

**We achieve
progress
for the future...**

KKB Annual Report 2023



Fiscal Period of the Report: 01.01.2023-31.12.2023
Commercial Title: KKB Kredi Kayıt Bürosu A.Ş.
Trade Registry No.: 329148 - 0
MERSIS Number: 0564-0004-2270-0011
Tax Office/Number: Anadolu Corporate T.O. 564 000 4227
Address: Barbaros Mah. Ardiç Sok. Varyap Meridian F Blok
Ataşehir-Istanbul-Türkiye
Phone: +90 216 579 29 29
Fax: +90 216 455 45 36
Website: www.kkb.com.tr
Call Center: 444 4 552 / info@kkb.com.tr



“

Driven by digitalization, everything is changing in the lives of individuals and in the corporate sphere. As Kredi Kayıt Bürosu (KKB), we are equipped to meet these transforming needs and expectations.

Closing yet another year of significant progress, as Kredi Kayıt Bürosu (KKB), we continued to provide value-added products and services to the financial and corporate sectors, as we have for more than a quarter of a century, through our digital transformation vision, our R&D strength, and our competent human resources.

As we strengthen and grow our country's economy, we generate environmental and social benefits and we transform technology into value.





We achieve growth by using technology effectively

“

As KKB, we focus on providing all service processes via digital platforms. In addition to operating as a digital service provider, we are also a financial technology company that consistently diversifies its products and services in line with technological developments. We continue to grow by creating value for our customers, our business partners, and all our stakeholders.

93

Products and Services



We achieve improvement

with innovations that
shape financial life

“

We ensure that the information access processes available to KKB, individual users, and public and private institutions are fast, easy and secure through both the products and services we design for digitalization, and the pioneering technological steps we take. With innovative solutions such as the Electronic Letter of Guarantee and the QR Code Cheque System offered through the Findeks financial services platform, we shape the future of financial life.

7,412,482

Number of Findeks
Members



We achieve success

for SMEs that bring
strength to the economy

“

Findeks, our financial services platform, brings together the products and services we develop for the real sector and individuals under one roof. To keep the wheels turning smoothly in the real sector, we are taking our achievements to greater levels. We make life easier for businesses with products and services such as the Findeks Credit Rating, the QR Code Cheque System, Risk and Cheque Reports, the Electronic Letter of Guarantee, and Real Sector Decision Support Systems.

174
Million

Corporate Bureau
Inquiries



We achieve progress for the future of our planet

“

Equipped with advanced technology for seamless, maximum-security services, the KKB Anadolu Data Center stands out as the “first and only” data center in Türkiye to hold the LEED Platinum Green Building Certificate, considered an environmental standard. We are honored to be the first institution to calculate carbon and water footprint values for the Data Center by means of the end-to-end life cycle assessment method.

5%

Carbon Emission
and Water Footprint
Reduction Goal



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Who We Are

An abstract graphic featuring a hand pointing towards a digital background. The background is dark blue with glowing binary code (0s and 1s) in various colors. A series of orange and yellow lines flow from the left side, creating a sense of motion and connectivity. The overall theme is digital technology and innovation.

< 1. About KKB

The symbol of sustainable trust in finance



194

Total Number of Members

Kredi Kayıt Bürosu (KKB) was founded on 11 April 1995, as a partnership between nine leading banks. One of the long-established institutions in the finance sector, KKB has a total of 194 members, as of 31 December 2023, including

- 63 banks,
- 20 consumer finance,
- 49 factoring,
- 20 financial leasing,
- 10 insurance,
- 24 asset management companies,
- 8 other companies.

As required by Banking Law No: 5411 (Article 73/4), KKB was established by at least five banks to facilitate the exchange of information and documents between financial institutions. Under the same article, corporate members have been sharing customers' credit information since April 1999.

With Law No. 6111 issued on 25 February 2011, Additional Article 1 and Provisional Article 28 were added to Banking Law No. 5411. Pursuant to Additional Article 1, a Risk Center has been established within the organization of the Banks Association of Türkiye (TBB) to collect the risk data of customers of credit institutions and any financial institutions deemed appropriate by the Banking Regulation and Supervision Agency (BRSA) and to share such data with the referenced institutions and with the customers themselves, or with any private law legal entities and third natural persons if consent has been given by the customers.

Upon transfer of the Risk Centralization Center within the organization of the Central Bank of the Republic of Türkiye (CBRT), the Risk Center of TBB started its operations on 28 June 2013. KKB conducts all operational and technical activities through its organization on behalf of the Risk Center of TBB and is provides data collection and sharing services to 185 financial institutions which are members of the Risk Center (RC).

With the Check Report and Risk Report launched in January 2013, KKB has started to offer services for individuals and the real sector as well as financial institutions.

Offering significant tools for individuals and organizations to manage their financial reputation, KKB introduced Find-eks, a financial services platform aimed at individual customers and the real sector in 2014. Ultimately, through the QR Code Cheque System - launched by KKB in 2015, became mandatory by law in 2016, and entered into force as of 1 January 2017 - an important step was taken for a more transparent and secure commercial life. The KKB Anadolu Data Center, which started operations in December 2016, provides data center, emergency center, and cloud services as well as structured central products tailored for institutions and technology infrastructure services, especially for the banking and finance sector.

< 1. About KKB



KKB minimizes uncertainty in commercial life and transforms data into a secure future.



KKB adds new value-added products and services to its offerings to the financial and real sectors every day and brings ease to the lives of its stakeholders and customers with the power of technology. As of 2023 year-end, KKB offers 93 products and services for members. In addition to its products and services, KKB is focused on innovation in its internal activities and brings added confidence and difference to financial life. Contributing to the development and growth of the financial and banking sector with its R&D Center, KKB sets itself apart in Türkiye with its research and product development studies and also sets an example to the world. KKB R&D Center continues to support initiatives and entrepreneurs while promoting the use of domestic products through collaborations with industry and academia.

In addition to the economic and financial solutions it offers, especially in the banking and finance sector, KKB has been carrying out its activities for many years in order to add value to our country, to raise awareness of social issues and to raise awareness of social responsibility, especially among the young people who are the architects of our future. Thanks to the adoption and internalization of the corporate social responsibility approach from the highest level of management, the employees of the institution also take on an active volunteering role.

678
Employees

KKB minimizes uncertainty in commercial life and transforms data into a secure future, with its knowledge and qualified, specialized workforce consisting of 678 employees as of the end of 2023. With its experience, expertise and innovation power, KKB goes the extra mile and realizes projects beyond our country's borders with its cooperation with credit bureaus around the world, and provides credit bureau consultancy, serving as an example in its sector internationally with its knowledge and competence.

2. Shareholding Structure

Solid structure established with the partnership of nine banks

KKB was established as a partnership of 11 banks and currently has 9 shareholders.

18.18%
Türkiye Halk Bankası A.Ş.

9.09%
Şekerbank T.A.Ş.

18.18%
Yapı ve Kredi Bankası A.Ş.

9.09%
Akbank T.A.Ş.

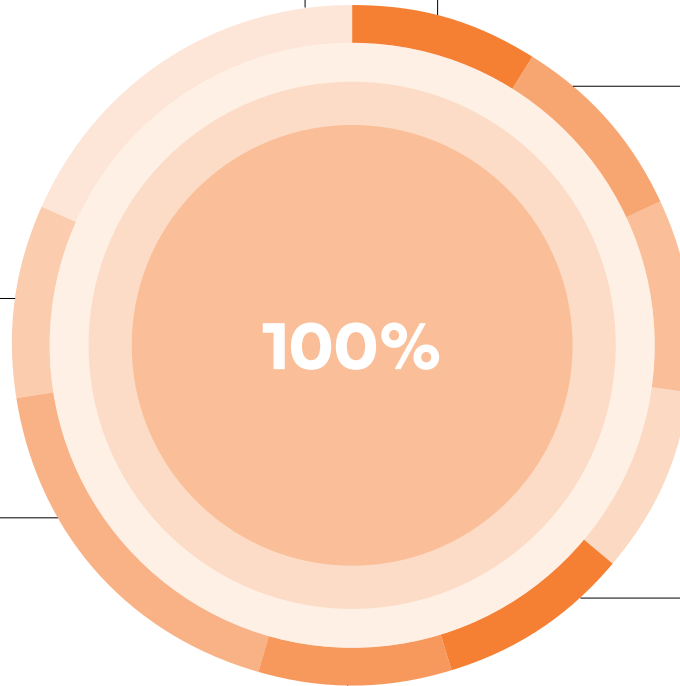
9.09%
DenizBank A.Ş.

9.09%
T. Vakıflar Bankası T.A.O.

9.09%
T.C. Ziraat Bankası A.Ş.

9.09%
Türkiye İş Bankası A.Ş.

9.09%
Türkiye Garanti Bankası A.Ş.



3. Vision, Mission and Strategies

MAIN STRATEGIES

The main strategies determined by KKB for 2023 were as follows:

VISION

To become an exemplary, leading credit bureau in the world and a growing asset for Türkiye, by exceeding expectations with innovative products and services.



Basic Bureau Services

Performing other services as determined by contracts, in particular data collection, storage and sharing, provided to the TBB Risk Center, to the highest standards of security and service, using KKB's competence in information gathering, safe storage, sharing and development of value added products and services in order to meet similar needs in various sectors, enhancing data resources to this end, providing the analysis and reports needed to support shareholders' credit policies and strategic decisions.



Analytical Services

Expanding the application surfaces of big data, artificial intelligence and advanced analytical methods, developing internal competencies in these areas and increasing the number of R&D projects based on analytical models.



Managed Services

Providing and operating the services needed by the financial sector by using KKB's technological, analytical and general capabilities, providing operational productivity and cost advantages by centralizing transactions realized by different institutions within KKB, carrying out activities to increase awareness and production efficiency in the real sector by reducing costs of accessing information technologies, supporting domestic R&D activities, developing products with technologies such as artificial intelligence and blockchain, collaborating with companies producing technology within this scope.

MISSION

To offer the information and technology that meets the financial needs of the financial industry and the real sector, in the best way, to increase the operational efficiency of the institutions it serves.

< 3. Vision, Mission and Strategies

MAIN STRATEGIES



Findeks

Developing the products and services offered through Findeks, KKB's service channel and brand for individuals and non-financial sectors, increasing the awareness of risk management and financial literacy among the target segment, implementation of products beneficial to the real sector in risk management, facilitating access to financial products for the real sector and individuals.



Data Center and Cloud Services

Providing infrastructure shared data center services to the public and real sectors, primarily the financial sector, providing Cloud-based software and platform services and other related value-added services, providing cloud-based services that Fintech and other start-ups may access easily and benefit from.



Corporate Social Responsibility

Providing benefit to society and the environment with innovation-based social responsibility projects which it will develop and support, ensuring increased public awareness on these issues, implementing the basic requirements in terms of environmental awareness and sustainability, and demonstrating positive discrimination in favor of institutions which have proved effective in this regard.



Corporate Governance

KKB's being one of the most popular companies to work with its highly competent staff in its field and as an institution which prioritizes institutionalism by creating a corporate culture that observes justice and encourages unity among its employees, operates its processes in accordance with best practices and provides a high level of employee satisfaction.

< 4. Corporate Values

Providing added value

to all stakeholders

“

KKB has been continuing its activities for many years in order to add value to our country in addition to offering economic and financial solutions.



Teamwork

Our greatest strength is to act with a teamspirit for the common goal by adopting open and transparent communication.



Reputation

As a symbol of trust, our place in Turkish economy is defined by our reputation and reliability.



Responsibility

We are responsible for providing economic and social benefit to our country for a sustainable future, treating our stakeholders and employees with fairness and informing our members and customers accurately and completely.



Continuous Development

With our innovation approach and qualified employee staff, we prioritize the continuous development of our products, service quality and technological infrastructure.



5. Awards and Achievements

Sustainable success with award-winning projects and services

2014

GeoMIS Map-Based Reporting System

"Oracle 2014 Innovator Excellence" Award

2018

Kredi Kayıt Bürosu Information Security Team

The "Security Team of the Year" award in the EMEA region by the global cybersecurity company FireEye.

Electronic Letter of Guarantee Project

IDC Türkiye Finance Summit

The first prize in "Corporate Banking" category at the "Best Financial Technology Projects of the Year" awards

"Digital Transformation of Software Quality" in the "Data Infrastructure" Category

IDC Türkiye Finance Summit

The second prize at the "Best Financial Technology Projects of the Year" awards

Audio Question Bank Project

Association of Private Sector Volunteers

The "Most Successful Volunteering Project" Award

Prizes at the Felis Awards, organized by MediaCat, in the categories of "Education" and "Voluntary Work for Disabled People" under the main heading of Social Responsibility and Sustainability

2019

QR Code Cheque System Project

The Golden Sardis Award in the "Product and Service Innovation" category at the Sardis Awards

Electronic Letter of Guarantee Project

The Silver Sardis Award in the "Product and Service Innovation" category at the Sardis Awards

Audio Question Bank Project

The Innovation Award at the Corporate Social Responsibility Awards organized by the Turkish Confederation of Employers' Associations (TİSK)

The Grand Prize in the "Organizations Adding Value to Sustainable Development Goals" category at the Corporate Social Responsibility Summit.

The Gold Award in the "Social Responsibility Project Communications" category at the Istanbul Marketing Awards.

2020

Findeks Mobile Project

The Silver Sardis Award in the "Product and Service Innovation" category at the Sardis Awards

"Findeks Renewed Mobile App Communications" campaign

The bronze award in the "Banks and Financial Institutions" category at the Effie 2020 Awards

Corporate Performance Management Application

The first prize in the "Future of Business - Metrics & KBIs" category at the IDC Türkiye CIO Summit Awards

Digital Transformation Project

The second prize in the "Digital Trailblazer" category at the IDC DX Awards 2020

2021

Turkish ID Number - GSM Verification Service

The second prize in the category of "Corporate Banking" at IDC Türkiye Finance Technology Awards

Mobile Application Test Automation Infrastructure Project

The second prize in the "Future of Digital Infrastructure" category of IDC Türkiye Digital Transformation Awards



Third Party Risk Management Program

The third prize in the category of "Security and Fraud Management" at IDC Türkiye Finance Technology Awards

UCMDB Content Enrichment Project

The second prize at IDC Türkiye Finance Technology Awards

Smart CRM Project

The "Wtech Marketing Award" given by the Women in Technology Association to the women leaders, who use technology best in marketing, as part of the Marketing Captains Awards

KKB TARDES Service

Türkiye's most innovative 50 companies list determined by Fast Company magazine

2022

Strategic Performance Management Platform and Methodology (OKR) Project

IDC Türkiye CIO Summit 2022

The second prize in "Metrics and Key Business Indicators" in Future of Business Awards

Robotic Process Request Management Methodology Project

The third prize in "Automation" category in IDC Türkiye CIO Summit 2022 Future of Business Awards

2023

Findeks and KOSGEB Enterprise Assessment Report (EAR) Integration Cooperation Project

First prize in the "Effective Coopetition" category at PSM Awards

6. Members

Member Type	2017	2018	2019	2020	2021	2022	2023
Banks	52	52	53	54	55	57	63
Factoring	61	59	56	55	54	49	49
Financial Leasing	25	24	23	22	22	21	20
Consumer Finance	14	14	15	15	17	19	20
Asset Management Companies	13	18	21	18	21	23	24
Insurance and Other	12	13	13	14	16	17	18
Total	177	180	181	178	185	186	194*

* As of 31 December 2023, the number of KKB members is 179 and this figure identifies the members who are served through the Risk Center.

BANKS

ADABANK A.Ş.
AKBANK T.A.Ş.
AKTİF YATIRIM BANKASI A.Ş.
ALBARAKA TÜRK KATILIM BANKASI A.Ş.
ALTERNATİF BANKA A.Ş.
ANADOLUBANK A.Ş.
ARAP TÜRK BANKASI A.Ş.
BANK MELLAT HEADQUARTERED IN TEHRAN-ISTANBUL TÜRKİYE MAIN BRANCH
BANK OF AMERICA YATIRIM BANKA A.Ş.
BANK OF CHINA TURKEY A.Ş.
BANKPOZİTİF KREDİ VE KALKINMA BANKASI A.Ş.
BİRLEŞİK FON BANKASI A.Ş.
BURGAN BANKA A.Ş.
CITIBANK A.Ş.
D YATIRIM BANKASI A.Ş.
DENİZBANK A.Ş.
DESTEK YATIRIM BANKASI A.Ş.
DEUTSCHE BANKA A.Ş.
DİLER YATIRIM BANKA A.Ş.
FIBABANK A.Ş.
GOLDEN GLOBAL YATIRIM BANKASI A.Ş.
GSD YATIRIM BANKA A.Ş.
HABİB BANK LIMITED HEADQUARTERED IN PAKISTAN- ISTANBUL TÜRKİYE MAIN BRANCH
HAYAT FİNANS KATILIM BANKASI A.Ş.

HEDEF YATIRIM BANKASI A.Ş.
HSBC BANK A.Ş.
ICBC TURKEY BANKA A.Ş.
INTESA SANPAOLO S.P.A. ITALY ISTANBUL MAIN BRANCH
İLLER BANKASI
ING BANK A.Ş.
ISTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.
JPMORGAN CHASE BANK NATIONAL ASSOCIATION HEADQUARTERED IN COLUMBUS OHIO - ISTANBUL TÜRKİYE MAIN BRANCH
KUVEYT TÜRK KATILIM BANKASI A.Ş.
MİSYON YATIRIM BANKASI A.Ş.
MUFG BANK TURKEY A.Ş.
NUROL YATIRIM BANKA A.Ş.
ODEA BANK A.Ş.
PASHA YATIRIM BANKASI A.Ş.
Q YATIRIM BANKASI A.Ş.
QNB FİNANSBANK A.Ş.
RABOBANK A.Ş.
SOCIETE GENERALE S.A. PARIS HEADQUARTERED IN FRANCE - ISTANBUL TÜRKİYE MAIN BRANCH
STANDARD CHARTERED YATIRIM BANKASI TÜRK A.Ş. HEAD OFFICE
ŞEKERBANK T.A.Ş.
T.C. ZİRAAT BANKASI A.Ş.
T. GARANTİ BANKASI A.Ş.
T. SİNAİ KALKINMA BANKASI A.Ş.

T. VAKIFLAR BANKASI T.A.O.
TERA YATIRIM BANKASI A.Ş.
TOM KATILIM BANKASI A.Ş.
TURKISH BANK A.Ş.
TURKLAND BANK A.Ş.
TÜRK EKONOMİ BANKASI A.Ş.
TÜRK TİCARET BANKASI A.Ş.
TÜRKİYE EMLAK KATILIM BANKASI A.Ş.
TÜRKİYE FİNANS KATILIM BANKASI A.Ş.
TÜRKİYE HALK BANKASI A.Ş.
TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
TÜRKİYE İŞ BANKASI A.Ş.
TÜRKİYE KALKINMA VE YATIRIM BANKASI A.Ş.
VAKIF KATILIM BANKASI A.Ş.
YAPI VE KREDİ BANKASI A.Ş.
ZİRAAT KATILIM BANKASI A.Ş.

