's headquarters

2 DECEMBER 2022 - CAPITAL MAGAZINE

Türkiye’de her yıl kurulan girişimlerin yüzde 9’u ‘fintek’lerden çıkıyor

Ödeme bir tık ötede



Artık market alışverişinden yemek siparişi vermek kadar pek çok işlemi birkaç tıkla dijital ortamda yapıyoruz.

Her yıl artan sayıda kurulan Türkiye’deki fintek girişimlerinin sayısı 520’ye ulaştı. Türkiye girişim ekosisteminde her yıl kurulan girişimlerin ortalaması yüzde 9’u finteklerden çıkıyor.



İşgücümüz nitelikli
• İnovatif çözümler ve kolaylaştırıcı yöntemlerle işe çıkan sektörlerin fintek alanında her yıl hem yabancı yatırımcıların ilgi odağı olmaları önemli bir başarıdır.
• Bugün artık, market alışverişinden yemek siparişi verene, takat çalma, pa-

ra giderme, fatura ödeme ve varlıkların kadar pek çok işlemi yalnızca birkaç tıka basarak dijital ortamda gerçekleştiriyoruz ve işlemlerimiz de dijital kanallardan yapılabiliyor.
• Fintekler ödeme (banka dışı) hizmetleri, dijital çözümler ve kolaylaştırıcı yöntemlerle işe çıkan sektörlerin fintek alanında her yıl hem yabancı yatırımcıların ilgi odağı olmaları önemli bir başarıdır.
• Bugün artık, market alışverişinden yemek siparişi verene, takat çalma, pa-

ra giderme, fatura ödeme ve varlıkların kadar pek çok işlemi yalnızca birkaç tıka basarak dijital ortamda gerçekleştiriyoruz ve işlemlerimiz de dijital kanallardan yapılabiliyor.
• Fintekler ödeme (banka dışı) hizmetleri, dijital çözümler ve kolaylaştırıcı yöntemlerle işe çıkan sektörlerin fintek alanında her yıl hem yabancı yatırımcıların ilgi odağı olmaları önemli bir başarıdır.
• Bugün artık, market alışverişinden yemek siparişi verene, takat çalma, pa-



Ufuk Bilgetekin, Türkiye’de her yıl kurulan girişimlerin yüzde 9’u ‘fintek’lerden çıkıyor.



13 DECEMBER 2022 - NASIL BİR EKONOMİ YOUTUBE CHANEL (What Kind of Economy?)

TÖDEB Başkanı Ufuk BİLGETEKİN, yatırımcıların fintek sektörüne yönelik ilgisini değerlendirdi. “Önümüzdeki günlerde TÖDEB olarak sektörün istatistikî verilerini paylaştığımızda mevcut yatırımcı ilgisinin artacağına düşünüyoruz.” dedi.

10 DECEMBER 2022 - CUMHURİYET GAZETESİ (Newspaper)

TÜRKİYE ÖDEME VE ELEKTRONİK PARA KURULUŞLARI DERNEĞİ FİNTEK SEKTÖRÜNÜ ARAŞTIRIYOR

Kripto paraların alım satımını yapmaya talibiz

TÖDEB Başkanı Ufuk Bilgetekin, sadece bankaların aracılığıyla yapılabildiği kripto para işlemlerinin elektronik ödeme ve para kuruluşları üzerinden yapılmasını sektörü de heyecılandırıyor.

Yabancı satın almalarının olacağı sürece giriyoruz
• Her yıl yabancıların Türkiye’deki fintek girişimlerine yaptığı yatırımların sayısı artıyor. Türkiye’deki fintek girişimlerinin sayısı 520’ye ulaştı. Türkiye girişim ekosisteminde her yıl kurulan girişimlerin ortalaması yüzde 9’u finteklerden çıkıyor.

Her yıl yabancıların Türkiye’deki fintek girişimlerine yaptığı yatırımların sayısı artıyor.
• Türkiye’deki fintek girişimlerinin sayısı 520’ye ulaştı. Türkiye girişim ekosisteminde her yıl kurulan girişimlerin ortalaması yüzde 9’u finteklerden çıkıyor.

Her yıl yabancıların Türkiye’deki fintek girişimlerine yaptığı yatırımların sayısı artıyor.
• Türkiye’deki fintek girişimlerinin sayısı 520’ye ulaştı. Türkiye girişim ekosisteminde her yıl kurulan girişimlerin ortalaması yüzde 9’u finteklerden çıkıyor.

FİNTEK SEKTÖRÜNÜN İLERİLEŞİMİ
Türkiye’deki fintek sektörü, son yıllarda hızla büyümeye başladı. Fintek girişimlerinin sayısı 520’ye ulaştı. Türkiye girişim ekosisteminde her yıl kurulan girişimlerin ortalaması yüzde 9’u finteklerden çıkıyor.

Fintek girişimlerinin sayısı 520’ye ulaştı.
Türkiye girişim ekosisteminde her yıl kurulan girişimlerin ortalaması yüzde 9’u finteklerden çıkıyor.

Fintek girişimlerinin sayısı 520’ye ulaştı.
Türkiye girişim ekosisteminde her yıl kurulan girişimlerin ortalaması yüzde 9’u finteklerden çıkıyor.

Fintek girişimlerinin sayısı 520’ye ulaştı.
Türkiye girişim ekosisteminde her yıl kurulan girişimlerin ortalaması yüzde 9’u finteklerden çıkıyor.

Fintek girişimlerinin sayısı 520’ye ulaştı.
Türkiye girişim ekosisteminde her yıl kurulan girişimlerin ortalaması yüzde 9’u finteklerden çıkıyor.

Fintek girişimlerinin sayısı 520’ye ulaştı.
Türkiye girişim ekosisteminde her yıl kurulan girişimlerin ortalaması yüzde 9’u finteklerden çıkıyor.

Fintek girişimlerinin sayısı 520’ye ulaştı.
Türkiye girişim ekosisteminde her yıl kurulan girişimlerin ortalaması yüzde 9’u finteklerden çıkıyor.

Fintek girişimlerinin sayısı 520’ye ulaştı.
Türkiye girişim ekosisteminde her yıl kurulan girişimlerin ortalaması yüzde 9’u finteklerden çıkıyor.

Bilgetekin: Kripto paraların alım satımını yapmaya talibiz

Türkiye Ödeme ve Elektronik Para Kuruluşları Derneği (TÖDEB) Başkanı Ufuk Bilgetekin kripto para işlemlerinin elektronik ödeme ve para kuruluşları üzerinden yapılmasını sektörü de büyüteceğini ifade etti



14 DECEMBER 2022 - PSMAG.COM

14 DECEMBER 2022 - NASIL BİR EKONOMİ (What Kind of Economy?)

ANNEX

Highlights from the Activities of the Committee and Working Groups

Committee/ Working Group Name	Purpose and Duties	Number of Meetings	Number of the Participants	Date	Meetings
Open Banking Committee	a) To carry out the necessary studies to ensure the development and diffusion of Open Banking applications, b) To inform the Members by following national and international developments, c) To create and develop cooperation areas with other stakeholders of the Open Banking ecosystem, d) To enhance the services to be provided and accessed by Open Banking API Providers and API Users in terms of security by evaluating, operation and customer experience, and to develop applications, standards and regulatory change proposals that need to be improved or created, e) To develop and propose principles for creating a perfect customer experience by eliminating the factors that make it difficult to use Open Banking products and services in a simple and secure environment, in the light of regulations and user experience expectations, f) To monitor the performance, quality, utility, testing and problem solving methods of Open Banking services, determining the areas that need improvement and development, g) To develop recommendations that will enable the creation of lowcost, fast and effective operational processes, h) To coordinate all activities related to Open Banking within the Association.	6	18	13.01.22	Opinion was created on the Draft Data Sharing Services API Principles and Rules for Payment Services.
				24.02.22	Data Sharing Services API Principles and Rules for Payment Services were evaluated.
				26.04.22	With the participation of the CBRT and ICC officials, the views of the Association on the Data Sharing Services API Principles and Rules for Payment Services were evaluated.
				25.05.22	An evaluation was made regarding the meeting held on 26.4.2022 through the participation of CBRT and ICC officials.
				26.09.22	
				10.10.22	Information was shared within the scope of the Data Sharing Services API Principles and Rules for Payment Services, questions were answered, and the issues raised at the meeting organized by ICC to provide information on Authorized Payment Service Provider certification were evaluated.

Committee/ Working Group Name	Purpose and Duties	Number of Meetings	Number of the Participants	Date	Meetings
Law and Legislation Committee	a) To follow and evaluate the regulations regarding the fields that directly or indirectly concern the sector, and to form opinions, b) To actively support the process of harmonization of legislation and practices, c) To carry out the necessary studies and determinations for the effective implementation of the regulations, d) To conduct research about regulatory proposals that will contribute to the more effective functioning of the payments and electronic money field, e) To offer suggestions to the relevant institutions and organizations within this framework and to form an opinion of the Association on these issues.	13	19	27.01.22	Legislative amendment requests regarding the intermediation of rent and salary payments by our Members were evaluated.
				01.02.22	The Invoice Sub-Working Group and the Money Transfer Sub-Working Group met and the representative candidate application form and the framework representation agreement drafts prepared by the aforementioned groups were evaluated.
				24.02.22	The draft regulation regarding the electronic general assembly meeting, the draft regulation containing the planned amendments to the regulation of the arbitral tribunal, and the draft framework representation agreement were discussed.
				07.04.22	The issues that were discussed in the meetings with MASAK and the CBRT, and international legislation and practices regarding cooperation between financial institutions were discussed.
				28.04.22	Within the scope of the CBRT's instruction about "Agreements", the doubtful issues and the reply letter received from the CBRT within the scope of the Regulation and Communiqué were evaluated.
				26.05.22	The Competition Board's decision regarding the online non-advertising agreement was evaluated by the Competition Law Advisor of the Association in terms of competition law.
				30.06.22	Agreements on not making any advertisement about trademarks online, the draft representative candidate application form and the draft framework agreement to be concluded with the representatives were evaluated.
				28.07.22	Within the scope of the workshop on "Evaluation of Legal and Judicial Processes" held on 13-14 June 2022, the information brochure which was prepared to inform public officers about the payment and electronic money sector was evaluated.
				27.09.22	Content suggestions regarding the legal trainings planned to be held within TÖDEB were evaluated.
				17.10.22	A meeting was held in order to convey our opinions and suggestions on the Draft Regulation on the Amendment to the Law on the Protection of Competition to the authority.
				26.10.22	Information was shared about the doubtful provisions regarding the Law no. 6493 and secondary regulations.
				04.11.22	Opinions on the Draft Regulation on Amending the Regulation on Bank Cards and Credit Cards were evaluated.

ANNEX

Highlights from the Activities of the Committee and Working Groups

Committee/ Working Group Name	Purpose and Duties	Number of Meetings	Number of the Participants	Date	Meetings
Security Committee	a) To carry out studies to prevent fraud and imposture that may occur in terms of payment services, b) To determine the security measures, to contribute to the legal regulations, standards, specifications, rules, procedures and regulations to be made for this purpose, c) To follow the type and development of fraud, d) Maintaining the relations with law enforcement, decisionmaking and regulatory institutions and organizations, e) To follow the developments in the domestic and international markets on payment services security and to provide information to the Members, f) To follow the developments in the domestic and international markets on payment services security and to provide information to the Members, g) To guide the employees of the Association to examine the necessary issues, analyze and create recommendations in line with the determined security strategies, h) To create anti-fraud studies and security standard recommendations conveyed by other units and committees	8	20	19.01.22	The Best Practice Guideline for Electronic Money and the Best Practice Guideline for Mobile Payment prepared by the committee participants were evaluated.
				16.02.22	The Best Practice Guideline for POS prepared by the committee participant was evaluated.
				16.03.22	Significant cases of forgery and fraud that have occurred recently were evaluated.
				20.04.22	With the participation of the Head of the AntiFraud Working Group of the Banks Association of Türkiye, the cooperation that may be established between banks and payment and electronic money institutions was evaluated within the scope of combating against fraud. 15.6.2022: Mastercard has informed about the "Business Risk Assessment and Mitigation" (BRAM) program.
				20.07.22	The final committee opinion was formed on the results of the anonymous survey conducted for the URL query required within the scope of content scanning to determine whether transactions against international card rules are carried out by card system institutions and the offers received from companies providing services within the scope of the aforementioned subject.
				04.10.22	Through the participation of the Specialized Police and the Specialized Gendarme, consultations were held on the important fraud and forgery cases that have occurred recently.
				14.10.22	The draft "Sector Recommendations for Fighting Against Fraud", which was prepared under the coordination of the Banks Association of Türkiye, with the participation of the Banking Regulation and Supervision Agency, the General Directorate of Security and the representatives of our Association, was evaluated.
				13.12.22	In order to prevent fraud/forgery cases, the contents of the services requested from the operators were consulted.

Committee/ Working Group Name	Purpose and Duties	Number of Meetings	Number of the Participants	Date	Meetings
Compliance Committee	a) To evaluate, clarify or amend the issues needed by the Members to ensure compliance with the relevant laws and regulations made by the institutions authorized in accordance with these laws regarding the provision of payment services, b) To evaluate the outputs of the working groups formed to ensure compliance with the regulations, c) To conduct all kinds of work, including the development of sectoral practices	5	19	30.03.22	Information was given on the subjects evaluated during the MASAK visit.
				22.09.2022	In the process of compliance with the Law No. 6493 and the secondary regulations, the problems experienced by the member organizations and the current situation were evaluated.
				18.10.2022	
				17.11.2022	
				15.12.22	The execution processes of the representative tracking system were evaluated within the scope of Article 18 of the Regulation on Payment Services and Electronic Money Issuance Payment Service Providers (Regulation).
Information Systems Committee	a) To follow and evaluate the current national and international legislation in the field of information systems in the sector and to form an opinion, b) To provide active support to the process of harmonizing information systems practices in the sector with the legislation, c) To follow national and international technological developments in the field of payments and to carry out studies to support the technology development of the sector.	7	20	04.01.22	The questions received from the Members regarding the Communiqué were reviewed and the issues requested to be submitted to the CBRT were determined.
				23.02.22	Within the scope of the Patika Dev cooperation project, the results of the questionnaire sent to the Members were evaluated and suggestions were made regarding the content of the training to be given in the TÖDEB classes which will be initiated.
				29.03.22	The questions submitted by the Members to the Association within the scope of the Communiqué were answered.
				22.04.22	The opinions received from the CBRT regarding the hesitant provisions of the Communiqué were evaluated.
				25.05.22	Within the scope of the cooperation project with 42 Schools, the content of the payment and electronic money institutions project that will be included in the education curriculum of 42 Schools has been determined.
				11.10.22	Consultations were held on the common problems experienced in the harmonization process by the Member organizations regarding the Communiqué.
				05.12.22	The problems encountered in the independent audit reporting process were evaluated.
Committee Against Illegal Activities	With the aim of ensuring the most effective fight against the use of payment services and electronic money issuance activities in illegal activities, to carry out any activity required.	4	5	11.2.2022	Assessments were made about fighting against illegal activities.
				7.4.2022	
				5.9.2022	
				24.11.2022	

ANNEX

Highlights from the Activities of the Committee and Working Groups

Committee/ Working Group Name	Purpose and Duties	Number of Meetings	Number of the Participants	Date	Meetings
Financial Crimes Investigation (MASAK) Working Group	It carries out information and awareness activities within the scope of MASAK legislation, carries out studies for the development of implementation standards, and takes part in communication and coordination processes with relevant public institutions.	9	11	20.01.22	Issues that could be brought to the agenda during the visit to MASAK Presidency were determined..
				26.01.22	Opinions on MASAK General Communiqué No. 19 were evaluated. 2.3.2022: During the visit to the MASAK Presidency, the issues that were planned to be brought to the agenda regarding remote identification were discussed.
				07.03.22	During the workshop planned to be organized with the MASAK Presidency, the issues that needed to be evaluated were discussed.
				30.03.22	Participants were informed about the issues evaluated within the scope of the visit to MASAK Presidency with the participation of CBRT officials on March 23, 2022.
				21.04.22	The points of hesitation within the scope of MASAK legislation and the opinions of the MASAK Presidency regarding our requests for legislative amendments were evaluated, and the areas where the principle of trust in third parties is used by the Members in practice and the issues that should be considered within the scope of the said principle were discussed.
				28.09.22	The actions to be taken by the member organizations were discussed regarding the writ received from the MASAK Presidency regarding the deficiencies detected in terms of the suspicious transaction notifications
				13.10.22	During the meeting to be held on 17 October 2022 with the CBRT and MASAK Presidency regarding the remote identification process, the issues and demands to be brought to the agenda were determined.
				14.11.22	The topics that would be recommended to be evaluated during the MASAK Workshop, which is planned to be held, were determined.
				16.12.22	Evaluations were made regarding the draft of the writ to be submitted to the MASAK Presidency regarding the identification rules in terms of real persons.

Committee/ Working Group Name	Purpose and Duties	Number of Meetings	Number of the Participants	Date	Meetings
Turkish Revenue Administration Working Group	It takes part in the communication and coordination processes with the relevant authorities by working with the aim of following the legislation of the Turkish Revenue Administration (TRA), clarifying the hesitations on the subject and increasing sectoral standardization.	7	11	25.01.22	Issues that need to be issued as receipts in accordance with the relevant provisions of the Regulation on Payment Services and Electronic Money Issuance and Payment Service Providers and the contents of which are foreseen to be determined by the Association were evaluated.
				01.04.22	Studies were carried out in order to determine the content of the receipt by type of activity.
				29.06.22	As a result of the evaluation of the opinions of the Members regarding the draft receipts prepared by the Working Group, it was agreed to present the draft receipts to the Board of Directors.
				27.07.22	Legislative amendment proposals prepared regarding the documents (receipt/invoice) that our Members should issue regarding the determination of transactions subject to BITT were evaluated.
				31.08.22	Considering the five types of activities (POS, invoice, money transfer, mobile payment and electronic money), works were carried out to determine the transactions of the Members subject to BITT and VAT.
				27.09.22	The results of the study carried out on the basis of five activity types were evaluated.
				27.12.22	Opinions to be conveyed to the Ministry of Treasury and Finance, the Ministry of Labor and Social Security and the Central Bank of the Republic of Turkey were prepared in order to ensure that our members may mediate for the rental and salary payments.
Accounting and Reporting Working Group	It carries out works in order to eliminate the hesitations in the field of accounting and reporting and to ensure uniformity in practice and it ensures the development of solution proposals to eliminate the problems experienced during the relevant processes.	3	9	02.03.22	Questions submitted by members were answered.
				21.10.22	The issues that were requested to be clarified about TDTS reporting were evaluated and the Frequently Asked Questions document was created by answering the questions of the members about TDTS.
				23.11.22	In order to ensure uniformity in the sector, it was decided to work on the preparation of the advisory accounting practices document for the use of the members and the manual for the calculation of equity.

ANNEX

Highlights from the Activities of the Committee and Working Groups

Committee/ Working Group Name	Purpose and Duties	Number of Meetings	Number of the Participants	Date	Meetings
Human Resources Working Group	In order to produce sustainable solutions for the qualified human resource needs of the sector, it works on determining the training strategies for the sector and shaping the training and similar activities to be carried out by the Association in line with the sectoral needs, and the development of intra-sector or inter-sectoral collaborations and national / international projects in the field of education.	6	7	03.02.22	dated 12.01.2022, regarding the cooperation to be made with Eğitim Danışmanlık Yazılım Hizmetleri A.Ş. (Patika Dev) and the Turkish Open Source Platform 42 Istanbul School (42 Istanbul School) was evaluated.
				11.03.22	Studies were carried out to determine the content of the trainings to be held as two TÖDEB classes to be opened within the body of Patika Dev and as to the “10 Weeks, 10 Speakers” event to be held with 42 Schools.
				08.04.22	The scope of the applications to be made to the TÖDEB classes that will be opened within the scope of the cooperation project with Patika Dev has been evaluated.
				29.09.22	At the meeting where the targeted areas were evaluated, the TÖDEB Academy Strategy and the “Training Needs Analysis” processes planned for the sector were discussed.
				26.10.22	Within the scope of TÖDEB Academy, an evaluation was made about the training activities planned to be carried out in the “November and December 2022 Term”.
				16.12.22	The outputs obtained through the “Training Needs Analysis Form” implemented within the scope of TÖDEB Academy were evaluated, and consultations were held on the training topics that can be prioritized within the scope of TÖDEB Academy 2023 Training Activities in line with these outputs.

Committee/ Working Group Name	Purpose and Duties	Number of Meetings	Number of the Participants	Date	Meetings
Media and Communication Working Group	In order to produce sustainable solutions for the protection of awareness and reputation in the sector, it works on determining communication needs, models and strategies, shaping the digital, visual and written media activities to be carried out by the Association in parallel with these purposes, and developing and implementing communication activities and projects.	4	10	17.02.22	Evaluations were made for the improvement and development of the Association's social media accounts.
				10.06.22	Principles and Rules that TÖDEB Members are Obligated to Follow in Advertisement and Advertising Activities were evaluated.
				30.09.22	In the meeting where the targeted areas were evaluated, consultations were held on the TÖDEB Communication Strategy.
				20.10.22	Within the scope of 2023 TÖDEB Communication Strategy, expectations that will contribute to the sector were shared.
QR Code Working Group	It works with the aim of following the development and current legislation of payment methods with TR QR code, and developing and implementing solutions to identify and meet the needs in this process.	4	10	02.02.22	The QR Code Routing System Reference Document of the Interbank Card Center and the TR QR Code Technical Principles and Rules Guideline documents were evaluated.
				23.02.23	Based on the views and questions sent to the Interbank Card Center regarding the TR QR Code Technical Principles and Rules Guideline and the QR Code Routing System Reference Document, the opinions received from ICC were evaluated.
				02.03.22	Hesitant issues regarding TR QR Code Technical Principles and Rules Guideline and QR Code Routing System Reference Document were discussed.
				24.10.22	Evaluations were made about the current situation regarding the technical integration process to TR QR Code.

ANNEX

Highlights from the Activities of the Committee and Working Groups

Committee/ Working Group Name	Purpose and Duties	Number of Meetings	Number of the Participants	Date	Meetings
POS Working Group	It conducts works to improve legal and technical processes and develop cooperation in terms of POS services by exchanging views with relevant institutions and organizations.	4	9	28.09.22	Previous works about Workplace Registration System (WRS) Implementation decisions shared by the ICC were evaluated.
				13.10.22	The issue of creating a document in order to determine the standards in the acquisition of member merchants was evaluated.
				10.11.22	Access to Cash Register and Taxpayer Identification Number inquiry services and services offered by the ICC and shared data were evaluated.
				22.11.22	Member and terminal identification processes included in the IKS implementation decisions shared by the Interbank Card Center were evaluated.
PDPL Working Group	It operates in order to inform and raise awareness within the scope of the PDPL legislation and to ensure uniformity in terms of sectoral practices.	1	9	20.12.22	An evaluation was made regarding the representative database planned to be established before the Association.

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR REPORT FOR THE YEAR THAT HAS ENDED AS OF 31 DECEMBER 2022

CONTENTS

68	INDEPENDENT AUDITOR REPORT
70	STATEMENT OF FINANCIAL POSITION
72	STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
73	STATEMENT OF CHANGES IN EQUITY
74	CASH FLOW STATEMENT
75-160	EXPLANATORY NOTES ABOUT FINANCIAL STATEMENTS

INDEPENDENT AUDITOR REPORT

To the General Assembly of the Payment and Electronic Money Institutions Association of Türkiye,

Opinion

We have audited the statement of financial position of the Payment and Electronic Money Institutions Association of Türkiye ("Association") dated 31 December 2022 and the financial statements consisting of the statement of profit or loss and other comprehensive income, the financial statements consisting of the statement of changes in equity and the statement of cash flows and the footnotes of the financial statements, including a summary of significant accounting policies for the accounting period ending on the same date.

In our opinion, the attached financial statements present the financial position of the Association as of 31 December 2022, as well as its financial performance and cash flows for the accounting period ending on the same date, in all material aspects, in accordance with Turkish Financial Reporting Standards ("TFRS").

Basis of the Opinion

Our independent audit was conducted in accordance with the Independent Auditing Standards ("IAS"), which is a part of the Auditing Standards of Türkiye published by the Public Oversight, Accounting and Auditing Standards Authority ("POA"). Our responsibilities under the IAS are explained in detail in the Independent Auditor's Responsibilities for the Independent Audit of Financial Statements section of our report. We hereby declare that we are independent from the Association in accordance with the Code of Ethics for Independent Auditors (Including Standards of Independence) ("Code of Ethics") issued by the POA and the ethical provisions in the legislation on independent auditing of financial statements. Other ethical responsibilities within the scope of the Code of Ethics and legislation have also been fulfilled by us. We believe that the independent audit evidence that we have obtained during the independent audit provides a sufficient and appropriate basis for our opinion.

Key Audit Matters

We have determined that there are not any key audit matters to mention in our report.

Responsibilities of the Management and Those Who Are Responsible of the Senior Management for the Financial Statements

The management of the Association is responsible for the internal control that it deems necessary to prepare the financial statements in accordance with TFRS, to present them in a realistic way and to prepare them in a way that does not contain material misstatement due to error or fraud.

While preparing the financial statements, the management is responsible for assessing the Association's ability to continue its perpetuity, explaining the matters related to perpetuity when necessary, and using the perpetuity basis of business.

Those who are responsible for the senior management, are also responsible for overseeing the Association's financial reporting process.

Independent Auditor's Responsibilities Regarding the Independent Audit of Financial Statements

In terms of an independent audit, we, the independent auditors, have the following responsibilities:

Our aim is to obtain reasonable assurance as to whether the financial statements, as a whole, are free from material misstatement due to error or fraud and to issue an independent auditor report including our opinion.

Reasonable assurance obtained as a result of an audit conducted in accordance with IAS is a high level of assurance but does not ensure that a material misstatement will always be detected. Misstatements may be caused by error or fraud. Misstatements are considered material if, individually or collectively, they are reasonably expected to affect the economic decisions to be made by the users of the financial statements, based on those statements.

As a requirement of an independent audit conducted in accordance with IAS, we use our professional judgment and maintain our professional skepticism throughout the independent audit. We also take the following steps:

- We determine and evaluate the risks of material misstatement due to error or fraud in the financial statements; audit procedures that respond to these risks are designed and performed and sufficient appropriate audit evidence is obtained to form a basis for our opinion. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting a material misstatement due to error, as it may include acts of simulation, collusion, fraud, willful negligence, misrepresentation or violation of internal control.
- Internal control related to the audit is evaluated in order to design the audit procedures being appropriate to the situation, but not to express an opinion about the effectiveness of the Association's internal control.
- The appropriateness of accounting policies used by the management and the reasonableness of accounting estimates and related disclosures are evaluated.
- Based on the audit evidence obtained, a conclusion is made on whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue its perpetuity and on the appropriateness of the management's use of the perpetuity of the management basis. If we conclude that a material uncertainty exists, we are required to draw attention to the relevant explanations in the financial statements in our report or, if such disclosures are insufficient, to provide an opinion other than a positive opinion. Our conclusions are based on the audit evidence that are obtained up to the date of the independent auditor report. However, future events or circumstances may terminate the perpetuity of the Association.

