

Annex I

The Turkish Government has adopted several urgent measures to support the liquidity of companies and ensure business continuity. The applicable measures are described and compared below.

Applicable Measures	Large corporates (non-SMEs)	SMEs																
Expansion of the CGF Quasi-State Guarantee	<p>Beneficiaries: although the CGF's priority is to support SMEs, non-SMEs (such as large corporates) can also apply for CGF guarantee programmes. Beneficiaries must be incorporated in Turkey but no distinction has been made based on their shareholding structure (e.g., a distinction as to companies with a foreign shareholding).</p> <p>Type of guarantee: first demand guarantee provided to the Turkish credit institutions. However, the credit institutions are required to offer to their customers restructuring the defaulted loans, before they call the CGF guarantee.</p> <p>Type of financing: CGF guarantees cover up to 90% of exposure under a loan to a SME beneficiary, up to 85% of a loan to a non-SME beneficiary, and up to 100% of a loan granted to an exporter beneficiary, as long as the total NPL rate of the CGF-guaranteed portfolio of the relevant Turkish bank does not exceed 7%.</p> <p>Maximum guaranteed amount: (i) TL 35 million (approx. EUR 4.5 million) for SMEs; however, this limit applies as TL 50 million (approx. EUR 6.5 million) until 31 December 2020 and (ii) TL 250 million (approx. EUR 32 million) for legal entity beneficiaries other than SMEs; however, this limit applies as TL 350 million (approx. EUR 45 million) until 31 December 2020.</p> <p>Conditions: apart from the conditions that banks apply for regular loan process, the below conditions apply:</p> <ul style="list-style-type: none"> (i) not being insolvent; (ii) having duly made tax payments and payments to the social security institution; (iii) not having an exposure classified as an non-performing loan by a Turkish bank; and (iv) being deemed creditworthy by a Turkish financial institution and the CGF having received the relevant documents evidencing such creditworthiness. <p>Process: in principle, the CGF does not accept direct applications from the borrowers to provide guarantees. Non-SME borrower companies are required to make an application to a Turkish bank to borrow a CGF-guaranteed loan and goes through the usual credit assessment of the Turkish banks. Generally, SMEs are also required to follow this route. The CGF may make an additional evaluation of the creditworthiness of the beneficiaries through its own specialists.</p>																	
Low-Interest Loans under the Leadership of BAT	<p>Beneficiaries: all firms businesses adversely from the pandemic are eligible to file an application on the condition that they have not, and will not decrease, their headcount; however, this programme targets primarily the SMEs.</p> <p>Type of financing: Turkish Lira loans to businesses with a 12-month term and an interest rate of 9.5% p.a. without any principal or interest payments for three months.</p> <p>Maximum loan amount: vary between private and state-owned banks.</p>																	
	<p>The BAT indicated in its announcement of 27 March 2020 that the maximum loan amounts which could be obtained within this scope are as follows:</p> <table border="1"> <thead> <tr> <th>YEARLY TURNOVER</th> <th>MAX. LOAN AMOUNT</th> </tr> </thead> <tbody> <tr> <td>TL 0-25 Million</td> <td>TL 5,000,000 (approx. EUR 0.65 million)</td> </tr> <tr> <td>TL 25-125 Million</td> <td>25,000,000 (approx. EUR 3.25 million)</td> </tr> <tr> <td>More than TL 125 Million</td> <td>50,000,000 (approx. EUR 6.5 million)</td> </tr> </tbody> </table> <p>Three state-owned banks may offer these loans in a higher amount as set out in the table below, if the customer provides sufficient collateral for the loan, or the loan is guaranteed by the CGF within scope of the CGF guarantee scheme:</p> <table border="1"> <thead> <tr> <th>YEARLY TURNOVER (TL)</th> <th>MAX. LOAN AMOUNT</th> </tr> </thead> <tbody> <tr> <td>TL 0-25 Million</td> <td>TL 12,500,000 (approx. EUR 1.62 million)</td> </tr> <tr> <td>TL 25-125 Million</td> <td>TL 62,500,000 (approx. EUR 8.12 million)</td> </tr> <tr> <td>More than TL 125 Million</td> <td>TL 125,000,000 (approx. EUR 16.2 million)</td> </tr> </tbody> </table>		YEARLY TURNOVER	MAX. LOAN AMOUNT	TL 0-25 Million	TL 5,000,000 (approx. EUR 0.65 million)	TL 25-125 Million	25,000,000 (approx. EUR 3.25 million)	More than TL 125 Million	50,000,000 (approx. EUR 6.5 million)	YEARLY TURNOVER (TL)	MAX. LOAN AMOUNT	TL 0-25 Million	TL 12,500,000 (approx. EUR 1.62 million)	TL 25-125 Million	TL 62,500,000 (approx. EUR 8.12 million)	More than TL 125 Million	TL 125,000,000 (approx. EUR 16.2 million)