FINANCIAL LEASING COMPANIES

AT FİNANSAL KİRALAMA A.Ş.
AK FİNANSAL KİRALAMA A.Ş.
ALTERNATİF FİNANSAL KİRALAMA A.Ş.
ANADOLU FİNANSAL KİRALAMA A.Ş.
ARI FİNANSAL KİRALAMA A.Ş.
BNP PARIBAS FİNANSAL KİRALAMA A.Ş.
BURGAN FİNANSAL KİRALAMA A.Ş.
DE LAGE LANDEN FİNANSAL KİRALAMA A.Ş.
DENİZ FİNANSAL KİRALAMA A.Ş.
GARANTİ FİNANSAL KİRALAMA A.Ş.
HALK FİNANSAL KİRALAMA A.Ş.
ING FİNANSAL KİRALAMA A.Ş.
İŞ FİNANSAL KİRALAMA A.Ş.
PERVİN FİNANSAL KİRALAMA A.Ş.
QNB FİNANS FİNANSAL KİRALAMA A.Ş.
SIEMENS FİNANSAL KİRALAMA A.Ş.
ŞEKER FİNANSAL KİRALAMA A.Ş.
VAKIF FİNANSAL KİRALAMA A.Ş.
VFS FİNANSAL KİRALAMA A.Ş.
YAPI KREDİ FİNANSAL KİRALAMA ANONİM ORTAKLIĞI



6. Members

FACTORING COMPANIES

ABC FAKTORİNG A.Ş.
ACAR FAKTORİNG A.Ş.
AK FAKTORİNG A.Ş.
AKDENİZ FAKTORİNG A.Ş.
AKIN FAKTORİNG A.Ş.
ANADOLU FAKTORİNG HİZMETLERİ A.Ş.
ARENA FAKTORİNG A.Ş.
ATILIM FAKTORİNG A.Ş.
BAŞER FAKTORİNG A.Ş.
BAYRAMOĞLU FAKTORİNG A.Ş.
BİEN FİNANS FAKTORİNG A.Ş.
CREDITWEST FAKTORİNG A.Ş.
ÇAĞDAŞ FİNANS FAKTORİNG HİZMETLERİ A.Ş.
ÇÖZÜM FAKTORİNG A.Ş.
DENİZ FAKTORİNG A.Ş.
DESTEK FİNANS FAKTORİNG A.Ş.
DORUK FAKTORİNG A.Ş.
EKO FAKTORİNG A.Ş.
EKSPÖ FAKTORİNG A.Ş.
FİBA FAKTORİNG A.Ş.
GARANTİ FAKTORİNG A.Ş.
GSD FAKTORİNG A.Ş.
HALK FAKTORİNG A.Ş.
HUZUR FAKTORİNG A.Ş.
İSTANBUL FAKTORİNG A.Ş.
İŞ FAKTORİNG FİNANSMAN HİZMETLERİ A.Ş.
KAPİTAL FAKTORİNG A.Ş.
KENT FİNANS FAKTORİNG A.Ş.
LİDER FAKTORİNG A.Ş.
MERT FİNANS FAKTORİNG HİZMETLERİ A.Ş.
MNG FAKTORİNG HİZMETLERİ A.Ş.
OPTİMA FAKTORİNG A.Ş.
PARA FİNANS FAKTORİNG HİZMETLERİ A.Ş.
QNB FİNANS FAKTORİNG A.Ş.
SARDES FİNANS FAKTORİNG A.Ş.
SÜMER FAKTORİNG A.Ş.
ŞEKER FAKTORİNG A.Ş.
ŞİRİNOĞLU FAKTORİNG A.Ş.
TAM FİNANS FAKTORİNG A.Ş.
TEB FAKTORİNG A.Ş.

TRADEWIND FAKTORİNG A.Ş.
TUNA FAKTORİNG A.Ş.
ULUSAL FAKTORİNG HİZMETLERİ A.Ş.
VAKIF FAKTORİNG A.Ş.
VDF FAKTORİNG A.Ş.
YAPI KREDİ FAKTORİNG A.Ş.
YAŞAR FAKTORİNG A.Ş.
YEDİTEPE FAKTORİNG A.Ş.
ZORLU FAKTORİNG A.Ş.

CONSUMER FINANCE COMPANIES

ALJ FİNANSMAN A.Ş.
EVKUR FİNANSMAN A.Ş.
HEPSİ FİNANSMAN A.Ş.
KOÇ FIAT KREDİ FİNANSMAN A.Ş.
KOÇ FİNANSMAN A.Ş.
MERCEDES BENZ FİNANSMAN TÜRKA.Ş.
MERCEDES BENZ KAMYON FİNANSMAN A.Ş.
OFİSFİNANS FİNANSMAN A.Ş.
ORFİN FİNANSMAN A.Ş.
QUICK FİNANSMAN A.Ş.
TEB FİNANSMAN A.Ş.
TIRSAN FİNANSMAN A.Ş.
TOM FİNANSMAN A.Ş.
TT FİNANSMAN A.Ş.
TURK FİNANSMAN A.Ş.
TURKCELL FİNANSMAN A.Ş.
VFS FİNANSMAN A.Ş.
VODAFONE FİNANSMAN A.Ş.
VOLKSWAGEN DOĞUŞ FİNANSMAN A.Ş.
ZİP FİNANSMAN A.Ş.

INSURANCE COMPANIES

AKSİGORTA A.Ş.
ANADOLU ANONİM TÜRK SİGORTA ŞİRKETİ
ATRADIUS CREDITO Y CAUCION S.A. DE SEGUROS Y REASEGUROS HEADQUARTERED IN SPAIN - ISTANBUL TÜRKİYE MAIN BRANCH
COFACE SİGORTA A.Ş.
EULER HERMES SİGORTA A.Ş.
EUREKO SİGORTA A.Ş.

GULF SİGORTA A.Ş.
TÜRK REASÜRANS A.Ş.
TÜRKİYE SİGORTA A.Ş.
UNICO SİGORTA A.Ş.

ASSET MANAGEMENT COMPANIES

ADİL VARLIK YÖNETİM A.Ş.
AGS ALTIN GEZEĞEN VARLIK YÖNETİM A.Ş.
ARMADA VARLIK YÖNETİM A.Ş.
ARSAN VARLIK YÖNETİM A.Ş.
BİRİKİM VARLIK YÖNETİM A.Ş.
BİRLEŞİM VARLIK YÖNETİM A.Ş.
BOĞAZİÇİ VARLIK YÖNETİM A.Ş.
DENGE VARLIK YÖNETİM A.Ş.
DİRİKER VARLIK YÖNETİM A.Ş.
DOĞRU VARLIK YÖNETİM A.Ş.
DÜNYA VARLIK YÖNETİM A.Ş.
EFES VARLIK YÖNETİMİ A.Ş.
EMİR VARLIK YÖNETİM A.Ş.
GELECEK VARLIK YÖNETİMİ A.Ş.
HEDEF VARLIK YÖNETİM A.Ş.
İLKE VARLIK YÖNETİM A.Ş.
İSTANBUL VARLIK YÖNETİM A.Ş.
MEGA VARLIK YÖNETİM A.Ş.
MET-AY VARLIK YÖNETİM A.Ş.
ORTAK VARLIK YÖNETİM A.Ş.
POZİTİF VARLIK YÖNETİM A.Ş.
SÜMER VARLIK YÖNETİM A.Ş.
TUNA VARLIK YÖNETİM A.Ş.
YUNUS VARLIK YÖNETİM A.Ş.

OTHER

BİRLEŞİK İPOTEK FİNANSMANI A.Ş.
BORSA İSTANBUL A.Ş.
İHRACATI GELİŞTİRME A.Ş.
JCR AVRASYA DERECELENDİRME A.Ş.
KATILIM FİNANS KEFALET A.Ş.
KREDİ GARANTİ FONU A.Ş.
SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ORGANIZATION OF TÜRKİYE
AGRICULTURAL CREDIT COOPERATIVES OF TÜRKİYE CENTRAL ASSOCIATION

7. Operational Indicators

Economic and financial solutions

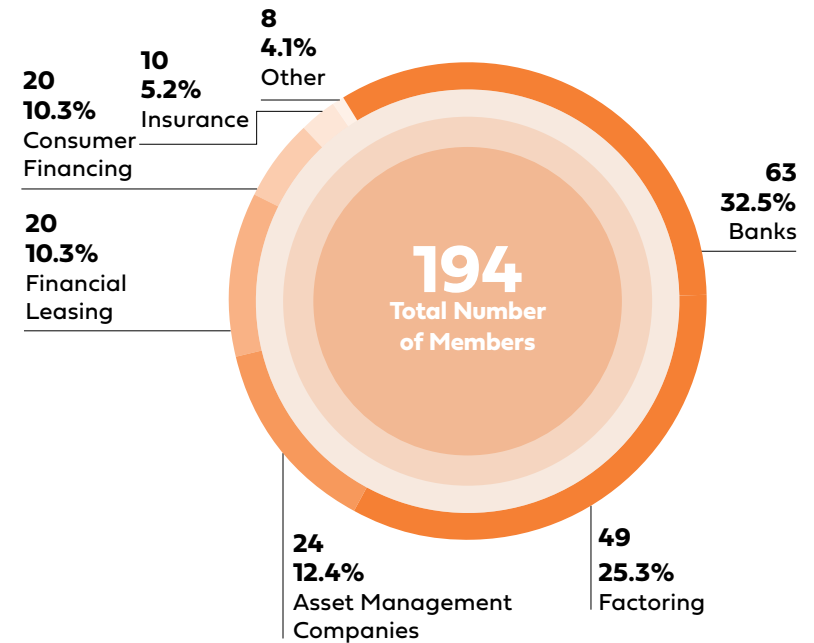
with an innovative approach

“

Continuing to achieve successful operational results, KKB increases the number of its products and services every passing year.

Key Operational Indicators (Number of Inquiries) (million)	2019	2020	2021	2022	2023
Individual Bureau Inquiries	553	631	727	1,030	1,432
Corporate Bureau Inquiries	54	73	89	136	174
Retail Credit Ratings	466	528	614	888	1,300
LCS Inquiries	216	263	318	521	831
IBAN Validation Service	26.1	90.1	219.2	321	427
Loan Utilization Instant Sharing (KAPS)	151.9	225.4	337.5	673	813
PII	146.7	155.7	182.5	225	249
RA Personal Record Inquiry	111.3	131.1	130.1	236	328

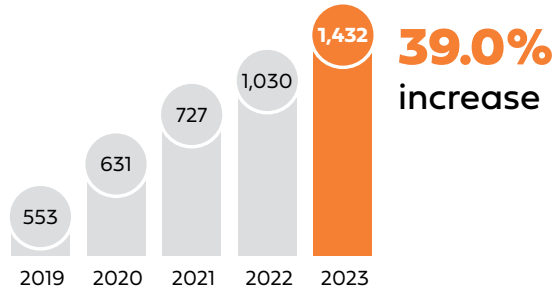
KKB Member Profile



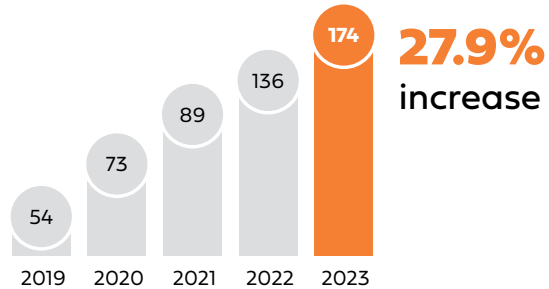


7. Operational Indicators

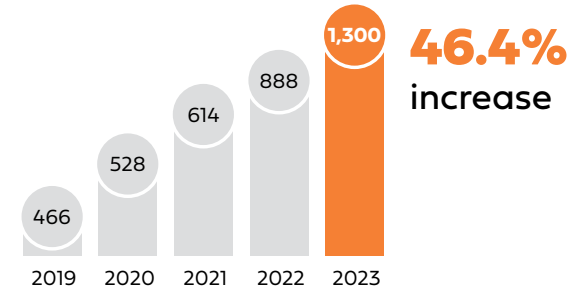
Individual Bureau Inquiries
(million units)



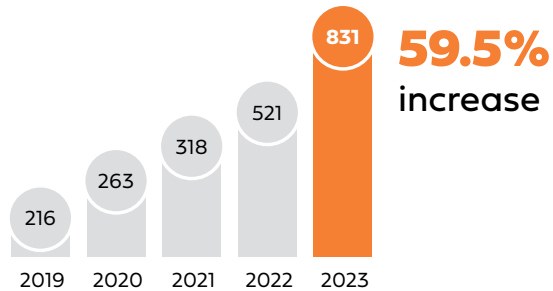
Corporate Bureau Inquiries
(million units)



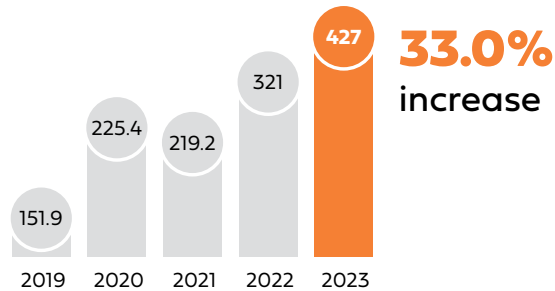
Personal Credit Rating Inquiries
(million units)



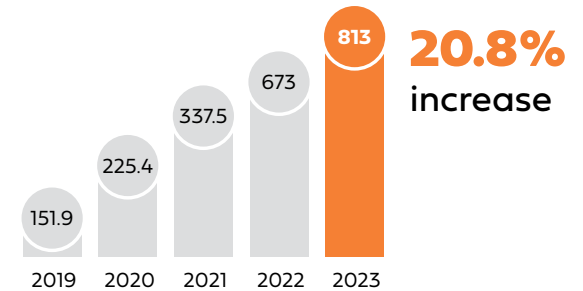
LCS Inquiries
(million units)



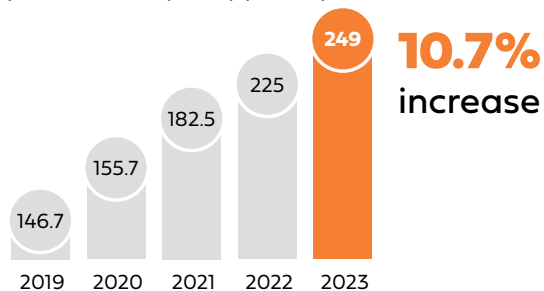
IBAN Verification Service
(Number of Inquiries) (million)



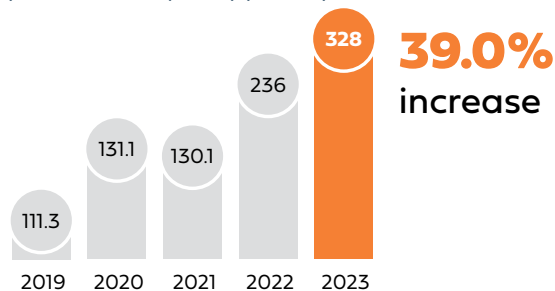
Loan Utilization Instant Sharing (KAPS)
(Number of Inquiries) (million)



PII
(Number of Inquiries) (million)

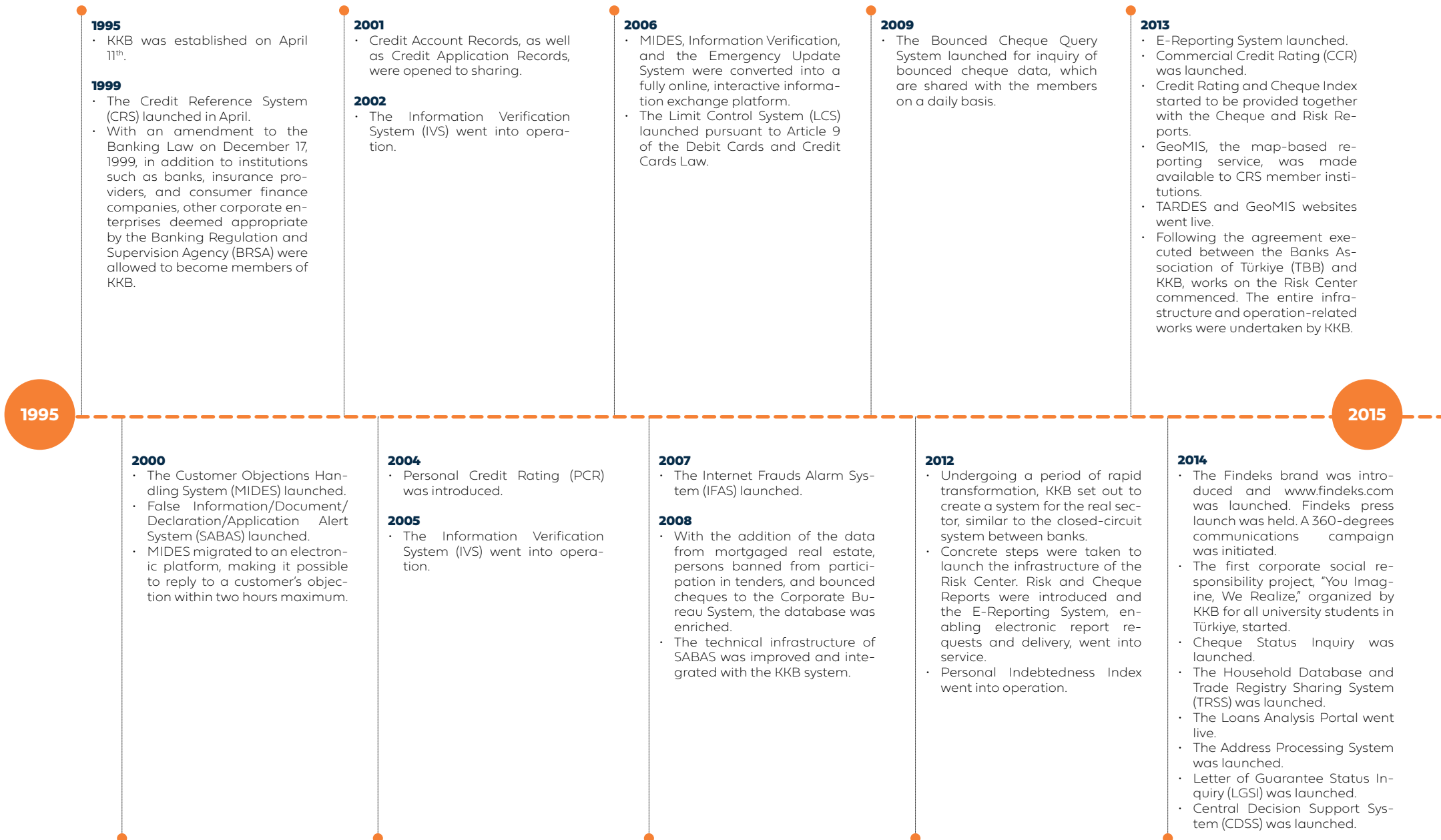


RA Personal Record Search
(Number of Inquiries) (million)