GÜRELİ YEMİNLİ MALİ MÜŞAVİRLİK VE BAĞIMSIZ DENETİM HİZMETLERİ A.Ş.
An Independent Member of BAKER TILLY INTERNATIONAL



Erdoğan BAŞARSLAN
Responsible Auditor
Istanbul, 21 March 2023

STATEMENT OF FINANCIAL POSITION

FOR THE PERIOD THAT HAS ENDED

ON 31 DECEMBER 2022

(All amounts are mentioned in Turkish Lira ("TRY"))

	Notes	Independently Audited Current Period 31 December 2022	Independently Audited Previous Period 31 December 2021
Assets			
Current Assets			
Cash and cash equivalents	3	2,909,342	4,052,764
Trade receivables	4	4,091,629	1,898,867
-Trade Receivables from Unrelated Parties		4,091,629	1,898,867
Other receivables	5	165,200	-
-Other Receivables from Unrelated Parties		165,200	-
Prepaid expenses	6	140,775	-
Current period tax related assets	6	-	30,030
Other current assets	9	6,197	3,580
Total Current Assets		7,313,143	5,985,241
Fixed Assets			
Financial Investments	7	100,000	-
Leased Assets	8	652,621	47,793
Tangible Assets	8	2,505,883	70,100
Intangible Assets	8	326,899	-
Prepaid Expenses	9	-	-
Other fixed assets		420,998	51,170
Fixed Assets		4,006,401	169,063
Total assets		11,319,544	6,154,304

The attached footnotes are integral parts of these financial statements.

STATEMENT OF FINANCIAL POSITION

FOR THE PERIOD THAT HAS ENDED

ON 31 DECEMBER 2022

(All amounts are mentioned in Turkish Lira ("TRY"))

	Notes	Independently Audited Current Period 31 December 2022	Independently Audited Previous Period 31 December 2021
Liabilities and Equities			
Short Term Liabilities			
Trade Liabilities	10	1,068,703	11,904
- Trade Liabilities to Unrelated Parties		1,068,703	11,904
Short term borrowings	11	655,054	52,837
Debts Related to Employee Benefits	12	274,873	61,353
Other Debts	14	-	-
- Other debts to Unrelated Parties		-	-
Other debts to Unrelated Parties	13	2,478,834	1,898,867
- Deferred Income from Unrelated Parties		2,478,834	1,898,867
Short Term Equivalents	12	93,942	-
- Equivalents related to Employee Benefits		93,942	-
Other short terms liabilities	14	83,697	50,880
Total short-term liabilities		4,655,103	2,075,841
Long term equivalents		20,567	-
- Equivalents related to Employee Benefits	12	20,567	-
Total long-term liabilities		20,567	-
Total liabilities		4,675,670	2,075,841
Equities			
Equities of the Parent Company	20	6,643,874	4,078,463
Other Accumulated Comprehensive Income or (Expenses)			
Not to be Reclassified in case of Profit or Loss		(8,010)	-
Restricted Reserves Allocated from Profit		2,346,750	1,097,363
Past years profits		1,731,713	2,199,599
Net profit for the year		2,573,421	781,501
Total Equities		6,643,874	4,078,463
Total liabilities and Equities		11,319,544	6,154,304

The attached footnotes are integral parts of these financial statements.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD THAT HAS ENDED ON 31 DECEMBER 2022

(All amounts are mentioned in Turkish Lira ("TRY"))

Profit or loss part	Notes	Independently Audited Current Period 1 January 2022- 31 December 2022	Independently Audited Previous Period 1 January 2021- 31 December 2021
Proceeds	15	11,023,522	2,800,367
Gross Income		11,023,522	2,800,367
General Administrative Expenses	16	(8,747,450)	(2,552,142)
Other income obtained from real operations	17	19,627	37,342
Other expenses obtained from real operations (-)	17	(149,396)	(124,845)
REAL OPERATING PROFIT/(LOSS)		2,146,303	160,722
Finance incomes	18	565,127	636,001
Finance expenses (-)	18	(138,009)	(15,222)
PERIOD INCOME (LOSS)		2,573,421	781,501
OTHER COMPREHENSIVE INCOME		(8,010)	-
TOTAL COMPREHENSIVE INCOME		2,565,411	781,501

The attached footnotes are integral parts of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD THAT HAS ENDED ON 31 DECEMBER 2022

(All amounts are mentioned in Turkish Lira ("TRY"))

	Defined benefit plans remeasurement benefits (losses)	Restricted Expenses Accumulated from Profit	Past year Profits	Net Profit for the Period	Total Equities
Balances as of 1 January 2021	-			3,296,962	3,296,962
Transfers to past years profits	-	1,097,363	2,199,599	(3,296,962)	-
Net profit/(loss) for the period	-			781,501	781,501
Balances as of 31 December 2021	-	1,097,363	2,199,599	781,501	4,078,463

	Defined benefit plans remeasurement benefits (losses)	Restricted Expenses Accumulated from Profit	Past year profits	Net Profit for the Period	Total Equities
Balances as of 1 January 2022	-	1,097,363	2,199,599	781,501	4,078,463
Transfer		1,249,387	(1,249,387)		
Transfers to past years profits	-		781,501	(781,501)	-
Actuarial Earnings and (Losses) obtained from/caused by Retirement Plans	(8,010)	-	-	-	(8,010)
Net profit/(loss) for the period	-			2,573,421	2,573,421
Balances as of 31 December 2021	(8,010)	2,346,750	1,731,713	2,573,421	6,643,874

The attached footnotes are integral parts of these financial statements.

CASH FLOW STATEMENT FOR THE PERIOD THAT HAS ENDED ON 31 DECEMBER 2022

(All amounts are mentioned in Turkish Lira ("TRY"))

	Notes	Independently Audited Current Period 1 January 2022- 31 December 2022	Independently Audited Previous Period 1 January 2021- 31 December 2021
Cash flows obtained from operating activities			
Net profit for the period		2,573,421	781,501
Adjustments required for the reconciliation of the profit obtained before tax and net cash inflows obtained from operating activities			
Amortization and depreciation	8	192,040	12,341
Deferred incomes	13	579,967	1,875,071
Other reserves	3	3,296	4,632
Equivalent for severance payment	12	20,567	-
Equivalent for bad debt		-	-
Equivalent for leave	12	93,942	-
Interest Income	18	(565,127)	(636,001)
Interest expense	18	138,009	15,222
Other Adjustments Related to Profit (Loss) Reconciliation		(27,628)	-
Operating profit before changes in working capital		3,008,487	2,052,765
Changes in trade receivables and other receivables	4	(2,357,962)	(1,875,071)
Change in other current assets	5	(2,617)	(3,580)
Change in other fixed assets		(974,656)	(98,963)
Change in trade payables and other payables		1,056,799	10,087
Severance Pay		-	-
Change in employee benefits		213,520	54,229
Decrease (Increase) in Prepaid Expenses	6	(140,775)	-
Change in other payables and other liabilities	6	635,034	103,466
Tax paid		30,030	(27,550)
Net cash obtained/(used) from operating activities		1,467,860	215,384
Cash flows related to investment activities			
Acquired Subsidiaries, Affiliates and Jointly Controlled Partnerships (Business Partnership)		-	
Received interest		540,343	550,987
Cash inflows arising from sales of tangible and intangible assets	8	-	
Cash outflows arising from the purchase of tangible and intangible assets	8	(2,954,722)	(82,441)
Net cash used in investing activities		(2,414,379)	468,546
Cash flows related to financing activities			
Cash Inflows Arising from Borrowing			
Cash Outflows as to Debt Payments Arising from Rental Agreements			
Paid Interest		(138,009)	(15,222)
Capital Increase			
Net cash (used)/provided for financing activities		(138,009)	(15,222)
Net change in cash movements		(1,084,528)	668,708
Cash and cash equivalents at the beginning of the period		3,972,382	3,303,674
Cash and cash equivalents at the end of the period		2,887,854	3,972,382

The attached footnotes are integral parts of these financial statements.

EXPLANATORY NOTES AS TO THE FINANCIAL STATEMENTS FOR THE PERIOD THAT HAS ENDED ON 31 DECEMBER 2022

(All amounts are mentioned in Turkish Lira ("TRY"))

1. ORGANIZATION AND SUBJECT OF ACTIVITY OF THE ASSOCIATION

Organization of the Association:

Payment and Electronic Money Institutions Association of Türkiye (TÖDEB-Association) is a professional organization in the nature of a public institution, being formed as a legal entity, which gathers the payment and electronic money institutions operating in Turkey under the same umbrella.

TÖDEB is established through the inclusion of an article to the Law on the Payment and Securities Clearing Systems, Payment Services and Electronic Money Institutions numbered 6493 in accordance with the Law on the Payment and Securities Clearing Systems, Payment Services and Electronic Money Institutions numbered 7192, which is published in the Official Gazette dated 22,11,2019 and numbered 30956 and the Article 15 of the Law Amending Certain Laws.

Payment and electronic money institutions operating in Türkiye are obliged to apply to become a member of the Association within one month as of the date of obtaining their operating licenses.

TÖDEB's status was published in the Official Gazette dated 28 June 2020 and the Association was officially established. TÖDEB has started to operate in its headquarters located in Istanbul on 25 September 2020.

The Association operates in Turkey and its headquarters is located at Saray Mah. Ahmet Tevfik İleri Cad. Onur Ofis Park İş Merkezi Sitesi A2 Blok No: 10 a İç Kapı No: 5 Ümraniye, Istanbul. As of the balance sheet date, the number of employees is 14, (As of 31 December 2021, the number of employees is 6).

Subject of Activity:

The purpose of the Association is to meet the common needs of its members, facilitate professional activities, maintain the professional discipline and morality in order to ensure honesty and trust in terms of its relations with its representatives and customers, ensure its members to work in solidarity, protect their economic interests and ensure their professional developments, protect the competitive environment among its members, prevent unfair competition and develop the field of payments.

To realize the above-mentioned objective, the Association carries out the following works:

- To carry out training, promotion and research activities in order to ensure the development of the profession,
- To ensure that the members work in accordance with the needs of the economy in the discipline and unity required by the profession by determining the professional principles,
- To determine the professional principles and standards to be followed by the members of the member organizations,
- To announce to its members the decisions taken in accordance with the relevant legislation and the measures requested to be taken,
- To take and implement all necessary measures in order to prevent unfair competition among its members,
- To determine the principles and conditions to be followed by the members in their announcements and advertisements in terms of type, shape, quality and quantity,
- To initiate a lawsuit based on the decision of the Board of Directors on matters concerning the common interests of the members,
- To ensure cooperation among its members regarding joint projects,
- Without prejudice to the provisions of the Law on the Protection of the Consumer dated 7/11/2013 and numbered 6502 and the application rights granted by other laws, to establish an arbitral tribunal in accordance with the procedures and principles approved by the Bank and to be prepared to ensure that the disputes between the members and their individual customers are evaluated and resolved,
- To create a strategy to ensure the development of the payments area and the activities of the members, and to take decisions regarding the implementation of the said strategy,
- To cooperate with national and international organizations on behalf of its members, to promote the payment institutions and electronic money institutions and to inform the public on this issue,
- To inform the members about this issue by following national and international professional developments, legal and administrative regulations,
- Evaluating the complaints made about its members and reporting the results of the transaction to the Bank and sharing it with the members,

EXPLANATORY NOTES AS TO THE FINANCIAL STATEMENTS FOR THE PERIOD THAT HAS ENDED ON 31 DECEMBER 2022

(All amounts are mentioned in Turkish Lira ("TRY"))

- k) To follow up the implementation of the decisions and measures taken by the Association, to impose disciplinary penalties stipulated in this Statute against the members who do not comply with such decisions and measures in a timely and full manner,
- l) To keep general and statistical information about the members and to disclose them to the public on a regular basis,
- m) To ensure regular information flow between the Association and the Bank within the framework requested,
- n) To perform other duties assigned by the bank,
- o) To perform other duties listed in the Law no, 6493.

2. PRINCIPLES REGARDING THE PRESENTATION OF FINANCIAL STATEMENTS

2.01 Main Principles Regarding Presentation

The Association keeps its accounting records in TRY in accordance with the commercial legislation, financial legislation and the Uniform Chart of Accounts published by the Ministry of Finance. The financial statements of the Association are presented in the functional currency of the main economic environment in which it operates. The financial position and operating results of the Association are expressed in the Association's applicable currency, namely "TRY".

Going Concern

The financial statements of the Association are presented in the functional currency of the main economic environment in which it operates. The financial position and operating results of the Association are expressed in Turkish Lira, which is the functional currency of the Association and the presentation unit in terms of the financial statements (The penny digits of the figures in the financial statements of the Association have been rounded to integers).

Based on the explanations above, the Association has prepared its financial statements based on the going concern principle. In this framework, the Association foresees that it can convert its assets into cash from their current value and meet its liabilities in the normal course of business while preparing its financial statements.

2.02 Adjustment of Financial Statements during High Inflation Periods

In the statement made by the Public Oversight Accounting and Auditing Standards Authority on 20 January 2022, since the cumulative change in the general purchasing power of the last three years according to the Consumer Price Index (CPI) is 74.41%, it is stated that there is no need to make any adjustments in the financial statements for 2021 within the scope of IAS 29 Financial Reporting in Hyperinflationary Economies. The Public Oversight Authority has not taken any decision on inflation accounting for 2022, In this respect, while preparing the financial statements dated 31 December 2022, no inflation adjustment was made according to IAS 29.

2.03 Consolidation Principles

The Association is not subject to consolidation.

2.04 Comparative Information and Adjustment of the Financial Statements of Prior Periods

The Association's financial statements are prepared comparatively with the previous period in order to enable the determination of the financial situation and performance trends. When the presentation or classification of financial statement items changes, financial statements of prior periods are reclassified accordingly in order to ensure comparability.

There are no changes made in the financial statements of prior periods.

,

EXPLANATORY NOTES AS TO THE FINANCIAL STATEMENTS FOR THE PERIOD THAT HAS ENDED ON 31 DECEMBER 2022

(All amounts are mentioned in Turkish Lira ("TRY"))

2.05 Changes in Accounting Policies

Changes in accounting policies are made if necessary or if they result in a more appropriate and reliable presentation of the effects of transactions and events on the financial position, performance or cash flows of the Association. In case the changes made in the accounting policies affect the previous periods, the said policy is applied retrospectively in the financial statements as if it has always been in use.

There has been no change in the accounting policies of the Association within the current period.

2.06 Changes and Errors as to the Accounting Estimates

Accounting estimates are made on the basis of reliable information and reasonable estimation methods, However, estimations are revised as a result of a change in the conditions under which the estimation is made, new information is obtained or additional developments occur.

If the effect of the change as to the accounting estimation is related to only one period, and if it is related to the future periods within the current period during which the change is made, it is reflected to the financial statements both in the period when the change is made and in a way including the future periods, to be taken into account while determining the profit or loss for the period.

The nature and amount of a change regarding the accounting estimate that has an effect on the current period's operating result or is expected to have an effect on subsequent periods, are disclosed in the footnotes of the financial statements, except where it is not possible to estimate the effect on future periods.

2.07 Netting/Offset

If there is a legal right to set off, the net settlement or collection is possible, or the acquisition of the asset and the settlement of the obligation may occur simultaneously, the financial assets and liabilities are presented with their net values in the statement of financial position.

2.08 Summary of the Significant Accounting Policies

The summary of significant accounting policies applied during the preparation of the financial statements is as follows.

2.08.01 Recording as Revenue

Revenues are presented as the expected amount to be earned in return for these goods and services, reflecting the promised goods and/or services. For this purpose, a 5-steps process is applied in the recognition of revenue within the framework of TFRS 15 provisions.

- Identification of agreements executed with the customer
- Identifying the separate performance criteria and obligations in the agreement
- Determining the contract price
- Dividing the Sale Price into Liabilities
- Recording as revenue as contractual obligations are fulfilled

In the case where revenue obtained from services can be measured reliably, it is recognized based on the degree of completion of the service. Where the result cannot be measured reliably, the revenue is recognized up to the recoverable amount of incurred expenses attributable to that income.

EXPLANATORY NOTES AS TO THE FINANCIAL STATEMENTS FOR THE PERIOD THAT HAS ENDED ON 31 DECEMBER 2022

(All amounts are mentioned in Turkish Lira ("TRY"))

Interest Income - is recognized based on the effective interest method.

Rental and Royalty Income - is recognized on an accrual basis.

Dividend Income - is recognized on the date when the right to collect the dividends arises.

Rental Income obtained through real estates - is recognized according to the straight-line method throughout the relevant lease agreement.

If there is an important financing element throughout the sales, the reasonable price is determined by discounting the future cash flows with the hidden interest rate included in the financing element. The difference is reflected to the financial statements on an accrual basis.

2.08.02 Tangible Fixed Assets

Cost Method

Tangible Fixed Assets and Fixed Assets, excluding real estates, are depreciated on a straight-line basis in accordance with the useful life principle.

Tangible fixed assets that are subject to revaluation or valued based on cost value, are depreciated over their useful lives using the straight-line depreciation method, excluding lands and parcels, The depreciation rates determined by considering the useful lives of fixed assets are as follows:

Type	31 December 2022	31 December 2021
Flooring and Fixtures	2% - 33.33%	2% - 33.33%
Special Costs	10% - 20% - 100%	-

The expected useful life residual value and depreciation method are reviewed annually for the potential effects of changes in estimates, and if there is a change in estimates, they are accounted prospectively.

Profits and losses arising from the sale of fixed assets are determined by comparing the net book values with the selling price and are included in the operating profit.

Maintenance and repair expenses are recorded as expense on the date they are incurred. If the maintenance and repair expense provide an expansion or a visible improvement in the related asset, it is capitalized.

2.08.03 Intangible Fixed Assets

Intangible Fixed Assets, except for the expenses incurred for the development of new products created within the Association and planned to be produced, cannot be capitalized and expenses are recognized within the period during which they are incurred. Intangible Fixed Assets are depreciated over their expected useful lives by using the straightline method. Capitalized development costs are amortized on a straight-line basis over their estimated useful lives following the commencement of commercial production of the product or service. The expected useful life and depreciation method are reviewed annually to determine the potential effects of changes in estimates and changes in estimates are accounted prospectively.

Intangible Fixed Assets consist of rights and software.

Type	Economic Life (Years)	31 December 2022 (%)
Rights	5-15	6.66-20

EXPLANATORY NOTES AS TO THE FINANCIAL STATEMENTS FOR THE PERIOD THAT HAS ENDED ON 31 DECEMBER 2022

(All amounts are mentioned in Turkish Lira ("TRY"))

2.08.04 Impairment of Assets

With an indefinite life, such as goodwill, are not amortized, Each year, an impairment test is applied for these assets, In terms of assets subject to amortization, an impairment test is applied in case of situations or events where it is not possible to recover their book value. If the book value of the asset exceeds its recoverable amount, an impairment loss is recorded. The recoverable amount is the higher of fair value, obtained after deducting the selling costs or the higher of the value in use, For the assessment of impairment, assets are grouped at the lowest level with separately identifiable cash flows. Non-financial assets other than goodwill that are subject to impairment are reviewed for potential reversal of impairment on each reporting date,

2.08.05 Leasing transactions

At the execution date of the agreement, the Association evaluates whether the agreement is of a nature of leasing or contains a leasing transaction. If the agreement transfers the right to control the use of the identified asset for a specified period of time in exchange for a remuneration, the agreement is deemed to be of a nature of leasing or include a leasing transaction. The Association considers the following conditions when assessing whether an agreement transfers the right to control the use of an identified asset for a specified period of time:

- (a) If the agreement includes an identified asset, such asset is usually identified by being explicitly or implicitly specified in the agreement,
- (b) A functional part of the asset is physically separated or represents nearly all of the asset's capacity, An asset is not defined if the supplier has a substantive right to substitute the asset and derive economic benefits from it,
- (c) The existence of the right to obtain almost all of the economic benefits to be derived from the use of the identified asset,
- (d) The existence of the right to manage the use of the identified asset, The Association considers that the asset has the right to use if the decisions regarding how and for what purpose the asset will be used have been determined beforehand, The Association has the right to manage the use of the asset in the following cases:
 - i) If the Association has the right to operate the asset during its life cycle (or directs others to operate the asset as it determines) and the supplier is not entitled to change these operating instructions; or
 - ii) If the Association has designed the asset (or certain features of the asset) in such a way as to predetermine how and for what purpose the asset will be used throughout its life cycle.

The debts of the Association related to financial leasing transactions are included in **Footnote: 11**.

Tangible fixed assets acquired under a financial leasing agreement are depreciated over the useful life of the asset, The net book value of the assets subject to financial leasing is given in **Footnote: 8**.

Existence of the Right to Use the Association as a Lessee

The association reflects a right-of-use asset and a lease liability in its financial statements at the commencement date of the lease.

The right-of-use asset is initially accounted by using the cost method and includes the following:

- (a) The initial measurement amount of the lease liability,
- (b) The amount obtained by deducting all lease incentives received from all lease payments made on or before the actual commencement of the lease,
- (c) All initial direct costs incurred by the Association, and
- (d) Estimated costs to be incurred by the Association in connection with the dismantling and relocation of the underlying asset, the restoration of the site on which it is located, or the restoration of the underlying asset to the condition required by the lease terms and conditions, The Association bears the liability for these costs at the date of the actual commencement of the lease or as a result of using the underlying asset for a certain period of time.

EXPLANATORY NOTES AS TO THE FINANCIAL STATEMENTS FOR THE PERIOD THAT HAS ENDED ON 31 DECEMBER 2022

(All amounts are mentioned in Turkish Lira ("TRY"))

When applying the cost method, the Association measures the right-of-use asset based on the followings:

- (a) By deducting the accumulated depreciation and accumulated impairment losses; and
- (b) at its adjusted cost in accordance with the remeasurement of the lease liability.

While depreciating the right-of-use asset, the Association applies the depreciation provisions of TAS 16 Tangible Fixed Assets. If the supplier transfers the ownership of the underlying asset to the Association at the end of the leasing term, or if the cost of the right-of-use asset indicates that the Association will exercise a call option, it depreciates the Association's right-of-use asset as from the date the leasing actually began to the end of the useful life of the underlying asset. In other cases, the Association depreciates the right-of-use asset over the shorter of the asset's useful life or the leasing term, starting from the date the lease actually commenced.

The Association applies TAS 36 Impairment of Assets to determine whether the right-of-use asset is impaired and to recognize any identified impairment losses.

Leasing liability

On the actual commencement date of the lease, the Association measures the leasing liability over the present value of the leasing payments outstanding at that date. Rental payments are discounted by using the implied interest rate in the lease, if that rate can be easily determined,. The Association uses the Association's alternative borrowing rate if this rate cannot be easily determined.

At the actual commencement date of the lease, the lease payments included in the measurement of the leasing liability consist of the following payments for the right to use the underlying asset during the leasing term, which were not paid on the commencement date of the lease:

- (a) The amount obtained by deducting all kinds of rental incentive receivables from fixed payments,
- (b) Variable leasing payments based on an index or rate, initially measured by using an index or rate on the commencement date of the lease;
- (c) If the Association is reasonably confident that it will exercise the call option, the exercise price of that option; and
- (d) Penalties for termination of the lease if the leasing term indicates that the Association will exercise an option to terminate the lease,

After the actual commencement of the lease, the Association measures its leasing liability as follows:

- (a) It increases the book value in a way to reflect the interest on the lease liability,
- (b) It decreases the book value in a way to reflect the already made leasing payments; and
- (c) It remeasures the book value in a way to reflect the reassessments and restructurings or to reflect leasing payments that are fixed in terms of revised substance.

The interest as to the leasing liability for each period in the leasing term is the amount found by applying a fixed periodic interest rate to the remaining balance of the leasing liability. The periodic rate of interest is the implied rate of interest in a lease if it can be easily determined. The Association uses the Association's alternative borrowing rate if this rate cannot be easily determined.

After the actual commencement of the lease, the Association remeasures the leasing liability to reflect the changes in the leasing payments. The Association reflects the remeasurement amount of the lease liability as an adjustment to the right-of-use asset in its financial statements.

The Association remeasures the leasing liability by discounting the revised leasing payments at a revised discount rate if one of the following situations occurs:

- (a) Occurrence of a change in the leasing term. The Association determines the revised leasing payments based on the revised leasing term,
- (b) Occurrence of a change in the assessment of the option to purchase the underlying asset. The Association determines the revised leasing payments in a way to reflect the change in the amounts payable under the call option.

EXPLANATORY NOTES AS TO THE FINANCIAL STATEMENTS FOR THE PERIOD THAT HAS ENDED ON 31 DECEMBER 2022

(All amounts are mentioned in Turkish Lira ("TRY"))

The Association determines the revised discount rate as the relevant rate for the remainder of the lease term, if the implied interest rate in the lease can be easily determined and if such rate may not be easily determined, it determines the relevant rate as the Association's alternative borrowing rate on the date of reassessment.

The Association remeasures the leasing liability by discounting the revised leasing payments if one of the following situations occurs:

- (a) Occurrence of a change in the amounts expected to be paid under a residual value commitment. The Association determines the revised leasing payments in a way to reflect the change in the amounts expected to be paid under the residual value commitment,
- (b) Occurrence of a change in these payments as a result of a change in an index or rate used to determine future leasing payments. The Association remeasures the leasing liability only when there is a change in cash flows to reflect such revised leasing payments.

It determines the revised leasing payments of the Association for the remaining leasing term based on the revised contractual payments. The Association uses an unmodified discount rate in such a case.

The Association recognizes the restructuring of the lease as a separate lease if both of the following conditions are met:

- (a) If the restructuring expands the scope of the lease by adding the right to use one or more of the underlying assets; and;
- (b) In the case that the rental price increases in proportion to the price alone of the increase in coverage and in the case that the rental price increases by appropriate adjustments to that stand-alone price in order to reflect the terms of the relevant agreement.

The Association as the Lessor:

The Association classifies each of the leases as operating leases or financial leases,

A lease is classified as a financial lease if substantially all the risks and rewards of the ownership of the underlying asset are transferred, A lease is classified as an operating lease if substantially all the risks and rewards of ownership of the underlying asset are not transferred,

In terms of an agreement that includes a lease component and one or more additional lease or non-leasing components, the Association allocates the contract price by applying the standard of TFRS 15, namely, "Revenue arising from agreements executed with customers".

The Association as the Lessee:

The Rentals collected for an operational leasing are recorded as rental income according to the normal method throughout its term. Rental income is recognized throughout the Other Operating Income.

2.08.06 Borrowing Costs

In terms of the assets that take significant time to get ready for use and sale, borrowing costs directly associated with the acquisition, construction or production of such assets are included in the cost of the asset until it is ready for use or sale. Financial investment income obtained by temporarily investing the unspent portion of the investment loan in financial investments is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recorded in the profit or loss statement, during the period in which they are incurred. The Association has not any borrowing costs capitalized in the current period as to the qualifying assets.

EXPLANATORY NOTES AS TO THE FINANCIAL STATEMENTS FOR THE PERIOD THAT HAS ENDED ON 31 DECEMBER 2022

(All amounts are mentioned in Turkish Lira ("TRY"))

2.08.07 Financial Instruments

i, Classification and measurement of financial assets and liabilities

A financial asset is classified as follows during the initial inclusion in the financial statements:

- a) Financial instruments measured at amortized cost,
- b) Debt instruments measured at fair value through other comprehensive income,
- c) Equity instruments measured at fair value through other comprehensive income,
- d) Financial instruments measured at fair value through profit or loss.

Classification of financial assets is generally based on the business model the entity uses to manage financial assets and the characteristics of the financial asset's contractual cash flows.

A financial asset is measured at amortized cost if both of the following conditions are met, and it is not classified as measured at fair value through profit or loss:

- a) Holding the financial asset within the scope of a business model which aims to collect contractual cash flows; and
- b) The fact that the contractual terms of the financial asset give rise to cash flows that only include principal and interest payments arising from the principal balance on specified dates.

A debt instrument is measured by reflecting the fair value to other comprehensive income if both of the following conditions are met or if the fair value is not classified as measured through being reflected to the profit or loss:

- Holding the financial asset under a business model that aims to collect the contractual cash flows and sell the financial assets; and
- The fact that the contractual terms of the financial asset give rise to cash flows on specified dates that include only payments of principal and interest arising from the principal balance, These also include all derivative financial assets.

All financial assets that are not measured over the amortized cost or through reflecting the fair value to the other comprehensive income are measured by reflecting the fair value to the profit or loss.

During the initial recognition of financial assets in the financial statements, provided that it eliminates or significantly reduces an accounting mismatch that would result from measuring financial assets differently and recognizing gains or losses on them differently, an irreversibly change in fair value of a financial asset may be defined as measured through being reflected to the profit or loss.