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Measures regarding Rediscount Loans for Exports and F/X-Revenue-Generating Services	Extension of the maturities of rediscount loans up-to 90 days. Extension of the maximum maturity period for rediscount loans to 240 days for short-term loans and to 720 days for long-term loans. An additional period of 12 months for fulfilling outstanding export or F/X-revenue generation commitments. Applies to outstanding commitments and commitments for new loans to be extended until 30 June 2020.
State-Sponsored Trade Credit Insurance	Not available to large corporates. Only enterprises with an annual net sales revenue below TL 125 million (approx. EUR 16.2 million) are eligible to benefit from this opportunity. A maximum coverage limit of TL 750,000 (approx. EUR 97,000) per counterparty is now available with the changes introduced at the end of March 2020. This limit was formerly TL 300,000 (approx. EUR 39,000). Lower maximum coverage limits apply depending on the most recent annual turnover realised by the applicant enterprise from forward sales.
KOSGEB credit support for loans from Turkish banks	Not available to large corporates. KOSGEB pays without consideration certain financing costs (including interest) for the loans extended by Turkish banks to SMEs, in accordance with the protocols entered into by and between KOSGEB and the lender. The upper limit was previously TL 300,000 (approx. EUR 39,000) in total per applicant enterprise. It has been increased to TL 3 million annually per applicant enterprise on 2 April 2020. Repayments on outstanding KOSGEB-supported loans, which were supposed to fall due in April, May or June 2020, are postponed until 30 June 2020, without extra financing costs.
Employment-Related Measures	All businesses whose working hours in a workplace are decreased by one-third of the ordinary working hours or the operations of a work place have been wholly or partially suspended for at least a four-week period due to COVID-19 may apply for short-term working allowance for its employees. While companies may not unilaterally terminate employment or service agreements until 17 July 2020 (unless based on immoral, dishonourable or malevolent conduct or other similar act or behaviour of the employee) they may furlough their employees (<i>i.e.</i> , put employees on unpaid leave). A salary support of TRY 39.24 (approx. EUR 5.20) per day from the Turkish State's unemployment fund is to be paid to furloughed employees, if such employees (i) cannot benefit from the short-term working allowance; and (ii) do not receive a pension pay from any social security organisation at the same time.
Rent-Related Measures	Non-payment of rents for workplaces accrued from 1 March 2020 until 30 June 2020 will not be a ground for termination of the lease agreement and eviction of the tenant from the leased premises for all businesses. If the business (i) is a tenant of municipalities, provincial special administrations, provincial special administrations' subsidiaries and local administrative associations;

	and (ii) its operations were suspended by the government, they will be exempted from paying their leases <i>for the duration of their inability to operate</i> .
Suspension of Bankruptcy and Judicial Proceedings	The Parliament and the Government have enacted legislative measures (i) suspending all pending enforcement and bankruptcy proceedings; (ii) halting the initiation of new enforcement and bankruptcy proceedings and execution of preliminary attachment decisions; and (iii) suspending the statutory prescriptive periods for legal proceedings until 15 June 2020. There are certain very limited exceptions to these restrictions, such as the continuation of execution proceedings for alimonies or the deadlines for submitting administrative proceedings.