8. Milestones



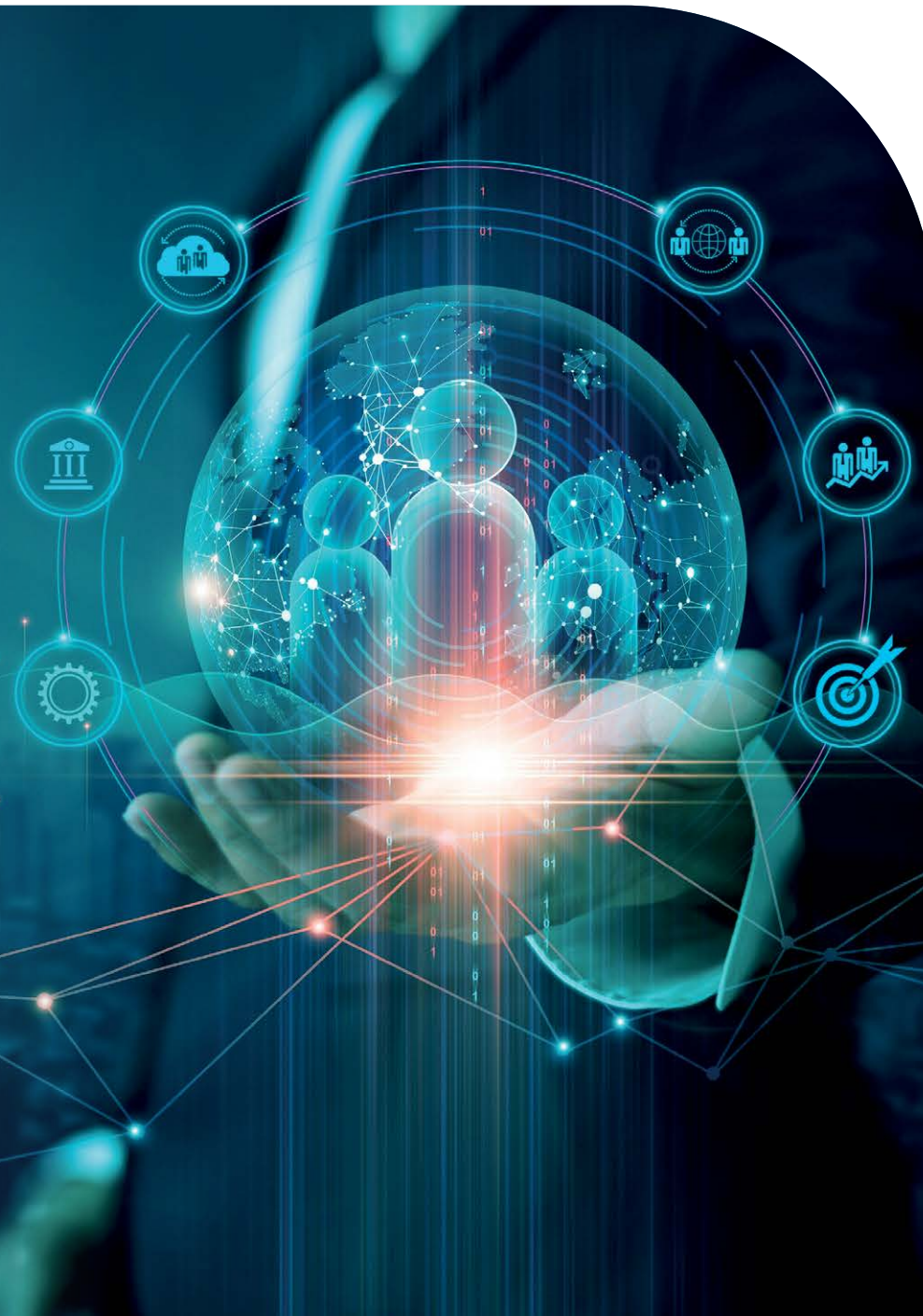


8. Milestones





Management



9. Message from the Chairperson

We play a key role for the financial market

Dear Stakeholders,

We are leaving behind a period in which the effects of the global economy and international dynamics continued apace. Although geopolitical developments and developments in the global macroeconomic climate had an adverse impact on businesses and in economic circles, the actions taken by our country in terms of monetary policy and fiscal discipline offset these global fluctuations and provided stability. We are confident that our economy will sustain its robust structure in the upcoming year through solid economic administration and the experience of business and financial institutions. As Kredi Kayıt Bürosu, we will continue to support our growing national economy with innovative products and services.

We create an environment of trust

As Kredi Kayıt Bürosu, we have been aware of our responsibility from the day we were founded. In this sense, we create an environment of trust in commercial life through the products and services we offer for all sectors, especially the banking and financial sectors.

We will continue to develop new business models and solutions

As Kredi Kayıt Bürosu, we will continue to play a key role in the financial market through our strong shareholding structure, our innovative products and services, and an approach focused on sustainability and technology. In 2024, we will sustain the development of new business models and solutions designed to strengthen the business processes of our customers and stakeholders.

I would like to express my gratitude to all my colleagues and to our strong stakeholder ecosystem for enabling us to achieve steady and successful results. I also thank our Board of Directors for their support and contributions.

Sincerely,

Ege GÜLTEKİN
Kredi Kayıt Bürosu
Chairperson of the Board



10. Message from the General Manager

We aim to make a difference through kindness

Dear Stakeholders,

Within the context of the global economic outlook, 2023 was a year in which the aim was to achieve and maintain stability. During the pandemic, global inflationary pressure had closely affected almost every sector. In 2023, even as inflation, pricing policies, and crises in food production and energy supply were prominent on the world's agenda, Türkiye – despite global impacts and the catastrophic earthquake in the country – maintained a growth-oriented strategy supported by effectively implemented policies.

Amid the challenging economic conditions in 2023, as Kredi Kayıt Bürosu, we endeavored to develop effective risk management tools that strengthen the financial sector and promote transparent and secure trade in the real sector.

As we have in previous years, we maintained an innovative perspective in 2023, consistently offering products and services, designed for today's needs, to all sectors. Throughout a period of rapid change and transformation in the economy and technology, as a corporation that consistently adapts to current technological developments, we will continue to develop innovative products and services for the growth of the national economy and the expansion of secure trade in the real sector.

As KKB, we also prioritize the environment and society, and we realize various social responsibility activities in full awareness of our responsibility to both. In 2023, we focused on providing sustainable contributions to areas of need via social responsibility and social awareness projects that inspire confidence and emphasize social development. We implemented a number of projects during the year in coop-

eration with our stakeholders, NGOs, to address the needs of different segments of society through the KKB Volunteers Platform, a program based on the voluntariness of our employees. By sustaining our volunteering activities in the upcoming years, we aim to make a difference through kindness.

As KKB, we invest in reducing our carbon and water footprint to ensure a sustainable future. By prioritizing R&D investments, we continue to produce innovative solutions with a sustainability-based perspective. We conduct all our activities at the KKB Head Office and the KKB Anatolia Data Center in consideration of their environmental impact. Each year, we calculate the carbon footprint and water footprint values in the end-to-end life cycle via our Environmental Impact Assessment study, and plan for the reduction of those values. In 2024, we intend to develop additional products and services related to sustainability.

I would like to express my gratitude to all my colleagues for their support in maintaining KKB's successful performance in past years and in 2023. I thank our members and stakeholders for their trust, and our Board of Directors for their constant support.

Sincerely,

Gökhan ŞAHİN
Kredi Kayıt Bürosu
Member of the Board of Directors and General Manager





11. Board of Directors



Şükrü Tuğbay Kumoğlu
Member of the Board of Directors
Şekerbank T.A.Ş.

Mehmet Yaydemir
Member of the Board of Directors
Türkiye Halk Bankası A.Ş.

Mehmet Erkan Akbulut
Member of the Board of Directors
Yapı ve Kredi Bankası A.Ş.

İzzet Oğuzhan Özark
Member of the Board of Directors
DenizBank A.Ş.

Ege Gültekin
Chairperson of the Board of Directors
Akbank T.A.Ş.

Gökhan Şahin
Board Member and
General Manager

Olgun Tufan Kurbanoğlu
Vice Chairperson of the Board of Directors
Türkiye İş Bankası A.Ş.

Arif Çokçetin
Member of the Board of Directors
Türkiye Vakıflar Bankası T.A.O.

Eren Gülpınar
Member of the Board of Directors
T. Garanti Bankası A.Ş.

Mehmet Turgut
Member of the Board of Directors
T.C. Ziraat Bankası A.Ş.

11. Board of Directors

Ege Gültekin

Chairperson of the Board of Directors

Akbank T.A.Ş.

Executive Vice President, Credit Monitoring and Legal Follow Up

Ege Gültekin was born in Aydın in 1969 and graduated from Middle East Technical University, Department of Economics. Subsequently, she earned a Master's degree from The Johns Hopkins Carey Business School. After graduating from Ziraat Bank's Banking School in 1992, she began her career at Ottoman Bank on the Inspection Board. Currently serving as the Executive Vice President in charge of Credit Monitoring and Legal Follow Up at Akbank T.A.Ş., Gültekin previously served as member of the Board of Directors of the KKB from May 2015 to 2022, and has continued to serve as the Vice President of the Board of Directors of KKB as of March 2022. Ege Gültekin has been the Chairperson of the Board of Directors of KKB since March 2023.

Olgun Tufan Kurbanoğlu

Vice Chairperson of the Board of Directors

Türkiye İş Bankası A.Ş.

Assistant General Manager

Born in Kars in 1971, Tufan Kurbanoğlu graduated from Middle East Technical University (METU),

Faculty of Economics and Administrative Sciences, Department of Public Administration. In 1993, he joined İş Bankası A.Ş. as an Inspector with the Board of Inspectors. Appointed as Deputy Manager in the Commercial and Corporate Credit Monitoring and Legal Follow Up Department in 2002, he became Unit Manager in the department in 2006, and Regional Manager of Retail Credits Monitoring and Legal Follow Up in 2011. Appointed as Commercial and Corporate Credit Monitoring and Legal Follow Up Department Manager on March 3, 2014, Tufan Kurbanoğlu was appointed as Executive Vice President on March 25, 2022. With a good command of English, Kurbanoğlu is married and has one child.

Arif Çökçetin

Member of the Board of Directors

Türkiye Vakıflar Bankası T.A.O.

Executive Vice President, Loan Monitoring and Financial Appraisal

Arif Çökçetin graduated from Istanbul University, Faculty of Social Sciences, Department of Finance. After working at the Ministry of Finance for a while, he started working at VakıfBank in 1996 and worked as a financial analyst, manager, and president in various units and branches ever since. He was appointed as the Executive

Vice President on July 13, 2020. Currently, Mr. Çökçetin serves as the Executive Vice President responsible for Loan Monitoring and Financial Appraisal.

He served as a Board Member at Vakıf Faktoring A.Ş. from 2013 to 2019. Having been appointed as a Board Member to KKB in 2019, Mr. Çökçetin served as the Chairperson of the Board of Directors between March 2020 - 2021. Mr. Çökçetin has been serving as a Member of the Board of Directors of KKB since March 2021, and a member of the Board of Directors of Kredi Garanti Fon A.Ş. since June 2023.

Eren Gülpınar

Member of the Board of Directors

T. Garanti Bankası A.Ş.

Director; Individual Risk Strategies

Born in 1981 in Malatya, Eren Gülpınar graduated from Yıldız Technical University, Department of Mathematical Engineering in 2006. In 2006, he started his career in Risk Management in the Banking Sector and assumed roles in market risk, credit risk and operational risk management. Since 2008, he has worked as a business solutions and application development leader in the digital banking areas of the business solutions and information tech-

nology departments of various private banks. As of 2016, he has respectively served as Credit Applications Monitoring and Branch Relationship Manager, Risk Transformation Manager at Garanti Bank, and as of 2021, he has been serving as Retail Risk Strategies Director. As of April 2023, he continues to serve as a member of the Board of Directors of KKB.

Oğuzhan Özark

Member of the Board of Directors

DenizBank A.Ş.

Assistant General Manager; Retail and Private Banking Department

Born in 1976 in Istanbul, Oğuzhan Özark graduated from the ITU Department of Mathematical Engineering. In 1997, Mr. Özark started his career at Garanti Bank and worked in Retail Banking, SME Banking and CRM Departments. In 2004, Mr. Özark joined DenizBank and continued his career as SME Banking Department Manager, Retail Banking Group Manager and was promoted to Executive Vice President of Retail Banking Group in February 2014. In 2015, he was appointed to the Board of Directors of Kredi Kayıt Bürosu to represent DenizBank. Since 2022, he has been serving as DenizBank Retail and Private Banking Executive Vice President.

Mehmet Erkan Akbulut

Member of the Board of Directors

Yapı ve Kredi Bankası A.Ş.

Assistant General Manager; Credits

Mehmet Erkan Akbulut graduated from Business Administration Department of Faculty of Political Science at Ankara University in 1989. He started his career in Yapı Kredi as an Assistant Inspector in 1990. Following his career as an inspector, he respectively served as Unit Manager in Credit Management and as Director in Corporate Banking Management and Commercial Banking Management. Between 2009 and 2013, he served as Assistant General Manager of Credits at Yapı Kredi Azerbaijan. After returning to Yapı Kredi, he served as Corporate and Commercial Credits Monitoring and Liquidation Director, and Group Director between 2013-2018. Between 2018-2020, he assumed the position of Corporate and Commercial Credit Allocation Group Director. From August 2020 to August 2021, he served as the Head of Collection and Liquidation Management. He was appointed as the Yapı Kredi Bank Assistant General Manager of Credits and Member of the Executive Committee as of August 2021. Akbulut is also a Member of the Board of Directors of Yapı Kredi Faktoring, Yapı Kredi Leasing and KKB.

11. Board of Directors

Mehmet Turgut

Member of the Board of Directors

T.C. Ziraat Bankası A.Ş.

Head of the Credit Analytics and Processes Department

Graduated from Istanbul University, Faculty of Political Sciences, Mehmet Turgut worked at the Ministry of Finance for 6 years and started his banking career as an Assistant Financial Analysis Specialist at Emlak Bank in 1997. Between 2002 and 2011, Mr. Turgut worked as a Specialist, Department Manager and Branch Manager at Halk Bank before being appointed as the Head of Credit Analytics and Processes Department at Ziraat Bank in 2011.

Seyit Mehmet Yaydemir

Member of the Board of Directors

Türkiye Halk Bankası A.Ş.

Head of Credit Risk Monitoring Department

Seyit Mehmet Yaydemir was born in Kayseri in 1978. He completed his undergraduate education at Dokuz Eylül University, Department of Business Administration in 2002. He received further education at K.I. Language College, New York. In 2004, he started his professional career at Anadolu Finans Kurumu and continued his career as Assistant Inspector, Inspector and Senior Inspector at the Board of Inspectors of Türkiye Halk Bankası A.Ş. between 2006 and 2012. Between 2012 and 2021, he served as Branch Manager at Kurtuluş Branch/Istanbul, Malte-

pe Branch/Istanbul, Gayrettepe Branch/Istanbul and Mecidiyeköy Commercial Branch/Istanbul, respectively. Since July 2021, he has been serving as the Head of Credit Risk Monitoring Department at Türkiye Halk Bankası A.Ş. Seyit Mehmet Yaydemir also continues to serve as a Member of the Board of Directors of KKB.

Şükrü Tuğbay Kumoğlu

Member of the Board of Directors

Şekerbank T.A.Ş.

Executive Vice President, SME, Retail and Agricultural Banking

Graduating from Gazi University, Faculty of Economics and Administrative Sciences, Department of Finance, Şükrü Tuğbay Kumoğlu started his banking career at Garanti Bank in 1999. Kumoğlu, who took on different duties in the branch, regional and head office organizations of the bank, assumed the position of Regional Director at Türk Ekonomi Bankası A.Ş. (TEB) in 2006. He was appointed to the position of Retail Banking Sales Director of the same bank in 2007, after serving as the Regional Director for one year. In addition to his position as Sales Director, Kumoğlu served as a Member of the Board of Directors responsible for the expansion of retail banking activities in TEB Sha Kosova between 2013 and 2018, and most recently, he served as TEB Retail Banking Sales and Call Center Group Director. Şükrü Tuğbay Kumoğlu was appointed as Execu-

tive Vice President responsible for Retail and Agricultural Banking at Şekerbank in December 2019 and has also assumed charge of SME Banking since July 2020. Mr. Kumoğlu, who served as a Board Member at Kredi Garanti Fonu A.Ş. between 2021 and 2023, has been serving as a Member of the Board of Directors at KKB since 2020.

Gökhan Şahin

Board Member and General Manager

Born in 1982 in Ankara, Gökhan Şahin graduated with a bachelor's degree in finance and law. He started his professional career in 2005 as an Internal Trade Controller at the T.R. Ministry of Industry and Trade. In 2006, Gökhan Şahin started working as Assistant Sworn Bank Auditor at the Banking Regulation and Supervision Agency. He respectively served as Sworn Bank Auditor, Head of Group, Head of Department between 2006 and 2023, and finally as Deputy Chairperson of the Banking Regulation and Supervision Agency (BRSA) between 2021 and 2023.

Gökhan Şahin, who currently also holds a Lawyer's License and Mediation Authorization Certificate, has been serving as the General Manager and a Member of the Board of Directors of KKB as of October 2023 and is married with one child.



12. Senior Management



Gökhan Şahin
Kredi Kayıt Bürosu
Board Member and General Manager



Abdullah Bilgin
Information Technologies and
R&D Department
Assistant General Manager



Ali Kemal Cenk
Internal Audit Department
Assistant General Manager



Can Ünver
Risk Management Department
Assistant General Manager



Erşan Rasim Hoşrik
Regulatory Compliance, Legal and
Operations Department
Assistant General Manager



Hazar Tuna
Internal Control Department
Assistant General Manager



İnci Tümay Özmen
Financial Reporting and Financial
Affairs Department
Assistant General Manager



Nil Durukanoğlu
Human Resources Department
Assistant General Manager



Dr. Orkun Deniz
Risk Center Services and Data
Management Department
Assistant General Manager



Serkan Siyasal
Product Development and Marketing
Management Department
Assistant General Manager



Burcu Türkmen
Project and Innovation Management
Department
Assistant General Manager



Caner Altuntaş
Corporate Strategy Department
Assistant General Manager

12. Senior Management

Gökhan Şahin

*Kredi Kayıt Bürosu
Board Member and General
Manager*

Born in 1982 in Ankara, Gökhan Şahin graduated with a bachelor's degree in finance and law. He started his professional career in 2005 as an Internal Trade Controller at the T.R. Ministry of Industry and Trade. In 2006, Gökhan Şahin started working as Assistant Sworn Bank Auditor at the Banking Regulation and Supervision Agency. He respectively served as Sworn Bank Auditor, Head of Group, Head of Department between 2006 and 2023, and finally as Deputy Chairperson of the Banking Regulation and Supervision Agency (BRSA) between 2021 and 2023.