During the initial measurement of the financial assets other than those the fair value change of which are reflected to the profit or loss (except for the trade receivables that are measured over transaction price during the initial inclusion in the financial statements and do not have a significant financing component), transaction costs directly attributable to their acquisition or issuance are added to the fair value.

ii, Impairment of financial assets

The "expected loan losses" model is applied within the framework of TFRS 9 provisions, The new impairment model applies to financial assets and contract assets measured at amortized cost, but not to investments in equity instruments.

Financial assets measured over the amortized cost consist of trade receivables, other receivables and cash and cash equivalents.

EXPLANATORY NOTES AS TO THE FINANCIAL STATEMENTS FOR THE PERIOD THAT HAS ENDED ON 31 DECEMBER 2022

(All amounts are mentioned in Turkish Lira ("TRY"))

The loss reserves for trade receivables, other receivables, other assets and contractual assets are always measured at an amount equal to lifetime expected loan losses.

When determining whether the loan risk of a financial asset has increased significantly since initial recognition within the financial statements and estimating expected loan losses, reasonable and supportable information available without undue cost or effort is taken into account. These include qualitative and quantitative information and analyzes based on the Association's past experiences and conscious loan evaluations, and forward-looking information.

Financial assets with loan impairment

The Association assesses whether financial assets measured at amortized cost have loan impairment during each reporting period. A financial asset is loan-impaired when one or more events occur that adversely affect the estimated future cash flows of a financial asset.

Observable data regarding the following events are evidence that the financial asset is loan-impaired:

- The issuer or debtor is in significant financial distress,
- Occurrence of a breach of contract due to default or significantly exceeding the maturity date,
- Due to economic or contractual reasons, the creditor grants the debtor a privilege that he or she does not normally consider, due to the debtor's financial distress,
- The fact that is probable that the debtor will go into bankrupt or enter into other financial restructuring, or
- The disappearance of an active market for this financial asset due to financial difficulties.

Representation of impairment in financial statements

Loss equivalents of financial assets measured at amortized cost are deducted from the gross values of these assets.

Drop Out

In the case that there is a reasonable expectation of recovering more cash flow from the financial asset, the gross amount of the financial asset is dropped out from the records. This situation generally occurs when the Association determines that the debtor does not have sufficient cash flow generating income sources or assets to repay the deductible amounts. However, the dropped out financial assets may still be subject to the Association's enforcement activities for the recovery of overdue receivables.

Financial assets are dropped out if there is no expectation of recovery (for example, the borrower has not made any plan for the repayment to the Association). For the dropped out trade receivables, other receivables, other assets and contract assets, the Association continues to engage in enforcement activities in order to recover the receivables. Recovery amounts are recognized in profit or loss.

2.08.8 Effects of the Rate of Exchange Fluctuations

The Association's financial statements are presented in the currency of the main economic environment in which it operates. The financial position and operating results of the Association are expressed in the Association's applicable currency "TRY".

During the preparation of the Association's financial statements, foreign currency transactions are recorded based on the exchange rates on the date of the transaction. Monetary assets and liabilities indexed to foreign currency in the balance sheet are converted into Turkish Lira using the exchange rates applicable on the balance sheet date. Among the non-monetary items that are monitored at fair value, those recorded in foreign currency are converted into Turkish Lira based on the exchange rates at the date of determination of the fair value. Non-monetary items in foreign currency measured at historical cost are not reconverted. Exchange differences are recognized in profit or loss within the period in which they occur.

EXPLANATORY NOTES AS TO THE FINANCIAL STATEMENTS FOR THE PERIOD THAT HAS ENDED ON 31 DECEMBER 2022

(All amounts are mentioned in Turkish Lira ("TRY"))

2.08.9 Events Occurred After the Reporting Period

It represents events that occur in favor of or against the entity between the date of the statement of financial position and the date of authorization for the issue of the statement of financial position. In case there is new evidence regarding the existence of the said events as of the Statement of Financial Position date or if the related events occur after the statement of financial position date, the Association discloses the said issues in the relevant footnotes. In case of occurrence of events requiring adjustment after the statement of financial position date, the Association adjusts the amounts recognized in the financial statements in accordance with this new situation.

2.08.10 Equivalents, Contingent Liabilities and Contingent Assets

If the Association has a present liability as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to fulfill the liability, and the amount of the liability may reliably be estimated, the related liability is recognized in the financial statements as a equivalent. Contingent liabilities are evaluated on an ongoing basis to determine whether it is probable that resources embodying economic benefits will exit the business, In terms of the items that are treated as contingent liabilities, in the case that it becomes probable that an outflow of resources embodying economic benefits in the future, such contingent liability is recognized as an equivalent in the financial statements of the period in which the change in probability occurs, except where a reliable estimate is not made.

In the event that the contingent liabilities become probable, but a reliable estimate cannot be made about the amount of resources with economic benefits, the Association presents the relevant liability in the footnotes.

An asset that will be confirmed by the occurrence or non-occurrence of one or more uncertain events arising from past events, the existence of which is not fully under the control of the entity, is considered as a contingent asset. Contingent assets are disclosed in the footnotes in case the economic benefits are likely to enter the business.

The amount to be collected in cases where it is expected that all or part of the economic benefits used to pay the equivalent amount will be met by third parties, is recognized as an asset if repayment of the same is certain and the amount has been calculated reliably.

2.08.11 Related Parties

For the purpose of these financial statements, shareholders, senior managers and members of the Board of Directors, their families, companies controlled by or affiliated with them, affiliates and partnerships are considered and expressed as "related parties", Transactions entered into with related parties due to ordinary activities were carried out at prices in line with market conditions.

2.08.12 Taxes Calculated on the Association's Income

The Association is not subject to any tax.

2.08.12 Equivalent of the Pension and Severance Pay

In accordance with the applicable labor laws in Turkey, retirement and severance pay provisions are separated as provisions as they occur in the attached financial statements, In accordance with the updated TAS 19, namely "Employee Benefits" Standards, these types of payments are considered as defined retirement benefit plans.

In the attached financial statements, the severance pay liability is reflected in the financial statements as the amount found by discounting the retirement benefits to be paid in the coming years with the appropriate interest rate adjusted for the inflation rate with the aim of calculating the value at the date of the statement of financial position.

EXPLANATORY NOTES AS TO THE FINANCIAL STATEMENTS FOR THE PERIOD THAT HAS ENDED ON 31 DECEMBER 2022

(All amounts are mentioned in Turkish Lira ("TRY"))

2.08.13 Cash Flow Statement

Cash and cash equivalents are reflected with their cost values in the statement of financial position, Cash and cash equivalents taken into account for the cash flow statement include cash on hand, bank deposits and highly liquid investments, In the cash flow statement, cash flows for the relevant period are classified and reported on the basis of operating, investing and financing activities.

Cash flows arising from operating activities represent the cash flows from the main activities of the Association, Cash flows related to investment activities show the cash flows used and obtained by the Association in investment activities (asset investments and financial investments).

Cash flows related to financing activities show the resources used by the Association in financing activities and the repayments of these resources.

2.08.14 Investment Properties

The Association has no investment property as of the end of the period.

2.14 New and Revised Financial Reporting Standards of Türkiye

New and revised standards and interpretations

The accounting policies used in the preparation of the summary financial statements for the accounting period which has ended as of 31 December 2022 have been applied consistently with those used in the previous year, except for the interpretations of the new and amended Accounting Standards of Türkiye ("TAS")/IFRS and TMS/IFRS interpretations valid as of 1 January 2022, which are summarized below. The effects of these standards and interpretations on the financial position and performance of the Association are explained in the relevant paragraphs.

The new standards which are in force as of 31 December 2022 and the amendments and interpretations to the existing previous standards:

Benchmark Interest Rate Reform - Phase 2 - Amendments to TFRS 9, TAS 39, TFRS 7, TFRS 4 and TFRS 16

In December 2020, POA published the Benchmark Interest Rate Reform - Phase 2- TFRS 9, TAS 39, TFRS 7, TFRS 4 and TFRS 16 Amendments, which introduced temporary exemptions in order to eliminate the effects of changing the benchmark interest rate (IBOR) with an alternative reference interest rate to financial reporting. Businesses will apply these changes for annual accounting periods beginning on or after 1 January 2021. Early implementation is permitted.

The amendments cover the following topics;

Facilitating practice for changes in the basis for determining contractual cash flows as a result of the IBOR reform

EXPLANATORY NOTES AS TO THE FINANCIAL STATEMENTS FOR THE PERIOD THAT HAS ENDED ON 31 DECEMBER 2022

(All amounts are mentioned in Turkish Lira ("TRY"))

Privileges on termination of the hedge accounting relationship

- The changes allow revisions to the hedge accounting setup and documentation required due to the IBOR reform, without terminating the hedging relationship,
- The accumulated amount in the cash flow hedge fund is assumed to be based on the alternative reference interest rate,
- During the alternative interest rate transition process, associations may choose to reset the accumulated fair value changes in terms of each hedging relationship when evaluating retrospective tests of effectiveness in accordance with TAS 39,
- The amendments provide an exemption for the items identified as the subject of the grouping approach (for example, those that are part of a macro hedging strategy) to be changed due to the revisions required by the IBOR reform. The relevant exemption allows the hedging strategy to be maintained and continued without any interruption,
- During the alternative reference interest rate transition, the hedging relationship may be revised more than once. Phase 2 exemptions apply to all revisions to the hedging relationship resulting from the IBOR reform.

Separate identification of risk components

The changes grant the associations a temporary exemption that where the alternative reference interest rate is determined as a risk component in terms of the hedging relationship, it will meet the criterion that risk components must be defined separately.

Further Explanations

Within the scope of TFRS 7, namely, Disclosures on Financial Instruments, changes introduce additional footnote obligations, such as the entity's transition to alternative reference interest rates and how it manages the risks arising from the transition, quantitative information about the financial instruments that will be affected by the IBOR transition, even if the transition has not yet occurred, and disclosure of the relevant change if the IBOR transition has led to any change in its risk management strategy.

The subject change did not have a significant impact on the financial position or performance of the Association.

TFRS 4 (Amendments) Extension of the Temporary Exemption Period for the Application of TFRS 9

Through the postponement of the effective date of TFRS 17 to 1 January 2023, the expiry date of the temporary exemption period for the application of TFRS 9 provided to the insurers has also been revised to 1 January 2023.

Standards and amendments published but not yet entered into force as of 31 December 2022:

The new standards, interpretations and amendments that have been published as of the approval date of the financial statements but have not yet entered into force in terms of the current reporting period and have not been implemented early by the Association are as follows. Unless otherwise stated, the Association will make the necessary changes that will affect its financial statements and footnotes after the new standards and interpretations enter into force.

TFRS 17 - New Standard for Insurance Agreements

In February 2019, POA published TFRS 17, a comprehensive new accounting standard covering recognition and measurement, presentation and disclosure in terms of insurance agreements. TFRS 17 introduces a model that provides both the measurement of liabilities arising from insurance agreements through current balance sheet values and the recognition of profit throughout the period during which the services are provided. Some changes in future cash flow estimates and risk adjustment are also recognized during the period in which the services are provided. Entities may choose to recognize the effects of changes in discount rates in profit or loss or other comprehensive income. The standard includes specific guidance for the measurement and presentation of insurance agreements with participation features, TFRS 17 will enter into force for annual periods beginning on or after 1 January 2023, and early application is permitted for entities that have applied TFRS 9 Financial Instruments and TFRS 15 Revenue from Agreements with Customers on or before this date.

EXPLANATORY NOTES AS TO THE FINANCIAL STATEMENTS FOR THE PERIOD THAT HAS ENDED ON 31 DECEMBER 2022

(All amounts are mentioned in Turkish Lira ("TRY"))

According to the amendments published by the POA in December 2021, when TFRS 17 is applied for the first time, enterprises have the transition option to overlap the classification in order to eliminate potential accounting mismatches between financial assets and insurance agreement liabilities in the comparative information presented. The effects on the financial position and performance of the Association are being evaluated.

In February 2019, the POA published TFRS 17, a comprehensive new accounting standard covering recognition and measurement, presentation and disclosure for insurance agreements. TFRS 17 introduces a model that provides both the measurement of liabilities arising from insurance agreements with current balance sheet values and the recognition of profit throughout the period during which the services are provided. TFRS 17 will be applied for annual accounting periods beginning on or after 1 January 2023, Early application is permitted, The effects on the financial position and performance of the Association are being evaluated.

TAS 1 Amendments - Classification of liabilities as short-term and long-term

In January 2021, POA amended the "TAS 1 Presentation of Financial Statements" standard. These amendments, which are effective for the annual reporting periods beginning on or after 1 January 2023, clarify the criteria for long and short term classification of liabilities, The amendments should be applied retrospectively according to TAS 8 "Accounting Policies. Changes in Accounting Estimates and Errors", Early application is permitted.

The effects on the financial position and performance of the Association are being evaluated.

TAS 8 Amendments - Definition of Accounting Estimates

In August 2021, POA published amendments to TAS 8 that introduce a new definition for "accounting estimates". The amendments published for TAS 8 are valid for annual accounting periods beginning on or after 1 January 2023. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and correction of errors, In addition, the amended standard clarifies that the effects of a change in input or a change in a measurement technique on the accounting estimate are changes in accounting estimates unless they result from a correction of prior period errors, The previous definition of change in accounting estimate indicated that changes in accounting estimates could result from new information or new developments, Therefore, such amendments are not considered as corrections of errors, This aspect of the definition has been preserved by the POA. The amendments will apply to changes in accounting estimates or accounting policies that occur on or after the effective date, and early application is permitted, Generally speaking, a material impact on the Association's financial statements is not expected.

TAS 12 Amendments - Deferred Tax as to assets and liabilities arising from a single transaction

In August 2021, POA published amendments to TAS 12 that narrowed the scope of the initial recognition exemption, thus ensuring that the exemption is not applied to transactions that result in equally taxable and deductible temporary differences. Amendments to TAS 12 are valid in terms of annual accounting periods beginning on or after 1 January 2023, The amendments clarify that where payments made with regards to a liability are tax deductible, it is a matter of judgment whether such reductions are attributable (considering applicable tax law) to the recognized liability (and to the interest expense) or related asset component (and to the interest expense) for tax purposes. This judgment is important in determining whether there is any temporary difference in initial recognition of the asset and liability. Amendments apply to transactions that occur at or after the beginning of the earliest period presented comparatively. In addition, at the beginning of the earliest comparative period presented, deferred tax asset (provided there is sufficient taxable income) and deferred tax liability are recognized for all deductible and taxable temporary differences related to leases and decommissioning, restoration and similar liabilities.

The effects on the financial position and performance of the Association are being evaluated.

EXPLANATORY NOTES AS TO THE FINANCIAL STATEMENTS FOR THE PERIOD THAT HAS ENDED ON 31 DECEMBER 2022

(All amounts are mentioned in Turkish Lira ("TRY"))

TFRS 16 Amendments - Sale and leaseback transactions

These are effective for annual reporting periods beginning on or after 1 January 2024. These amendments include the sale and leaseback requirements in TFRS 16 that describe how an entity recognizes a sale and leaseback transaction after the transaction date. Sales and leaseback transactions where some or all of the lease payments consist of variable lease payments that are not tied to an index or rate are likely to be affected.

3. CASH AND CASH EQUIVALENTS

Cash and Cash Equivalents of the Association as of the end of the period are explained below:

	31 December 2022	31 December 2021
Cash	103	-
Banks	2,912,535	4,057,396
- Demand deposits	13,812	10,145
- Term deposits ^(*)	2,898,723	4,047,251
Expected loss provisions (-)	(3,296)	(4,632)
Total	2,909,342	4,052,764

^(*)As of 31 December 2022, the interest rate range of term deposits in banks is 18.95% - 20.13%. (As of 31 December 2021, the interest rate range of term deposits in banks is 12.50% - 14.60%).

The liquid values that are the basis of the cash flow statement are as follows:

	31 December 2022	31 December 2021
Cash and cash equivalents	2,909,342	4,052,764
Interest accruals	(24,784)	(85,014)
Expected loan loss	3,296	4,632
Cash and cash equivalents in the statement of cash flows	2,887,854	3,972,382

4. TRADE RECEIVABLES

Trade Receivables of the Association as of the end of the period are explained below:

	31 December 2022	31 December 2021
Recipients ^(*)	4,091,629	1,898,867
Total	4,091,629	1,898,867

^(*)Consists of subscription fees and expense participation fees to be collected in January 2022.

5. OTHER RECEIVABLES

The Association's Other Short-Term Receivables as of the end of the period are explained below:

	31 December 2022	31 December 2021
Provided deposits and guarantees ^(*)	165,200	-
Total	165,200	-

^(*)It consists of the deposit provided for the recently moved office.

EXPLANATORY NOTES AS TO THE FINANCIAL STATEMENTS FOR THE PERIOD THAT HAS ENDED ON 31 DECEMBER 2022

(All amounts are mentioned in Turkish Lira ("TRY"))

6. PREPAID EXPENSES AND ASSETS RELATED TO CURRENT PERIOD TAX

The Association's Prepaid Expenses and Assets Related to Current Period Tax are explained here below:

	31 December 2022	31 December 2021
Advance payments related to the orders ^(*)	140,775	-
Prepaid taxes	-	30,030
Total	140,775	30,030

^(*)The balance consists of new office restoration, accommodation etc.

7. LONG-TERM FINANCIAL INVESTMENTS

The Association's Long-Term Financial Investments as of the end of the period are explained here-below:

	31 December 2022	31 December 2021
Affiliates	100,000	-
Total	100,000	-

The Affiliates come from the Commercial Enterprise of the Payment and Electronic Money Institutions Association of Türkiye and the Commercial Enterprise was established with the announcement published in the Official Gazette dated 19 October 2022 and numbered 10685.

8. TANGIBLE AND INTANGIBLE FIXED ASSETS

The Association's Tangible and Intangible Fixed Assets as of the end of the period are explained below:

Cost	1 January 2022	Inputs	Outputs	31 December 2022
Fixtures	82,441	1,595,274	-	1,677,715
Specific Costs	-	980,435	-	980,435
Right to use assets ^(*)	191,171	1,165,761	(191,171)	1,165,761
	273,612	3,741,470	(191,171)	3,823,911

Accumulated Depreciation	1 January 2022	Inputs	Outputs	31 December 2022
Fixtures	(12,341)	(116,260)	-	(128,601)
Specific Costs	-	(23,666)	-	(23,666)
Right to use assets ^(*)	(143,378)	(513,140)	143,378	(513,140)
	(155,719)	(653,066)	143,378	(665,407)

Net Book Value	117,893			3,158,504
-----------------------	----------------	--	--	------------------

^(*)The Association has recognized the real estate lease realized within the scope of operating lease within the scope of TFRS 16 "Right of Use Assets",

EXPLANATORY NOTES AS TO THE FINANCIAL STATEMENTS FOR THE PERIOD THAT HAS ENDED ON 31 DECEMBER 2022

(All amounts are mentioned in Turkish Lira ("TRY"))

As of 31 December 2022 and 31 December 2021, there is no pledge on the tangible fixed assets of the Association,

Cost	1 January 2022	Inputs	Outputs	31 December 2022
Rights	-	379,013	-	379,013
	-	379,013	-	379,013
Accumulated Depreciation	1 January 2022	Inputs	Outputs	31 December 2022
Rights	-	(52,114)	-	(52,114)
	-	(52,114)	-	(52,114)
Net Book Value	-			326,899

9. OTHER CURRENT AND FIXED ASSETS

The minimum future financial leasing payments Interest Book value of minimum leasing payments Other Current Assets of the Association as of period ends are as follows:

	31 December 2022	31 December 2021
Business Advances	6,197	3,580
Total	6,197	3,580

As of 31 December 2022 and 31 December 2021, there is no pledge on the tangible fixed assets of the Association:

	31 December 2022	31 December 2021
Expenses of future years ^(*)	420,998	51,170
Total	420,998	51,170

^(*)It consists of insurance policies and car rental costs.

10. TRADE PAYABLES

Trade Payables of the Association as of the period ends are as follows:

	31 December 2022	31 December 2021
Sellers ^(*)	1,068,703	11,904
Total	1,068,703	11,904

^(*)Payables to the sellers relate to new office expenses and operating expenses.

EXPLANATORY NOTES AS TO THE FINANCIAL STATEMENTS FOR THE PERIOD THAT HAS ENDED ON 31 DECEMBER 2022

(All amounts are mentioned in Turkish Lira ("TRY"))

11. SHORT TERM BORROWINGS

The Association's Short-Term Borrowings as of the ends of the period are as follows:

	31 December 2022	31 December 2021
Liabilities arising from rental transactions	655,054	50,866
Other financial liabilities	-	1,971
Total	655,054	52,837

As of 31 December 2022, the details of the payables arising from the lease transactions are as follows:

	31 December 2022		
	The minimum future financial leasing payments	Interest	Book value of minimum leasing payments
Less than 1 year	655,054	(26,042)	629,012
	655,054	(26,042)	629,012

12. PAYABLES AND PROVISIONS AS TO EMPLOYEE BENEFITS

As of 31 December 2022 and 31 December 2021, payables within the scope of employee benefits are as follows:

	31 December 2022	31 December 2021
Social security deductions to be paid	194,083	35,981
Payables to staff	6,351	-
Income tax to be paid	72,662	24,544
Stamp tax to be paid	1,777	828
Total	274,873	61,353

As of 31 December 2022, and 31 December 2021, provisions for short-term employee benefits are as follows:

	31 December 2022	31 December 2021
Leave provision	93,942	-
Total	93,942	-

As of 31 December 2022 and 31 December 2021, provisions for long-term employee benefits are as follows:

	31 December 2022	31 December 2021
Provision for severance pay	20,567	-
Total	20,567	-

EXPLANATORY NOTES AS TO THE FINANCIAL STATEMENTS FOR THE PERIOD THAT HAS ENDED ON 31 DECEMBER 2022

(All amounts are mentioned in Turkish Lira ("TRY"))

Pursuant to the provisions of the Labor Law in force, employees whose employment agreements are terminated in a way to qualify for severance pay are obliged to pay the legal severance to which they are entitled. In addition, there is an obligation to pay the legal severance pay to those who are entitled to leave the job by receiving severance pay in accordance with the legislation which is still in effect. Severance pay to be paid as of 31 December 2022 is subject to a monthly maximum wage of TL 19,982,83.

Severance pay liability is calculated by estimating the present value of the future potential obligation of the Association arising from the retirement of the employees, TAS 19 "Employee Benefits" stipulates the development of the obligations of the Association by using actuarial valuation methods within the scope of defined benefit plans.

Accordingly, the actuarial assumptions used in the calculation of total liabilities are set out below. The main assumption is that the maximum liability for each year of service will increase in line with inflation. Therefore, the discount rate applied represents the expected real rate after adjusting the effects of future inflation. As of 31 December 2022, provisions in the attached financial statements are calculated by estimating the present value of the future potential obligation arising from the retirement of the employees. As of 31 December 2022, the provisions have been calculated with a real discount rate of 3.33%, assuming an annual inflation rate of 20% and a discount rate of 24%. Retirement probability estimation for severance pay liabilities is calculated as 93.33% for 31 December 2022.

The Severance Pay activities are as follows:

Account Name	1 January 2022 31 December 2022
1 January	-
Current service cost	12,556
Interest Cost	-
Actuarial Gains and Losses	8,010
Payment	-
Loss due to Pay/Benefit Reduction/Discharge	-
Closing	20,567

13. DEFERRED INCOMES

As of 31 December 2022, the participation shares and annual fees collected from the members are recorded as income, and the remaining fees amounting to TRY 2,478,834 are recognized as deferred income (31 December 2021: TRY 1,898,867).

14. OTHER SHORT TERM LIABILITIES

Other Short-Term Liabilities of the Association as of the end of period are as follows:

	31 December 2022	31 December 2021
VAT to be paid	69,852	29,507
Withholding to be paid	-	21,373
Other debts	13,845	-
Total	83,697	50,880

EXPLANATORY NOTES AS TO THE FINANCIAL STATEMENTS FOR THE PERIOD THAT HAS ENDED ON 31 DECEMBER 2022

(All amounts are mentioned in Turkish Lira ("TRY"))

15. REVENUE

The details of Revenues for the periods ending on 31 December 2022 and 2021 are as follows:

	1 January 2022 - 31 December 2022	1 January 2021 - 31 December 2021
Expense share income	5,799,917	1,520,752
Association dues income	2,666,642	762,500
Association entrance fee	2,510,787	517,115
Education Income	-	-
Other Income	46,176	-
Sales Returns	-	-
Total	11,023,522	2,800,367

16. GENERAL MANAGEMENT EXPENSES

The details of General Administrative Expenses for the periods ending on 31 December 2022 and 2021 are as follows:

	1 January 2022 - 31 December 2022	1 January 2021 - 31 December 2021
Personnel expenses	(3,830,484)	(1,065,346)
Audit and consultancy expenses	(1,304,162)	(668,970)
Taxes, duties and fees	(5,614)	(212,682)
Depreciation expenses	(705,181)	(155,719)
IT expenses	(634,476)	(113,765)
General office expenses	(132,401)	(41,372)
Rental expenses	(291,037)	(40,155)
Travel expenses	(271,600)	-
Representation and hospitality expenses	(209,907)	-
Education expenses	(830,331)	-
General assembly expenses	(254,871)	-
Severance pay expenses	(12,557)	-
Other expenses	(264,829)	(254,133)
Total	(8,747,450)	(2,552,142)

EXPLANATORY NOTES AS TO THE FINANCIAL STATEMENTS FOR THE PERIOD THAT HAS ENDED ON 31 DECEMBER 2022

(All amounts are mentioned in Turkish Lira ("TRY"))

17. OTHER INCOME/EXPENSE ARISING FROM MAIN ACTIVITIES

The details of Other Income/Expense Arising from Main Activities for the periods ending on 31 December 2022 and 2021 are as follows:

	1 January 2022 - 31 December 2022	1 January 2021 - 31 December 2021
Other Income Arising from Main Activities		
Incentive discount numbered 5510	4,797	31,242
Other	14,830	6,100
Total	19,627	37,342

	1 January 2022 - 31 December 2022	1 January 2021 - 31 December 2021
Other Expenses arising from Main Activities		
Donations and charities	(100,500)	(85,400)
Loss on exchange	(45,600)	-
Other	(3,296)	(39,445)
Total	149,396	124,845

18., FINANCING INCOMES/EXPENSES

The details of Financing Income/Expense for the periods ending on 31 December 2022 and 2021 are as follows:

	1 January 2022 - 31 December 2022	1 January 2021 - 31 December 2021
Financing incomes		
Term deposit interest income	565,127	636,001
Total	565,127	636,001

	1 January 2022 - 31 December 2022	1 January 2021 - 31 December 2021
Financing expenses		
Bank charges	(10,046)	-
Interest expenses	(127,963)	(15,222)
Total	(138,009)	(15,222)

19. RELATED PARTY DISCLOSURES

As of 31 December 2022, and 31 December 2021, there are no receivables/payables from related parties.

As of 31 December 2022, there are no benefits provided to senior executives, (31 December 2021: Not available).

EXPLANATORY NOTES AS TO THE FINANCIAL STATEMENTS FOR THE PERIOD THAT HAS ENDED ON 31 DECEMBER 2022

(All amounts are mentioned in Turkish Lira ("TRY"))

20. EQUITIES

Legal Reserves

As of 31 December 2022, the Association's legal reserves amount to TRY 2,346,750 (31 December 2021: TRY 1,097,363),

Retained Earnings

As of 31 December 2022, the Association's retained earnings amount to TRY 1,731,713 (31 December 2021: TRY 2,199,599)

Net Profit for the Period

As of 31 December 2022, the Association's income surplus amount to TRY 2,573,421 (31 December 2021: TRY 781,501)

The Association is not subject to the Corporate Tax Law and Tax Procedure Law. The income surplus of the Association pursuant to the current period legal records is TRY 108,762, The income surplus of the Association pursuant to the financial statements issued in accordance with TAS/IFRS is TRY 2,573,421, The details as to the difference amount, which is TRY 2,464,659 is as follows.