Gökhan Şahin, who currently also holds a Lawyer's License and Mediation Authorization Certificate, has been serving as the General Manager and a Member of the Board of Directors of KKB as of October 2023 and is married with one child.

Abdullah Bilgin

*Information Technologies and
R&D Department
Assistant General Manager*

Abdullah Bilgin graduated in 1985 from Middle East Technical University, Department of Computer Engineering and received his master's degree from Istanbul University, Department of International Relations in 2002. Mr. Bilgin started his career at Bilpa A.Ş. in 1986 and worked as a Systems Manager at John Deere in the USA. Until 2012, Mr. Bilgin served as Director in charge of System and Network Management at Yapı Kredi Bank's Information Technologies Department and Self-Service Banking Group Manager at Alternative Distribution Channels. In 2012, Mr. Bilgin joined KKB and currently continues to serve as Assistant General Manager in charge of Information Technologies and R&D. Mr. Bilgin is responsible for KKB's digital transformation, management and operation of KKB Anadolu Data Center, as well as the management and operation of the KKB Finance Cloud platform.

Ali Kemal Cenk

*Internal Audit Department
Assistant General Manager*

Ali Kemal Cenk graduated from Middle East Technical University, Department of Business Administration, and completed his MBA and Finance master's degree with a dual diploma of MBA-MSF from Boston College between 2007 and 2009. Between 2000 and 2012, he served as Sworn Bank Auditor, Group Head, Coordinator of 2011 FSAP Negotiations and Deputy Head of Audit Department at the Banking Regulation and Supervision Agency (BRSA). Mr. Cenk participated in the project group of the Risk-Focused Supervision Project, where the BRSA established its supervisory system, and conducted studies within the scope of the Risk-Focused Supervision Project and the FDIC regarding Fed supervision. Ali Kemal Cenk, who has gained expertise in areas such as financial legislation and IFRS, information systems and workflows and processes, audit information technologies, query-based artificial intelligence fraud detection modeling, as well as leadership and teamwork, currently continues to serve as Assistant General Manager of Internal Audit at KKB.

Can Ünver

*Risk Management Department
Assistant General Manager*

Can Ünver completed his undergraduate degree in the Environmental Engineering Department of Middle East Technical University (METU), and his master's degree in the Business Administration Department of the same university. Ünver began his career in 2005 as a Research Assistant in the Business Administration Department of METU, where he took on responsibilities such as software development and system management in the field of information technology. In 2011, Ünver started working at the Consulting department of EY Türkiye, where he rose to the position of Senior Manager. Mr. Ünver worked as a BRSA Information Systems Senior Auditor and assumed the role of Risk Management Manager at KKB in 2018. Mr. Ünver undertook responsibility for the management of the strategic, operational, legal and reputational risks of the organization as well as corporate strategic planning and has been serving as the Assistant General Manager of the Risk Management Department since 2023.

Erşan Rasim Hoşrik

*Regulatory Compliance, Legal
and Operations Department
Assistant General Manager*

Starting his professional career as an Assistant Inspector at Yapı Kredi Bank in 2006, Erşan Rasim Hoşrik worked in Branch Audit, Head Office Audit and Investigation departments. In 2012, Mr. Hoşrik left the Board of Inspectors and worked in the Compliance Office as Financial Crimes Prevention Manager and Banking Legislation Manager, respectively. During his tenure in the Compliance Office, he was involved in coordinating the supervision of the Banking Regulation and Supervision Agency and the Turkish Republic Ministry of Customs and Trade. In addition, Mr. Hoşrik served as representative in the working groups of the Banks Association of Türkiye. He also participated in studies to prepare regulations related to the banking of the Consumer Protection Law. Having joined KKB in June 2016, Erşan Hoşrik works as the Assistant General Manager of the Regulatory Compliance, Legal and Operations Department.

Hazar Tuna

*Internal Control Department
Assistant General Manager*

After graduating from Üsküdar American High School, Hazar Tuna completed his undergraduate degree in Computer Engineering at Purdue University in 2005 and completed his Executive MBA Master's program at Boğaziçi University in 2012. Mr. Tuna started his career in the Corporate Risk Services Department at Deloitte Denetim. He took part in independent information systems audits at banks and information systems risk security and Sarbanes-Oxley audit-related work in the real sector. Mr. Tuna continued his career in the IT Audit Department of Yapı Kredi Bank and also conducted the pilot installation of the audit workflow software for the entire UniCredit Group and played a role in shaping the final version. Mr. Tuna assumed his position with the responsibility of establishing the internal control environment at KKB and has been serving as the Assistant General Manager of Internal Control since April 2013.

12. Senior Management

İnci Tümay Özmen

Financial Reporting and Financial Affairs Department Assistant General Manager

İnci Tümay Özmen graduated from Saint Benoît French High School and received her bachelor's degree in Business Administration from Boğaziçi University in 1995. Ms. Özmen started her career at Ernst & Young audit firm in 1995, became a Certified Public Accountant in 2000 and continued her activities as a Manager at the same firm. Between 2000 and 2012, Ms. Özmen assumed the position of Assistant General Manager in charge of Financial Affairs, Budget Reporting and Operations at Yapı Kredi Leasing and played an active role in the Leasing BRSA adjustment process and the Koçbank-YKB merger process. İnci Tümay Özmen was authorized as Independent Auditor in 2017 by the Public Oversight, Accounting, and Auditing Standards Authority. İnci Tümay Özmen joined KKB in May 2012, and she has served as Assistant General Manager of Financial Reporting and Financial Affairs since October 2014. Ms. Özmen is also a certified professional coach.

Nil Durukanoğlu

Human Resources Department Assistant General Manager

Nil Durukanoğlu graduated in 1999 from Istanbul University, Faculty of Political Sciences, Department of Finance and completed her MBA at Bahçeşehir University in 2019. Ms. Durukanoğlu started her career at Pamukbank in 1998. She worked as the Quality and Training Manager at Fortis Bank in 2002, Recruitment and Career Planning Manager at Türk Ekonomi Bank between 2005-2013, and Human Resources Partner at the same bank between 2013-2017. Joining Deniz Bank in 2017, Ms. Durukanoğlu served as the Head of the Bank's Academy Development Department during her tenure. Most recently, Ms. Durukanoğlu served as Human Resources Director at Boyner Holding, and assumed her role at KKB in 2020. Ms. Durukanoğlu currently continues to serve as Assistant General Manager of Human Resources at KKB.

Dr. Orkun Deniz

Risk Center Services and Data Management Department Assistant General Manager

Orkun Deniz graduated from Boğaziçi University, Department of Computer Engineering in 1995. He continued his academic studies at Yeditepe University, first receiving his MBA and later his doctorate degree in Management and Organization. He started his professional career at Akbank as a Software Developer in the IT Department. In 1997, Mr. Deniz joined the founding team of Kredi Kayıt Bürosu and continued his professional career at Fortis Bank, where he served as Director in the Corporate Credits Department. Mr. Deniz rejoined KKB in 2011 as Project and Process Management Manager, developing new products and services and expanding KKB's product range. Later, he directed all relations with the financial sector as the Manager of the Banks and Financial Institutions Unit. Since September 2016, Mr. Deniz has served as the Assistant General Manager in charge of TBB Risk Center activities. He is a Member of the Board of Directors of the Association of European Credit Bureaus (ACCIS).

Serkan Siyasal

Product Development and Marketing Management Department Assistant General Manager

Serkan Siyasal graduated from Marmara University Faculty of Law in 2006, and started his professional career at Garanti Payment Systems. He established the Call Center and Loyalty Management Systems of Betek Boya. He continued his career as a Project Manager at Dışbank Risk Management, and founded his own venture in payment systems in 2006. After a four-year period, Mr. Siyasal assumed the role of Consultant to the General Manager at Provus and took part in numerous projects during the sale of Provus to MasterCard. In 2012, Mr. Siyasal joined KKB as the Decision Support Systems Manager and assumed the role of Findeks Marketing and Sales Manager in 2014. In 2016, Mr. Siyasal assumed the role of Product Management and Development Manager and is currently serving as Assistant General Manager of Product Development and Marketing Management.

Burcu Türkmen

Project and Innovation Management Department Assistant General Manager

She started her career at QNB Finansbank (Ibtech) in 2004 as a Core Banking Business Analyst. In 2007, she joined Turkcell Teknoloji and worked as a business analyst in departments such as Campaign Management, CRM, Charging Solutions until 2014. In 2014, she assumed responsibility for the Revenue Management team and in 2019, she took responsibility for the Digital Chanel Solutions & User Experience team. She led a team of approximately 250 people and managed the design, analysis, software and testing processes of all mobile applications and platforms such as turkcell.com.tr, superonline.net, Pasaj, etc. within Turkcell. Together with her team, she has carried out many projects in Turkcell's digital transformation journey and technology focus. In 2022, she assumed responsibility for the Garanti Technology Digital Solutions and Platforms team and led all technology efforts at Garanti Mobile Branch, Internet Branch and garantibbva.com.tr. Ms. Türkmen also holds all certifications related to agile transformation and an international co-active coaching certificate.

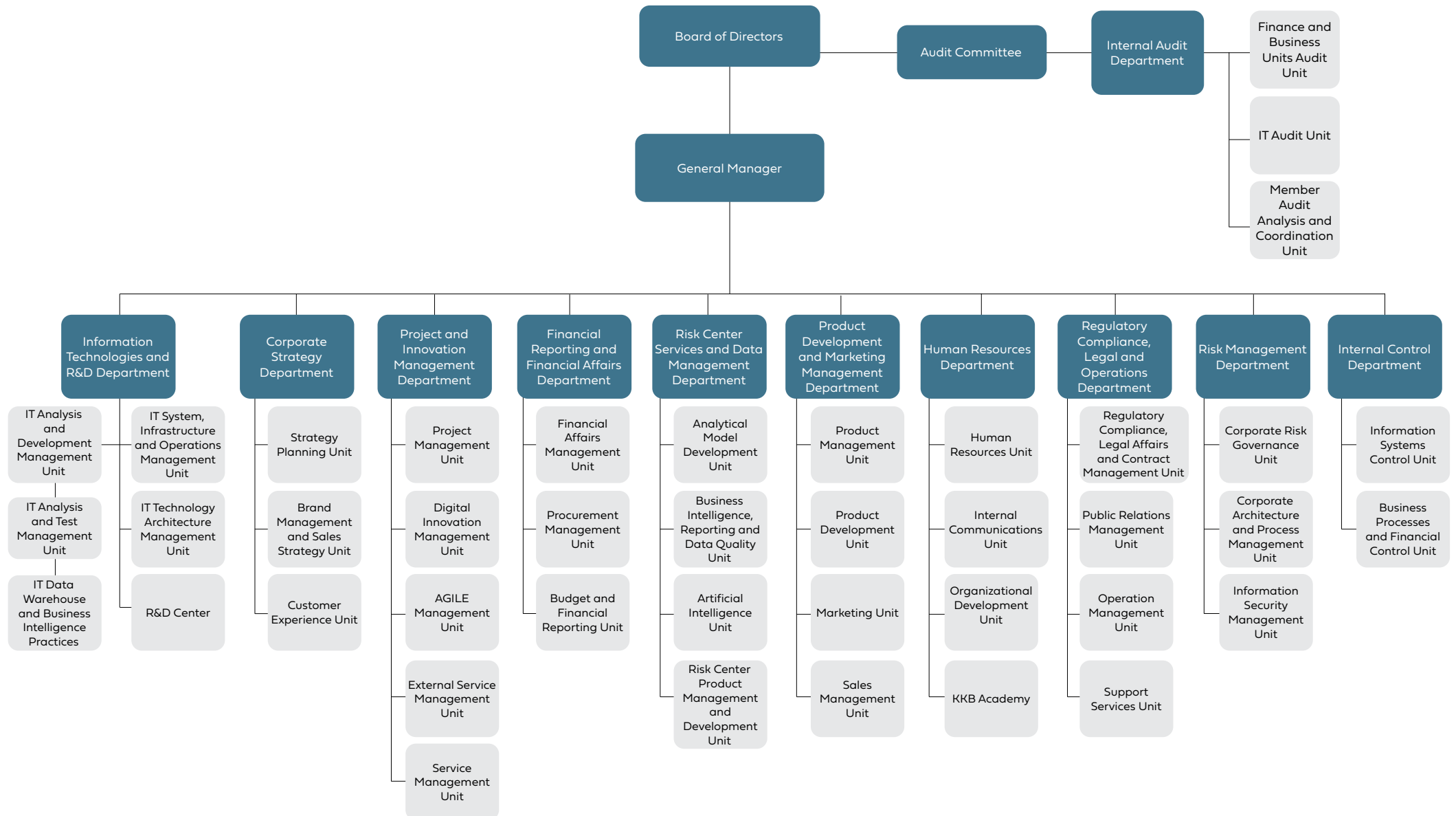
Caner Altuntaş

Corporate Strategy Department Assistant General Manager

After completing his primary, secondary and high school education at TED Ankara College, Caner Altuntaş graduated from Hacettepe University Department of Economics (English) in 2002 and later graduated from Istanbul University Faculty of Law with high honors degree in 2018. Mr. Altuntaş started his professional career as an Assistant Sworn Bank Auditor at the Banking Regulation and Supervision Agency in 2006 and served as Group Head in the audits of many banks and non-bank financial institutions. Mr. Altuntaş participated in many study groups and training activities on behalf of the BRSA and conducted audits and examinations for the Financial Crimes Investigation Board (MASAK). Between 2013 and 2014, he served as a member of the Consumer Arbitration Committee of the Banks Association of Türkiye and the Participation Banks Association of Türkiye. Since 2020, he has been a "Mediator" registered with the Mediation Department of the Ministry of Justice. In January 2024, Caner Altuntaş joined KKB and is currently serving as Assistant General Manager in the Corporate Strategy Department.



13. Organization Chart*



* The above Organization Chart was approved at the KKB Board of Directors Meeting held on December 20, 2023 and will be valid as of January 1, 2024.



Our Activities





14. Our Holistic Products and Services

Name of Service	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Credit Reference System (CRS)	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Individual Customer Objection Assessment System (Individual MIDES)		●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
False Information/Document/Declaration/Application Alert System (SABAS)		●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
CRS Information Verification System				●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Personal Credit Rating (PCR)						●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Corporate Bureau System (CBS)							●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Limit Control System (LCS)								●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Bounced Cheque Query											●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Personal Indebtedness Index (PII)														●	●	●	●	●	●	●	●	●	●	●	●
Cheque Report														●	●	●	●	●	●	●	●	●	●	●	●
Risk Report														●	●	●	●	●	●	●	●	●	●	●	●
Credit Limit Risk and Receivables to be Liquidated (CLCR)															●	●	●	●	●	●	●	●	●	●	●
Bill Details Notification and Sharing Service															●	●	●	●	●	●	●	●	●	●	●
Individual Cheque Inquiry															●	●	●	●	●	●	●	●	●	●	●
Applications of the Service of Statistical Information Disclosed to the Public															●	●	●	●	●	●	●	●	●	●	●
Applications for the Service of Statistical Information Disclosed to Official Institutions															●	●	●	●	●	●	●	●	●	●	●
Risk Center Customer Report Service															●	●	●	●	●	●	●	●	●	●	●
Prescribed Accounts															●	●	●	●	●	●	●	●	●	●	●
GeoMIS - Map-Based Reporting Service															●	●	●	●	●	●	●	●	●	●	●
Agricultural Loan Assessment System (TARDES)															●	●	●	●	●	●	●	●	●	●	●
Cheque Index															●	●	●	●	●	●	●	●	●	●	●
Central Decision Support Systems (CDSS)															●	●	●	●	●	●	●	●	●	●	●
Commercial Credit Rating (CCR)															●	●	●	●	●	●	●	●	●	●	●
Corporate Customer Objection Assessment System (Corporate MIDES)																●	●	●	●	●	●	●	●	●	●
Cheque Report (Risk Center)																●	●	●	●	●	●	●	●	●	●
Risk Report (Risk Center)																●	●	●	●	●	●	●	●	●	●
Bounced Cheque Warning Service																●	●	●	●	●	●	●	●	●	●
Inquiry and Warning Services about Entities Prohibited from Participation in Tenders																●	●	●	●	●	●	●	●	●	●
Data Sharing about Derivative Transactions																●	●	●	●	●	●	●	●	●	●
Data Validation and Sanction Application Service																●	●	●	●	●	●	●	●	●	●
Data Updating Application Service																●	●	●	●	●	●	●	●	●	●
Acceptance-Rejection Notifications Related to Loan Applications																●	●	●	●	●	●	●	●	●	●
Sharing Service of Internal Rating Scores																●	●	●	●	●	●	●	●	●	●
Sharing Service of Rating Scores																●	●	●	●	●	●	●	●	●	●
Member Request Management Services																●	●	●	●	●	●	●	●	●	●
Address Processing Service																●	●	●	●	●	●	●	●	●	●
Cheque Status Inquiry Service																●	●	●	●	●	●	●	●	●	●
Farmer Registry System (FRS)																●	●	●	●	●	●	●	●	●	●
My Findeks Rating Consultant																●	●	●	●	●	●	●	●	●	●
Findeks Warning Service																●	●	●	●	●	●	●	●	●	●
Findeks Tracer																●	●	●	●	●	●	●	●	●	●
Trade Registry Sharing System (TRSS)																●	●	●	●	●	●	●	●	●	●
Sharing Service about Customers Banned from Using Cheques																	●	●	●	●	●	●	●	●	●
Sharing of Information About Companies Which Have Declared Bankruptcy/Suspended Bankruptcy/Debt Concordatum																	●	●	●	●	●	●	●	●	●
Sharing Service about Customers Banned from Using Cheques																	●	●	●	●	●	●	●	●	●
RA Personal Record Inquiry Service																	●	●	●	●	●	●	●	●	●
Cross Cheque Relations Inquiry Service																	●	●	●	●	●	●	●	●	●