Explanation	31 December 2022
Time deposit expected loss provision corrections (TFRS 9)	1,336
The future rediscount corrections (TAS 39)	(60,230)
Renting corrections (TFRS 16)	640
Fixed asset corrections (TAS 16)	2,629,412
Employee benefits corrections (TAS 19)	(106,499)
Total	2,464,659

Accumulated Other Comprehensive Income or (Expenses) which will not be Reclassified under Profit or Loss

As of 31 December 2022, the Association's accumulated other comprehensive expenses which will not be reclassified under the profit or loss of the Association amount to (TRY 8,010) (31 December 2021: Not available).

Account Name	31 December 2022	31 December 2021
Accumulated other comprehensive income or (expenses) which will not be reclassified under the profit or loss	(8,010)	-
<i>Defined Benefit Plans Remeasurement Earning and Losses</i>	(8,010)	-
Reserves on Retained Earnings	2,346,750	1,097,363
Retained Earnings	1,731,713	2,199,599
Net Profit for the Period	2,573,421	781,501
Total Equities	6,643,874	4,078,463

EXPLANATORY NOTES AS TO THE FINANCIAL STATEMENTS FOR THE PERIOD THAT HAS ENDED ON 31 DECEMBER 2022

(All amounts are mentioned in Turkish Lira ("TRY"))

21. NATURE AND LEVEL OF RISKS STEMMING FROM FINANCIAL INSTRUMENTS

Purpose and principles of risk management

The Association is exposed to various financial risks including the impacts of the changes in prices of debt and capital market, exchange rates and interest rates due to its activities. The risk management plan of the Association focuses on the unpredictability and variability of financial markets and aims to minimize the potential negative impacts on the financial performance of the Association.

Credit risk

Maintaining financial instruments bears the risk of other party's failure to fulfill contractual requirements. The management of the Association covers those risks by limiting the average risk in terms of each contracting counterpart and by taking securities when necessary. Collection risk of the Association arises fundamentally from the receivables from its members.

31 December 2022	Other Receivables	Trade Receivables	Bank Deposits	Financial Investments
Maximum credit risk exposure as of the date of reporting (A+B+C+D+E) ⁽¹⁾	-	4,091,629	2,909,239	-
- Secured part of the maximum risk through collateral etc. ⁽²⁾	-	-	-	-
A. Net book value of the financial assets that are not overdue or impaired	-	4,091,629	2,909,239	-
B. Book value of the financial assets, the terms of which are renegotiated, otherwise will be deemed overdue or impaired	-	-	-	-
C. Net Book Value of the assets, which are overdue but not impaired	-	-	-	-
- The secured part through collateral etc.	-	-	-	-
D. Net book values of the assets which are impaired	-	-	-	-
- Overdue (gross book value)	-	-	-	-
- Impairment (-)	-	-	-	-
- The part of the net value secured through collateral etc.	-	-	-	-
- Undue (gross book value)	-	-	-	-
- Impairment (-)	-	-	-	-
- The part of the net value secured through collateral etc.	-	-	-	-
E. Elements including off balance sheet credit risk	-	-	-	-

EXPLANATORY NOTES AS TO THE FINANCIAL STATEMENTS FOR THE PERIOD THAT HAS ENDED ON 31 DECEMBER 2022

(All amounts are mentioned in Turkish Lira ("TRY"))

31 December 2021	Other Receivables	Trade Receivables	Bank Deposits	Financial Investments
Maximum credit risk exposure as of the date of reporting (A+B+C+D+E) ⁽¹⁾	-	1,898,867	4,052,764	-
- Secured part of the maximum risk through collateral etc. ⁽²⁾	-	-	-	-
A. Net book value of the financial assets that are not overdue or impaired	-	1,898,867	4,052,764	-
B. Book value of the financial assets, the terms of which are renegotiated, otherwise will be deemed overdue or impaired	-	-	-	-
C. Net Book Value of the assets, which are overdue but not impaired	-	-	-	-
- The secured part through collateral etc.	-	-	-	-
D. Net book values of the assets which are impaired	-	-	-	-
- Overdue (gross book value)	-	-	-	-
- Impairment (-)	-	-	-	-
- The part of the net value secured through collateral etc.	-	-	-	-
- Undue (gross book value)	-	-	-	-
- Impairment (-)	-	-	-	-
- The part of the net value secured through collateral etc.	-	-	-	-
E. Elements including off balance sheet credit risk	-	-	-	-

Liquidity risk

Both the current and future potential borrowing necessities funding risks are managed by maintaining the availability of sufficient number and high-quality lenders.

Prudent liquidity risk management means having enough cash and securities available, the utility of sources of funds as well as the power of closing out market positions.

The maturity dispersion of the commercial debts of the Association based on their maturity dates as of 31 December 2022 and 2021 are as follows:

31 December 2022

Contractual Maturities r	Book Value	Total Cash- flows According to Agreements (=I+II+III)	Shorter than 3 months (I)	Between 3-12 months (II)	Between 1-5 years (III)
Non-derivative financial liabilities					
Commercial debts	1,068,703	1,068,703	1,068,703	-	-
Liabilities stemming from leasing	655,054	681,096	268,096	413,000	-
Total	1,723,757	1,749,799	1,749,799	413,000	-

EXPLANATORY NOTES AS TO THE FINANCIAL STATEMENTS FOR THE PERIOD THAT HAS ENDED ON 31 DECEMBER 2022

(All amounts are mentioned in Turkish Lira ("TRY"))

31 December 2021

Contractual Maturities r	Book Value	Total Cash-flows According to Agreements (=I+II+III)	Shorter than 3 months (I)	Between 3-12 months (II)	Between 1-5 years (III)
Non-derivative financial liabilities					
Commercial debts	11,904	11,904	11,904	-	-
Liabilities stemming from leasing	50,866	51,600	51,600	-	-
Total	62,770	63,504	63,504	-	-

Interest Rate Risk

The Association is required to cope with interest rate risk due to the fluctuations in the prices of financial instruments because of changes in the interest rates of the market. The relevant risk is managed by covering the assets that are affected by interest changes through same types of liabilities. The Association does not have interest sensitive liabilities, The Association utilizes its cash as bank deposits. The Association does not bear a great extent of interest risk as bank deposits are overnight.

The average interest rate applicable to financial instruments as of 31 December 2022 and 2021 are as follows:

	31 December 2022	31 December 2021
Financial assets		
- Time deposit before banks	18.95% - 20.13%	12.50% - 14.60%
- Liabilities stemming from leasing	10.75%	18.46%

Foreign Currency Risk

The Association is exposed to exchange rate risk due to changes in exchange rates occurred because of conversion of amounts in foreign currency into TRY both in debtor and creditor side. The Association pursues a currency position stabilization policy to mitigate currency risk.

The Association does not have any foreign currency risk as it does not have any foreign Exchange balance as of 31 December 2022 and 2021.

22. EVENTS AFTER THE BALANCE SHEET DATE

Not available.

23. OTHER MATTERS THAT AFFECTED THE FINANCIAL STATEMENTS SIGNIFICANTLY OR ARE REQUIRED TO BE EXPLAINED SO THAT THE FINANCIAL STATEMENTS COULD BE CLEAR, INTERPRETABLE AND UNDERSTANDABLE

Not available.

PAYMENT AND ELECTRONIC MONEY INSTITUTIONS ASSOCIATION OF TÜRKİYE

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR REPORT AS OF 31 DECEMBER 2022 AND AS TO THE YEAR THAT ENDS ON THE SAME DATE

CONTENTS

100	INDEPENDENT AUDITOR REPORT
102	BALANCE SHEET
104	PROFIT OR LOSS AND OTHER COMPREHENSIVE STATEMENT OF INCOME
105	STATEMENT OF CHANGES IN EQUITY
106	CASH FLOW STATEMENT
107-124	EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

INDEPENDENT AUDITOR REPORT

To the General Assembly of Payment and Electronic Money Institutions Association of Türkiye

Opinion

We have audited the financial statements of the Commercial Enterprise of the Payment and Electronic Money Institutions Association of Türkiye ("Commercial Enterprise") comprised of the financial statement footnotes including the profit or loss and other comprehensive income statement, statement of change in equities and cash flow statement as well as the significant accounting policies pertaining to the balance sheet dated 31 December 2022 as well as the fiscal period that ended on the same date.

In our opinion, the attached financial statements, present the financial statement as of 31 December 2022 as well as the financial performance and cashflow of the Commercial Enterprise pertaining to the fiscal period that ended on the same date, truthfully in accordance with the Turkish Financial Reporting Standards ("TFRS") in all material respects.

Basis of the Opinion

The independent audit has been carried out in accordance with the Independent Auditing Standards ("IAS"), which form a part of the Turkish Auditing Standards issued by the Public Oversight, Accounting and Auditing Standards Authority ("POA"). Our responsibilities within the scope the IAS have been explained in detail in the section of our report entitled the Responsibilities of the Independent Auditor regarding the Independent Audit of the Financial Statements. We hereby declare that we are independent from the Commercial Enterprise as required by the codes of conduct prescribed under the legislation regarding the independent audit of the financial statements as well as the Codes of Conduct for Independent Auditors published by the POA (Including the Independency Standards) ("Codes of Conduct"). We have also fulfilled our ethical responsibilities within the scope of the Codes of Conduct as well as the legislation. We are of the opinion that the independent audit evidence we obtained during the independent audit process forms a sufficient and accurate basis to build our opinion.

Key Audit Issues

We have decided that there is no matter which is to be reported as a key audit issue in the report.

Responsibilities of the Management and Top Management as to the Financial Statements

The management of the Commercial Enterprise is responsible for the preparation of the financial statements in accordance with the TFRS, accurate presentation of the same as well as the internal control that is deemed necessary for the financial statements could be prepared without material misstatement due to error or fraud.

The management, while preparing the financial statements, is responsible for the evaluation of the ability of the Commercial Enterprise to ensure its continuity, for the explaining the matters as to continuity-when necessary and exercising the going concern.

Those persons who are responsible for the top-management, are also responsible for the supervision of the financial reporting process of the Commercial Enterprise.

The Responsibilities of the Independent Auditor as to the Independent Audit of the Financial Statements

In terms of an independent audit, we, as the independent auditors –are responsible for the following: Our purpose is to get reasonable assurance as to whether the financial statements –as a whole– include any material error due to fault or fallacy and to issue an independent audit report including our opinion. Reasonable assurance provided as a result of an independent audit process conducted in accordance with IAS is a high-level assurance however it does not guarantee that an existing material error could always be detected. An error may occur due to fault or fallacy. If it might reasonably be expected that the errors, individually or collectively could affect the decisions that the users of the relevant financial statements would take based on the same, they are considered as material.

As required by an independent audit carried out in accordance with the IAS, we use professional judgment and maintain professional skepticism during an independent audit. We also:

- Identify and assess “material error” related risks due to fault or fallacy; plan and apply various audit procedures corresponding to those risks and obtain sufficient and accurate audit evidence that will form a basis for our opinion. The risk of failing to identify a material error stemming from a fallacy, which may include collusion, fraud, willful negligence, misrepresentation or violation of internal control is higher than the risk of failing to identify a material error stemming from error.
- The internal control as to audit is evaluated by us not to present an opinion regarding the effectiveness of the internal control of the Commercial Enterprise but to plan the audit procedures suitable for the current situation.
- The suitability of the accounting policies exercised by the management as well as the appropriateness of the accounting estimates and the related explanations are evaluated.
- A conclusion is made on the following matters: assessment as to whether there is a significant uncertainty regarding the events or conditions that may cause material suspicion as to the ability to provide continuance to the Commercial Enterprise as well as the appropriateness of exercise of the management as to the going concern based on the evidence obtained. If it is concluded that there is a significant uncertainty, we are expected to draw attention to the relevant explanations in the financial statements or if those explanations are not enough, we are expected to provide no opinion except for unqualified opinion. The conclusions we make are based on the audit evidence obtained until the date of the independent audit report. However, future events or conditions may end the continuity of the Commercial Enterprise.
- Whether the general presentation, structure, and content of the financial statements, including the explanations thereof as well as the transactions and events, which form the basis of these statements are reflected truthfully is also evaluated.

In addition to the other issues, we also inform the top management of the intended scope and timing of the independent audit including the material deficiencies we identified during the audit as to the internal control and the substantial findings of the audit.

Among the issues, which are notified to the top management as to the independent audit of the financial statements pertaining to the current period, we specify the most critical issues as the key audit issues. In cases where the disclosure of the relevant issue is not legally allowed or in highly exceptional cases, where the negative effect of the disclosure is reasonably expected to exceed the public interest resulting from such disclosure, we may decide not to mention the relevant issue in our independent audit report.

GÜRELİ YEMİNLİ MALİ MÜŞAVİRLİK VE BAĞIMSIZ DENETİM HİZMETLERİ A.Ş.
Independent Member of BAKER TILLY INTERNATIONAL



Erdoğan BAŞARSLAN
Chief Auditor
Istanbul, 21 March 2023

COMMERCIAL ENTERPRISE OF THE PAYMENT AND ELECTRONIC MONEY INSTITUTIONS ASSOCIATION OF TÜRKİYE FINANCIAL STATEMENTS FOR THE PERIOD THAT HAS ENDED ON 31 DECEMBER 2022

(All amounts are mentioned in Turkish Lira ("TRY"))

	Notes	Current period subject to independent audit 31 December 2022
Assets		
Current assets		
Cash and cash equivalents	3	191,812
Total Current Assets		191,812
Total Fixed Assets		-
Total Assets		191,812

The attached footnotes are the supplementary part of this financial statements.

COMMERCIAL ENTERPRISE OF THE PAYMENT AND ELECTRONIC MONEY INSTITUTIONS ASSOCIATION OF TÜRKİYE FINANCIAL STATEMENTS FOR THE PERIOD THAT HAS ENDED ON 31 DECEMBER 2022

(All amounts are mentioned in Turkish Lira ("TRY"))

	Notes	Current period subject to independent audit 31 December 2022
Liabilities and Equities		
Short term liabilities		
Trade Debts	4	4,130
Other Short-Term Liabilities	5	13,487
Total Short-Term Liabilities		17,617
Total long-term liabilities		-
Total liabilities		17,617
Equities		
Paid capital	9	100,000
Net profit for the year	9	74,195
Total equities		174,195
Total liabilities and equities		191,812

The attached footnotes are the supplementary part of this financial statements.

COMMERCIAL ENTERPRISE OF THE PAYMENT AND ELECTRONIC MONEY INSTITUTIONS ASSOCIATION OF TÜRKİYE PROFIT OR LOSS AND OTHER COMPREHENSIVE STATEMENT OF INCOME FOR THE PERIOD THAT HAS ENDED ON 31 DECEMBER 2022

(All amounts are mentioned in Turkish Lira ("TRY"))

Profit or loss section	Notes	Current period subject to independent audit 31 December 2022
Revenue	6	112,600
Gross profit		112,600
General administrative expenses	7	(38,364)
Business profit		74,236
Financing expenses (-)	8	(41)
Net profit for the year		74,195
Other comprehensive income, net		-
Total comprehensive income		74,195

The attached footnotes are the supplementary part of this financial statements.

COMMERCIAL ENTERPRISE OF THE PAYMENT AND ELECTRONIC MONEY INSTITUTIONS ASSOCIATION OF TÜRKİYE STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD THAT HAS ENDED ON 31 DECEMBER 2022

(All amounts are mentioned in Turkish Lira ("TRY"))

	Capital	Legal provisions	Retained earnings	Net profit for the year	Total Equities
Balances as of 19 October 2022	100,000	-	-	-	100,000
Total revenue	-	-	-	74,195	74,195
Balances as of 31 December 2022	100,000	-	-	74,195	174,195

The attached footnotes are the supplementary part of this financial statements.

COMMERCIAL ENTERPRISE OF THE PAYMENT AND ELECTRONIC MONEY INSTITUTIONS ASSOCIATION OF TÜRKİYE CASHFLOW STATEMENT FOR THE PERIOD THAT HAS ENDED ON 31 DECEMBER 2022

(All amounts are mentioned in Turkish Lira ("TRY"))

	Notes	Current period subject to independent audit 31 December 2022
Cash flows procured from operating activities		
Net profit for the period	9	74,195
Revisions required for reconciliation of net cash inflows achieved from pre-tax income and operating activities:		
Depreciation and redemptions		-
Deferred income		-
Other provisions		-
Severance pay provision		-
Doubtful receivable provision		-
Leave provision		-
Interest income		-
Interest expense		-
Other revisions in connection with the profit (loss) reconciliation	8	41
Operating profit prior to the changes in the operating capital		74,236
Change in trade receivables and other receivables		-
Change in other current assets		-
Change in other fixed assets		-
Change in commercial debts	4	4,130
Changes in employee benefits		-
Changes in other debts and other liabilities	5	13,487
Paid tax		-
Net cash derived from/ (used) operating activities		91,853
Cash flows related to the investment activities		
Acquired Subsidiaries, Affiliates and Partnerships being under common control (business partnerships)		-
Charged Interest		-
Cash Outflows stemming from tangible and intangible asset acquisitions		-
Net cash used in investment activities		-
Cash flows related to the financing activities		
Cash inflows from borrowing		-
Cash outflows related to the payment of debts resulting from lease agreements		-
Paid interest		-
Capital Increase		-
Other cash inflows (outflows)	8	(41)
Net cash derived from/ (used) financing activities		(41)
Net change in cash movements		91,812
Cash and cash equivalent values in the beginning of the period		100,000
Cash and cash equivalents at the end of the period	3	191,812

The attached footnotes are the supplementary part of this financial statements.

COMMERCIAL ENTERPRISE OF THE PAYMENT AND ELECTRONIC MONEY INSTITUTIONS ASSOCIATION OF TÜRKİYE CASHFLOW STATEMENT FOR THE PERIOD THAT HAS ENDED ON 31 DECEMBER 2022

(All amounts are mentioned in Turkish Lira ("TRY"))

1. ORGANIZATION AND FIELD OF ACTIVITY OF THE COMMERCIAL ENTERPRISE

Organization of the Commercial Enterprise:

Commercial Enterprise of the Payment and Electronic Money Institutions Association of Türkiye is a profit-oriented legal entity, which is established to organize training programs by focusing on the primary needs of the sector as to the legislation as well as the various legislative applications and to contribute to the progress of qualified persons by ensuring professional improvement in the payment services and electronic money area.

The Commercial Enterprise was established through announcement in the Official Gazette dated 19 October 2022 and numbered 10685.

The Commercial Enterprise is located at the address of Saray Mah. Ahmet Tevfik İleri Cad. Onur Ofis Park İş Merkezi Sitesi A2 Blok No: 10 a İç Kapı No: 5 Ümraniye, İstanbul. No employee has been hired as of the date of its balance sheet.

Field of Activity:

The purpose of the Commercial Enterprise is to organize domestic and foreign trainings, workshops, meetings, conferences and events by charging fees and to generate income through publication such as books and journals. In addition, it also generates income by engaging in other activities, so long as it corresponds to the purpose of TÖDEB, by providing on-line trainings through all kinds of electronic devices and equipment, making payments to the teachers or other persons in charge and incur all kinds of expenses within the scope of the training and other activities, spends money on personnel and business within the scope of all activities and deposits the money that it collects as a result of the activities to the bank accounts deemed suitable to make investments.

The Commercial Enterprise is engaged in training, promotional and research activities to improve the profession to achieve this purpose.

2. PRINCIPLES AS TO THE PRESENTATION OF FINANCIAL STATEMENTS

2.01 Guidelines as to Presentation

The Commercial Enterprise keep its commercial enterprise accounting records in Turkish Lira in accordance with the commercial and financial legislation applicable in Turkey as well as the requirements of the Uniform Chart of Accounts published by the Ministry of Finance. The financial statements of the Commercial Enterprise are provided in the functional currency applicable in the main economic environment, where it carries out its activities. The financial situation and the outcome of its activities are stated in "TRY", which is the applicable currency of the Commercial Enterprise.

Going Concern

The financial statements of the Commercial Enterprise are presented in the functional currency applicable to the principal economic environment, in which it carries out its activities. The financial status of the Commercial Enterprise and outcome of its activities are mentioned in Turkish Lira, which is the applicable currency for the Commercial Enterprise as well as the presentation currency of the financial statements. (The penny digits of the numbers in the financial statements of the Commercial Enterprise have been rounded up to whole numbers.)

The financial statements of the Commercial Enterprise are prepared based on going concern pursuant to the above-mentioned explanations. Accordingly, the Commercial Enterprise envisages while preparing the financial statements that it may turn its assets into cash over their carried values and meet its liabilities in the ordinary course of business.

2.02 Financial Statements Corrections during High Inflation Periods

Pursuant to the statement made by the Public Oversight, Accounting and Auditing Standards Authority on 20 January 2022, it has been stated that no correction was required to be made in the financial statements pertaining to 2021 within the scope of the TAS 29 Financial Reporting Standard in High Inflation Economies since the cumulative change in the general buying power of the last three year's rate is 74.41% according to the Consumer Price Index (CPI). The Public Oversight Authority did not take any decisions as to inflation accounting for 2022. Therefore, no inflation correction has been made in accordance with the TAS 29 in the financial.

COMMERCIAL ENTERPRISE OF THE PAYMENT AND ELECTRONIC MONEY INSTITUTIONS ASSOCIATION OF TÜRKİYE CASHFLOW STATEMENT FOR THE PERIOD THAT HAS ENDED ON 31 DECEMBER 2022

(All amounts are mentioned in Turkish Lira ("TRY"))

2.03 Consolidation Principles

The Commercial Enterprise is not subject to consolidation.

2.04 Comparative Information and Corrections of the Financial Statements pertaining to the Previous Period

The financial statements of the Commercial Enterprise are prepared comparatively with the previous period to allow determination of its financial status and performance trends. To ensure comparability when the presentation or classification of financial statement items is changed, the previous period's financial statements are also reclassified accordingly.

No correction has been made in the financial statements of the previous period.

2.05 Changes in the Accounting Policies

The accounting policies may be changed if and when necessary or if it is deemed that changing the accounting policies would allow for a more suitable and reliable presentation of the impacts of the transactions and events on the financial status, performance or cash flows of the Commercial Enterprise in the financial statements. If any changes to the accounting policies would affect the previous years, the relevant policy will also be applied to the financial statements retrospectively, as if they have always been applicable.

No amendment has been made to the accounting policies in the current period.

2.06 Changes in Accounting Estimates and Errors

The accounting estimates are made based on reliable information and reasonable estimation methods. However, if the conditions based on which an estimation is made, changed or a new information is obtained or additional developments are emerged, the relevant estimations are reconsidered. The change in the accounting estimate will be reflected to the financial statements in a way to be considered in the determination of profit or loss of the period for the current period, during which the relevant change is made if the impact of the change in the accounting estimates is related to only one period and both for the current period, during which the relevant change is made as well as for the future periods prospectively, if the impact of the change in the accounting estimates is related not only to one period, but also to future periods.

The nature and amount of any change in the accounting estimate that has an impact on the operating results of the current period or may be expected to impact the operating results of future periods are disclosed in the footnotes of the financial statement. There is no accounting estimate change, which may impact the operating results of the current period.

2.07 Netting/ Offset

Financial assets and liabilities are indicated in the financial statements with their net value provided that the netting right exists, the payment is made or could be collected in net, or the acquisition of the asset could be concluded simultaneously with the fulfillment of the liability.

2.08 Summary of Significant Accounting Policies

The summary of the significant accounting policies applied to the financial statements are as follows.

COMMERCIAL ENTERPRISE OF THE PAYMENT AND ELECTRONIC MONEY INSTITUTIONS ASSOCIATION OF TÜRKİYE CASHFLOW STATEMENT FOR THE PERIOD THAT HAS ENDED ON 31 DECEMBER 2022

(All amounts are mentioned in Turkish Lira ("TRY"))

2.08.01 Recording as Revenue

The revenues are indicated as the amount, to which is expected to be entitled in return for the goods and services, in a way to reflect the good and/or services, the transfers of which are undertaken. For this purpose, a 5-step process is applied for the registration of the revenue within the scope of the provisions of TFRS 15.

- Identification of the contract executed with the customer
- Identification of the performance obligations and criterion in the contract
- Determination of the contract value
- Allocating the contract value to the performance obligations in the contract
- Registration of the revenue as the entity fulfills its obligations

Once the revenue generated from the services provided can be measured reliably, it can be recognized based on the level of completion of the service. In cases where the outcome cannot be measured reliably, the revenue is registered up to the recoverable amount of the incurred expenses that can be associated with the relevant revenue.

Interest Income - is recognized based on the effective interest method

Rental and copyright income - is recognized based on accrual

Dividend income - is recognized on the date entity is entitled to collect dividend,

Rental income generated from the real estates is recognized based on straight-line method during the term of the relevant lease agreement.

The reasonable consideration is determined by reducing the future cash flows through hidden interest rate included in the financing element in cases where there is a significant financing element within the sales. The interest is reflected to the financial statements on accrual basis.

2.08.02 Tangible Assets

Cost Method

Tangible assets and fixed assets other than the real estates are subjected to depreciation on straight-line basis in accordance with useful life principle.

Except for the lands and plots, tangible assets that are subject to revaluation or the tangible assets, the values of which are increased based on cost value are subjected to depreciation on straight-line basis in accordance with useful life principle. The depreciation rate of the fixed assets determined by considering their useful lives are as follows:

Type	31 December 2022	31 December 2021
Furniture and Fixtures	2% - 33.33%	2% - 33.33%
Leasehold improvements	10% - 20% - 100%	10% - 20% - 100%

The expected useful life residual value and depreciation method is reviewed annually for the potential impacts of the changes occurred in the estimates and if the estimates are changed, it is recognized prospectively.

The profits and loss stemming from the sale of fixed assets are determined by comparing their balance sheet values to their sale prices and added to the operating income.

Maintenance and repair expenses are recorded as expenditure on the effectuation date of the same. If a maintenance and repair expense result in expansion or a visible improvement in the relevant asset, it is capitalized.

COMMERCIAL ENTERPRISE OF THE PAYMENT AND ELECTRONIC MONEY INSTITUTIONS ASSOCIATION OF TÜRKİYE CASHFLOW STATEMENT FOR THE PERIOD THAT HAS ENDED ON 31 DECEMBER 2022

(All amounts are mentioned in Turkish Lira ("TRY"))

2.08.03 Intangible Assets

The intangible assets except for the expenses incurred within the scope of the development of a new product that the creation and production of which is planned within the Commercial Entity, are not capitalized and the expenses are recognized as an expense in the period during which they are incurred. Intangible assets are subject to depreciation on a straight-line basis in accordance with their expected useful life principle. Capitalized development expenses are amortized on a straight-line basis over their estimated useful lives following the commencement of commercial production of the good or service. The expected useful life and depreciation method is reviewed annually for the potential impacts of the changes occurred in the estimates and if the estimates are changed, it is accounted for prospectively.

The intangible assets consist of rights and software.

Type	Economic Life (Years)	31 December 2022 (%)	31 December 2021 (%)
Rights	5-15	6.66-20	6.66-20

2.08.04 Impairment of Assets

Assets with an unlimited life are not subject to amortization. An annual impairment test is applied for those assets. In terms of the assets that are subject to amortization, an impairment test is applied in cases where the book value of the asset is not recoverable. The impairment provision is made if the book value of the asset exceeds the recoverable amount. The recoverable amount is the higher of the following values: fair value achieved following the reduction of sale expenses or the value in use. For impairment assessment, the assets are classified in the lowest group of cash flows that can be identified separately. Non-financial assets, which are subject to impairment except for goodwill are reviewed at each reporting date for potential cancellation of impairment.

2.08.05 Leasing

The Commercial Enterprise evaluates at the beginning of an agreement, whether it contains a lease or leasing transaction. If the agreement provides for a transfer of the right to control the use of an identified asset for a certain period in exchange for a consideration, this means it is a lease agreement or contains a leasing transaction. The Commercial Enterprise while assessing whether an agreement provides for a transfer of the right to control the use of an identified asset, it considers the following conditions:

- Whether the agreement contains an identified asset; an asset is stated in an agreement either explicitly or implicitly.
- The functional part of an asset is physically separate or representing almost the entire capacity of an asset. In cases where the supplier has a fundamental right to substitute an asset and achieves economic benefit from this, it is deemed that the asset is not identified.
- Entitled to almost the entire economic benefits to be achieved from the usage of the identified asset.
- Entitled to direct the use of the identified asset. The Commercial Enterprise interprets that it is entitled to use the asset in cases where the decisions as to how and for what purpose the asset will be used are made beforehand. The Commercial Enterprise has a right to direct the use of the assets under the following conditions:
 - The Commercial Enterprise has a right to operate the asset (or directing others to operate the entity as it determines) during its occupancy and the supplier does not have a right to change these operating instructions or
 - The Commercial Enterprise has designed the asset (or the specific features of the asset) in such way as to predetermine how and for what purpose the asset will be used during its occupancy.

The debts of the Commercial Enterprise as to financial leasing transactions are shown in **Footnote: 11** The tangible assets acquired via financial leasing agreement is subject to amortization during the term of the useful life of the asset. The net book value of the assets subject to financial leasing are shown in **Footnote: 8**

COMMERCIAL ENTERPRISE OF THE PAYMENT AND ELECTRONIC MONEY INSTITUTIONS ASSOCIATION OF TÜRKİYE CASHFLOW STATEMENT FOR THE PERIOD THAT HAS ENDED ON 31 DECEMBER 2022

(All amounts are mentioned in Turkish Lira ("TRY"))

The Commercial Enterprise's Entitlement of Use as the Lessee

The right to use asset as well as a lease obligation is reflected to the financial statements respectively by Commercial Enterprise at the actual commencement of the relevant lease.

The right of use asset is accounted for initially via cost method and include the following:

- (a) Initial measurement amount of the lease liability
- (b) The amount remained following the reduction of all lease incentives obtained from the lease payments made on or before the actual commencement date of the lease,
- (c) All direct expenses incurred by the Commercial Enterprise at the beginning and
- (d) Estimated costs to be incurred by the Commercial Entity as to the removal and transportation of the underlying asset, renovation of the area, where the underlying asset is placed or the renovation of the underlying asset to bring the same into the state as required by the terms and conditions of the lease. This cost related liability is borne by the Commercial Enterprise due to its use of the underlying asset as of the actual commencement date of the lease or for a certain period.

The Commercial Enterprise measures the right of use asset:

- (a) by reducing the accumulated depreciation and the accumulated impairment losses and
- (b) based on the cost adjusted in accordance with the re-measurement of the lease liability.

The Commercial Enterprise, while depreciating the right of use, the provisions of depreciation prescribed under the TAS 16 are applied. If the supplier transfers the ownership of the underlying asset to the Commercial Enterprise at the end of term of the lease or the cost of the right of use indicates that the Commercial Enterprise will exercise its call option, the right of use asset of the Commercial Enterprise is subject to amortization as of the actual commencement date of the lease until the end of useful life of the asset. In other cases, the right of use asset is subject to depreciation as of the actual commencement date of the lease until the shorter of the following: the useful life of the relevant asset or the term of the lease.

TAS 36 Impairment of Assets will be applied to the assessment of whether the right of use asset of the Commercial Enterprise is depreciated as well as for the recognition of any kind of identified impairment loss.

Lease Obligation

The Commercial Enterprise measures lease obligation on the actual commencement date of the lease over the present value of the lease payments that are not paid on that very date. The lease payments are discounted by applying the implicit interest rate as to leasing in cases where such amount can be identified easily. In other cases, where the relevant ratio cannot be identified easily, the alternative borrowing rate of interest will be applicable.

On the actual commencement date of the lease, the lease payments included in the measurement of the lease obligation consist of the following payments, which will be made during the term of the lease of the underlying asset for the right of use and which are not paid as of the actual commencement date of the lease:

- (a) The amount remaining after deducting all kinds of lease incentive receivables from the fixed payments,
- (b) Changeable lease payments associated to an index or a ratio, the initial measurement of which is made on the actual commencement date of the lease by using an index or a ratio,
- (c) Option exercise price if there is a reasonable certainty as to the exercise of call option by the Commercial Enterprise and
- (d) Penalty payments as to termination of lease if the term of the lease indicates that the Commercial Enterprise will exercise an option to terminate the lease.

COMMERCIAL ENTERPRISE OF THE PAYMENT AND ELECTRONIC MONEY INSTITUTIONS ASSOCIATION OF TÜRKİYE CASHFLOW STATEMENT FOR THE PERIOD THAT HAS ENDED ON 31 DECEMBER 2022

(All amounts are mentioned in Turkish Lira ("TRY"))

The Commercial Enterprise measures the lease obligation as follows after the actual commencement date of the lease:

- (a) The book value will be increased in such a way as to reflect the interest of the lease obligation,
- (b) The book value will be decreased in such a way as to reflect the lease payments that were made and
- (c) Remeasures the lease payments in such a way as to reflect the reevaluations and restructurings or the lease payments that are fixed based on its revised essence.

The interest applicable to lease obligation pertaining to each period of the lease term is the amount found by applying a fixed periodic interest ratio to the remaining balance of the lease obligation. In cases where it can be identified easily, the periodic interest rate is the implicit interest ratio of the lease. If the relevant ratio is not easily identifiable, the alternative borrowing interest rate will be applicable.

The Commercial Enterprise will remeasure the lease obligation in such a way as to reflect the amendments to the lease payments following the actual commencement date of the lease. The Commercial Enterprise reflects the remeasurement amount of the lease obligation to the financial statements as a correction of the right of use asset.

The Commercial Enterprise remeasures the lease obligation by reducing the revised lease payments over a revised discount rate in case of occurrence of one of the following cases:

- (a) Any change in the term of the lease. The Commercial Enterprise determines the revised lease payments based on the revised term of the lease.
- (b) Any change in the assessment of the call option pertaining to the underlying asset. The Commercial Enterprise determines the revised lease payments, in such a way as to reflect the change in the amounts to be paid as part of the call option.

The Commercial Enterprise determines the revised discount rate as the implicit interest ratio of the lease in cases where it can be identified easily and if the relevant ratio is not identifiable easily, it will be determined as the alternative borrowing interest rate on date of reassessment.

The Commercial Enterprise remeasures the lease obligation by reducing the revised lease payments over a revised discount rate in case of occurrence of one of the following cases:

- (a) The Commercial Enterprise determines the revised lease payments in such a way as to reflect the change in the amounts expected to be paid within the scope of a residual value undertaking.
- (b) Amendments to the payments due to a change occurs in the index or ratio used for the determination of future lease payments.

The Commercial Enterprise remeasures its lease obligation only if a change occurs in the cashflow to reflect the relevant revised lease payments. The revised lease payments pertaining to the remaining term of the lease are determined based on the payments stated under the amended agreement. In such a case, the Commercial Enterprise will use an unrevised discount rate.

The Commercial Enterprise accounts for the restructuring of the lease as a separate lease if both of the following conditions are met:

- (a) The enlargement of the scope of the lease by including the right of use of one or more underlying asset and
- (b) The rental is increased by the sole price in scope and the reasonable corrections made solely in the relevant price to reflect the conditions of the relevant agreement.

COMMERCIAL ENTERPRISE OF THE PAYMENT AND ELECTRONIC MONEY INSTITUTIONS ASSOCIATION OF TÜRKİYE CASHFLOW STATEMENT FOR THE PERIOD THAT HAS ENDED ON 31 DECEMBER 2022

(All amounts are mentioned in Turkish Lira ("TRY"))

Commercial Enterprise as the Lessee:

The Commercial Enterprise classify each of its leases either as operational leasing or financial leasing.

A leasing is classified as a financial lease if all the risks and proceeds stemming from the ownership of an underlying asset are substantially transferred. A leasing is classified as an operational lease if all the risks and proceeds stemming from the ownership of an underlying asset are not substantially transferred.

If there is an agreement that includes a component that constitutes or does not constitute one or more additional lease together with one leasing component, the Commercial Enterprise allocates the rental fee stated under the agreement by exercising the TFRS 15 "Revenues from the Agreements executed with the Customers" standard.

Commercial Enterprise as the Lessee:

The Commercial Enterprise classify each of its leases either as operational leasing or financial leasing. The lease revenues are accounted for under the Other Real Operating Revenues.

2.08.06 Borrowing Costs

In terms of the borrowing costs of the assets, the processes of which take significant time for use or sale, the borrowing costs, which are directly associated to the acquisition, making or production of the relevant assets are included in the cost of the asset until the relevant asset is ready for use or sale. The financial investment income generated from the temporary utilization of the unspent portion of the loan related to the investment in financial investments, are deducted from the reasonable borrowing costs. All other borrowing costs are recorded in the profit or loss statement of the period during which they accrue. The Commercial Enterprise does not have any borrowing cost capitalized in the current period in connection with the qualifying assets.

2.08.07 Financial Instruments

i. Classification and measurement of the financial instruments and obligations A financial instrument is classified as:

- a) financial instruments measured over the amortized cost
- b) Debt instruments - measured by reflecting the fair value ("FV") difference on other comprehensive revenue
- c) Equity instruments - measured by reflecting the FV difference on other comprehensive revenue
- d) Financial instruments measured by reflecting the FV difference on profit or loss during the initial incorporation into the financial statements.

Classification of the financial assets are generally based on the characteristics of the contractual cash flows of the business model and financial asset used by the entity for the management of the financial assets.

A financial asset is measured over its amortized cost if it meets both of the following conditions and is not classified as a financial instrument measured by reflecting the FV difference on profit or loss:

- a) Maintaining the financial asset within the scope of a business model, the purpose of which is to collect contractual cash-flows and
- b) The contractual conditions leading to cash-flows including interest payments stemming only from the capital and capital balance on certain dates.

COMMERCIAL ENTERPRISE OF THE PAYMENT AND ELECTRONIC MONEY INSTITUTIONS ASSOCIATION OF TÜRKİYE CASHFLOW STATEMENT FOR THE PERIOD THAT HAS ENDED ON 31 DECEMBER 2022

(All amounts are mentioned in Turkish Lira ("TRY"))

A debt instrument is measured by reflecting the FV difference on other comprehensive revenue if it meets both of the following conditions and is not classified as a debt instrument measured by reflecting the FV difference on profit or loss:

- Maintaining the financial asset within the scope of a business model, the purpose of which is to collect contractual cash-flows and sale of the financial assets and
- The contractual conditions as to the financial assets leading to cash-flows including interest payments stemming only from the capital and capital balance on certain dates.

All the financial assets, which are not measures over their amortized cost as mentioned above or the financial assets the FV difference of which are not measured by reflecting the same to the other comprehensive revenue are the financial assets, the measurements of which are made by reflecting the FV difference to profit or loss. This also includes all the derivative financial assets.

The irreversible fair value change of a financial asset can be defined as reflected as the change, which is measured by reflecting to the profit or loss during the initial incorporation of the financial assets into financial statements provided that it removes or significantly lessen an accounting incompatibility stemming from the measurement of the financial assets in a different way and the profits or losses as to these are reflected to the financial statements in a different way.

Transactional costs that are directly associated to the acquisition or exportation of the financial assets, except for the fair value changes of which are reflected to the profit or loss (except for the trade receivables measured over the transaction value during the initial incorporation into financial statements and do not have a significant financing component) are also included in the fair value during the first measurement.

ii. Impairment of the Financial Assets

"Expected credit losses" model is applied within the scope of the provisions of TFRS 9. The impairment model is applicable to the financial assets measured over their amortized costs as well as to the contractual assets but is not applicable to the investments to the equity instruments.

The financial assets measured over their amortized costs consist of trade receivables, other receivables and cash and cash equivalents.

The loss provisions for trade receivables, other receivables, other assets and contractual assets are always measured over an amount equal to the lifelong expected credit losses.

When determining whether the credit risk of a financial asset has increased significantly since its initial recognition and when making estimations about expected credit losses, reasonable and supportable information that is available without undue cost or effort is taken into account. These include qualitative and quantitative information and analyzes based on the Commercial Enterprise's past experiences and informed credit evaluations, and forward-looking information.

Financial assets subject to Credit-Impairment

The Commercial Enterprise makes an assessment as whether the financial assets measured over their amortized cost constitute a credit-impairment in each reporting period. If one or more event affecting the future estimated cash flows of a financial asset is occurred, it means that the relevant financial asset is subject to credit-impairment.

The observable data regarding the following events indicate that the financial asset suffers from credit-impairment:

- Significant financial distress of either the issuer or the borrower;
- Breach of agreement due to default or significant excess of maturity date
- Granting an exceptional privilege to the borrower by the creditor due to financial distress of the borrower due to economic or contractual reasons;
- Likelihood of the borrower to go bankrupt or enter into other financial restructuring; or
- Disappearance of an active market of the relevant financial asset due to financial distress

COMMERCIAL ENTERPRISE OF THE PAYMENT AND ELECTRONIC MONEY INSTITUTIONS ASSOCIATION OF TÜRKİYE CASHFLOW STATEMENT FOR THE PERIOD THAT HAS ENDED ON 31 DECEMBER 2022

(All amounts are mentioned in Turkish Lira ("TRY"))

Demonstration of Impairment in the financial statements

The loss provisions of the financial assets measured over their amortized cost are reduced from the relevant asset's gross value.

Deletion of an entry

If there is no reasonable expectation to recover a cashflow from the financial asset anymore, the gross amount of the financial asset is deleted from the records. This generally occurs in cases where the Commercial Enterprise decide that the borrower has not source of income or assets sufficient for repayment of the amounts subject to deletion. However, the financial assets deleted from the records may still be subject to sanctions imposed by the Commercial Enterprise to recover the overdue receivables. The financial assets are deleted from the records if there is no recovery expectation at all (such as the failure of the borrower to make any repayment schedule with the Commercial Enterprise). The trade receivables, other receivables, other assets and contractual assets deleted from the records can still be subject to sanctions by the Commercial Enterprise to recover its receivables.

The financial assets are deleted from the records if there is no recovery expectation at all (such as the failure of the borrower to make any repayment schedule with the Commercial Enterprise). The trade receivables, other receivables, other assets and contractual assets deleted from the records can still be subject to sanctions by the Commercial Enterprise to recover its receivables. The recovered amounts are recognized in profit or loss.

2.08.8 Effects of Currency Change

The financial statements of the Commercial Enterprise are provided in the currency applicable in the main economic environment, where it carries out its activities. The financial situation and the outcome of its activities are stated in "TRY", which is the applicable currency of the Commercial Enterprise.

The transactions executed in foreign currency during the preparation of the financial statements of the Commercial Enterprise are recorded based on the currencies applicable on the date of transaction. The foreign currency based monetary assets and liabilities in the balance sheet are converted to Turkish lira based on the exchange rates prevailing on the balance sheet date. The items that are recorded in foreign currency out of the non-monetary items tracked at their fair value are converted to Turkish Lira based on the exchange rates prevailing on the date of determination of the fair value. The non-monetary items measured over historical cost are not subject to reconversion. The relevant items are recognized as profit or loss in the period, during which they create exchange difference.

2.08.9 Events Following the Reporting Period

Means the events occurred in favor or to the detriment of the entity between the date of the financial statements and the authorization date for the announcement of the financial statements. In the event that there is new evidence proving the occurrence of the relevant events as of the date of the financial statements or the events are occurred following the date of the financial statements, the Commercial Enterprise discloses such matters in the relevant footnotes. The Commercial Enterprise corrects the amounts included in the financial statements in accordance with the new case that requires adjustment following the date of the financial statements.

2.08.10 Provisions, Contingent Liabilities and Contingent Assets

A liability may be included in the financial statements as a provision in cases where the Commercial Enterprise has a present obligation stemming from past events, it is likely that the Commercial Enterprise has the resources including economic benefit to fulfill the relevant obligation and it is possible to make a reliable estimation as to the amount of the relevant obligation. Contingent liabilities are evaluated all the time to determine the probability of the entity having the resources bearing economic benefit. If it becomes possible for the entity to have the resources including economic benefit to fulfill the relevant obligation in future as to the items processed as contingent liabilities, the relevant contingent liability, except for the cases where it is not possible to make a reliable estimation, are included in the financial statements as a provision for the period, during which the change as to probability is occurred.

In cases where contingent liabilities become possible, but it is not possible to make a reliable estimation as to the amount of the resources bearing economic benefit, the relevant obligation is stated in the footnotes.

COMMERCIAL ENTERPRISE OF THE PAYMENT AND ELECTRONIC MONEY INSTITUTIONS ASSOCIATION OF TÜRKİYE CASHFLOW STATEMENT FOR THE PERIOD THAT HAS ENDED ON 31 DECEMBER 2022

(All amounts are mentioned in Turkish Lira ("TRY"))

A contingent asset means an asset to be confirmed based on one or more uncertain events, the occurrence of which is beyond the control of the entity and stemming from past events. The contingent assets are disclosed in the footnotes if it is highly likely that the resources bearing economic benefit enters in the entity.

In cases where the entire or part of the economic benefit, which will be used for the payment of the provision amount are expected to be incurred by third parties, the amount to be collected are recognized as an asset if the relevant repayment is certain and the amount can be calculated reliably.

2.08.11 Related Parties

The partners, executive managers and the members of the board of directors, their families as well as the companies controlled by them or their affiliated companies, subsidiaries and partnerships are considered and disclosed as "related parties" for the purpose of these financial statements. Transactions with the related parties as part of ordinary activities are carried out at arm's length prices.

2.08.12 Taxes Calculated Over Corporate Income

Income tax cost (or revenue) is the sum of the current tax payment and deferred tax cost (or revenue).

Current Tax

The tax liability of the current year is calculated based on the taxable part of the profit for the year. The taxable profit differs from the profit disclosed under the income statement due to the exclusion of the items that were taxable in other years or deductible income or expense items as well as the non-taxable or non-deductible items. The tax liability of the current year of the Group is calculated based on the tax rate legitimated or substantially legitimated as of the date of the balance sheet.

Deferred Tax

Deferred tax liability or asset is determined based on the calculation made by considering the legitimated tax rates of the tax effects according to the balance sheet method of the temporary differences between the amounts of the assets and liabilities in the consolidated financial statements and the amounts considered while calculating the legal tax assessment.

While deferred tax liabilities are calculated for all taxable temporary differences, deferred tax assets consisting of deductible temporary differences are calculated provided that it is highly likely that it will be benefited from these differences by making taxable profit in the future. Deferred tax liability or asset as to the temporary timing differences that do not affect commercial and financial profit or loss stemming from the initial introduction of the same in the financial statements is not calculated except for the goodwill or business mergers.

Deferred taxes

Deferred taxes are calculated for all taxable temporary differences related to the investments in affiliates and subsidiaries and business partnerships except for the cases where the Group can control the removal of the temporary differences and removal of the relevant difference seems very unlikely in the near future. Deferred tax assets stemming from taxable temporary differences associated to such kind of investments and shares are calculated provided that it is highly likely to benefit from these differences in the near future by generating sufficient taxable profit and it is likely for the relevant differences to disappear in the future.

Current and deferred tax for the period

The current tax and the deferred tax pertaining to the period except for those of which are associated to the items recognized as a receivable or debt under the equities directly (in which case, the deferred tax is also recognized under the equity directly) or stemming from the initial registration of the business mergers are recognized as cost or income under the income statement. In terms of business mergers, tax effect is considered while calculating the goodwill or in the determination of the part outweighing the acquisition cost of the share, which is acquired by the purchaser at its fair value of the identifiable asset, obligation, and contingent liabilities of the acquired affiliate.

COMMERCIAL ENTERPRISE OF THE PAYMENT AND ELECTRONIC MONEY INSTITUTIONS ASSOCIATION OF TÜRKİYE CASHFLOW STATEMENT FOR THE PERIOD THAT HAS ENDED ON 31 DECEMBER 2022

(All amounts are mentioned in Turkish Lira ("TRY"))

Taxes disclosed under the consolidated financial statements include the changes in the current period tax and deferred taxes. The Group calculates current and deferred tax based on the results pertaining to the period.

Offsetting the tax assets and liabilities

The corporate tax to be paid are netted off as they are related to the prepaid corporate tax. The registered value of the deferred tax asset is reviewed as of the date of each balance sheet. The registered value of the deferred tax asset is reduced at a level to enable benefiting from the opportunity provided by the part of or the entire registered value of the deferred tax asset and to an extent where it is not likely to generate profit.

The deferred tax assets and liabilities are calculated based on the tax rates (tax regulations), which are expected to be applicable in the period, during which the assets are occurred, or the liabilities are met and either enacted or substantially enacted as of the date of the balance sheet. The tax results of the methods estimated by the Group as of the balance sheet date to recover the book value of its assets or to fulfill its liabilities are considered.

The deferred tax assets and liabilities can be offset if it has a legally enforceable right regarding offsetting or the deferred tax assets and deferred tax liabilities relate to the income tax levied by the same taxation authority or the Group has an intention to settle its current tax assets and liabilities by netting off the same.

2.08.12 Retirement and Severance Pay Provision

As per the applicable labor laws in Türkiye, the provisions for retirement and severance pay are set aside in the financial statements on occurrence basis.

As per the updated TAS 19 "Employee Benefits" Standard, the relevant type of payments is qualified as the defined retirement benefit plans.

The severance payment liability under the attached financial statements is reflected to the statements as the amount calculated by discounting the retirement compensation to be paid in the future by the reasonable real interest rate to calculate the value of the same on the date of the financial statements.

2.08.13 Cash Flow Statement

Cash and cash equivalents are reflected to the financial statements over their cost value. Cash and cash equivalents under the cash flow statement include cash in hand, bank deposits and investments with high liquidity.

In the cash flow statement, the cash flows pertaining to the period are classified and reported based on the operational, investment and financing activities.

Cash flows stemming from operational activities indicates the cash flows resulting from the main activities of the Commercial Enterprise. Cash flows as to the investment activities indicates the cash flows used in and generated from the investment activities (asset investments and financial investments) of the Commercial Enterprise.

Financing activities related cash flows indicates the resources used by the Commercial Enterprise as well as the repayments of those resources.

2.08.14 Investment Properties

The Commercial Enterprise does not have any investment properties as of the end of periods.

COMMERCIAL ENTERPRISE OF THE PAYMENT AND ELECTRONIC MONEY INSTITUTIONS ASSOCIATION OF TÜRKİYE CASHFLOW STATEMENT FOR THE PERIOD THAT HAS ENDED ON 31 DECEMBER 2022

(All amounts are mentioned in Turkish Lira ("TRY"))

2.14 New and Revised Turkish Financial Reporting Standards

New and adjusted standards and interpretation

The accounting policies based on which the summary of the financial statements pertaining to the period that ended on 31 December 2022 have been prepared are applied consistently with those of which were applied in the previous years except for the Turkish Accounting Standards ("TAS")/ TFRS as well as the TAS/ TFRS interpretations. The effects of these standards and interpretation on the financial status and performance of the Commercial Enterprise are disclosed in the relevant paragraphs.

New Standards enacted on 31 December 2022 and the changes introduced to the current previous standards and interpretation:

Benchmark Interest Rate Reform - 2nd Phase - Changes in TFRS 9, TAS 39, TFRS 7, TFRS 4 and TFRS 16

POA has published the Benchmark Interest Rate Reform- Phase 2- Changes in TFRS 9, TAS 39, TFRS 7, TFRS 4 and TFRS 16, setting forth the temporary exemptions to remove the effects of exchanging the benchmark interest rate (IBOR) with the alternative benchmark interest rate. The entities will incorporate such changes into their annual accounting periods starting on 1 January 2021 or afterwards. Earlier applications are allowed.

The changes include the following;

Facilitating application for the changes during the determination of the contractual cash flows as a result of the IBOR reform

The changes include a facilitating application for evaluating the contractual amendments or changes in the cash flows required directly by the reform as the changes in floating rate equivalent to a movement in the market rate. As per this facilitating application, if the interest rates applicable to the financial instruments are changed due to the interest rate reform, this will not lead to any exclusion from the financial statements or any contractual amendment; the cash flows will continue to be determined based on the original interest rates of the financial instrument instead.

The facilitating application provides for an exemption from TFRS 9 Financial Instruments (and therefore TAS 39 Financial Instruments: Classification and Measurement) and it is mandatory for the Commercial Enterprises exercising TFRS 4 Insurance Agreements Standards and for the application of TFRS 16 Leasing standard for the changes in leasing due to IBOR Reform.

Privileges as to the termination of Hedging Accounting relationship

- The changes provide an opportunity to revise the hedging accounting setup and documentation, both of which are necessary due to the IBOR reform, without terminating the hedging relationship.
- The saving collected in the cash flow hedging fund is assumed to be based on the alternative imputed rate of interest.
- The Commercial Enterprises may reset the accumulated fair value changes in each heading relationship while making the assessment of the retrospective effectiveness tests in accordance with the TAS 39 during the transition period of alternative imputed rate of interest.
- The changes provide for an exemption as to amending the items identified as one of the subjects of the grouping approach (for example being the part of the macro hedging strategy) as required by the IBOR reform. The relevant exemption offers the opportunity to preserve the hedging strategy without having to terminate the same.
- The hedging relationship may be revised more than once during the transition of alternative reference interest rate. Phase 2 exemptions are applicable to all revisions that will be made in the hedging relationship due to IBOR reform.

COMMERCIAL ENTERPRISE OF THE PAYMENT AND ELECTRONIC MONEY INSTITUTIONS ASSOCIATION OF TÜRKİYE CASHFLOW STATEMENT FOR THE PERIOD THAT HAS ENDED ON 31 DECEMBER 2022

(All amounts are mentioned in Turkish Lira ("TRY"))

Separate identification of risk components

The changes introduce temporary exemption from the requirement to meet the criteria as to the separate identification of risk components for the Commercial Enterprises, in cases where the reference interest rate is determined as a risk component in a hedging relationship.

Additional Explanations

Within the scope of TFRS 7 Explanations as to Financial Instruments, the changes introduce additional footnote obligations such as how the entity manages the alternative reference interest rate transition process and the risks stemming from such transition, quantitative information regarding the financial instruments that will be affected from the IBOR transition even if the transition has not been concluded yet and explanation as to the change, if IBOR reform has led to a change in the hedging strategy.

The relevant change did not have a significant effect on the financial status or performance of the Commercial Enterprise.

TFRS 4 (Amendments) Extension of Temporary Exemption Period as to the Application of TFRS 9

With the postponement of the effectiveness date of TFRS 17 to 1 January 2023, the expiry date of the temporary exemption period as to the introduction of TFRS 9 has also been revised as 1 January 2023.

Standards and changes that have already been published but not yet enacted as of 31 December 2022:

The new standards, interpretation and changes that have already been published as of the approval date of the financial statements but not have been effective yet for the current reporting period and which have not been subjected to early application by the Commercial Enterprise are as follows. Unless otherwise stated, the Commercial Enterprise will make the necessary changes that will impact the financial statements and footnotes following the enactment of the new standards and interpretations.

TFRS 17 - New Insurance Agreements Standard

In February 2019, the POA has published the TFRS 17, a comprehensive new accounting standard including recognition, measurement, presentation and disclosure for insurance agreements. TFRS 17 introduces a model that enables the measurement of the liabilities stemming from the insurance agreements with the current balance sheet values and the recognition of the profit during the provision of the services.

Certain changes in the future cash flow estimations and risk adjustments are also recognized during the period in which the services are provided. Entities may also prefer to recognize the impact of the changes in the discount rates in profit or loss or in other comprehensive income. The Standard also includes a specific guidance for the measurement and presentation of the insurance policies containing participation features. TFRS 17 will be applicable for the accounting periods starting on and after 1 January 2023 and early application is permitted in terms of the entities applying TFRS 9 Financial Instruments and TFRS 15 Revenue from Agreements with Customers on or before the same date.