14. Our Holistic Products and Services

Name of Service	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Credit Insurance Inquiry and Sharing																	●	●	●	●	●	●	●	●	●
Findeks QR Code Cheque System																	●	●	●	●	●	●	●	●	●
Letter of Guarantee Status Inquiry (LGSİ)																	●	●	●	●	●	●	●	●	●
Collection Scores																	●	●	●	●	●	●	●	●	●
Inclination Scores																	●	●	●	●	●	●	●	●	●
Central Invoice Register System (MKFS)																	●	●	●	●	●	●	●	●	●
IBAN Validation Service																	●	●	●	●	●	●	●	●	●
LCS Customer Objections Handling System (MIDES)																	●	●	●	●	●	●	●	●	●
Application Fraud Attempt Detection and Prevention Service																	●	●	●	●	●	●	●	●	●
Loans Analysis Portal (KAP)																	●	●	●	●	●	●	●	●	●
Cheque Analysis Portal																	●	●	●	●	●	●	●	●	●
MERSIS Inquiry Service																		●	●	●	●	●	●	●	●
Risk Center (RC) Warning Service																		●	●	●	●	●	●	●	●
Address Processing-Map Service																		●	●	●	●	●	●	●	●
Force Majeure Inquiry																			●	●	●	●	●	●	●
BKM Member Merchant Turnover Information and POS Cancellation Information Inquiry Service																			●	●	●	●	●	●	●
Individual Inquiry Reports																				●	●	●	●	●	●
Loan Utilization Instant Sharing Service (KAPS)																			●	●	●	●	●	●	●
Electronic Letter of Guarantee																			●	●	●	●	●	●	●
Telecommunication Invoice Debt Information (TELKO) Inquiry																				●	●	●	●	●	●
Foreign Currency Credit and Income Inquiry																				●	●	●	●	●	●
Findeks QR Code Cheque Registration System																				●	●	●	●	●	●
BRSA Product and Service Fees Portal																					●	●	●	●	●
Retroactive CRS Inquiry Provision of Risk Center Report via the E-State Gateway																					●	●	●	●	●
NOVA																					●	●	●	●	●
Cheque Score																					●	●	●	●	●
Bill Report Service																						●	●	●	●
Electronic Investment Incentive Certificate (e-YTB) Inquiry																						●	●	●	●
Foreign Currency Credit and Income Customer Objections Handling System (MIDES)																						●	●	●	●
Risk Center Reporting System																						●	●	●	●
Risk Center Interactive Reporting System																						●	●	●	●
Issuer's Postdated Cheque Data Sharing Service																						●	●	●	●
Turkish ID Number-GSM Verification Service																						●	●	●	●
Agricultural Loan Score																						●	●	●	●
Member Transactions / Declaration System																							●	●	●
Sharing of Bankruptcy and Concordatum Decisions in the UYAP System																							●	●	●
Commercial Indebtedness Index (CII)																							●	●	●
Web Score																							●	●	●
Member Security and Web Service Authorization Management																								●	●
Member Data Analysis Service																								●	●
Member Monitoring/User Management																								●	●
Noncompliance with Board Resolution (10265) Sharing Service																								●	●
Disclosure Service for Clients Executing Derivatives Transactions with Non-Residents Pursuant to Board Decision (10248)																								●	●
KOSGEB Enterprise Assessment Report																									●
CARD Validation Service																									●
Electronic Investment Incentive Certificate (E-YTB) Utilization Information Sharing Service																									●



15. KKB's Products and Services

Name of Service	2000	2004	2006	2007	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
False Information/Document/Declaration/Application Alert System (SABAS)	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Personal Credit Rating (PCR)		●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Limit Control System (LCS)			●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Personal Indebtedness Index (PII)							●	●	●	●	●	●	●	●	●	●	●	●
Cheque Report							●	●	●	●	●	●	●	●	●	●	●	●
Risk Report							●	●	●	●	●	●	●	●	●	●	●	●
GeoMIS - Map-Based Reporting Service								●	●	●	●	●	●	●	●	●	●	●
Agricultural Loan Assessment System (TARDES)								●	●	●	●	●	●	●	●	●	●	●
Cheque Index								●	●	●	●	●	●	●	●	●	●	●
Central Decision Support Systems (CDSS)								●	●	●	●	●	●	●	●	●	●	●
Commercial Credit Rating (CCR)								●	●	●	●	●	●	●	●	●	●	●
Address Processing Service									●	●	●	●	●	●	●	●	●	●
Cheque Status Inquiry Service									●	●	●	●	●	●	●	●	●	●
Farmer Registry System (FRS)									●	●	●	●	●	●	●	●	●	●
My Findeks Rating Consultant									●	●	●	●	●	●	●	●	●	●
Findeks Warning Service									●	●	●	●	●	●	●	●	●	●
Findeks Tracer									●	●	●	●	●	●	●	●	●	●
Trade Registry Sharing System (TRSS)									●	●	●	●	●	●	●	●	●	●
Letter of Guarantee Status Inquiry (LGSİ)									●	●	●	●	●	●	●	●	●	●
Loans Analysis Portal (KAP)									●	●	●	●	●	●	●	●	●	●
Findeks QR Code Cheque System										●	●	●	●	●	●	●	●	●
Collection Scores										●	●	●	●	●	●	●	●	●
Inclination Scores										●	●	●	●	●	●	●	●	●
Central Invoice Register System (MKFS)										●	●	●	●	●	●	●	●	●
IBAN Validation Service										●	●	●	●	●	●	●	●	●
LCS Customer Objections Handling System (MIDES)										●	●	●	●	●	●	●	●	●
Application Fraud Attempt Detection and Prevention Service										●	●	●	●	●	●	●	●	●
Cheque Analysis Portal										●	●	●	●	●	●	●	●	●
Address Processing-Map Service											●	●	●	●	●	●	●	●
Loan Utilization Instant Sharing Service (KAPS)												●	●	●	●	●	●	●
Findeks QR Code Cheque Registration System													●	●	●	●	●	●
Electronic Letter of Guarantee													●	●	●	●	●	●
NOVA														●	●	●	●	●
Cheque Score														●	●	●	●	●
Turkish ID Number-GSM Verification Service															●	●	●	●
Agricultural Loan Score															●	●	●	●
Commercial Indebtedness Index (CII)																●	●	●
Web Score																●	●	●
KOSGEB Enterprise Assessment Report																		●
CARD Validation Service																		●

15. KKB's Products and Services

LIMIT CONTROL SYSTEM (LCS)

Pursuant to the Law on Bank Cards and Credit Cards, the total limit of credit cards that may be granted by all banks to a customer who will begin to use a credit card for the first time may not exceed an amount calculated as twice their income for the first year, and four times their income for the second year. Pursuant to the regulation dated October 8, 2013, credit limits apply to all credit cardholders. KKB initiated work on this subject in collaboration with the TBB Credit Cards Working Group, commencing the test run of the Limit Control System (LCS) in late 2013. As of January 2014, all members had uploaded customers' credit card data into the system. Designed and developed by KKB to meet the country's needs, the Limit Control System runs in real-time. Pursuant to the Law on Bank Cards and Credit Cards, the LCS enables credit card issuers to manage the single limit application by combining credit card limits assigned by credit card issuers for each customer.

With effect from 1 March 2014, sanctions were implemented within the Limit Control System (LCS) under the following conditions:

- If there are missing records in the first notification file transmitted, or if a subsequent addition has been attempted,
- If the FTP notification does not comply with the standards or is not made within the specified time,
- If the final limit is notified wrongly,
- If the current limit is communicated incorrectly.

With the launch of the LCS Urgent Updating service, members were enabled to perform reduction, closure, and record correction transactions without document circulation in order to facilitate correction of limits notified as part of LCS.

LCS CUSTOMER OBJECTIONS HANDLING SYSTEM (MIDES)

The LCS MIDES provides a platform for KKB members to handle customer objections related to incomplete or incorrect information shared via the LCS. If a customer believes that the information shared through the LCS is incomplete or incorrect, they may initiate an objection process in the LCS MIDES by using the reference number generated for

the inquiry. Regarding objections submitted by members, the process runs between objecting and responding parties through LCS MIDES screens. If the responding member replies to an objection with a value lower than the LCS value, then the process continues via the LCS Urgent Updating screen with the responding member updating their reply. The LCS MIDES was developed to respond to customer objections quickly and clearly and to carry out all related communications in accordance with defined standards. It aims to shorten the objection process and increase customer satisfaction.

RISK REPORT

The Risk Report is a KKB product which sets out the past loan repayment performance of natural persons and legal entities.

The Risk Report is produced by KKB for the TTB Risk Center by using individual and commercial credit information communicated regularly by banks and financial institutions. The report is prepared on the basis of this information and submitted without changes. The report goes beyond those published by its world peers in terms of design and content as a result of the enrichment activities carried out in 2014. The following information is provided in the report:

- Findeks Credit Rating,
- Limits, risks, past payment performance and credit card payment details of the respective individual,
- Number of financial institutions which issued the notification,
- Total number of credit accounts,
- Total limit and balance data,
- Date of last loan utilization,
- Number of overdue credit accounts,
- Total amount of overdue balance,
- Longest overdue period to date,
- Details of any loan under prosecution,
- Details of any ongoing loans transferred to asset management companies,
- The rating percentiles which indicate leasing-factoring combined data and customer's credit rating percentile throughout Türkiye

- The worst-case in the repayment history,
- Longest overdue period to date,
- Liabilities of credit card holders, outstanding balance under prosecution, credit utilization ratio, balance of outstanding instalments,
- For consumer loans: information such as outstanding balance under prosecution, credit utilization ratio, number of instalments, amount of instalments.

The Risk Report also includes the repayment performance for each loan over the past 18 months, while providing an overview of repayment performance in the financial sector. The Risk Report not only contains negative information, such as overdue payments or records under prosecution but also positive information, such as timely repayment of loans. Therefore, it creates an important advantage for individuals who pay their debts on time.

Since September 2012, KKB has also shared the Risk Reports with report-issuing persons/institutions and third parties authorized by these issuers through bank branches. In addition to the financial industry, the Reports have been shared electronically via the Findeks platform with individuals outside of finance sector and the real sector since 2014.

CHEQUE REPORT

The enactment of the Law Amending Cheque Law No. 6273, which was promulgated in the Official Gazette No. 28193 (Repeating) dated February 3, 2012, abolished the sanction imposed on issuers of bounced cheques and ushered in a new era in the Turkish economy in terms of receivables risk management. Platforms through which information required for proper management of risk and enabling accurate decision making on the part of the bearer of the cheque on whether or not to accept a cheque aim to protect both the cheque issuer and the bearer. The "Cheque Report Presentation System" was introduced by KKB in April 2012 to make the cheque more secure as a common instrument of payment. The system offers a service that provides the cheque payment history information needed by cheque bearers about the cheque issuers in order to make sound decisions via the Cheque Reports the system produces.

15. KKB's Products and Services

Within the scope of the report, in which the past cheque payment information of the cheque issuer can be easily accessed, the below information is included:

- Banks where the customer holds a cheque account,
- The number of cheques presented since 2007,
- The number and amount of cheques paid upon presentation,
- The number and amount of cheques bounced and still unpaid since 2009,
- The number and amount of cheques bounced but subsequently paid since 2009,
- Date of the first cheque presented,
- Date of the first cheque presented and dishonored,
- Date of the last cheque presented and dishonored,
- Date of the last cheque paid upon presentation,
- Number and amount of cheques paid during the last 1, 3, and 12-month periods,
- Number and amount of cheques dishonored during the last 1, 3, and 12-month periods,
- List of dishonored cheques limited to the most recent 50 cheques,
- Number of open cheques remaining unpaid or non-dishonored,
- Number and amount of post-dated cheques remaining unpaid or non-dishonored,
- Number of cheques unreturned to the banking system,
- Cheque index,
- Table showing the lowest, highest and average amounts of cheques by year,
- Data of open cheques in addition to collection guarantee cheques,
- Information about issuers' postdated and open cheques, in addition to bounced and paid cheques.

The report enables the tracking of the positive or negative cheque payment performance of the account holder. The report also shows how many banks have issued cheque books to the account holder and gives an idea about the credibility of the person in question. If the Cheque Report is used at the time of cheque acceptance, it is possible to predict the probability of the cheque bouncing with up to 80% accuracy.

Reports can be required by real/legal persons active in the real from the counterparty at every platform of commercial transactions via online devices or online. Through online report applications, real sector members can obtain a cheque report or a risk report of a debtor from the said debtor or, with their approval, directly from the KKB inquiry system to control their receivables risk. KKB has set an example worldwide with its unique infrastructure, which enables the requesting of Cheque Reports electronically by obtaining consent from third parties.

CHEQUE STATUS INQUIRY

Cheque Status Inquiry was developed to prevent cheque fraud. With this service, one can find out whether a cheque is in circulation by making an online inquiry about the status of accepted cheques. Thanks to the system that works by making an online inquiry through the bank that issues the cheque, it is possible to obtain information about whether the cheque transmitted from the addressee bank is in circulation. The inquiry will be used to prevent the possibility of a certain cheque being a copy of the original cheque by determining whether the cheque in question has been returned to the banking system, or whether it is received by any bank for collection or collateral purposes. In order to pave the way for a safer commercial life in Türkiye, KKB has offered this service to the entire financial sector as part of the "Measures Taken to Prevent Cheque Fraud." With the studies carried out and the information obtained from new data services, work for the dissemination of KKB products continues. One such area of activity was the renewal of the Cheque Status Inquiry (CSI) application. Cheque Status Inquiry was developed as a new application with new services independent of the existing CSI application. After the improvements carried out, it is possible to conduct inquiries about whether the cheques are in circulation or not through the MICR code found on the cheque. It additionally provided inquiry through the security code prepared as a feature to increase the security of the QR code.

CHEQUE INDEX

The Cheque Index summarizes cheque-using habits and the reliability of a cheque issuer while serving as a risk indicator in graphic form. The Cheque Index is based on a score for the market, which is derived from the cheque payment data of natural and legal persons.

The Cheque Index evaluates the cheque payment behavior of legal entities and natural persons as a measurable factor. If there has been a problem, the Cheque Index's calculation reflects the number and amount. The cheque bearer can easily see the standing of a cheque issuer on a simple diagram and compare his/her position with other cheque issuers.

The Cheque Index, calculated statistically through an analysis of detailed data in the Cheque Report, facilitates interpretation of the reports and sound decision-making, hence ensuring time and resource savings. The Cheque Index is based on statistical data obtained through the analysis of detailed information pertaining to cheque history. Therefore, corporations can use the Cheque Index before engaging in a cheque transaction instead of attempting to interpret the detailed information in the Cheque Report. The Cheque Index enables companies to: Have an idea about the reliability of cheques, which they accept as a guarantee; make consistent predictions as to whether the cheque will be paid by the maturity date, and minimize any financial loss they may incur if the cheque bounces.

PERSONAL CREDIT RATING (PCR)

The Personal Credit Rating (PCR) is a numerical indicator calculated by KKB for individual customers to predict and compare customers' ability to repay the loans they have obtained or will obtain from KKB-member institutions. The Personal Credit Rating, which is a decision support product developed using a statistical model, provides a summary of data pertaining to loan repayments of customers obtained via the Credit Reference System (CRS). PCR enables lending institutions to make rational, standardized risk decisions while shortening the decision-making process substantially. As a result, customers are able to access loan products in a shorter space of time. Finally, the sixth version of the PCR was launched in 2021.

15. KKB's Products and Services

PERSONAL INDEBTEDNESS INDEX (PII)

Personal Indebtedness Index (PII) is a score-based risk index developed by KKB to introduce a new risk perception to the banking and finance industry and to enable better prediction of potential risks. The PII aims to identify persons who have a tendency to run up excessive debts, even though they may not have shown any signs of repayment problems in the past.

The objectives of the PII include:

- Establishing an early warning system by identifying those persons who use a new loan to pay off an existing debt and who are therefore increasingly incurring more debt, even though they may not have demonstrated any indications of repayment problems in the past,
- Ensuring responsible lending,
- Enabling users to reach more accurate decisions concerning matters such as determining credit limits and risk-based pricing,
- Improving the quality of the lending decision systems of banks.

The Personal Indebtedness Index (PII) was developed to predict those persons who will become excessively indebted within one year following the date of the inquiry, even if they are not expected to become insolvent within the same period. In addition to the definition of a "non-performing loan" (i.e., persons who have failed to pay instalments three periods in succession, persons who are under legal prosecution, persons who are classified as having an uncollectible account), which risk prediction models try to forecast, the PII also detects signs of "excessive indebtedness." In that context, PII was developed to identify persons who have an outstanding non-guaranteed debt exceeding TRY 400 and to predict excessive indebtedness. KKB launched the second version of PPI in 2022.

COMMERCIAL CREDIT RATING (CCR)

The Commercial Credit Rating (CCR) is an evaluation of the creditworthiness of a firm, which is used to facilitate commercial credit analysis. The CCR can be queried by member banks and other financial institutions as part of inquiries conducted through the Corporate Bureau, which keeps a record of credit histories.

The CCR is based on demographic data, loan data and the cheque payment performance, and is used to predict the extent that an enterprise will fulfil its repayment obligations of a loan obtained from a member. CCR measures a firm's default probability within 12 months following the date of inquiry; therefore, if the CCR is high, it means that default probability is low. Financial institutions consider a number of variables in the lending process. Credit repayment histories of legal entities serve as an important variable at this point. The CCR also fills an important gap by providing the information needed in the evaluation of the behavior (credit repayment) performance of legal entities. In this way, the external behavior of loan customers can be easily monitored.

With the Commercial Credit Rating (CCR), calculated statistically through the analysis of detailed data contained in the Risk Report,

- Risk decisions reached by lending institutions can be evaluated more accurately,
- A standard can be established in the commercial segment,
- Decision-making processes are shortened so customers are able to access loan products in a shorter space of time.

KKB offers its corporate members the "Commercial Credit Rating" model, derived from data modeling carried out on the "Corporate Bureau System."

COLLECTION SCORES

The Collection Scores service, one of KKB's high value-added products, launched in order to support the data-sharing service it offers to members with analytic scoring models, is used to assess the risk that a customer who has already delayed on a repayment will further delay a payment or default on a loan in the near future. Collection Scores, which are risk scorecards tailored for each customer who delays their payments, allow members to manage their collection processes more effectively by developing a collection strategy for their customers who have delayed on payments.

Taking into account all CRS data, members may boost collection efficiency by planning their actions to realize risk segmentation in line with the related overdue periods and may also be able to maintain customer satisfaction except for operational gain.

INCLINATION SCORES

KKB Inclination Scores seek to predict the likelihood that individuals will use a new credit product in the future based on their past behavior and their performance with respect to existing credit products. It is aimed at enabling members to manage their risks effectively by reaching customers genuinely in need of loans or customers with sufficient credibility.

KKB Inclination Scores:

- Enable KKB members to reach the best prospects rapidly with appropriate strategies.
- Allow members to see more comprehensive data via a single score with a lesser operational burden,
- Save time thanks to the easy identification of target masses on a product basis.
- Provides more productive, efficient management in making products available.

KKB, which started to calculate trend scores for retail loans in 2015 by modeling the loan and loan application information of the retail portfolio in the data warehouse with statistical methods and calculations, plans to calculate trend scores for all individual products in the future.

GEOMIS - MAP-BASED REPORTING SERVICE

GeoMIS, winner of the "Oracle 2014 Innovator Excellence Award," is a location-based data reporting service that processes address information contained in KKB data and converts it into geographic coordinates. GeoMIS enables viewing of all types of statistical data on the map by assigning different colors to different categories, which are broken down by city and province.

15. KKB's Products and Services

Comprised of various components, GeoMIS does not only consist of a database, numerical map, and reports. GeoMIS can also be effectively used as a decision support system because it visualizes common database processes, such as inquiries and statistical analysis, combining them with geographic analyses provided by the maps. Thanks to this capability, GeoMIS renders report outputs much more valuable, providing an output that boosts productivity and risk models.

The following reports can be generated through the GeoMIS - Map-based Reporting System; Standard Report, which contains portfolio data of an institution pertaining to a specific period; Trend Report, which enables the tracking of changes in portfolio data of an institution within a certain time period; Benchmark Report, in which portfolio data of an institution can be evaluated against industry data, TURKSTAT (Turkish Statistical Institute) data and a selected benchmarking group average.