As per the amendments published by the POA in December 2021, the entities have a "transition option to overlap classification" to remove potential accounting inconsistencies between the financial assets included in the comparative information disclosed when TFRS 17 was applied for the first time and the contractual insurance liabilities. The impact on the financial status and performance of the Commercial Enterprise are being evaluated.

In February 2019, the POA has published the TFRS 17, a comprehensive new accounting standard including recognition, measurement, presentation and disclosure for insurance agreements. TFRS 17 introduces a model that enables the measurement of the liabilities stemming from the insurance agreements with the current balance sheet values and the recognition of the profit during the provision of the service. TFRS 17 will be applicable for the accounting periods starting on and after 1 January 2023. Early application is permitted. The impact on the financial status and performance of the Commercial Enterprise are being evaluated.

COMMERCIAL ENTERPRISE OF THE PAYMENT AND ELECTRONIC MONEY INSTITUTIONS ASSOCIATION OF TÜRKİYE CASHFLOW STATEMENT FOR THE PERIOD THAT HAS ENDED ON 31 DECEMBER 2022

(All amounts are mentioned in Turkish Lira ("TRY"))

TAS 1 Amendments- Classification of liabilities as Short-term and Long-term

In January 2021, the POA amended the "TAS 1 Presentation of Financial Statements" standard. Those amendments, which were made to be applicable to the annual reporting periods starting on or after 1 January 2023 introduce explanations regarding the criterion as to the long and short-term classifications of the liabilities. The relevant amendments should be applied to the TAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" retrospectively. Early application is permitted.

The impact of the relevant change on the financial status and performance of the Commercial Enterprise are being evaluated.

TAS 8 Amendments - Definition of Accounting Estimations

In August 2021, the POA has published an amendment to TAS 8 that introduces a new definition for the "accounting estimations". The relevant amendments published as to the TAS 8 are applicable to the annual accounting periods that start on or after 1 January 2023. The amendments clarify the distinction between the changes in accounting estimations as well as the changes in accounting policies and correcting errors. Moreover, the amended standard makes clear that if the impacts of a change in an input or in a measurement technique on an accounting estimation constitutes as a change in accounting estimations provided it is not due to the correction of previous period's errors. The previous definition of the change in an accounting estimation predicted that the changes in accounting estimations could have been stemming from new information or developments as to the accounting estimations. Therefore, those kinds of amendments are not deemed as corrections of errors. This side of the definition have been kept as is by the POA. The amendments will be applicable to the accounting estimation or policy changes occurred on or after the effective date and early application is permitted. In general terms, this amendment is not expected to have any significant impact on the financial statements of the Commercial Enterprise.

TAS 12 Amendments- Deferred Tax related to assets and liabilities arising from a single transaction

In August 2021, the POA has published amendments to TAS 12 that restrict the scope of initial recognition exemption and thereby prevent the application of the exemption to the transaction causing temporary differences that are equally assessable and reducible. The relevant amendments to TAS 12 are applicable to the annual accounting periods starting from or after 1 January 2023. The amendments clarify that in cases where the payments made to fulfill a liability are tax-deductible, the assessment as to whether the relevant deductions are affiliated with (considering the applicable tax law) the liability (as well as the interest cost) or the relevant asset component (as well as the interest cost) recognized under the financial statements for tax purposes, is a matter of judgment. This judgment is crucial while determining whether there is a temporary difference when the asset and liability are first included in the financial statements. The amendments will be applied to the transactions carried out at or after the beginning of the earliest period presented comparatively. Moreover, at the beginning of the earliest period presented comparatively, a tax liability deferred for temporary differences which may deducted and taxable regarding the liabilities related to lease, inactivation and restoration (provided there is sufficient taxable income) as well as the deferred tax liability are recognized.

The impact on the financial status and performance of the Commercial Enterprise are being evaluated.

TFRS 16 Amendments - Sale and leaseback transactions

Applicable to the annual accounting periods starting from or after 1 January 2024. These amendments include sale and lease back provisions clarifying how to recognize a sale and leaseback transaction after the date of the relevant transaction under TFRS 16. Sale and leaseback transactions where some or all of the lease payments consist of variable lease payments are not subject to an index or a rate are likely to be affected.

COMMERCIAL ENTERPRISE OF THE PAYMENT AND ELECTRONIC MONEY INSTITUTIONS ASSOCIATION OF TÜRKİYE CASHFLOW STATEMENT FOR THE PERIOD THAT HAS ENDED ON 31 DECEMBER 2022

(All amounts are mentioned in Turkish Lira ("TRY"))

3. CASH AND CASH EQUIVALENTS

	31 December 2022
Banks	
- Demand deposits	191,812
Total	191,812

Cash and cash equivalents forming the basis of the cash flow statement are as follows:

	31 December 2022
Cash and cash equivalents	191,812
Cash and cash equivalents in the cash flow statement	191,812

4. COMMERCIAL DEBTS

	31 December 2022
Sellers ^(*)	4,130
Total	4,130

^(*)Payables to sellers consist of financial advisory expenses.

5. OTHER SHORT-TERM LIABILITIES

Other Short-Term liabilities as of 31 December 2022 are as follows:

	31 December 2022
Tax, Fee payable and Other Deductions	13,487
Total	13,487

6. PROCEEDS

The details of income for the period ended on 31 December 2022 are as follows:

	19 October 2022 - 31 December 2022
Domestic Sales	113,600
Return from Sales	(1,000)
Total	112,600

COMMERCIAL ENTERPRISE OF THE PAYMENT AND ELECTRONIC MONEY INSTITUTIONS ASSOCIATION OF TÜRKİYE CASHFLOW STATEMENT FOR THE PERIOD THAT HAS ENDED ON 31 DECEMBER 2022

(All amounts are mentioned in Turkish Lira ("TRY"))

7. GENERAL ADMINISTRATION EXPENSES

	19 October 2022 - 31 December 2022
External Benefits and Services	(333)
General Office Expense	(798)
Taxes, Duties and Charges	(37,234)
Total	(38,364)

8. FINANCIAL INCOME/ EXPENSES

	19 October 2022 - 31 December 2022
Financial expenses	
Bank charges	(41)
Total	(41)

9. EQUITIES

Paid Capital

The Paid Capital of the Commercial Enterprise is TRY 100.000 as of 31 December 2022.

Net profit for the year

The Commercial Enterprise's net Profit for the Year is TRY 74.195 as of 31 December 2022.

10. QUALIFICATIONS AND LEVEL OF RISKS STEMMING FROM FINANCIAL INSTRUMENTS

Purposes and Principles of Risk Management

The Commercial Enterprise is exposed to various financial risks including debt and capital market prices and the effects of the changes in exchange rates and interest rates. The risk management program of the Commercial Enterprise focuses on the unpredictability and instability of the financial markets and aims to minimize the potential negative effects on the financial performance of the Commercial Enterprise.

COMMERCIAL ENTERPRISE OF THE PAYMENT AND ELECTRONIC MONEY INSTITUTIONS ASSOCIATION OF TÜRKİYE CASHFLOW STATEMENT FOR THE PERIOD THAT HAS ENDED ON 31 DECEMBER 2022

(All amounts are mentioned in Turkish Lira ("TRY"))

Credit

Risk Maintaining financial instruments bears the risk of other party's failure to fulfill contractual requirements. The management of the Commercial Enterprise covers those risks by limiting the average risk in terms of each contracting counterpart and by taking securities when necessary. Collection risk of the Commercial Enterprise arises fundamentally from the receivables from its members.

31 December 2022	Other Receivables	Trade Receivables	Deposit at Banks	Financial Investments
Maximum credit risk exposure as of the date of reporting (A+B+C+D+E) ⁽¹⁾	-	-	191,812	-
- Secured part of the maximum risk through collateral etc. ⁽²⁾	-	-	-	-
A. Net book value of the financial assets that are not overdue or impaired	-	-	191,812	-
B. Book value of the financial assets, the terms of which are renegotiated, otherwise will be deemed overdue or impaired	-	-	-	-
C. Net Book Value of the assets, which are overdue but not impaired	-	-	-	-
- The secured part through collateral etc.	-	-	-	-
D. Net book values of the assets which are impaired	-	-	-	-
- Overdue (gross book value)	-	-	-	-
- Impairment (-)	-	-	-	-
- The part of the net value secured through collateral etc.	-	-	-	-
- Undue (gross book value)	-	-	-	-
- Impairment (-)	-	-	-	-
- The part of the net value secured through collateral etc.	-	-	-	-
E. Elements including off balance sheet credit risk	-	-	-	-

Liquidity risk

Both the current and future potential borrowing necessities funding risks are managed by maintaining the availability of sufficient number and high-quality lenders.

Prudent liquidity risk management means having enough cash and securities available, the utility of sources of funds as well as the power of closing out market positions.

COMMERCIAL ENTERPRISE OF THE PAYMENT AND ELECTRONIC MONEY INSTITUTIONS ASSOCIATION OF TÜRKİYE CASHFLOW STATEMENT FOR THE PERIOD THAT HAS ENDED ON 31 DECEMBER 2022

(All amounts are mentioned in Turkish Lira ("TRY"))

The maturity dispersion of the commercial debts of the Commercial Enterprise based on their maturity dates as of 31 December 2022 are as follows:

31 December 2022

Contractual Maturities	Book Value	Total Cash-flows According to Agreements (=I+II+III)	Shorter than 3 months (I)	Between 3-12 months (II)	Between 1-5 years (III)
Non-derivative financial liabilities					
Commercial debts	4,130	4,130	4,130	-	-
Total	4,130	4,130	4,130	-	-

Interest rate risk

The Commercial Enterprise is required to cope with interest rate risk due to the fluctuations in the prices of financial instruments because of changes in the interest rates of the market. The relevant risk is managed by covering the assets that are affected by interest changes through same types of liabilities. The Commercial Enterprise does not have interest sensitive liabilities. The Commercial Enterprise utilizes its cash as bank deposits. The Commercial Enterprise does not bear an interest risk as it does not have any time deposits.

Foreign Currency Risk

The Commercial Enterprise is exposed to exchange rate risk due to changes in exchange rates occurred because of conversion of amounts in foreign currency into TRY both in debtor and creditor side. The Commercial Enterprise pursues a currency position stabilization policy to mitigate currency risk.

The Commercial Enterprise does not have any foreign currency risk as it does not have any foreign exchange balance as of 31 December 2022.

11. EVENTS AFTER THE BALANCE SHEET DATE

Not available.

12. OTHER MATTERS THAT AFFECTED THE FINANCIAL STATEMENTS SIGNIFICANTLY OR ARE REQUIRED TO BE EXPLAINED SO THAT THE FINANCIAL STATEMENTS COULD BE CLEAR, INTERPRETABLE AND UNDERSTANDABLE

Not available.

CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDIT REPORT AS OF 31 DECEMBER 2022 AND PERTAINING TO THE YEAR THAT ENDED ON THE SAME DATE

CONTENTS

126	CONSOLIDATED INDEPENDENT AUDITOR REPORT
128	CONSOLIDATED FINANCIAL STATEMENT
130	CONSOLIDATED PROFIT OR LOSS AND OTHER COMPREHENSIVE STATEMENT OF INCOME
131	CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
132	CONSOLIDATED CASH FLOW STATEMENT
133-159	EXPLANATORY NOTES AS TO THE CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITOR REPORT

To the General Assembly of Payment and Electronic Money Institutions Association of Türkiye

Opinion

We have audited the financial statements of the Payment and Electronic Money Institutions Association of Türkiye and its affiliate (the Group) comprised of the financial statement footnotes including the profit or loss and other comprehensive income statement, statement of change in equities and cash flow statement as well as the significant accounting policies pertaining to the balance sheet dated 31 December 2022 as well as the fiscal period that ended on the same date.

We have audited the financial statements of the Payment and Electronic Money Institutions Association of Türkiye and its affiliate (the Group) comprised of the financial statement footnotes including the profit or loss and other comprehensive income statement, statement of change in equities and cash flow statement as well as the significant accounting policies pertaining to the balance sheet dated 31 December 2022 as well as the fiscal period that ended on the same date.

Basis of the Opinion

The independent audit has been carried out in accordance with the Independent Auditing Standards ("IAS"), which form a part of the Turkish Auditing Standards ("TAS") issued by the Public Oversight, Accounting and Auditing Standards Authority ("POA"). Our responsibilities within the scope the IAS have been explained in detail in the section of our report entitled the Responsibilities of the Independent Auditor regarding the Independent Audit of the Financial Statements. We hereby declare that we are independent from the Group as required by the codes of conduct prescribed under the legislation regarding the independent audit of the consolidated financial statements as well as the Codes of Conduct for Independent Auditors published by the POA (Including the Independency Standards) ("Codes of Conduct"). We have also fulfilled our ethical responsibilities within the scope of the Codes of Conduct as well as the legislation. We are of the opinion that the independent audit evidence we obtained during the independent audit process forms a sufficient and accurate basis to build our opinion.

Key Audit Issues

We have decided that there is no matter which is to be reported as a key audit issue in the report.

Responsibilities of the Management and Top Management as to the Financial Statements

The management of the Group is responsible for the preparation of the financial statements in accordance with the TFRS, accurate presentation of the same as well as the internal control that is deemed necessary for the financial statements could be prepared without material misstatement due to error or fraud.

The management of the Group is responsible for the preparation of the financial statements in accordance with the TFRS, accurate presentation of the same as well as the internal control that is deemed necessary for the financial statements could be prepared without material misstatement due to error or fraud.

Those persons who are responsible for the top-management, are also responsible for the supervision of the financial reporting process of the Group

The Responsibilities of the Independent Auditor as to the Independent Audit of the Financial Statements

In terms of an independent audit, we, as the independent auditors –are responsible for the following:

Our purpose is to get reasonable assurance as to whether the consolidated financial statements –as a whole- include any material error due to fault or fallacy and to issue an independent audit report including our opinion. Reasonable assurance provided as a result of an independent audit process conducted in accordance with IAS is a high-level assurance however it does not guarantee that an existing material error could always be detected. An error may occur due to fault or fallacy. If it might reasonably be expected that the errors, individually or collectively could affect the decisions that the users of the relevant financial statements would take based on the same, they are considered as material.

As required by an independent audit carried out in accordance with the IAS, we use professional judgment and maintain professional skepticism during an independent audit. We also:

- Identify and assess “material error” related risks due to fault or fallacy in the consolidated financial statements; plan and apply various audit procedures corresponding to those risks and obtain sufficient and accurate audit evidence that will form a basis for our opinion. The risk of failing to identify a material error stemming from a fallacy, which may include collusion, fraud, willful negligence, misrepresentation or violation of internal control is higher than the risk of failing to identify a material error stemming from error.
- The internal control as to audit is evaluated by us not to present an opinion regarding the effectiveness of the internal control of the Group but to plan the audit procedures suitable for the current situation.
- The suitability of the accounting policies exercised by the management as well as the appropriateness of the accounting estimates and the related explanations are evaluated.
- A conclusion is made based on the assessment as to whether there is a significant uncertainty regarding the events or conditions that may cause material suspicion as to the ability to provide continuance to the Group as well as the appropriateness of exercise of the management as to the going concern based on the evidence obtained. If it is concluded that there is a significant uncertainty, we are expected to draw attention to the relevant explanations in the consolidated financial statements or if those explanations are not enough, we are expected to provide no opinion except for unqualified opinion. The conclusions we make are based on the audit evidence obtained until the date of the independent audit report. However, future events or conditions may end the continuity of the Group.

GÜRELİ YEMİNLİ MALİ MÜŞAVİRLİK VE BAĞIMSIZ DENETİM HİZMETLERİ A.Ş.
An Independent Member of BAKER TILLY INTERNATIONAL



Erdoğan BAŞARSLAN
Chief Auditor
Istanbul, 21 March 2023

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

FOR THE PERIOD THAT HAS ENDED

ON 31 DECEMBER 2022

(All amounts are mentioned in Turkish Lira ("TRY"))

		Independently Audited Current Period	Independently Audited Previous Period
	Notes	31 December 2022	31 December 2021
Assets			
Current Assets			
Cash and cash equivalents	3	3,101,154	4,052,764
Trade receivables	4	4,091,629	1,898,867
-Trade Receivables from Unrelated Parties		4,091,629	1,898,867
Other receivables	5	165,200	-
-Other Receivables from Unrelated Parties		165,200	-
Prepaid expenses	6	140,775	-
Current period tax related assets	6	-	30,030
Other current assets	9	6,197	3,580
Total Current Assets		7,504,955	5,985,241
Fixed Assets			
Financial Investments	7	-	-
Leased Assets	8	652,621	47,793
Tangible Assets	8	2,505,883	70,100
Intangible Assets	8	326,899	-
Prepaid Expenses		-	-
Other fixed assets	9	420,998	51,170
Fixed Assets		3,906,401	169,063
Total assets		11,411,356	6,154,304

The attached footnotes are integral parts of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

FOR THE PERIOD THAT HAS ENDED

ON 31 DECEMBER 2022

(All amounts are mentioned in Turkish Lira ("TRY"))

		Independently Audited Current Period	Independently Audited Previous Period
	Notes	31 December 2022	31 December 2021
Liabilities and Equities			
Short Term Liabilities			
Trade Liabilities	10	1,072,833	11,904
- Trade Liabilities to Unrelated Parties		1,072,833	11,904
Short term borrowings	11	655,054	52,837
Debts Related to Employee Benefits	12	274,873	61,353
Deferred Income	13	2,478,834	1,898,867
- Deferred Income from Unrelated Parties		2,478,834	1,898,867
Short Term Equivalents	12	93,942	-
- Equivalents related to Employee Benefits		93,942	-
Other short terms liabilities	14	97,184	50,880
Total short-term liabilities		4,672,720	2,075,841
Long term equivalents	12	20,567	-
- Equivalents related to Employee Benefits		20,567	-
Total long-term liabilities		20,567	-
Total liabilities		4,693,287	2,075,841
Equities			
Equities of the Parent Company	20	6,718,069	4,078,463
Paid in Capital		-	-
Other Accumulated Comprehensive Income or (Expenses) Not to be Reclassified in case of Profit or Loss		(8,010)	-
Restricted Reserves Allocated from Profit		2,346,750	1,097,363
Retained Earnings		1,731,713	2,199,599
Net profit for the year		2,647,616	781,501
Total Equities		6,718,069	4,078,463
Total liabilities and Equities		11,411,356	6,154,304

The attached footnotes are integral parts of these financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD THAT HAS ENDED ON 31 DECEMBER 2022

(All amounts are mentioned in Turkish Lira ("TRY"))

Profit or loss part	Notes	Independently Audited Current Period 1 January 2022- 31 December 2022	Independently Audited Previous Period 1 January 2021- 31 December 2021
Proceeds	15	11,136,122	2,800,367
Gross Income		11,136,122	2,800,367
General Administrative Expenses	16	(8,785,814)	(2,552,142)
Other income obtained from real operations	17	19,627	37,342
Other expenses obtained from real operations (-)	17	(149,396)	(124,845)
REAL OPERATING PROFIT/(LOSS)		2,220,539	160,722
Finance incomes	18	565,127	636,001
Finance expenses (-)	18	(138,050)	(15,222)
PERIOD INCOME (LOSS)		2,647,616	781,501
OTHER COMPREHENSIVE INCOME		(8,010)	-
TOTAL COMPREHENSIVE INCOME		2,565,411	781,501

The attached footnotes are integral parts of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD THAT HAS ENDED ON 31 DECEMBER 2022

(All amounts are mentioned in Turkish Lira ("TRY"))

	Defined benefit plans remeasurement benefits (losses)	Restricted Expenses Accumulated from Profit	Past year profits	Net Profit for the Period	Total Equities
Balances as of 1 January 2021	-			3,296,962	3,296,962
Transfers to past years profits	-	1,097,363	2,199,599	(3,296,962)	-
Net profit/(loss) for the period	-	-	-	781,501	781,501
Balances as of 31 December 2021	-	1,097,363	2,199,599	781,501	4,078,463
	Defined benefit plans remeasurement benefits (losses)	Restricted Expenses Accumulated from Profit	Past year profits	Net Profit for the Period	Total Equities
Balances as of 1 January 2022	-	1,097,363	2,199,599	781,501	4,078,463
Transfer		1,249,387	(1,249,387)	-	-
Transfers to past years profits	-	-	781,501	(781,501)	-
Actuarial Earnings and (Losses) obtained from/caused by Retirement Plans	(8,010)	-	-		(8,010)
Net profit/(loss) for the period	-	-	-	2,647,616	2,647,616
Balances as of 31 December 2021	(8,010)	2,346,750	1,731,713	2,647,616	6,718,069

The attached footnotes are integral parts of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT

FOR THE PERIOD THAT HAS ENDED

ON 31 DECEMBER 2022

(All amounts are mentioned in Turkish Lira ("TRY"))

	Notes	Independently Audited Current Period 1 January 2022- 31 December 2022	Independently Audited Previous Period 1 January 2021- 31 December 2021
Cash flows obtained from operating activities			
Net profit for the period		2,647,616	781,501
Adjustments required for the reconciliation of the profit obtained before tax and net cash inflows obtained from operating activities			
Amortization and depreciation	8	192,040	12,341
Deferred incomes	13	579,967	1,875,071
Other reserves	3	3,296	4,632
Equivalent for severance payment	12	20,567	-
Equivalent for leave	12	93,942	-
Interest Income	18	(565,127)	(636,001)
Interest expense	18	138,009	15,222
Other Adjustments Related to Profit (Loss) Reconciliation		(27,587)	-
Operating profit before changes in working capital		3,082,723	2,052,765
Changes in trade receivables and other receivables	4	(2,357,962)	(1,875,071)
Change in other current assets	5	(2,617)	(3,580)
Change in other fixed assets		(974,656)	(98,963)
Change in trade payables and other payables		1,060,929	10,087
Change in employee benefits	12	213,520	54,229
Decrease (Increase) in Prepaid Expenses	6	(140,775)	
Change in other payables and other liabilities	6	648,521	103,466
Tax paid		30,030	(27,550)
Net cash obtained/(used) from operating activities		1,559,713	215,384
Cash flows related to investment activities			
Acquired Subsidiaries, Affiliates and Jointly Controlled Partnerships (Business Partnership)			
Received interest		540,343	550,987
Cash outflows arising from the purchase of tangible and intangible assets		(2,954,722)	(82,441)
Net cash used in investing activities		(2,414,379)	468,546
Cash flows related to financing activities			
Cash Inflows Arising from Borrowing			
Cash Outflows as to Debt Payments Arising from Rental Agreements			
Paid Interest		(138,009)	(15,222)
Capital Increase			
Other Cash Outflows		(41)	-
Net cash (used)/provided for financing activities		(138,050)	(15,222)
Net change in cash movements		(992,716)	668,708
Cash and cash equivalents at the beginning of the period		4,072,382	3,303,674
Cash and cash equivalents at the end of the period		3.079.666	3.972.382

The attached footnotes are integral parts of these financial statements.

PAYMENT AND ELECTRONIC MONEY INSTITUTIONS ASSOCIATION OF TÜRKİYE

EXPLANATORY NOTES AS TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD THAT HAS ENDED ON 31 DECEMBER 2022

(All amounts are mentioned in Turkish Lira ("TRY"))

1. ORGANIZATION AND SUBJECT OF ACTIVITY OF THE GROUP

Payment and Electronic Money Institutions Association of Türkiye (TÖDEB-Association) is a professional organization in the nature of a public institution, being formed as a legal entity, which gathers the payment and electronic money institutions operating in Turkey under the same umbrella.

The Association is established through the inclusion of an article to the Law on the Payment and Securities Clearing Systems, Payment Services and Electronic Money Institutions numbered 6493 in accordance with Article 15 of the Law Numbered 7192 Amending the Law on the Payment and Securities Clearing Systems, Payment Services and Electronic Money Institutions numbered 6493 and Certain Laws, which is published in the Official Gazette dated 22.11.2019 and numbered 30956.

Payment and electronic money institutions to be operated in Türkiye are obliged to apply to become a member of the Association within one month as of the date of obtaining their operating licenses.

TÖDEB's status was published in the Official Gazette dated 28 June 2020 and the Association was officially established. TÖDEB has started to operate in its headquarters located in Istanbul on 25 September 2020.

With the announcement published in the Official Gazette dated 19 October 2022 and numbered 10685, the Association established the Commercial Enterprise of the Payment and Electronic Money Institutions Association of Türkiye.

The Association operates in Türkiye and its headquarters is located at Saray Mah. Ahmet Tevfik İleri Cad. Onur Ofis Park İş Merkez Sitesi A2 Blok No: 10 a İç Kapı No: 5 Ümraniye, Istanbul. As of the balance sheet date, the number of employees is 14. (As of 31 December 2021, the number of employees is 6).

Affiliate

The Commercial Enterprise of the Payment and Electronic Money Institutions Association of Türkiye is a for-profit organization with legal personality, established to contribute to the development of qualified human resources by providing professional development in the field of payment services and electronic money, and to organize training programs by focusing on the priority needs of the sector on legislation and various applications based on legislation.

For the purpose of the presentation of the consolidated financial statements, the Commercial Enterprise of the Payment and Electronic Money Institutions Association of Türkiye the (Commercial Enterprise of the Payment and Electronic Money Institutions Association of Türkiye - 100% owned subsidiary of Payment and Electronic Money Institutions Association of Türkiye) will hereinafter be referred to as the "Affiliate".

Hereinafter, the Association and its Affiliate will be referred to as the "Group" in the consolidated financial statements and notes thereto.

Subject of Activity:

The purpose of the Association is to meet the common needs of its members, facilitate professional activities, maintain the professional discipline and morality in order to ensure honesty and trust in terms of its relations with its representatives and customers, ensure its members to work in solidarity, protect their economic interests and ensure their professional developments, protect the competitive environment among its members, prevent unfair competition and develop the field of payments. It also organizes trainings, seminars, meetings, conferences and events in Türkiye or abroad and allocates fees for them and generates income through publications such as books, magazines, etc. The Association generates income as a result of other activities to be carried out provided that they coincide with the purpose of the establishment, electronic training activities to be carried out through all kinds of electronic devices and equipment, within the scope of training and other activities, it pays fees to the instructors or other persons in charge and covers all kinds of expenses, makes personnel and operating expenses within the scope of all activities and keeps the revenues collected as a result of the activities in bank accounts deemed appropriate and evaluates them as investments.

EXPLANATORY NOTES AS TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD THAT HAS ENDED ON 31 DECEMBER 2022

(All amounts are mentioned in Turkish Lira ("TRY"))

To realize the above-mentioned objective, the Association carries out the following works:

- a) To carry out training, promotion and research activities in order to ensure the development of the profession.
- b) To ensure that the members work in accordance with the needs of the economy in the discipline and unity required by the profession by determining the professional principles.
- c) To determine the professional principles and standards to be followed by the members of the member organizations.
- d) To announce to its members the decisions taken in accordance with the relevant legislation and the measures requested to be taken.
- e) To take and implement all necessary measures in order to prevent unfair competition among its members.
- f) To determine the principles and conditions to be followed by the members in their announcements and advertisements in terms of type, shape, quality and quantity.
- g) To initiate a lawsuit based on the decision of the Board of Directors on matters concerning the common interests of the members.
- h) To initiate a lawsuit based on the decision of the Board of Directors on matters concerning the common interests of the members.
- i) Without prejudice to the provisions of the Law on the Protection of the Consumer dated 7/11/2013 and numbered 6502 and the application rights granted by other laws, to establish an arbitral tribunal in accordance with the procedures and principles approved by the Bank and to be prepared to ensure that the disputes between the members and their individual customers are evaluated and resolved.
- j) To create a strategy to ensure the development of the payments area and the activities of the members, and to take decisions regarding the implementation of the said strategy.
- k) To cooperate with national and international organizations on behalf of its members, to promote the payment institutions and electronic money institutions and to inform the public on this issue.
- l) To inform the members about this issue by following national and international professional developments, legal and administrative regulations.
- m) Evaluating the complaints made about its members and reporting the results of the transaction to the Bank and sharing it with the members,
- n) To follow up the implementation of the decisions and measures taken by the Association, to impose disciplinary penalties stipulated in this Statute against the members who do not comply with such decisions and measures in a timely and full manner.
- o) To keep general and statistical information about the members and to disclose them to the public on a regular basis.
- p) To ensure regular information flow between the Association and the Bank within the framework requested.
- q) To perform other duties assigned by the bank.
- r) To perform other duties listed in the Law no. 6493.