The GeoMIS service is provided by KKB through the map-based reporting platform via the Oracle database and application servers. Data positioning on the map is done using geo-coding. The system uses the IP address to determine the institution which the user entering the application belongs to, and displays information based on the identified institution.

GEOMIS PERSONAL

In July 2013, the members of the Credit Reference System (CRS) started using the GeoMIS application, which had only been covering the inquiries done by CRS users since the second half of 2009. In 2014, the data set of the GeoMIS application was further enriched with the addition of personal loan portfolio data. Since then, the application has also offered services in the form of GeoMIS Personal.

GEOMIS CORPORATE & CHEQUE

GeoMIS Corporate & Cheque is a product of the GeoMIS family. In August 2014, KKB expanded the data set of the GeoMIS family by adding specific KKB information about small/medium/large enterprises and the commercial segment. As a result, GeoMIS Corporate & Cheque provides detailed reports based on cities and towns.

The GeoMIS Corporate & Cheque application allows the evaluation of limits, risks, Commercial Credit Rating (CCR) and bad cheque data pertaining to accounts contained in the Corporate Bureau (CB) and display of this data on the map based on cities and even towns. Corporate members are able to view their data, track the changes and development of their data, and to compare it with the industry and the competition.

Reports generated by the system contain information about outstanding balances, number of accounts, average score, credit risk and bank branch, and the number of firms on credit/bank branches. As with other GeoMIS applications, the content of GeoMIS Corporate & Cheque is continually improved. In its first year, the data set of GeoMIS Corporate was expanded with the addition of information about cheques notified to KKB.

GEOMIS COMBINED

The newest member of the GeoMIS product family, GeoMIS Combined includes and maps information related to the credit limit/risk reported by banks and financial institutions as well as receivables to be liquidated by using the branch's province and district address information.

The following information can be viewed on GeoMIS Combined:

- The number of records, branches, customers, and customers per branch on Unit Reports;
- The level of risk in TRY terms, the level of risk excluding re-discount and accrued interest, the level of risk per customer and the level of risk per branch on Risk Reports;
- Limits in TRY terms and limit occupancy ratios on Limit Reports;
- Non-performing receivable ratios and delayed credit ratios on Ratio Reports.

LOANS ANALYSIS PORTAL (LAP)

The Loans Analysis Portal (LAP) is an interactive reporting system which allows data reporting of any kind of installment loan, overdraft account, or credit card products in the portfolio held by natural persons, their payment performance, and comparisons with the benchmarking group selected in the GeoMIS Personal application and with the sector as a whole.

The primary advantages which the LAP offers to users include:

- Showing changes in an institution's loan portfolio on a monthly basis and over time.
- Facilitating strategic decision-making by providing reports and information related to risk management, credit policies, marketing and campaign management and collection practices.
- Offering tailored data and content and ease-of-use via the Internet.

Using different parameters and filtering options on the reporting screens, the Loans Analysis Portal can produce about 175 million different reports on 2.5 billion lines of data. Thanks to its state-of-the-art infrastructure, LAP generates these reports amazingly fast.

Corporate members of KKB who are also Credit Reference System (CRS) users may perform the following analysis on the LAP:

- Analysis of newly opened accounts,
- Analysis of the current portfolio,
- Risk analysis.

These three analyses are three core reporting themes available in the product.

The Credits Portfolio Analysis Service generates reports using data derived from the monthly notifications of CRS members. The system contains data pertaining to the past 13 months and report results are visually represented in diagrams.

The application enables the following:

- Tracking of the current state and development of its own loan portfolio over time;
- Comparisons of data related to different portfolios, such as the amount, volume, overdue payments and collections, with competitors;
- The ability to use this data to establish and test risk management policies.

15. KKB's Products and Services

LAP's reporting service was prepared as a separate portal for consumer finance companies. The companies were provided with the opportunity to receive data from the LAP on a product basis and under their preferred heading. In addition to the newly opened accounts analysis, current portfolio analysis and risk analysis reports (which they may already receive), consumer finance companies may prepare and use reports in three main products - vehicle loans, mortgage loans and consumer loans.

CHEQUE ANALYSIS PORTAL

The Cheque Analysis Portal is an interactive reporting environment which enables KKB members to compare their cheque numbers with the "benchmarking group" that they will define and the "sector in general."

Through the reports prepared with the data obtained from the daily cheque notifications of the Cheque Analysis Portal, they may perform the following activities:

- Compare the number of cheque customers using cheques for the first time with competing institutions;
- Gather information about the ratios and trends of customers who issue bounced cheques in their customer portfolio;
- Monitor the rates of the dishonored cheques which are subsequently paid, on a monthly basis with the Vintage analysis;
- Measure the ratio of bounced cheques during the presentation, and how loyal cheque customers are, to their payments;
- Have information about the ratio of up-to-date bounced cheques and on how much of the bounced cheques have been paid;
- Compare the ratio of cheque customers who issued a cheque for the first time, and who issued a bounced cheque for the first time, with the sector in general as well as with a peer group defined by the institution itself;
- Reach the cheque index distribution of the cheque customers.

ADDRESS PROCESSING SERVICE

The address formatting infrastructure used in GeoMIS, the map-based reporting system launched in 2013, started to be made available as a standalone service in line with the needs of KKB members in 2014.

This application contains checks to update address information such as street names, towns and similar details by geocoding the customer address data with the bank, adding geocoded data to the address data and accurately defining the newly added addresses into the system.

The Address Processing Service provides the following benefits:

- Collective Processing of Customer Addresses: Existing bank customer address information can be formatted; changed information such as street name, town, and the like are updated, missing data completed; and geographic coordinates are added to the address data (geocoding).
- Sharing the Up-to-date Address Database with Members: In order to ensure accurate data entry of new addresses, Türkiye's address database is uploaded into the member system and integrated with the address entry screens. The coordinate assignment service through KKB is also provided for each address which has been entered. In addition, a reverse geocoding service is also offered to obtain current addresses through coordinates for use in cases such as region or county changes.
- The mapping service allows any specific data related to a member to be mapped using a function operated by KKB.

AGRICULTURAL LOAN ASSESSMENT SYSTEM (TARDES)

In 2013, KKB launched the Agricultural Loan Assessment System (TARDES), which contains a data sharing, system-ready infrastructure for banks and financial institutions seeking to extend loans to the agricultural industry. With TARDES, all banks which are members of KKB and able to carry out CRS & CRM notifications and inquiries are provided with a vital infrastructure and information service which allows them to conduct evaluations on accurate and up-to-date data without the need for specialized teams, and where they can carry out systematic agricultural loan assessments.

TARDES offers KKB members the following benefits:

- Reliable, up-to-date, and detailed cost tables created by expert staff;
- Simultaneous evaluation of different production and/or cultivation by the same producer;
- The ability to extend loans of different maturities depending on the type of production and agricultural products;
- Evaluation of agricultural production by taking into account a producer's non-agricultural income and expenses;
- Inclusion of personal information as well as production and income-expense data of other persons or entities which may impact loan repayment in a single application;
- The ability to offer a general credit limit taking into account a producer's agricultural and non-agricultural, commercial, and personal activities and ability to repay;
- Preventing the extension of loans which exceed a producer's need and ability to repay;
- Evaluation of short, medium and long-term loans all in one;
- Minimal IT and staff investment required by lending institutions;
- The automatic data input from the Farmer Registry System;
- A flexible lending infrastructure tailored to the needs of financial institutions, enabling them to enter models and parameters into the system in line with their own credit policies;
- The capability to send notification emails to users as the maturity date approaches for a product for which a limit has been proposed;
- Time savings by blocking applications for products which do not qualify for a loan extension;
- Evaluation of a producer's loan requests for non-agricultural purposes through the personal loan category.

Thanks to this assessment system developed jointly by the Frankfurt School and KKB, cost, income, and maturity calculations have become much easier.

15. KKB's Products and Services

TARDES helps financial institutions save time and labor by providing information compiled and evaluated by a professional, impartial and expert team. It also allows financial institutions to establish a standard, product-based evaluation system internally. As a result, TARDES contributes significantly to the development of the agricultural industry. In an evaluation conducted by Fast Company in 2021, KKB was selected as one of Türkiye's 50 most innovative companies in recognition of its TARDES service.

FARMER REGISTRY SYSTEM (FRS)

The Farmer Registry System (FRS) is a registration system which requires all farmers to be registered in a central database in order to monitor, inspect, report and inquire in regard to agricultural support and to ensure that the evaluations are performed soundly and accurately.

The FRS is a combined system of systems in which the personal information of farmers actively engaged in agricultural activities, the assets they use during their activities (such as land, animals and various inputs), their product pattern and their average yields are recorded, along with agricultural supports which have been applied, monitored, inspected, and used in the formation of agricultural policies.

The FRS Inquiry Screens allow KKB members who are not using the TARDES loan module to inquire in regard to FRS data compiled by the General Directorate of Agricultural Reform and which is used to update, inspect, and monitor farmer-related data.

TRADE REGISTRY SHARING SYSTEM (TRSS)

The Trade Registry Sharing System (TRSS) enables financial institutions to electronically monitor their customers' up-to-date trade registry information amendments published in the Trade Registry Gazette. Through TRSS, users can access amendments published in the Trade Registry Gazette through an individual inquiry made on the application as well as proactive disclosure methods on a daily basis.

The Multiple Inquiry option allows users to retrieve the trade registry information of several customers at any one time. Users may either retrieve information regarding all types of announcements or select announcements in a specific category. The Proactive Notification service sends members daily notifications regarding selected types of announcements concerning their customers in the Corporate Bureau and newly established firms. The related notification file is sent to the FTP address.

Institutions using the proactive notification service are now able to select which daily notifications they wish to receive by entering specified criteria into the system.

VALIDATION SERVICES

The Verification Services offered by KKB, which are aimed at bringing about a more reliable financial environment, are a set of services created to alleviate the operational and cost burden of institutions and organizations in the financial world and create a reliable environment for their members while achieving time savings. Verification Services include the IBAN Verification Service and Turkish ID Number, GSM Verification Service and Card Verification Service.

IBAN VALIDATION SERVICES

Fast, secure, and accurate money transfer through financial institutions is becoming increasingly important for customers in today's fast-paced business world. The IBAN Verification Service aims to minimize incidents which may occur in money transfers with the query and confirmation options which it offers.

KKB's IBAN Inquiry feature enables customers to view masked data such as name/surname, company name about the real person or the title of the legal entity connected to the IBAN, thus helping customers avoid incorrect money transfers. The KKB IBAN Confirmation feature is a verification service which can be used when the account holder's IBAN and Turkish ID or Tax numbers are known, but the identity verification cannot be performed. Users may check whether the match between the IBAN and Turkish ID or Tax number is correct by submitting an inquiry on KKB.

The KKB's IBAN Validation Service aims to:

- Prevent errors in money transfers,
- Cut operational costs,
- Reduce time costs,
- Provide customers with a secure transaction platform, and
- Increase customer satisfaction.

TURKISH ID NUMBER AND GSM VALIDATION

In the financial sector, as in other sectors, work is carried out with the aim of contributing to the sector at a time when digitalization has become important.

As financial services are one of the fields of activity in which digitalization is most prominent, this service aims to contribute to the transformation of the sector.

With these services, which is designed for ensuring security in financial transactions, it is possible to confirm the phone number shared by the customer if it is registered in the banking sector. With the telephone number given, it is possible to check whether the Turkish ID number has been previously registered in any bank and whether it matches. Banks can join the system with the web service integration and integrate the application into their own systems.

CARD VALIDATION SERVICE

The Card Validation Service was launched by KKB on March 1, 2023 to prevent abuses that may occur in the financial sector through card numbers and to establish an additional control step in cases where remote verification is required.

Card Validation Service is a service used to provide additional confirmation for transactions that require remote verification within the scope of KKB Validation Services. Card Validation Service is a validation mechanism that confirms whether the customer's Turkish ID Number and the card number to be queried are compatible with each other.

15. KKB's Products and Services

ELECTRONIC LETTER OF GUARANTEE

The Electronic Letter of Guarantee is a platform which carries traditional letters of guarantee issued by banks to electronic media and enables all transactions which can be carried out throughout the life cycle of the letter to be performed in an electronic environment.

All transactions which can be performed for letters of guarantee created in paper form may also be executed for the Electronic Letter of Guarantee.

Systems integration works between banks and intermediary institutions that are parties to the project went into a production environment on January 5, 2018. The first Electronic Letter of Guarantee was transferred between VakıfBank and Eximbank on October 4. All banks are working to complete their integration processes with this important project, which marks a revolutionary step forward in the Turkish banking sector.

Real sector firms which are beneficiaries in an Electronic Letter of Guarantee transaction may follow the status of their letters through Findeks. The status of the letters may be displayed, and it is possible to monitor the stages of the processes between the payer and the bank. The Electronic Letter of Guarantee also offers a wide range of advantages both for the beneficiary and for the payer. The most prominent of these advantages can be listed as faster and safer transactions with minimal operational costs.

All functions in the life cycle of the standard letter of guarantee such as compensation claims, requests for restitution or release, maturity updates, expiry date and status inquiries are also available in the Electronic Letter of Guarantee.

LETTER OF GUARANTEE STATUS INQUIRY (LGSİ)

The Letter of Guarantee Status Inquiry (LGSİ) service enables customers who have received a letter of guarantee from a bank to check whether the letter of guarantee is still valid for the issuing bank. The service allows for inquiries using parameters such as bank name, branch name, row number, amount, currency and expiration date.

Institutions using the LGSİ service save time and cut operational costs by being able to instantly inquire the validity of a letter of guarantee without the need to contact the issuing bank. The system is able to immediately question the validity of a letter of guarantee given to the addressee, with the aim of preventing fraudulent attempts.

KKB member institutions and corporations may use the LGSİ service, which mainly targets public entities and institutions which process a large number of letters of guarantee, through web screens especially designed for this application. Users are able to submit online inquiries using banks' updated letters of guarantee databases, which are integrated into the system. The inquiry covers all letters of guarantees with domestic addressees. In this "online/real-time" application, data flow from/to the banks that issue letters of guarantee is achieved through web-based service integration.

CENTRAL DECISION SUPPORT SYSTEMS (CDSS)

Serving as a data-sharing platform since its foundation, KKB now enables execution of the entire decision automation by means of cloud technology via KKB through the Central Decision Support Systems (CDSS), which began to be offered to the members in 2014.

The CDSS is a decision automation system used by institutions which deliver all types of decisions including application management, risk and collection, credit monitoring and early warning related to services provided by them to their customers, in a rapid, efficient, and standardized manner. The most significant downside of these systems, despite their many advantages, is that the purchase, installation, and operational costs may be significant.

Delivering this service centrally, KKB aims to provide institutions with fast, low-cost access to these systems. KKB enhances all information sent by members when decisions are required, before processing the information through the CDSS and then sending the final decision to that member. Accordingly, members may benefit from this state-of-the-art technology which was designed to reduce installation costs and implementation time.

CDSS are effectively used by both the real sector and the finance industry. The main advantages of the CDSS, which can be used in a wide range of areas including application management, customer management, limit management and collection management which require continuous updating and optimization of decisions in order to adapt to the ever-changing business environment with successful strategy management, are as follows:

- The system requires minimal IT resources, since the technical infrastructure is provided by KKB;
- It shortens integration processes to realize projects, thanks to the advantage of using an existing service;
- Reduces costs with per-transaction pricing;
- Enables business units to reach decisions independently of the IT Department thanks to the new generation Strategy Design Studio software;
- Compiles and consolidates KKB data used in CDSS decision-making processes, which draw on KKB's know-how and technology;
- Conducts inquiries on all reports within KKB.

15. KKB's Products and Services

PRESCRIBED ACCOUNTS

With this service, information regarding prescribed deposit accounts, participation funds, trusts and accounts receivable are collected from banks which are members of the Banks Association of Türkiye (TBB) and the Participation Banks Association of Türkiye (TKBB), consolidated and published on a common platform (i.e., the website) to provide customers with easy access. Prescribed Accounts information is published every year in early February and can be accessed by all financial services customers until June.

ALERT SYSTEM FOR FALSE INFORMATION, DOCUMENTS, DECLARATIONS OR APPLICATIONS (SABAS)

Serving the finance industry for the past 11 years, the Alert System for False Information, Documents, Declarations or Applications (SABAS) enables members to share information regarding malicious attempts to use wrongful information and related risk factors under a defined scheme and to take necessary measures. Thanks to the information sharing technique and platform, developed by KKB and which sets SABAS apart from other similar systems used around the world, members are able to share facts, findings, and evidence related to crimes such as forgery, fraudulence, identity theft, money laundering, and the like.

SABAS is structured around five main objectives:

- Protecting citizens and customers from risks and victimization by preventing use of their information, documents, possessions and property by others (e.g. identity thieves, money launderers, impostors, swindlers, and the like),
- Informing KKB members about actual or potential risks arising from malicious attempts in the face of the initiatives that are the subject of SABAS, in order to protect them against such risks or reduce their loss or damage,
- Enabling KKB members to exchange information under standards and rules that are free of "personal comments, opinions or judgments,"

- Protecting KKB members from becoming victims of crimes, which may have more destructive consequences than that of the malicious attempts described under SABAS,
- Enabling KKB members to minimize their risks, thanks to SABAS, while protecting natural persons and legal entities from becoming victims of such attempts.

APPLICATION FRAUD ATTEMPT DETECTION AND PREVENTION SERVICE

The objective is to create a national database of loan application data provided by member institutions and offer protection to the entire industry. The Application Fraud Attempt Detection and Prevention Service provides for a much safer operational environment when compared to anti-fraud controls undertaken by each institution separately. This project aims to minimize losses incurred by financial institutions as a result of application fraud. The Fraud Attempt Detection and Prevention Service will run as a cloud-based application through KKB, thus allowing for easy system participation at a low cost for financial institutions.

Since the licensing expenses will be shared by all institutions, the service, which provides a great advantage to institutions, is designed to work on shared rules and data, as well as to process exclusive rules and data of institutions. The new system, which is currently activated especially for lending institutions, is aimed to expand and become a national information-sharing platform with the participation of different industries.

LOAN UTILIZATION INSTANT SHARING SERVICE (KAPS)

The Loan Utilization Instant Sharing Service (KAPS) is designed to prevent the obtainment of loans by a person from banks and financial institutions on the same day above his/her creditworthiness and to determine related fraud cases. The service allows an institution to be informed if a customer has obtained any other loans in the 48 hours prior to the time the loan was extended.

It allows a ban to be placed on any person receiving loans in excess of their solvency, while preventing a type of fraud commonly perpetrated in the market.

BRSA PRODUCT AND SERVICE FEES PORTAL

BRSA Product and Service Fees Portal provides financial consumers with information on any fees, commissions and expenses charged for retail products and services by banks other than interest and profit share in a transparent, legible, and comparable manner.

All fees charged by banks to retail consumers are entered into the system in the same format, and data can be updated simultaneously in case of any changes to such fees. Thus, the portal allows users to review and compare banking product and service fees in a single format, regardless of the varying fees charged by banks.

NOVA

The KKB NOVA platform enables data obtained from scattered channels at different times to be collected systematically according to defined rules, categorized, analyzed to achieve targeted results and interpreted.

The platform has been developed by KKB to establish a dynamic data collection platform and to collect, monitor, process, and analyze related data from a single platform.

The platform aims to collect data dynamically on a single system, in view of the following situations arising in current data collection systems;

- Data duplication
- Data verification
- Integration deficiencies
- Lost data
- Dependence on people
- IT dependency
- High costs
- Manual processes

15. KKB's Products and Services

AGRICULTURAL SCORE

Agriculture in Türkiye is of tremendous importance in meeting the country's food needs, providing input to the industrial sector, exports and job creation. Since financial risk management is critical in such an important sector, an analytical model specific to the agricultural sector has been developed for the first time in Türkiye, with country-wide sector data, in order to predict the extent that those operating in the agricultural sector will be able to repay the loans they have received or will receive.

The Agricultural Loan Score measures the risk of default in agricultural loan repayments within 12 months for real persons operating in the agricultural sector.

It has been developed by statistical methods for the use of the financial sector. The use of Agriculture Score provides the following benefits;

- Allowing Member financial institutions to reach more objective decisions more rapidly in the lending process,
- More effective management of the risk of the loan portfolio of financial institutions in the agricultural sector,
- Correct pricing according to the risk level predicted as a result of the analytical model for the producers.

CHEQUE SCORE

The level of risk of cheques with a high leverage ratio for the economy is of critical importance. The "KKB Cheque Score" developed by KKB, which is intended to assist members with analytical products in managing risk in the most appropriate way with statistical forecasting modelling methods using industry data, measures the risk that the issuer will default on the payment of at least 1 cheque at maturity within 9 months.

The model, which was developed by analyzing the payment performance of all cheque data as well as other loans, was made available to all financial institutions which are members of the Risk Center in 2019.

The KKB cheque score provided financial service providers who are also KKB members with the following benefits;

- Allowing more objective decisions more rapidly in the lending process,
- Effectively managing the cheque credit risk of their customers working with cheques,
- Improving the quality of cheques in the collateral store.

COMMERCIAL INDEBTEDNESS INDEX (CII)

Companies which are experiencing some difficulty paying demonstrate some delays before defaulting. The Commercial Indebtedness Index (CII) model identifies the firms which do not yet have an obvious delay, but have a high degree of borrowing tendency and are likely to fail in the future. Unlike most risk models which look at the number of days of delay, this model brings a different perspective of riskiness by taking into account borrowing situations which exceed the Company's payment capacity.

The CII model estimates the tendency of models developed for individual companies and legal entities using machine learning algorithms to fall under high indebtedness that may lead to the subsequent default of the customer by looking at customers' historical KRM information, both instantly and as a trend.

WEB SCORE

The Web Score model automatically collects and analyzes public internet data and uses this detailed information about SMEs to estimate the probability of default with a risk model. This model can be used to speed up the decision-making process of bank teams and automate the manual assessment of allocation.

The Web Score model, which has been developed with machine learning algorithms, can be used as a strong analytical forecasting model to support the credit decision when there is limited external intelligence concerning the Company, either a weak credit history or no credit history at all, and thus more companies can access credit. Even when sufficient information about the firm is available, the Web Score model can be used to improve the performance of credit risk models.

KOSGEB ENTERPRISE ASSESSMENT REPORT (EAS)

Within the scope of the cooperation between the Small and Medium Enterprises Development Organization (KOSGEB)-Findeks, the Enterprise Assessment Report (EAR), which allows businesses to assess their position in the sector, their financial development and performance for the last 5 years, and their financial health status over the years by examining them in detail, began to be offered through the Findeks internet branch as of March 1, 2023.

With the KOSGEB Enterprise Assessment Report, users can assess their enterprises in a wide array of details and make benchmarking comparisons with similar companies in the sector. At the same time, they can also access the Enterprise Assessment Report of other persons or organizations, provided that an approval is obtained. Enterprises with commercial activities can manage receivable risks and trade safely using this report.



16. Products and Services Which We Offer to the TBB Risk Center by Proxy

Name of Service	1999	2000	2002	2005	2009	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Credit Reference System (CRS)	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Individual Customer Objection Assessment System (Individual MIDES)		●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
CRS Information Verification System			●	●	●	●	●	●	●	●	●	●	●	●	●	●
Corporate Bureau System (CBS)				●	●	●	●	●	●	●	●	●	●	●	●	●
Bounced Cheque Query					●	●	●	●	●	●	●	●	●	●	●	●
Credit Limit Risk and Receivables to be Liquidated (CLCR)						●	●	●	●	●	●	●	●	●	●	●
Bill Inquiry						●	●	●	●	●	●	●	●	●	●	●
Individual Cheque Inquiry						●	●	●	●	●	●	●	●	●	●	●
Applications of the Service of Statistical Information Disclosed to the Public						●	●	●	●	●	●	●	●	●	●	●
Applications for the Service of Statistical Information Disclosed to Official Institutions						●	●	●	●	●	●	●	●	●	●	●
Risk Center Customer Report Service						●	●	●	●	●	●	●	●	●	●	●
Prescribed Accounts						●	●	●	●	●	●	●	●	●	●	●
Corporate Customer Objection Assessment System (Corporate MIDES)							●	●	●	●	●	●	●	●	●	●
Cheque Report (Risk Center)							●	●	●	●	●	●	●	●	●	●
Risk Report (Risk Center)							●	●	●	●	●	●	●	●	●	●
Bounced Cheque Warning Service							●	●	●	●	●	●	●	●	●	●
Inquiry and Warning Services about Entities Prohibited from Participation in Tenders							●	●	●	●	●	●	●	●	●	●
Data Sharing about Derivative Transactions							●	●	●	●	●	●	●	●	●	●
Data Validation and Sanction Application Service							●	●	●	●	●	●	●	●	●	●
Data Updating Application Service							●	●	●	●	●	●	●	●	●	●
Credit Acceptance-Rejection Notification Service							●	●	●	●	●	●	●	●	●	●
Sharing Service of Internal Rating Scores							●	●	●	●	●	●	●	●	●	●
Sharing Service of Rating Scores							●	●	●	●	●	●	●	●	●	●
Member Request Management Services							●	●	●	●	●	●	●	●	●	●
Inquiry for Cheques with Interim Injunction Decision Issued/Revoked/Canceled								●	●	●	●	●	●	●	●	●
Information Sharing Service for Companies Under Suspended Bankruptcy, Bankruptcy and Requesting Concordat								●	●	●	●	●	●	●	●	●
Sharing Service about Customers Banned from Using Cheques								●	●	●	●	●	●	●	●	●
RA Personal Record Inquiry Service								●	●	●	●	●	●	●	●	●
Cross Cheque Relations Inquiry								●	●	●	●	●	●	●	●	●
Credit Insurance Inquiry and Sharing								●	●	●	●	●	●	●	●	●
MERSIS Inquiry Service									●	●	●	●	●	●	●	●
Risk Center (RC) Warning Service									●	●	●	●	●	●	●	●
Force Majeure Inquiry										●	●	●	●	●	●	●
BKM Member Merchant Turnover And Pos Cancellation Inquiry (BKM)										●	●	●	●	●	●	●
Individual Inquiry Quantity Reporting Service											●	●	●	●	●	●
Telecommunication Invoice Debt Information (TELKO) Inquiry											●	●	●	●	●	●
Foreign Currency Credit and Income Inquiry											●	●	●	●	●	●
BRSA Product and Service Fees Portal												●	●	●	●	●
Provision of Risk Report via E-State Gateway												●	●	●	●	●
Bill Report													●	●	●	●
Electronic Investment Incentive Certificate (e-YTB) Inquiry													●	●	●	●
Foreign Currency Credit and Income Customer Objections Handling System (MIDES)													●	●	●	●
Risk Center Reporting System													●	●	●	●
Risk Center Interactive Reporting System													●	●	●	●
Issuer's Postdated Cheque Data Sharing Service													●	●	●	●
Member Transactions / Declaration System														●	●	●
Sharing of Bankruptcy and Concordatum Decisions in the UYAP System														●	●	●
Member Security and Web Service Authorization Management															●	●
Member Data Analysis Service															●	●
Member Monitoring/User Management															●	●
Noncompliance with Board Resolution (10265) Sharing Service															●	●
Disclosure Service for Clients Executing Derivatives Transactions with Non-Residents Pursuant to Board Decision (10248)															●	●
Electronic Investment Incentive Certificate (E-YTB) Utilization Information Sharing Service																●

16. Products and Services Which We Offer to the TBB Risk Center by Proxy

CREDIT LIMIT RISK AND RECEIVABLES TO BE LIQUIDATED (CLCR)

With this service, information on credit limit-risk and receivables to be liquidated allocated to real and legal persons can be monitored in the short, medium and long term on the basis of credit type, and includes unpaid interest and re-discount information on loans.

Within the scope of the service, information regarding the receivables to be liquidated at the Savings Deposit Insurance Fund, which notifies the Risk Center as the source institution, and information on the principal debt arising from the issuance of financial bills and bonds at the Merkezi Kayıt Kuruluşu A.Ş. is shared with members.

Regardless of whether they are a customer or not, member can access all financial sector risks of a real or legal person and monitor its credit payment performance and sectoral indebtedness status thanks to the presentation of past information. In addition, with the feedback service, members can access free of charge consolidated risk information and derivative risk information without needing to use of another service.

With the development made in September 2023, the collateral information provided by Katılım Finans Kefalet A.Ş. (KFK) to the financial sector was made available to Risk Center members through the CLCR service.

CREDIT REFERENCE SYSTEM (CRS)

CRS provides individual qualified loans, personal, address and contact data about the inquired person on a day-to-day basis, as well as access to information regarding loan applications in the past 6 months and credit-based repayment performance over the past 36 months. Score products provided by KKB, such as Personal Credit Rating and the Personal Indebtedness Index, are also provided on the CRS inquiry service.

By using the system, financial institutions which can access all kinds of information about the credit risk and payment habits of consumers in a short space of time are able to carry out all kinds of risk decisions about their customers based on concrete data. Thanks to these advantages provided by KKB, the finance industry is able to grow in a healthy manner and consumers can access the financial support they require on a macro scale.

In addition, collective inquiries on portfolios can be made with the CRS Collective Inquiry service. Updating operations regarding notifications can be quickly performed with the Emergency Update application, minimizing customer complaints.

CORPORATE BUREAU SYSTEM (CBS)

The Corporate Bureau System (CBS) is a service that provides members with commercial credit information on a daily basis. Established in 2005, this distinctive service provides members with a rich set of information that may be needed in the risk assessment of a legal entity.

Members are provided information under the following data topics:

- Company and real person record information
- Capital-based relationship information
- Credit account and repayment information
- Guarantee information
- Bounced cheque information
- Tender Ban information
- Turnover and asset size information received from the Republic of Türkiye, Ministry of Treasury and Finance, Revenue Administration (RA)

Members also have access to information provided by KKB such as Commercial Credit Rating and the Commercial Indebtedness Index.

With the collective inquiry function added to the system in November 2013, members can easily make portfolio inquiries at certain periods. After the Risk Center transition in 2014, a function was added to the CBS to enable institutions to perform any updating, deletion and correction on the Information Update screens where there is missing, or erroneous data transmitted to the CBS without needing to wait until the next notification day.

Data of financial leasing companies that were not in the CRM previously were included in the system as of April 2018; the data of factoring companies were included as of November. Asset management companies also started CBS notifications as of April 2019.

BILL INQUIRY

The Bill Details Notification and Sharing Service collects information about forward-term bills, paid bills, bills contested due to default, bills with withdrawn objections from banks on a daily basis via the web service and shares this information with members.

All bill information can be individually inquired through the bill inquiry screen. In addition, contested bills and bills with withdrawn objections are shared with members free of charge through the feedback web service. If they wish, members can access bill information in a summary and detail report format by obtaining a Bill Report.

BOUNCED CHEQUE QUERY

Bounced cheques, cheques paid after being processed as bounced cheques, and cheques under interim injunction are shared through this service. In addition, cheque information is shared with members through feedback, free of charge.

Members using the service can:

- Realize their cheque transactions in a more secure and controlled way,
- Quickly access information regarding their customers' cheque repayment history,
- Obtain a warning report about past inquiries.

16. Products and Services Which We Offer to the TBB Risk Center by Proxy

CHEQUE REPORT

Consolidated daily cheque information from banks and past repayment and performance information of the cheque issuer is shared with members using the service on the Cheque Report.

Information included in the cheque reports produced for customers of Intelligence and Risk Center members is broken down into the titles below;

- Bounced cheque information
- Paid cheque information
- Amount of cheques not presented to the bank
- Issuer's postdated cheque information
- Information regarding cheques under interim injunction by the court
- Summary information of cheques belonging to the last endorser to present the cheque
- Accounting period-end balances information
- Banks with cheque accounts list information

Members using the service can access Cheque Score and Cheque Index information provided by KKB.

This service allows members to perform cheque transactions in a more secure and controlled manner, while also greatly contributing to the risk analysis of cheques, which are one of the most important payment instruments of the real sector.

RISK REPORT

The Risk Report Service provides information concerning the historical loan repayment performance of natural persons and legal entities.

Based on personal and commercial loan data which is periodically collected by the Risk Center from corporate members, this report contains information on data such as limits, risks and the number of credit accounts of real and legal persons; their past credit payment performance information, the number of financial institutions which issue a notification, delays, follow-up actions which were taken, and the guarantee information on CRS.

Members are provided with Individual and Commercial Credit Rating and Indebtedness Index scores by KKB on the Risk Report.

MERSIS INQUIRY SERVICE

Capital and shareholding information regarding companies within the Ministry of Commerce (MERSIS) and included in the Information System of Tradesmen and Craftsmen (ESBIS) are shared with all members through the MERSIS Inquiry Service. MERSIS Inquiry Service also provides information on the following;

- Company information
- Representative contact, address and NACE information
- Company partnership structures
- Foundation capital information
- Chamber registration, Vocational and Cancellation status information.

The service provides members fast access to customer information held by the Ministry.

RA PERSONAL RECORD INQUIRY SERVICE

Within the Ministry of Finance, Revenue Administration (RA), and under the "RA Personal Record Inquiry Service," Active/Inactive status is shared with information on the identity of the customer (taxpayer), date of establishment, address including UAVT (National Address Database) code and area of activity.

As of July 2020, the RA Personal Record Search Service provides information such as branch details, branch activity name, and code of taxpayers that have multiple branches.

As of 2022, the Mobile EFT POS information kept at the RA was made available to member banks free of charge, and with the enhancement made in June 2023, Desktop EFT POS usage information was also made available to member banks free of charge, enriching the data set offered through the service.

In addition to the RA Record Inquiry service, the "RA Record Change Web Service" shares all daily changes in company/person record information realized before the RA, along with the types of transactions.

The collection of customer information through the RA personal record inquiry service is important for the prevention of operational human errors in customer recognition and customer identification.

CROSS CHEQUE RELATIONS INQUIRY

This service allows inquiries concerning the mutual cheque relations between the issuer and the last endorser who presented the cheque to a bank.

The inquiry generates a list of the number and amount of cheques issued between companies and real persons. Detailed breakdown of mutual cheque relations after the inquiry includes: "Cheque recorded as dishonored"; "Cheque paid after being recorded as dishonored"; "Cheque paid upon presentation"; and "Issuer's postdated cheque."

The launch of the service was a success in identifying mutually drawn cheques and ensured the measurement of cheque payment behavior and prevention of cheque fraud.

BOUNCED CHEQUE WARNING SERVICE

While the information about bounced cheques is uploaded into the system, the system scans the issuers of these cheques in both the Credit Reference System (CRS) and the Corporate Bureau System (CBS) and produces a special warning message to inform members about the status of the bounced cheque.

Thus, the member receives an early warning service against potential payment arrears that it may encounter with its customers in the future.

16. Products and Services Which We Offer to the TBB Risk Center by Proxy

CUSTOMER OBJECTIONS HANDLING SYSTEM (MIDES)

The Customer Objections Handling System (MIDES) allows automatic transmission of the objections related to the information shared within the CRS, CBS, Foreign Currency Credit and Income Service to the member who registered the record.

Thanks to the system, objections made by the customer are handled and concluded in a short period of time. As a result of the examination, where any problem is found with the shared data, the necessary correction process is also carried out in a short space of time without any requests.

INQUIRY AND WARNING SERVICES REGARDING ENTITIES PROHIBITED FROM PARTICIPATING IN TENDERS

Announcements published in the Official Gazette related to entities prohibited from participation in tenders, an important input for the risk assessments conducted by KKB members, are entered into the system on a daily basis.

Based on this information, the following services are provided to KKB-member institutions:

- Every day, when an announcement is published in regard to prohibited entities and natural persons, a warning report is generated specially for the member serving these clients. As a result, members can be informed of notices published about their customers without having to monitor the Official Gazette.
- Customer-based searches can be conducted with the web application, where it is possible to access all announcements published within the year.

DATA SHARING ABOUT DERIVATIVE TRANSACTIONS

Within the scope of derivatives transactions reporting, data on futures and options contracts and other similar contracts issued by banks to real and legal persons are reported every 15 days.

Derivatives information sharing is performed on an individual query basis (through CLCR). These efforts enabled the monitoring of risks regarding derivative transactions between banks and their customers.

INQUIRY FOR CHEQUES WITH INTERIM INJUNCTION DECISION ISSUED/REVOKED/CANCELED

This service includes: If a court granted an interim injunction on a cheque. If a court lifted an interim injunction order. If a court ordered the cancellation of the cheque by banks on a daily basis and shared it by individual inquiry and collective feedback.

The use of the service clarifies whether there is an interim injunction or a cancellation decision on a cheque. This information is provided to members via the bounced cheque individual inquiry screen as well as the cheque report.

SHARING OF INFORMATION ABOUT CUSTOMERS WHO HAVE BEEN BANNED FROM USING CHEQUES

Court decisions related to bans on issuing cheques and opening cheque accounts are shared with banks collectively on a daily basis by the Risk Center.

INFORMATION SHARING SERVICE FOR COMPANIES UNDER SUSPENDED BANKRUPTCY, BANKRUPTCY AND REQUESTING CONCORDAT

Information about companies that have declared bankruptcy-suspended bankruptcy-concordatum and which was published in the Trade Registry Gazette is compiled and shared with all members of the Risk Center on a monthly basis.

TELECOMMUNICATION INVOICE DEBT INFORMATION (TELKO) INQUIRY

This service shares consolidated information regarding real/legal persons with bills unpaid as of the payment date set out by telecommunication companies and/or legal proceedings with members.

The service provides consolidated overdue bill and legal proceeding information regarding customers in the telecommunication sector in 1-30 day, 31-60 day, 61-90 day and longer intervals.