2. PRINCIPLES REGARDING THE PRESENTATION OF FINANCIAL STATEMENTS

2.01 Main Principles Regarding Presentation

The Group keeps its accounting records in TRY in accordance with the commercial legislation, financial legislation and the Uniform Chart of Accounts published by the Ministry of Finance. The financial statements of the Group are presented in the functional currency of the main economic environment in which it operates. The financial position and operating results of the Group are expressed in the Association's applicable currency, namely "TRY".

Going Concern

The consolidated financial statements of the Group are presented in the functional currency of the main economic environment in which it operates. The consolidated financial position and operating results of the Group are expressed in Turkish Lira, which is the functional currency of the Group and the presentation unit in terms of the consolidated financial statements. (The penny digits of the figures in the financial statements of the Group have been rounded to integers.).

Based on the explanations above, the Group has prepared its consolidated financial statements based on the going concern principle. In this framework, the Group foresees that it can convert its assets into cash from their current value and meet its liabilities in the normal course of business while preparing its consolidated financial statements.

PAYMENT AND ELECTRONIC MONEY INSTITUTIONS ASSOCIATION OF TÜRKİYE

EXPLANATORY NOTES AS TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD THAT HAS ENDED ON 31 DECEMBER 2022

(All amounts are mentioned in Turkish Lira ("TRY"))

2.02 Adjustment of Financial Statements during High Inflation Periods

In the statement made by the Public Oversight Accounting and Auditing Standards Authority on 20 January 2022, since the cumulative change in the general purchasing power of the last three years according to the Consumer Price Index (CPI) is 74.41%, it is stated that there is no need to make any adjustments in the consolidated financial statements for 2021 within the scope of IAS 29 Financial Reporting in Hyperinflationary Economies. The Public Oversight Authority has not taken any decision on inflation accounting for 2022. In this respect, while preparing the financial statements dated 31 December 2022, no inflation adjustment was made according to IAS 29.

2.03 Consolidation Principles

Non-controlling interests are deducted from all equity items, including paid-in capital, of the subsidiary within the scope of consolidation and presented as "Non-controlling Interests" in the equity account group of the consolidated balance sheet.

Acquisition and sale transactions between the Payment and Electronic Money Institutions Association of Türkiye and its affiliate and the related gains and losses are eliminated in the income statement. The consolidated financial statements have been prepared using the same accounting principles for similar transactions.

2.04 Comparative Information and Adjustment of the Financial Statements of Prior Periods

Group's financial statements are prepared comparatively with the previous period in order to enable the determination of the financial situation and performance trends. When the presentation or classification of financial statement items changes, financial statements of prior periods are reclassified accordingly in order to ensure comparability. There are no changes made in the financial statements of prior periods.

2.05 Changes in Accounting Policies

Changes in accounting policies are made if necessary or if they result in a more appropriate and reliable presentation of the effects of transactions and events on the financial position, performance or cash flows of the Group. In case the changes made in the accounting policies affect the previous periods, the said policy is applied retrospectively in the consolidated financial statements as if it has always been in use.

There has been no change in the accounting policies of the Group within the current period.

2.06 Changes and Errors as to the Accounting Estimates

Accounting estimates are made on the basis of reliable information and reasonable estimation methods. However, estimations are revised as a result of a change in the conditions under which the estimation is made, new information is obtained or additional developments occur. If the effect of the change as to the accounting estimation is related to only one period, and if it is related to the future periods within the current period during which the change is made, it is reflected to the financial statements both in the period when the change is made and in a way including the future periods, to be taken into account while determining the profit or loss for the period.

The nature and amount of a change regarding the accounting estimate that has an effect on the current period's operating result or is expected to have an effect on subsequent periods, are disclosed in the footnotes of the financial statements, except where it is not possible to estimate the effect on future periods. There are no changes in accounting estimates that are expected to have an impact on the results of operations in the current period.

2.07 Netting/Offset

If there is a legal right to set off, the net settlement or collection is possible, or the acquisition of the asset and the settlement of the obligation may occur simultaneously, the financial assets and liabilities are presented with their net values in the consolidated statement of financial position.

EXPLANATORY NOTES AS TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD THAT HAS ENDED ON 31 DECEMBER 2022

(All amounts are mentioned in Turkish Lira ("TRY"))

2.08 Summary of the Significant Accounting Policies

The summary of significant accounting policies applied during the preparation of the financial statements is as follows.

2.08.01 Recording as Revenue

Revenues are presented as the expected amount to be earned in return for these goods and services, reflecting the promised goods and/or services. For this purpose, a 5-steps process is applied in the recognition of revenue within the framework of TFRS 15 provisions.

- Identification of agreements executed with the customer
- Identifying the separate performance criteria and obligations in the agreement
- Determining the contract price
- Dividing the Sale Price into Liabilities
- Recording as revenue as contractual obligations are fulfilled

In the case where revenue obtained from services can be measured reliably, it is recognized based on the degree of completion of the service. Where the result cannot be measured reliably, the revenue is recognized up to the recoverable amount of incurred expenses attributable to that income

Interest Income - is recognized based on the effective interest method,

Rental and Royalty Income - is recognized on an accrual basis

Dividend Income - is recognized on the date when the right to collect the dividends arises,

Rental Income obtained through real estates - is recognized according to the straight-line method throughout the relevant lease agreement.

If there is an important financing element throughout the sales, the reasonable price is determined by discounting the future cash flows with the hidden interest rate included in the financing element. The difference is reflected to the financial statements on an accrual basis.

2.08.02 Tangible Fixed Assets

Cost Method

Tangible Fixed Assets and Fixed Assets, excluding real estates, are depreciated on a straight-line basis in accordance with the useful life principle.

Tangible fixed assets that are subject to revaluation or valued based on cost value, are depreciated over their useful lives using the straight-line depreciation method, excluding lands and parcels. The depreciation rates determined by considering the useful lives of fixed assets are as follows:

Type	31 December 2022	31 December 2021
Flooring and Fixtures	2% - 33.33%	2% - 33.33%
Special Costs	10% - 20% - 100%	-

The expected useful life residual value and depreciation method are reviewed annually for the potential effects of changes in estimates, and if there is a change in estimates, they are accounted prospectively.

EXPLANATORY NOTES AS TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD THAT HAS ENDED ON 31 DECEMBER 2022

(All amounts are mentioned in Turkish Lira ("TRY"))

Profits and losses arising from the sale of fixed assets are determined by comparing the net book values with the selling price and are included in the operating profit.

Maintenance and repair expenses are recorded as expense on the date they are incurred. If the maintenance and repair expense provide an expansion or a visible improvement in the related asset, it is capitalized.

2.08.03 Intangible Fixed Assets

Intangible Fixed Assets, except for the expenses incurred for the development of new products created within the Group and planned to be produced, cannot be capitalized and expenses are recognized within the period during which they are incurred. Intangible Fixed Assets are depreciated over their expected useful lives by using the straight-line method. Capitalized development costs are amortized on a straight-line basis over their estimated useful lives following the commencement of commercial production of the product or service. The expected useful life and depreciation method are reviewed annually to determine the potential effects of changes in estimates and changes in estimates are accounted prospectively.

Intangible Fixed Assets consist of rights and software.

Type	Economic Life (Years)	31 December 2022 (%)
Rights	5-15	6.66-20

2.08.04 Impairment of Assets

Assets with an indefinite life, such as goodwill, are not amortized. Each year, an impairment test is applied for these assets. In terms of assets subject to amortization, an impairment test is applied in case of situations or events where it is not possible to recover their book value. If the book value of the asset exceeds its recoverable amount, an impairment loss is recorded. The recoverable amount is the higher of fair value, obtained after deducting the selling costs or the higher of the value in use. For the assessment of impairment, assets are grouped at the lowest level with separately identifiable cash flows. Non-financial assets other than goodwill that are subject to impairment are reviewed for potential reversal of impairment on each reporting date.

2.08.05 Leasing Transactions

At the execution date of the agreement, the Group evaluates whether the agreement is of a nature of leasing or contains a leasing transaction. If the agreement transfers the right to control the use of the identified asset for a specified period of time in exchange for a remuneration, the agreement is deemed to be of a nature of leasing or include a leasing transaction. The Group considers the following conditions when assessing whether an agreement transfers the right to control the use of an identified asset for a specified period of time:

- If the agreement includes an identified asset, such asset is usually identified by being explicitly or implicitly specified in the agreement.
- A functional part of the asset is physically separated or represents nearly all of the asset's capacity. An asset is not defined if the supplier has a substantive right to substitute the asset and derive economic benefits from it.
- The existence of the right to obtain almost all of the economic benefits to be derived from the use of the identified asset.
- The existence of the right to manage the use of the identified asset. The Group considers that the asset has the right to use if the decisions regarding how and for what purpose the asset will be used have been determined beforehand. The Group has the right to manage the use of the asset in the following case:
 - If the Group has the right to operate the asset during its life cycle (or directs others to operate the asset as it determines) and the supplier is not entitled to change these operating instructions; or
 - If the Group has designed the asset (or certain features of the asset) in such a way as to predetermine how and for what purpose the asset will be used throughout its life cycle.

EXPLANATORY NOTES AS TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD THAT HAS ENDED ON 31 DECEMBER 2022

(All amounts are mentioned in Turkish Lira ("TRY"))

The debts of the Group related to financial leasing transactions are included in **Footnote: 11**.

Tangible fixed assets acquired under a financial leasing agreement are depreciated over the useful life of the asset. The net book value of the assets subject to financial leasing is given in **Footnote: 8**.

Existence of the Right to the Group As a Lessee

The Group reflects a right-of-use asset and a lease liability in its consolidated financial statements at the commencement date of the lease.

The right-of-use asset is initially accounted by using the cost method and includes the following:

- (a) The initial measurement amount of the lease liability,
- (b) The amount obtained by deducting all lease incentives received from all lease payments made on or before the actual commencement of the lease,
- (c) All initial direct costs incurred by the Group, and
- (d) Estimated costs to be incurred by the Group in connection with the dismantling and relocation of the underlying asset, the restoration of the site on which it is located, or the restoration of the underlying asset to the condition required by the lease terms and conditions. The Group bears the liability for these costs at the date of the actual commencement of the lease or as a result of using the underlying asset for a certain period of time.

When applying the cost method, the Group measures the right-of-use asset based on the followings:

- (a) By deducting the accumulated depreciation and accumulated impairment losses; and
- (b) At its adjusted cost in accordance with the remeasurement of the lease liability.

While depreciating the right-of-use asset, the Group applies the depreciation provisions of TAS 16 Tangible Fixed Assets. If the supplier transfers the ownership of the underlying asset to the Group at the end of the leasing term, or if the cost of the right-of-use asset indicates that the Group will exercise a call option, it depreciates the Group's right-of-use asset as from the date the leasing actually began to the end of the useful life of the underlying asset. In other cases, the Group depreciates the right-of-use asset over the shorter of the asset's useful life or the leasing term, starting from the date the lease actually commenced.

The Group applies TAS 36 Impairment of Assets to determine whether the right-of-use asset is impaired and to recognize any identified impairment losses.

Leasing Liability

On the actual commencement date of the lease, the Group measures the leasing liability over the present value of the leasing payments outstanding at that date. Rental payments are discounted by using the implied interest rate in the lease, if that rate can be easily determined. The Group uses the Group's alternative borrowing rate if this rate cannot be easily determined.

At the actual commencement date of the lease, the lease payments included in the measurement of the leasing liability consist of the following payments for the right to use the underlying asset during the leasing term, which were not paid on the commencement date of the lease:

- (a) The amount obtained by deducting all kinds of rental incentive receivables from fixed payments,
- (b) Variable leasing payments based on an index or rate, initially measured by using an index or rate on the commencement date of the lease,
- (c) If the Group is reasonably confident that it will exercise the call option, the exercise price of that option; and
- (d) Penalties for termination of the lease if the leasing term indicates that the Group will exercise an option to terminate the lease.

EXPLANATORY NOTES AS TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD THAT HAS ENDED ON 31 DECEMBER 2022

(All amounts are mentioned in Turkish Lira ("TRY"))

After the actual commencement of the lease, the Group measures its leasing liability as follows:

- (a) It increases the book value in a way to reflect the interest on the lease liability,
- (b) It decreases the book value in a way to reflect the already made leasing payments; and
- (c) It remeasures the book value in a way to reflect the reassessments and restructurings or to reflect leasing payments that are fixed in terms of revised substance.

The interest as to the leasing liability for each period in the leasing term is the amount found by applying a fixed periodic interest rate to the remaining balance of the leasing liability. The periodic rate of interest is the implied rate of interest in a lease if it can be easily determined. The Group uses the Group's alternative borrowing rate if this rate cannot be easily determined.

After the actual commencement of the lease, the Group remeasures the leasing liability to reflect the changes in the leasing payments. The Group reflects the remeasurement amount of the lease liability as an adjustment to the right-of-use asset in its consolidated financial statements.

The Group remeasures the leasing liability by discounting the revised leasing payments at a revised discount rate if one of the following situations occurs:

- (a) Occurrence of a change in the leasing term. The Group determines the revised leasing payments based on the revised leasing term.
- (b) Occurrence of a change in the assessment of the option to purchase the underlying asset. The Group determines the revised leasing payments in a way to reflect the change in the amounts payable under the call option.

The Group determines the revised discount rate as the relevant rate for the remainder of the lease term, if the implied interest rate in the lease can be easily determined and if such rate may not be easily determined, it determines the relevant rate as the Group's alternative borrowing rate on the date of reassessment.

The Group remeasures the leasing liability by discounting the revised leasing payments if one of the following situations occurs:

- (a) Occurrence of a change in the amounts expected to be paid under a residual value commitment. The Group determines the revised leasing payments in a way to reflect the change in the amounts expected to be paid under the residual value commitment.
- (b) Occurrence of a change in these payments as a result of a change in an index or rate used to determine future leasing payments. The Group remeasures the leasing liability only when there is a change in cash flows to reflect such revised leasing payments.

It determines the revised leasing payments of the Group for the remaining leasing term based on the revised contractual payments.

The Group uses an unmodified discount rate in such a case.

The Group recognizes the restructuring of the lease as a separate lease if both of the following conditions are met:

- (a) If the restructuring expands the scope of the lease by adding the right to use one or more of the underlying assets; and
- (b) In the case that the rental price increases in proportion to the price alone of the increase in coverage and in the case that the rental price increases by appropriate adjustments to that stand-alone price in order to reflect the terms of the relevant agreement.

EXPLANATORY NOTES AS TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD THAT HAS ENDED ON 31 DECEMBER 2022

(All amounts are mentioned in Turkish Lira ("TRY"))

The Group as the Lessor:

The Group classifies each of the leases as operating leases or financial leases.

A lease is classified as a financial lease if substantially all the risks and rewards of the ownership of the underlying asset are transferred. A lease is classified as an operating lease if substantially all the risks and rewards of ownership of the underlying asset are not transferred.

In terms of an agreement that includes a lease component and one or more additional lease or non-leasing components, the Group allocates the contract price by applying the standard of TFRS 15, namely, "Revenue arising from agreements executed with customers".

The Group as the Lessee:

The rentals collected for an operational leasing are recorded as rental income according to the normal method throughout its term. Rental income is recognized throughout the Other Operating Income.

2.08.06 Borrowing Costs

In terms of the assets that take significant time to get ready for use and sale, borrowing costs directly associated with the acquisition, construction or production of such assets are included in the cost of the asset until it is ready for use or sale. Financial investment income obtained by temporarily investing the unspent portion of the investment loan in financial investments is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recorded in the profit or loss statement, during the period in which they are incurred. The Group has not any borrowing costs capitalized in the current period as to the qualifying assets.

2.08.07 Financial Instruments

i. Classification and measurement of financial assets and liabilities

A financial asset is classified as follows during the initial inclusion in the financial statements:

- a) Financial instruments measured at amortized cost
- b) Debt instruments measured at fair value through other comprehensive income;
- c) Equity instruments measured at fair value through other comprehensive income
- d) Financial instruments measured at fair value through profit or loss.

Classification of financial assets is generally based on the business model the entity uses to manage financial assets and the characteristics of the financial asset's contractual cash flows.

A financial asset is measured at amortized cost if both of the following conditions are met, and it is not classified as measured at fair value through profit or loss:

- a) Holding the financial asset within the scope of a business model which aims to collect contractual cash flows; and
- b) The fact that the contractual terms of the financial asset give rise to cash flows that only include principal and interest payments arising from the principal balance on specified dates.

EXPLANATORY NOTES AS TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD THAT HAS ENDED ON 31 DECEMBER 2022

(All amounts are mentioned in Turkish Lira ("TRY"))

A debt instrument is measured by reflecting the fair value to other comprehensive income if both of the following conditions are met or if the fair value is not classified as measured through being reflected to the profit or loss:

- Holding the financial asset under a business model that aims to collect the contractual cash flows and sell the financial assets; and
- The fact that the contractual terms of the financial asset give rise to cash flows on specified dates that include only payments of principal and interest arising from the principal balance. These also include all derivative financial assets.

All financial assets that are not measured over the amortized cost or through reflecting the fair value to the other comprehensive income are measured by reflecting the fair value to the profit or loss. These include all derivative financial assets.

During the initial recognition of financial assets in the financial statements, provided that it eliminates or significantly reduces an accounting mismatch that would result from measuring financial assets differently and recognizing gains or losses on them differently, an irreversibly change in fair value of a financial asset may be defined as measured through being reflected to the profit or loss.

During the initial measurement of the financial assets other than those the fair value change of which are reflected to the profit or loss (except for the trade receivables that are measured over transaction price during the initial inclusion in the consolidated financial statements and do not have a significant financing component), transaction costs directly attributable to their acquisition or issuance are added to the fair value.

ii. Impairment of financial assets

The "expected loan losses" model is applied within the framework of TFRS 9 provisions. The new impairment model applies to financial assets and contract assets measured at amortized cost, but not to investments in equity instruments.

Financial assets measured over the amortized cost consist of trade receivables, other receivables and cash and cash equivalents.

The loss reserves for trade receivables, other receivables, other assets and contractual assets are always measured at an amount equal to lifetime expected loan losses.

When determining whether the loan risk of a financial asset has increased significantly since initial recognition within the financial statements and estimating expected loan losses, reasonable and supportable information available without undue cost or effort is taken into account. These include qualitative and quantitative information and analyzes based on the Group's past experiences and conscious loan evaluations, and forward-looking information.

Financial assets with loan impairment

The Group assesses whether financial assets measured at amortized cost have loan impairment during each reporting period. A financial asset is loan-impaired when one or more events occur that adversely affect the estimated future cash flows of a financial asset.

Observable data regarding the following events are evidence that the financial asset is loan-impaired:

- The issuer or debtor is in significant financial distress;
- Occurrence of a breach of contract due to default or significantly exceeding the maturity date;
- Due to economic or contractual reasons, the creditor grants the debtor a privilege that he or she does not normally consider, due to the debtor's financial distress;
- The fact that is probable that the debtor will go into bankrupt or enter into other financial restructuring; or
- The disappearance of an active market for this financial asset due to financial difficulties.

EXPLANATORY NOTES AS TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD THAT HAS ENDED ON 31 DECEMBER 2022

(All amounts are mentioned in Turkish Lira ("TRY"))

Representation of impairment in financial statements

Loss equivalents of financial assets measured at amortized cost are deducted from the gross values of these assets.

Drop Out

In the case that there is a reasonable expectation of recovering more cash flow from the financial asset, the gross amount of the financial asset is dropped out from the records. This situation generally occurs when the Group determines that the debtor does not have sufficient cash flow generating income sources or assets to repay the deductible amounts. However, the dropped out financial assets may still be subject to the Group's enforcement activities for the recovery of overdue receivables.

Financial assets are dropped out if there is no expectation of recovery (for example, the borrower has not made any plan for the repayment to the Group). For the dropped-out trade receivables, other receivables, other assets and contract assets, the Group continues to engage in enforcement activities in order to recover the receivables. Recovery amounts are recognized in profit or loss.

2.08.8 Effects of the Rate of Exchange Fluctuations

The Group's consolidated financial statements are presented in the currency of the main economic environment in which it operates. The financial position and operating results of the Group are expressed in the Group's applicable currency"TRY.

During the preparation of the Group's consolidated financial statements, foreign currency transactions are recorded based on the exchange rates on the date of the transaction. Monetary assets and liabilities indexed to foreign currency in the balance sheet are converted into Turkish Lira using the exchange rates applicable on the balance sheet date. Among the non-monetary items that are monitored at fair value, those recorded in foreign currency are converted into Turkish Lira based on the exchange rates at the date of determination of the fair value. Non-monetary items in foreign currency measured at historical cost are not reconverted. Exchange differences are recognized in profit or loss within the period in which they occur.

2.08.9 Events Occurred After the Reporting Period

It represents events that occur in favor of or against the entity between the date of the consolidated statement of financial position and the date of authorization for the issue of the consolidated statement of financial position. In case there is new evidence regarding the existence of the said events as of the Consolidated statement of financial position date or if the related events occur after the consolidated statement of financial position date, the Group discloses the said issues in the relevant footnotes. In case of occurrence of events requiring adjustment after the consolidated statement of financial position date, the Group adjusts the amounts recognized in the financial statements in accordance with this new situation.

2.08.10 Equivalents, Contingent Liabilities and Contingent Assets

If the Group has a present liability as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to fulfill the liability, and the amount of the liability may reliably be estimated, the related liability is recognized in the financial statements as a equivalent. Contingent liabilities are evaluated on an ongoing basis to determine whether it is probable that resources embodying economic benefits will exit the business. In terms of the items that are treated as contingent liabilities, in the case that it becomes probable that an outflow of resources embodying economic benefits in the future, such contingent liability is recognized as an equivalent in the financial statements of the period in which the change in probability occurs, except where a reliable estimate is not made.

In the event that the contingent liabilities become probable, but a reliable estimate cannot be made about the amount of resources with economic benefits, the Group presents the relevant liability in the footnotes.

EXPLANATORY NOTES AS TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD THAT HAS ENDED ON 31 DECEMBER 2022

(All amounts are mentioned in Turkish Lira ("TRY"))

An asset that will be confirmed by the occurrence or non-occurrence of one or more uncertain events arising from past events, the existence of which is not fully under the control of the entity, is considered as a contingent asset. Contingent assets are disclosed in the footnotes in case the economic benefits are likely to enter the business.

The amount to be collected in cases where it is expected that all or part of the economic benefits used to pay the equivalent amount will be met by third parties, is recognized as an asset if repayment of the same is certain and the amount has been calculated reliably.

2.08.11 Related Parties

For the purpose of these financial statements, shareholders, senior managers and members of the Board of Directors, their families, companies controlled by or affiliated with them, affiliates and partnerships are considered and expressed as "related parties". Transactions entered into with related parties due to ordinary activities were carried out on an arms-length basis.

2.08.12 Taxes Calculated Over the Corporate Income

The Association is not subject to any tax.

According to Turkish tax laws, it is not allowed for a parent company (except) and its subsidiary to file a consolidated tax return. As a result, the provisions for taxes in the accompanying consolidated financial statements have been calculated separately for each entity.

The income tax expense (or income) is determined by combining the current tax expense (or income) with the deferred tax expense (or income).

Current tax

The tax liability for the current year is recognized based on the taxable profit for the period. Taxable profit may differ from the profit reported in the income statement as it excludes items of income or expense that are taxable or deductible in other years, as well as items that are never taxable or deductible. The Group's calculation of the current tax liability uses tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognized for differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. This recognition is done using the balance sheet liability method.

Deferred tax liabilities are recognized for all taxable temporary differences, whereas deferred tax assets resulting from deductible temporary differences are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference can be utilized. Deferred tax liabilities or assets are not recognized for temporary timing differences arising on the initial recognition of assets and liabilities other than goodwill or in a business combination that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognized for temporary differences that arise from investments in subsidiaries, associates, and joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets are recognized for all taxable temporary differences associated with interests in joint ventures. The recognition of deferred tax assets arising from taxable temporary differences associated with such investments and interests is limited to the extent that they are expected to be taxable in the foreseeable future, and it is probable that sufficient profits will be available to utilize these differences and that these differences will reverse in the future.

EXPLANATORY NOTES AS TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD THAT HAS ENDED ON 31 DECEMBER 2022

(All amounts are mentioned in Turkish Lira ("TRY"))

Current and deferred tax for the period

Current and deferred tax are recognized as an expense or income in profit or loss, except when they relate to items credited or debited directly to equity, in which case the tax is also recognized directly in equity, or where they arise from the initial accounting for a business merger. In a business merger, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the fair value of the acquiree's share of the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of the business merger.

Taxes on income in the consolidated financial statements consist of current and deferred taxes. The Group acknowledges the recognition of current and deferred tax on the results for the period.

Offsetting tax assets and liabilities

Corporate tax payable is offset against prepaid corporate tax as it relates to prepaid corporate tax.

The carrying amount of deferred tax assets is subject to review at each balance sheet date. The carrying amount of deferred tax assets is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured based on the tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date, and are expected to apply in the period when the liability is settled or the asset is realized. The measurement of deferred tax liabilities and assets takes into consideration the tax consequences that would arise from the Group's expected recovery or settlement of the carrying amount of its assets and liabilities at the reporting date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities, and when they pertain to income taxes levied by the same taxation authority, or the Group intends to settle its current tax assets and liabilities on a net basis.

2.08.13 Equivalent of the Pension and Severance Pay

In accordance with the applicable labor laws in Turkey, retirement and severance pay provisions are separated as provisions as they occur in the attached consolidated financial statements. In accordance with the updated TAS 19, namely "Employee Benefits" Standards, these types of payments are considered as defined retirement benefit plans.

In the attached financial statements, the severance pay liability is reflected in the financial statements as the amount found by discounting the retirement benefits to be paid in the coming years with the appropriate interest rate adjusted for the inflation rate with the aim of calculating the value at the date of the consolidated statement of financial position.

2.08.14 Cash Flow Statement

Cash and cash equivalents are reflected with their cost values in the consolidated statement of financial position. Cash and cash equivalents taken into account for the cash flow statement include cash on hand, bank deposits and highly liquid investments. In the cash flow statement, cash flows for the relevant period are classified and reported on the basis of operating, investing and financing activities.

Cash flows arising from operating activities represent the cash flows from the main activities of the Group. Cash flows related to investment activities show the cash flows used and obtained by the Group in investment activities (asset investments and financial investments).

Cash flows related to financing activities show the resources used by the Group in financing activities and the repayments of these resources.

PAYMENT AND ELECTRONIC MONEY INSTITUTIONS ASSOCIATION OF TÜRKİYE

EXPLANATORY NOTES AS TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD THAT HAS ENDED ON 31 DECEMBER 2022

(All amounts are mentioned in Turkish Lira ("TRY"))

2.08.15 Investment Properties

The Group has no investment property as of the end of the period.

2.14 New and Revised Financial Reporting Standards of Türkiye

New and revised standards and interpretations

The accounting policies used in the preparation of the summary consolidated financial statements for the accounting period which has ended as of 31 December 2022 have been applied consistently with those used in the previous year, except for the interpretations of the new and amended Accounting Standards of Türkiye ("TAS")/IFRS and TMS/IFRS interpretations valid as of 1 January 2022, which are summarized below. The effects of these standards and interpretations on the financial position and performance of the Group are explained in the relevant paragraphs.

The new standards which are in force as of 31 December 2022 and the amendments and interpretations to the existing previous standards:

Benchmark Interest Rate Reform - Phase 2 - Amendments to TFRS 9, TAS 39, TFRS 7, TFRS 4 and TFRS 16

In December 2020, POA published the Benchmark Interest Rate Reform - Phase 2- TFRS 9, TAS 39, TFRS 7, TFRS 4 and TFRS 16 Amendments, which introduced temporary exemptions in order to eliminate the effects of changing the benchmark interest rate (IBOR) with an alternative reference interest rate to financial reporting. Businesses will apply these changes for annual accounting periods beginning on or after 1 January 2021. Early implementation is permitted.

The amendments cover the following topics;

Facilitating practice for changes in the basis for determining contractual cash flows as a result of the IBOR reform

The changes include a facilitating practice to treat the contractual changes or changes in cash flows directly required by the reform, as changes in a floating interest rate equivalent to a move in the market rate. In the event that the interest rates applicable to financial instruments change as a result of the interest rate reform within the scope of this facilitating practice, it is foreseen that this situation will not be considered as a derecognition or a change to the agreement, but instead cash flows are expected to continue to be determined by using the original interest rates of the financial instrument.

The facilitating practice is mandatory for the associations applying the TFRS 4, namely the Insurance Agreement Standard by exempting the TFRS 9, namely the Financial Instruments (and therefore IAS 39 Financial Instruments: Classification and Measurement) standard and for the implementation of the TFRS 16, namely Leases standard for the lease changes arising from the IBOR Reform.

Privileges on termination of the hedge accounting relationship

- The changes allow revisions to the hedge accounting setup and documentation required due to the IBOR reform, without terminating the hedging relationship.
- The accumulated amount in the cash flow hedge fund is assumed to be based on the alternative reference interest rate.
- During the alternative interest rate transition process, associations may choose to reset the accumulated fair value changes in terms of each hedging relationship when evaluating retrospective tests of effectiveness in accordance with TAS 39.
- The amendments provide an exemption for the items identified as the subject of the grouping approach (for example, those that are part of a macro hedging strategy) to be changed due to the revisions required by the IBOR reform. The relevant exemption allows the hedging strategy to be maintained and continued without any interruption.
- During the alternative reference interest rate transition, the hedging relationship may be revised more than once. Phase 2 exemptions apply to all revisions to the hedging relationship resulting from the IBOR reform.

EXPLANATORY NOTES AS TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD THAT HAS ENDED ON 31 DECEMBER 2022

(All amounts are mentioned in Turkish Lira ("TRY"))

Separate identification of risk components

The changes grant the associations a temporary exemption that where the alternative reference interest rate is determined as a risk component in terms of the hedging relationship, it will meet the criterion that risk components must be defined separately.

Further Explanations

Within the scope of TFRS 7, namely, Disclosures on Financial Instruments, changes introduce additional footnote obligations, such as the entity's transition to alternative reference interest rates and how it manages the risks arising from the transition, quantitative information about the financial instruments that will be affected by the IBOR transition, even if the transition has not yet occurred, and disclosure of the relevant change if the IBOR transition has led to any change in its risk management strategy.

The relevant change did not have a significant impact on the consolidated financial position or performance of the Group.

TFRS 4 (Amendments) Extension of the Temporary Exemption Period for the Application of TFRS 9

Through the postponement of the effective date of TFRS 17 to 1 January 2023, the expiry date of the temporary exemption period for the application of TFRS 9 provided to the insurers has also been revised to 1 January 2023.

Standards and amendments published but not yet entered into force as of 31 December 2022:

The new standards, interpretations and amendments that have been published as of the approval date of the consolidated financial statements but have not yet entered into force in terms of the current reporting period and have not been implemented early by the Group are as follows. Unless otherwise stated, the Group will make the necessary changes that will affect its consolidated financial statements and footnotes after the new standards and interpretations enter into force.

TFRS 17 - New Standard for Insurance Agreements

In February 2019, POA published TFRS 17, a comprehensive new accounting standard covering recognition and measurement, presentation and disclosure in terms of insurance agreements. TFRS 17 introduces a model that provides both the measurement of liabilities arising from insurance agreements through current balance sheet values and the recognition of profit throughout the period during which the services are provided. Some changes in future cash flow estimates and risk adjustment are also recognized during the period in which the services are provided. Entities may choose to recognize the effects of changes in discount rates in profit or loss or other comprehensive income. The standard includes specific guidance for the measurement and presentation of insurance agreements with participation features. TFRS 17 will enter into force for annual periods beginning on or after 1 January 2023, and early application is permitted for entities that have applied TFRS 9 Financial Instruments and TFRS 15 Revenue from Agreements with Customers on or before this date.

According to the amendments published by the POA in December 2021, when TFRS 17 is applied for the first time, enterprises have the transition option to overlap the classification in order to eliminate potential accounting mismatches between financial assets and insurance agreement liabilities in the comparative information presented.

The effects on the consolidated financial position and performance of the Group are being evaluated. In February 2019, the POA published TFRS 17, a comprehensive new accounting standard covering recognition and measurement, presentation and disclosure for insurance agreements. TFRS 17 introduces a model that provides both the measurement of liabilities arising from insurance agreements with current balance sheet values and the recognition of profit throughout the period during which the services are provided. TFRS 17 will be applied for annual accounting periods beginning on or after 1 January 2023. Early application is permitted. The effects on the consolidated financial position and performance of the Group are being evaluated.

PAYMENT AND ELECTRONIC MONEY INSTITUTIONS ASSOCIATION OF TÜRKİYE
EXPLANATORY NOTES AS TO THE CONSOLIDATED
FINANCIAL STATEMENTS FOR THE PERIOD THAT HAS ENDED
ON 31 DECEMBER 2022

(All amounts are mentioned in Turkish Lira ("TRY"))

TMS 1 Amendments - Navigating liabilities as short and long term

In January 2021, POA amended the "TAS 1 Presentation of Financial Statements" standard. These amendments, which are effective for the annual reporting periods beginning on or after 1 January 2023, clarify the criteria for long and short term classification of liabilities. The amendments should be applied retrospectively according to TAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors". Early application is permitted.

The effects on the consolidated financial position and performance of the Group are being evaluated.

TAS 8 Amendments - Definition of Accounting Estimates

In August 2021, POA published amendments to TAS 8 that introduce a new definition for "accounting estimates". The amendments published for TAS 8 are valid for annual accounting periods beginning on or after 1 January 2023. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and correction of errors. In addition, the amended standard clarifies that the effects of a change in input or a change in a measurement technique on the accounting estimate are changes in accounting estimates unless they result from a correction of prior period errors. The previous definition of change in accounting estimate indicated that changes in accounting estimates could result from new information or new developments. Therefore, such amendments are not considered as corrections of errors. This aspect of the definition has been preserved by the POA. The amendments will apply to changes in accounting estimates or accounting policies that occur on or after the effective date, and early application is permitted. Generally speaking, a material impact on the Group's consolidated financial statements is not expected.

TAS 12 Amendments - Deferred Tax as to assets and liabilities arising from a single transaction

In August 2021, POA published amendments to TAS 12 that narrowed the scope of the initial recognition exemption, thus ensuring that the exemption is not applied to transactions that result in equally taxable and deductible temporary differences. Amendments to TAS 12 are valid in terms of annual accounting periods beginning on or after 1 January 2023. The amendments clarify that where payments made with regards to a liability are tax deductible, it is a matter of judgment whether such reductions are attributable (considering applicable tax law) to the recognized liability (and to the interest expense) or related asset component (and to the interest expense) for tax purposes. This judgment is important in determining whether there is any temporary difference in initial recognition of the asset and liability. Amendments apply to transactions that occur at or after the beginning of the earliest period presented comparatively. In addition, at the beginning of the earliest comparative period presented, deferred tax asset (provided there is sufficient taxable income) and deferred tax liability are recognized for all deductible and taxable temporary differences related to leases and decommissioning, restoration and similar liabilities.

The effects on the consolidated financial position and performance of the Group are being evaluated.

TFRS 16 Amendments - Sale and leaseback transactions

These are effective for annual reporting periods beginning on or after 1 January 2024. These amendments include the sale and leaseback requirements in TFRS 16 that describe how an entity recognizes a sale and leaseback transaction after the transaction date. Sales and leaseback transactions where some or all of the lease payments consist of variable lease payments that are not tied to an index or rate are likely to be affected.

EXPLANATORY NOTES AS TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD THAT HAS ENDED ON 31 DECEMBER 2022

(All amounts are mentioned in Turkish Lira ("TRY"))

3. CASH AND CASH EQUIVALENTS

Cash and Cash Equivalents of the Group as of the end of the period are explained below:

	31 December 2022	31 December 2021
Cash	103	-
Banks	3,104,347	4,057,396
- Demand deposits	205,624	10,145
- Term deposits ^(*)	2,898,723	4,047,251
Expected loss provisions (-)	(3,296)	(4,632)
Total	3,101,154	4,052,764

^(*)As of 31 December 2022, the interest rate range of term deposits in banks is 18.95% - 20.13%. (As of 31 December 2021, the interest rate range of term deposits in banks is 12.50% - 14.60%).

The liquid values that are the basis of the cash flow statement are as follows:

	31 December 2022	31 December 2021
Cash and cash equivalents	3,101,154	4,052,764
Interest accruals	(24,784)	(85,014)
Expected loan losses	3,296	4,632
Cash and cash equivalents in the statement of cash flows	3,079,666	3,972,382

4. TRADE RECEIVABLES

Trade Receivables as of the end of the period are explained below:

	31 December 2022	31 December 2021
Recipients ^(*)	4,091,629	1,898,867
Total	4,091,629	1,898,867

^(*)Consists of subscription fees and expense participation fees to be collected in January 2022.

5. OTHER RECEIVABLES

The Group's Other Short-Term Receivables as of the end of the period are explained below:

	31 December 2022	31 December 2021
Provided deposits and guarantees ^(*)	165,200	-
Total	165,200	-

^(*)It consists of the deposit provided for the recently moved office.

PAYMENT AND ELECTRONIC MONEY INSTITUTIONS ASSOCIATION OF TÜRKİYE

EXPLANATORY NOTES AS TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD THAT HAS ENDED ON 31 DECEMBER 2022

(All amounts are mentioned in Turkish Lira ("TRY"))

6. PREPAID EXPENSES AND ASSETS RELATED TO CURRENT PERIOD TAX

The Group's Prepaid Expenses and Assets Related to Current Period Tax are explained here below:

	31 December 2022	31 December 2021
Advance payments related to the orders ^(*)	140.775	-
Prepaid taxes	-	30.030
Total	140.775	30.030

^(*)The balance consists of new office restoration, accommodation etc.

7. LONG - TERM FINANCIAL INVESTMENTS

There are no long-term financial investments.

8. TANGIBLE AND INTANGIBLE FIXED ASSETS

The Group's Tangible and Intangible Fixed Assets as of the end of the period are explained below:

Cost	1 January 2022	Inputs	Outputs	31 December 2022
Fixtures	82,441	1,595,274	-	1,677,715
Specific Costs	-	980,435	-	980,435
Right to use assets ^(*)	191,171	1,165,761	(191,171)	1,165,761
	273,612	3,741,470	(191,171)	3,823,911
Accumulated Depreciation	1 January 2022	Inputs	Outputs	31 December 2022
Fixtures	(12,341)	(116,260)	-	(128,601)
Specific Costs	-	(23,666)	-	(23,666)
Right to use assets ^(*)	(143,378)	(513,140)	143,378	(513,140)
	(155,719)	(653,066)	143,378	(665,407)
Net Book Value	117,893			3,158,504

^(*)The Group has recognized the real estate lease realized within the scope of operating lease within the scope of TFRS 16 "Right of Use Assets".

As of 31 December 2022 and 31 December 2021, there is no pledge on the tangible fixed assets of the Group.

Cost	1 January 2022	Inputs	Outputs	31 December 2022
Rights	-	379,013	-	379,013
Accumulated Depreciation	1 January 2022	Inputs	Outputs	31 December 2022
Rights	-	(52,114)	-	(52,114)
	-	(52,114)	-	(52,114)
Net Book Value	-			326,899

EXPLANATORY NOTES AS TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD THAT HAS ENDED ON 31 DECEMBER 2022

(All amounts are mentioned in Turkish Lira ("TRY"))

9. OTHER CURRENT AND FIXED ASSETS

Other Current Assets of the Group as of period ends are as follows:

	31 December 2022	31 December 2021
Business Advances	6,197	3,580
Total	6,197	3,580

Other Fixed Assets of the Group as of the period ends are as follows:

	31 December 2022	31 December 2021
Expenses of future years ^(*)	420,998	51,170
Total	420,998	51,170

^(*)It consists of insurance policies and car rental costs.

10. TRADE PAYABLES

Trade Payables of the Group as of the period ends are as follows:

	31 December 2022	31 December 2021
Sellers ^(*)	1,072,833	11,904
Total	1,072,833	11,904

^(*)Payables to the sellers relate to new office expenses and operating expenses.

11. SHORT TERM BORROWINGS

The Group's Short-Term Borrowings as of the ends of the period are as follows:

	31 December 2022	31 December 2021
Liabilities arising from rental transactions	655,054	50,866
Other financial liabilities	-	1,971
Total	655,054	52,837

As of 31 December 2022, the details of the payables arising from the lease transactions are as follows:

	31 December 2022		
	The minimum future financial leasing payment	Interest	Book value of minimum leasing payments
Less than 1 year	655,054	(26,042)	629,012
	655,054	(26,042)	629,012

EXPLANATORY NOTES AS TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD THAT HAS ENDED ON 31 DECEMBER 2022

(All amounts are mentioned in Turkish Lira ("TRY"))

12. PAYABLES AND PROVISIONS AS TO EMPLOYEE BENEFITS

As of 31 December 2022 and 31 December 2021, payables within the scope of employee benefits are as follows:

	31 December 2022	31 December 2021
Social security deductions to be paid	194,083	35,981
Payables to staff	6,351	-
Income tax to be paid	72,662	24,544
Stamp tax to be paid	1,777	828
Total	274,873	61,353

As of 31 December 2022, and 31 December 2021, provisions for short-term employee benefits are as follows:

	31 December 2022	31 December 2021
Leave provision	93,942	-
Total	93,942	-

As of 31 December 2022, and 31 December 2021 provisions for long-term employee benefits are as follows:

	31 December 2022	31 December 2021
Provision for severance pay	20,567	-
Total	20,567	-

Pursuant to the provisions of the Labor Law in force, employees whose employment agreements are terminated in a way to qualify for severance pay are obliged to pay the legal severance to which they are entitled. In addition, there is an obligation to pay the legal severance pay to those who are entitled to leave the job by receiving severance pay in accordance with the legislation which is still in effect. Severance pay to be paid as of 31 December 2022 is subject to a monthly maximum wage of TL 19.982.83.

Severance pay liability is calculated by estimating the present value of the future potential obligation of the Group arising from the retirement of the employees. TAS 19 "Employee Benefits" stipulates the development of the obligations of the Group by using actuarial valuation methods within the scope of defined benefit plans. The actuarial assumptions used in the calculation of total liabilities are set out below. The main assumption is that the maximum liability for each year of service will increase in line with inflation. Therefore, the discount rate applied represents the expected real rate after adjusting the effects of future inflation. As of 31 December 2022, provisions in the attached financial statements are calculated by estimating the present value of the future potential obligation arising from the retirement of the employees. As of 31 December 2022, the provisions have been calculated with a real discount rate of 3.33%, assuming an annual inflation rate of 20% and a discount rate of 24%. retirement probability estimation for severance pay liabilities is calculated as 93.33% for 31 December 2022.

EXPLANATORY NOTES AS TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD THAT HAS ENDED ON 31 DECEMBER 2022

(All amounts are mentioned in Turkish Lira ("TRY"))

The Severance Pay activities are as follows:

Account Name	1 January 2022	31 December 2022
1 January	-	-
Current service cost		12,556
Interest Cost	-	-
Actuarial Gains and Losses		8,010
Payment	-	-
Loss due to Pay/Benefit Reduction/Discharge	-	-
Closing		20,567

13. DEFERRED INCOMES

As of 31 December 2022, the participation shares and annual fees collected from the members are recorded as income, and the remaining fees amounting to TRY 2,478,834 are recognized as deferred income. (31 December 2021: TRY 1.898.867)

14. OTHER SHORT TERM LIABILITIES

Other Short-Term Liabilities of the Group as of the end of period are as follows:

	31 December 2022	31 December 2021
VAT to be paid	83,339	29,507
Withholding to be paid	-	21,373
Other debts	13,845	-
Total	97,184	50,880

EXPLANATORY NOTES AS TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD THAT HAS ENDED ON 31 DECEMBER 2022

(All amounts are mentioned in Turkish Lira ("TRY"))

15. REVENUE

The details of Revenues for the periods ending on 31 December 2022 and 2021 are as follows:

	1 January 2022 - 31 December 2022	1 January 2021 - 31 December 2021
Expense share income	5,799,917	1,520,752
Association dues income	2,666,642	762,500
Association entrance fee	2,510,787	517,115
Education Income	113,600	-
Other Income	46,176	-
Sales Returns	(1,000)	-
Total	11,136,122	2,800,367

16. GENERAL MANAGEMENT EXPENSES

The details of General Administrative Expenses for the periods ending on 31 December 2022 and 2021 are as follows:

	1 January 2022 - 31 December 2022	1 January 2021 - 31 December 2021
Personnel expenses	(3,830,484)	(1,065,346)
Audit and consultancy expenses	(1,325,146)	(668,970)
Taxes, duties and fees	(6,745)	(212,682)
Depreciation expenses	(705,181)	(155,719)
IT expenses	(650,726)	(113,765)
General office expenses	(132,401)	(41,372)
Rental expenses	(291,037)	(40,155)
Travel expenses	(271,600)	-
Representation and hospitality expenses	(209,907)	-
Education expenses	(830,331)	-
General assembly expenses	(254,871)	-
Severance pay expenses	(12,557)	-
Other expenses	(264,828)	(254,133)
Total	(8,785,814)	(2,552,142)

EXPLANATORY NOTES AS TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD THAT HAS ENDED ON 31 DECEMBER 2022

(All amounts are mentioned in Turkish Lira ("TRY"))

17. OTHER INCOME/EXPENSE ARISING FROM MAIN ACTIVITIES

The details of Other Operating Incomes/Expenses for the periods that have ended on 31 December 2022 and 2021 are as follows:

	1 January 2022 - 31 December 2022	1 January 2021 - 31 December 2021
Other Income Arising from Main Activities		
Incentive discount numbered 5510	4,797	31,242
Other	14,830	6,100
Total	19,627	37,342

	1 January 2022 - 31 December 2022	1 January 2021 - 31 December 2021
Other Expenses arising from Main Activities		
Donations and charities	100,500	85,400
Loss on exchange	45,600	-
Other	3,296	39,445
Total	149,396	124,845

18. FINANCING INCOMES/EXPENSES

The details of Financing Income/Expense for the periods ending on 31 December 2022 and 2021 are as follows:

	1 January 2022 - 31 December 2022	1 January 2021 - 31 December 2021
Financing incomes		
Term deposit interest income	565,127	636,001
Total	565,127	636,001

	1 January 2022 - 31 December 2022	1 January 2021 - 31 December 2021
Financing expenses		
Bank charges	(10,087)	-
Interest expenses	(127,963)	(15,222)
Total	(138,050)	(15,222)

PAYMENT AND ELECTRONIC MONEY INSTITUTIONS ASSOCIATION OF TÜRKİYE

EXPLANATORY NOTES AS TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD THAT HAS ENDED ON 31 DECEMBER 2022

(All amounts are mentioned in Turkish Lira ("TRY"))

19. RELATED PARTY DISCLOSURES

As of 31 December 2022, and 31 December 2021, there are no receivables/payables from related parties.

As of 31 December 2022, there are no benefits provided to senior executives. (31 December 2021: Not available.)

20. EQUITIES

Legal Reserves

As of 31 December 2022, the Group's legal reserves amount to TRY 2,346,750 (31 December 2021: TRY 1.097.363).

Retained Earnings

As of 31 December 2022, the Group's retained earnings amount to TRY 1,731,711 (31 December 2021: TRY 2.199.599).

Net Profit for the Period

As of 31 December 2022, the Group's income surplus amount to TRY 2,573,421 (31 December 2021: TRY 781.501).

EXPLANATORY NOTES AS TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD THAT HAS ENDED ON 31 DECEMBER 2022

(All amounts are mentioned in Turkish Lira ("TRY"))

The income surplus of the Group pursuant to the current period legal records is TRY 182,957. The income surplus of the Group pursuant to the financial statements issued in accordance with TAS/IFRS is TRY 2,647,616. The details as to the difference amount, which is TRY is as follows.

Explanation	31 December 2022
Time deposit expected loss provision corrections (IFRS 9)	1,336
The future rediscount corrections (TAS 39)	(60,230)
Renting corrections (IFRS 16)	640
Fixed asset corrections (TAS 16)	2,629,412
Employee benefits corrections (TAS 19)	(106,499)
Total	2,464,659

Accumulated Other Comprehensive Income or (Expenses) which will not be Reclassified under Profit or Loss

As of 31 December 2022, the Group's accumulated other comprehensive expenses which will not be reclassified under the profit or loss of the Group amount to (TRY 8,010) (31 December 2021: Not found)

Account Name	31 December 2022	31 December 2021
Paid in Capital	-	-
Accumulated other comprehensive income or (expenses) which will not be reclassified under the profit or loss	(8,010)	-
<i>Defined Benefit Plans Remeasurement Earning and Losses</i>	(8,010)	-
Reserves on Retained Earnings	2,346,750	1,097,363
Retained Earnings	1,731,713	2,199,599
Net Profit for the Period	2,647,616	781,501
Total Equities	6,718,069	4,078,463

EXPLANATORY NOTES AS TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD THAT HAS ENDED ON 31 DECEMBER 2022

(All amounts are mentioned in Turkish Lira ("TRY"))

21. NATURE AND LEVEL OF RISKS STEMMING FROM FINANCIAL INSTRUMENTS

Purpose and principles of risk management

The Group is exposed to various financial risks including the impacts of the changes in prices of debt and capital market, exchange rates and interest rates due to its activities. The risk management plan of the Group focuses on the unpredictability and variability of financial markets and aims to minimize the potential negative impacts on the financial performance of the Group.

Credit risk

Maintaining financial instruments bears the risk of other party's failure to fulfill contractual requirements. The management of the Group covers those risks by limiting the average risk in terms of each contracting counterpart and by taking securities when necessary. Collection risk of the Group arises fundamentally from the receivables from its members.

31 December 2022	Other Receivables	Trade Receivables	Bank Deposits	Financial Investments
Maximum credit risk exposure as of the date of reporting (A+B+C+D+E) ⁽¹⁾	-	4,091,629	3,101,051	-
- Secured part of the maximum risk through collateral etc. ⁽²⁾	-	-	-	-
A. Net book value of the financial assets that are not overdue or impaired	-	4,091,629	3,101,051	-
B. Book value of the financial assets, the terms of which are renegotiated, otherwise will be deemed overdue or impaired	-	-	-	-
C. Net Book Value of the assets, which are overdue but not impaired	-	-	-	-
- The secured part through collateral etc.	-	-	-	-
D. Net book values of the assets which are impaired	-	-	-	-
- Overdue (gross book value)	-	-	-	-
- Impairment (-)	-	-	-	-
- The part of the net value secured through collateral etc.	-	-	-	-
- Undue (gross book value)	-	-	-	-
- Impairment (-)	-	-	-	-
- The part of the net value secured through collateral etc.	-	-	-	-
E. Elements including off balance sheet credit risk	-	-	-	-

EXPLANATORY NOTES AS TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD THAT HAS ENDED ON 31 DECEMBER 2022

(All amounts are mentioned in Turkish Lira ("TRY"))

31 December 2021	Other Receivables	Trade Receivables	Bank Deposits	Financial Investments
Maximum credit risk exposure as of the date of reporting (A+B+C+D+E) ⁽¹⁾	-	1,898,867	4,052,764	-
- Secured part of the maximum risk through collateral etc. ⁽²⁾	-	-	-	-
A. Net book value of the financial assets that are not overdue or impaired	-	1,898,867	4,052,764	-
B. Book value of the financial assets, the terms of which are renegotiated, otherwise will be deemed overdue or impaired	-	-	-	-
C. Net Book Value of the assets, which are overdue but not impaired	-	-	-	-
- The secured part through collateral etc.	-	-	-	-
D. Net book values of the assets which are impaired	-	-	-	-
- Overdue (gross book value)	-	-	-	-
- Impairment (-)	-	-	-	-
- The part of the net value secured through collateral etc.	-	-	-	-
- Undue (gross book value)	-	-	-	-
- Impairment (-)	-	-	-	-
- The part of the net value secured through collateral etc.	-	-	-	-
E. Elements including off balance sheet credit risk	-	-	-	-

Liquidity risk

Both the current and future potential borrowing necessities funding risks are managed by maintaining the availability of sufficient number and high-quality lenders.

Prudent liquidity risk management means having enough cash and securities available, the utility of sources of funds as well as the power of closing out market positions.

EXPLANATORY NOTES AS TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD THAT HAS ENDED ON 31 DECEMBER 2022

(All amounts are mentioned in Turkish Lira ("TRY"))

The maturity dispersion of the commercial debts of the Group based on their maturity dates as of 31 December 2022 and 2021 are as follows:

31 December 2022

Contractual Maturities r	Book Value	Total Cash-flows According to Agreements (=I+II+III)	Shorter than 3 months (I)	Between 3-12 months (II)	Between 1-5 years (III)
Non-derivative financial liabilities					
Commercial debts	1,072,833	1,072,833	1,072,833	-	-
Liabilities stemming from leasing	655,054	681,096	268,096	413,000	-
Total	1,727,887	1,753,929	1,340,929	413,000	-

31 December 2021

Contractual Maturities r	Book Value	Total Cash-flows According to Agreements (=I+II+III)	Shorter than 3 months (I)	Between 3-12 months (II)	Between 1-5 years (III)
Non-derivative financial liabilities					
Commercial debts	11,904	11,904	11,904	-	-
Liabilities stemming from leasing	50,866	51,600	51,600	-	-
Total	62,770	63,504	63,504	-	-

EXPLANATORY NOTES AS TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD THAT HAS ENDED ON 31 DECEMBER 2022

(All amounts are mentioned in Turkish Lira ("TRY"))

Interest Rate Risk

The Group is required to cope with interest rate risk due to the fluctuations in the prices of financial instruments because of changes in the interest rates of the market. The relevant risk is managed by covering the assets that are affected by interest changes through same types of liabilities. The Group does not have interest sensitive liabilities. The Group utilizes its cash as bank deposits. The Group does not bear a great extent of interest risk as bank deposits are overnight.

The average interest rate applicable to financial instruments as of 31 December 2022 and 2021 are as follows:

	31 December 2022	31 December 2021
Financial assets		
- Time deposit before banks	18.95% - 20.13%	12.50% - 14.60%
- Liabilities stemming from leasing	10.75%	18.46%

Foreign Currency Risk

The Group is exposed to exchange rate risk due to changes in exchange rates occurred because of conversion of amounts in foreign currency into TRY both in debtor and creditor side. The currency pursues a currency position stabilization policy to mitigate currency risk.

The Group does not have any foreign currency risk as it does not have any foreign Exchange balance as of 31 December 2022 and 2021.

22. EVENTS AFTER THE BALANCE SHEET DATE

Not available.

23. OTHER MATTERS THAT AFFECTED THE FINANCIAL STATEMENTS SIGNIFICANTLY OR ARE REQUIRED TO BE EXPLAINED SO THAT THE FINANCIAL STATEMENTS COULD BE CLEAR, INTERPRETABLE AND UNDERSTANDABLE

Not available.

Design services

TAYBURN®

T: +90 212 227 0436
www.tayburnkurumsal.com
Brands & Reputations.

www.todeb.org.tr

PAYMENT AND ELECTRONIC MONEY INSTITUTIONS ASSOCIATION OF TÜRKİYE
Saray Mah. Ahmet Tevfik İleri Cad. Onur Ofis Park İş Merkezi Sitesi A2 Blok No: 10 A
Kat: 4 İç Kapı No: 5 34768 Ümraniye / İstanbul/Türkiye
0 (850) 224 6493

bilgi@todeb.org.tr

todeb.org.tr