FOREIGN CURRENCY CREDIT AND INCOME INQUIRY

The Foreign Currency Credit and Income Inquiry system gives notifications and shares information on foreign currency loans granted to legal entities resident in Türkiye, loans extended to these entities from abroad with the mediation of banks, as well as their foreign currency income of the last three fiscal years.

The service provides instant monitoring of customers' foreign currency, credit and income, as well as allowing monitoring foreign currency credit amount available based on foreign currency income according to the Circular on Capital Movements.

CREDIT INSURANCE NOTIFICATION AND SHARING

This service provides information regarding the supplier obtaining credit insurance and policy information regarding the debtor of credit insurance. In addition, the service shares compensation applications made by the seller to insurance companies for unpaid bills and allocated limit and claim information (outstanding loan) regarding the insured debtor.

The aforementioned data provided to members is very instructive for the supplier obtaining a credit insurance to express that they have guaranteed their debt.

RISK CENTER APPLICATION REPORT

The Risk Center Customer Report service provides real persons and legal entities with reports related to their loans that have been consolidated within the Risk Center and shared with the members of the Risk Center. With this service, 4 different reports can be generated with the information detailed below:

- Credit Limit-Risk and Receivables to be Liquidated Report
- Non-Performing Credits Report
- Bounced and Paid Cheque Report
- Protested Bill Report

16. Products and Services Which We Offer to the TBB Risk Center by Proxy

FORCE MAJEURE INQUIRY

This service shares data regarding customers with force majeure such as:

- Curfew declaration
- Disaster
- Terrorism
- Public events
- Epidemic/pandemic
- Financial speculation

provided to the Risk Center with all Risk Center members.

This service allows members to observe if their customers were exposed to any force majeure in the past or any negativity in their customer's ability to pay experienced in the past due to force majeure.

PROVISION OF RISK REPORT VIA E-STATE GATEWAY

Through the Risk Center Report service, as of March 15, 2019, real persons and the commercial enterprises of real persons are now able to submit report applications by entering the "Risk Center Report Application" at www.turkiye.gov.tr (E-government).

With the project implemented from 6 May 2021, the service, which was previously offered in two forms as Cheque Information and the Credit Limit Debt Information Report, has started to be presented as a single report, enriched with the following new information titles, as well as daily credit data in CRS and CBS:

- Credit limit and Debt Information (Personal And Commercial Loans and Asset Management Company Records)
- Personal Loan Application Information
- Tender Ban information
- Bill Information
- Cheque Information
- Information regarding the Cheque Ban
- Invoice Debt Information at Telecommunication Companies

Within the scope of the service, free reports may be obtained once a day, four times a month and 24 times a year.

SHARING OF BANKRUPTCY AND CONCORDATUM DECISIONS IN THE UYAP SYSTEM

The Sharing of Bankruptcy and Concordatum Decisions project, launched on January 15, 2021, within the National Judiciary Informatics System (UYAP), initiated the sharing of up-to-date information on bankruptcy and concordatum decisions, which were requested intensively by the members.

Under this system, all Risk Center members may access current bankruptcy and concordatum decisions on UYAP free of charge on the web service.

ELECTRONIC INVESTMENT INCENTIVE CERTIFICATE INQUIRY (E-YTB)

The shared information includes details about the investor, the investment, elements supporting the investment, investment amount, financing of the investment, and special conditions included in the legal persons' electronic investment incentive certificates (E-YTB), which are kept by the Ministry of Industry and Technology.

This service enables obtaining Investment Incentive Certificate information, accessing the most up-to-date Ministry data, and preventing duplicate loan disbursements.

SHARING SERVICE OF RATING SCORES

Rating score information was collected monthly from JCR Eurasia Rating Agency and shared with members via FTP the following month. With the development implemented in August 2023, sharing with members via web service instead of FTP was started, reducing the notification and sharing period from monthly to daily, thus enabling members to receive more up-to-date data.

Rating score information allows members to access information regarding their customers' debt repayment ability.

BKM MEMBER MERCHANT TURNOVER AND POS CANCELLATION INQUIRY (BKM)

This service provides Risk Centers members with turnover information regarding Interbank Card Center (BKM) member workplaces and customers with cancelled POSs.

The service greatly contributes to risk analysis by allowing monitoring of companies' POS cash flow.

RISK CENTER WARNING SERVICE

It is a product that allows negative notifications regarding checks, bills, credit insurance and tender bans made by different institutions, belonging to individual and commercial customers which Risk Center members make their notifications to, to be transmitted to members requesting the relevant service with an alert file via the FTP.

Members using the service can access negative warning information regarding customers without making any inquiries.

RISK CENTER INTERACTIVE REPORTING SYSTEM

This reporting system uses data reported by the members of the Risk Center and is accessible only by members. With this reporting system, members have the opportunity to simultaneously access the figures of their own institutions, as well as total sector figures classified according to the types of banks and other financial institutions, and to compare these figures.

Content consisting of data on Credit Limit, Credit Risk and Receivables to be Liquidated (CLCR), Individual Credit and Credit Cards (CRS), Paid Cheques, Bounced Cheques, Post-dated Cheques, Blank Cheques, Paid Bills and Protested Bills reported by Risk Center members is available on the Risk Center Interactive Reporting system. Some of this content will be updated monthly and others daily.

16. Products and Services Which We Offer to the TBB Risk Center by Proxy

The system has three main benefits:

- Members can instantly access sector-wide figures as well as those of their own institutions, thus allowing them to conduct an institution-sector comparison.
- Members are able to take decisions and instantly reach the results structured according to their own preferences, using the filters in the reporting system and the report's interactive content.
- Members are able to carry out development and change analysis thanks to the wide time interval offered by the reporting system.

ISSUER'S POSTDATED CHEQUE DATA SHARING SERVICE

It is a reporting service where banks can access a detailed breakdown of the postdated cheques they have issued for their customers or transferred to other banks for collection or collateral.

These reports are produced upon request from members, using the "Postdated Cheque Notification" data collected from Risk Center member banks and every bank issuing cheque books to customers can use this service.

Banks may gain a basic information regarding the future cheque payment obligations of their customers to whom they offer cheque books. As such, they will possess more information regarding the payment obligations of their customers during allocation decisions.

ELECTRONIC INVESTMENT INCENTIVE CERTIFICATE (E-YTB) UTILIZATION INFORMATION SHARING SERVICE

It is the service offered for member institutions to monitor TRY/FX credits disbursed within the scope of E-YTB (Electronic Investment Incentive Certificate).

The introduction of the service has enabled the limit control of advance loans with investment commitments and interest-backed loans disbursed within the scope of YTB and aimed to prevent duplicate utilization.

APPLICATIONS OF THE SERVICE OF STATISTICAL INFORMATION DISCLOSED TO THE PUBLIC

19 reports and two bulletins are regularly published every month on the official website of the Risk Center (<http://www.riskmerkezi.org>).

Related bulletins and reports include the "Credit Limit Credit Risk and Receivables to be Liquidated (CLCR)," "Personal Loan and Credit Card," "Paid Cheque," "Bounced Cheque," and "Protested Bill" notifications issued by members to the Risk Center. In 2017, content related to the "Decisions on Cheque Ban" was also included in these statistics.

These bulletins and reports include risk indicators such as the number of customers, total loan and cheque volumes, developments, non-performing loans, bad cheques and protested promissory notes regarding the Turkish finance sector in general, including Non-Bank financial institutions, and this information is presented in detail with sector and geographical breakdowns.

APPLICATIONS FOR THE SERVICE OF STATISTICAL INFORMATION DISCLOSED TO OFFICIAL INSTITUTIONS

The Risk Center publishes statistics, reports, analysis and data required and requested by the CBRT, BRSA and other official institutions from the data which it collects from its members and shares this information with the relevant official institutions regularly and/or upon request.

MEMBER DATA REVIEW SYSTEM

Within the scope of ongoing data quality studies, data that may be needed by Risk Center members are regularly and automatically shared with members every month, ensuring faster and more efficient progress in data quality control, review and improvement efforts.

17. Findeks

The system that simplifies the management of financial life



Findeks provides significant benefits to both Turkish financial life and the financial sector.

A system benefiting the finance sector

In light of the advantages of Findeks services, companies are able to significantly improve the quality of their assets and contribute to the financial environment and the financial industry in Türkiye.

Findeks is a financial services platform launched by KKB in 2014 with the mission of allowing financial life in Türkiye to better function. Findeks provides individuals and corporations alike with access to credibility indicators which the financial sector has used for many years, thus ensuring transparency bringing financial management and monitoring within the reach of everyone.

Findeks aims to help real sector companies get to know each other financially, improve their risk-taking and risk-management abilities, protect their capital and reputation and expand their sales and competitiveness. In light of the advantages provided by Findeks services, companies are able

to significantly improve the quality of their assets and contribute to the financial environment and the financial industry in Türkiye.

In addition to basic products such as the Findeks Credit Rating, the Findeks Risk Report, the Findeks Cheque Report, and the Findeks QR Code Cheque Report, which cover all major financial indicators, KKB has filled some large gaps in the market with value-added products. For example, "My Findeks Rating Consultant" provides expert advice on the improvement of credit scores. Meanwhile, the "Findeks Tracer" enables individuals to find out whether their financial and personal information is available online through unwanted sites and produces warnings and recommendations regarding safety measures. "The Warning Service" gives alerts on changes in credit card limits and debts with all banks and Findeks Credit Rating and notifies credit applications filed. Furthermore, the "KOSGEB Enterprise Assessment Report (EAR)" demonstrates the position of the enterprises prepared by KOSGEB in Türkiye in general and in the sector, their performance in the last 5 years and their financial performance over the years with sector averages. QR Code Cheque System introduced by Findeks became mandatory for all cheques by law on 1 January 2017.

The QR Code Cheque System is intended to establish a more transparent and secure environment for trade, while increasing production, employment, prosperity, and trade volume. A key tool for access to Findeks services, the Findeks



Mobile application was renewed in 2019. The renewed Findeks mobile provides a next-gen home page where users can easily monitor their credit ratings and credit products at all banks. Featuring a design that facilitates access to products and service offerings, the app also offers a superior user experience for Findeks users.

Findeks, which offers a wide range of products to its users, reaches its users through a number of different channels including the mobile application, internet branch, website, customer communications center, banks and strategic business partners. Work is underway to further develop these channels.

444 4 552
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FINDEKS CREDIT RATING

The Findeks Credit Rating has served as a reference for banks in their lending decisions for many years. This score is calculated based on the credit limit, risk and payment history related to personal loans which individual customers have obtained from banks and financial institutions, credit card and overdraft accounts, new credit openings and the frequency of credit usage.

17. Findeks



The Findeks Credit Rating is used by the real sector as a powerful supporting tool in decision making.

The Findeks Credit Rating functions as a summary of the Findeks Risk Report. Banks and other financial institutions use credit ratings to assess new credit applications and manage existing borrowers' credit portfolios by predicting the future payment performance of users based on their past payment performance.

The Findeks Credit Rating is used by the real sector as a powerful supporting tool in decision making. With the Findeks Credit Rating, institutions improve their ability to offer users the right product at the right price, boost automation in decision processes, reduce operational costs and increase use satisfaction and profitability. Individuals, on the other hand, can use their Findeks Credit Rating as a strong reference to show their debt repayment performance to individuals and institutions with whom they will have a debt relationship.

FINDEKS RISK REPORT

This is a report allowing users to review collective information on credits, credit cards, and overdraft accounts at banks, find out total debt and limit information, and track payment habits. The report covers home, auto, and consumer loans, credit cards, overdraft accounts, and commercial loans.

All information about these products is submitted to the TBB Risk Center by financial institutions on a regular basis, compiled by KKB, and included in the Findeks Risk Report. As a result, individuals and the real sector are able to access information regarding the credit products of all banks in a single report. The Findeks Risk Report allows users to see their own financial information in detail; in addition, they can view the financial performance of other persons or enterprises, if they have their approval to do so.

Risk Reports enables viewing of the repayment history in trade relations and thus the payment habits of the other party and allows decisions to be taken based on information against accounts receivable risks in particular. Enterprises with commercial activities can manage receivable risks and trade safely using the risk reports.

FINDEKS CHEQUE REPORT

The Findeks Cheque Report provides a summary of the payment habits of an individual or institution which owns a cheque account. If a cheque bearer who accepts cheques as a deferred payment instrument requests Findeks Cheque Report from the drawer and obtains approval, then they may view the past cheque payment performance of that drawer and consider accepting the cheque or not based on this information.

The Findeks Cheque Report also contains additional information such as the drawer's cheque accounts in all banks which offer cheques in Türkiye and long-term cheque information. The data contained in these reports relate to the period after 2009 for bounced cheques and after 2007 for paid cheques. Data is updated daily.

FINDEKS CHEQUE INDEX

The Findeks Cheque Index is calculated based on the past cheque payment behavior of legal entities and natural persons. The main factors affecting this index include the frequency of cheques drawn over the last 36 months, their date proximity, amounts, and number. The Findeks Cheque Index ranges from 0 to 1,000 points. In the Findeks Cheque Index, where an issuer fails to pay any of the cheques, they will receive a score of 0; where they pay all of the cheques when due, then they receive a score of 1,000 points. However, if even one cheque has bounced and remains unpaid, the Findeks Cheque Index will be between 1 and 500 points. Where there have been bounced cheques, but any outstanding balance has been paid later, the Findeks Cheque Index will be between 501 and 999 points. The Findeks Cheque Index provides an idea regarding the cheque payment habits of an individual or an enterprise.

FINDEKS QR CODE CHEQUE SYSTEM

This service enables viewing of an issuer's past cheque payment status without an approval process and controlling potential forgery of the cheque by having its QR Code scanned on the Findeks Mobile Application. Along with legal enforcement functionality, QR Code cheques may now be produced upon user request from the bank, without requiring a consent procedure.

As required by law, all cheques have been required to have QR codes and be registered in the Findeks QR Code Cheque System with effect from 1 January 2017.

The Findeks QR Code Cheque System, which is the first and only one of its kind in the world, allows careful checks of the risks of receivables arising from payments made by cheque, along with information regarding the validity and authenticity of cheque within seconds.

17. Findeks



Users can track the changes in their credit ratings on a daily basis with the Findeks Mobile application.

FINDEKS QR CODE CHEQUE REPORTS

As of January 1, 2017, all cheques must bear a QR code. Findeks QR Code Cheque Report uses this QR code to show the cheque payment history of issuers. This report also allows the information on the cheque leaves to be compared with the information in the system. Thanks to the Findeks QR Code Cheque Report, which can be obtained from the Findeks Mobile application, issuer information such as cheque payment performance, forward-term cheques and the number of open cheques can be easily accessed before the acceptance of a cheque for financing a future trade.

FINDEKS QR CODE CHEQUE REGISTRATION SYSTEM

The Findeks QR Code Cheque Registration System aims to create a record based on the issuance date as soon as the bearer or endorser accepts the cheque. The Findeks QR Code Cheque Registration System has been backed by the Law to be used as of 1 January 2018.

Under the system, fraudulent cheque issuers are unable to lodge objections alleging that the signatory was not an authorized person of the institution on the date of collection for a cheque that is registered in the Findeks QR Code Cheque Registration system. Therefore, cheques registered in the cheque registration system may leave traces in the system as of the date of registration.

FINDEKS MONITORING SERVICE

Thanks to the Findeks Mobile application, which was renewed in 2019, users are able to monitor the limit and debt status of their loans, credit cards, and overdraft accounts, also their payment performance, and any change in credit ratings at all banks, on a daily basis. With the aim of reaching a wider audience with Findeks Mobile, this feature, which enables users to easily monitor their information, is offered to users free of charge the first three days.

FINDEKS WARNING SERVICE

Another feature which sets Findeks apart is the Findeks Warning Service, which provides instant notifications on any changes to the Findeks Credit Rating, credit card limit and debt status, or credit applications made. Through this service, users can effectively monitor their current financial position and take action when necessary. The Findeks Warning Service tracks these changes in accordance with the criteria set by customers and notifies them via SMS or email.

With Findeks Warning Service, alerts can be defined to the system, for example in the scope of the following cases, and a warning message is sent to the user:

- If their Findeks Credit Rating falls below 1,400 points.
- If their credit card debt exceeds TL 10,000.
- If they delay payment on their credit cards, cheques or other obligations.
- If an application for a credit product (loan and credit card) is made in user's name.

FINDEKS TRACER

The Findeks Tracer is another exclusive benefit provided to Findeks customers. With this service, personal, contact and credit card/account information transmitted by the user are globally scanned in unreliable digital environments, including the dark web, and the user is notified if such information is found on these websites. Also, recommendations regarding the steps to be taken when their information spreads are provided to the user.

The Findeks Tracer fills an important need in today's world where sharing of personal and financial information is continuously increasing with the effect of digitalization, helping to meet a wide range of needs from business, shopping and education to socializing on the internet.

MY FINDEKS RATING CONSULTANT

The Findeks Credit Rating Consultant system, which aims to create the necessary foresight for users to manage their own financial life and to establish commercial relations on solid foundations, brought with it the need for objective information on how to increase and maintain a credit rating. The My Findeks Rating Consultant product offers personalized advice on how to increase the Findeks Credit Rating or how to maintain a high level rating.

LETTER OF GUARANTEE STATUS INQUIRY

The Letter of Guarantee Status Inquiry (LGSİ) service enables customers to check the validity of a letter of guarantee, without contacting the issuing bank. Using parameters such as "Bank Name," "Branch Name," "Letter of Guarantee Number," "Amount," "Currency Code" and "Expiry Date," customers may perform an online check to find out whether a letter of guarantee has been issued and whether an active risk record exists for that letter of guarantee.

KOSGEB ENTERPRISE ASSESSMENT REPORT (EAS)

Within the scope of the cooperation between KOSGEB and Findeks, the Small and Medium Enterprises Development Organization (KOSGEB) started to offer the Enterprise Assessment Report (EAR), which allows businesses to evaluate their position in the sector, their financial development and performance for the last 5 years, and their financial health status by years, through Findeks internet branch as of March 1, 2023.

With the KOSGEB Enterprise Assessment Report, users can assess their enterprises in a wide array of details and make benchmarking comparisons with similar companies in the sector. At the same time, they can also access the Enterprise Assessment Report of other persons or organizations, provided that an approval is obtained. Enterprises with commercial activities can manage receivable risks and trade safely using this report.

< 17. Findeks



Findeks aims to provide individuals with the necessary foresight to both manage their own financial lives and establish commercial relations on healthier foundations.



6,887,323

Findeks
Individual
Members

525,159

Findeks
Commercial
Members

7,412,482

Total Findeks
Members

467,031

Number of
Findeks Credit
Rating Inquiries

14,361,483

Findeks Risk
Reports
Number of
Inquiries

187,305

Number
of Findeks
Risk Report
Inquiries

1,380,649

Findeks QR
Code Cheque
Reports

34,140

Number of QR
Code Cheque
Registrations

16,396,468

Total Number
of Findeks
Inquiries

18. KKB Anadolu Data Center

Türkiye's first Green Building Certified data center



KKB Anadolu Data Center offers an important infrastructure in the finance sector as a data center where infrastructure costs will be shared and operational applications will be centralized.

KKB Anadolu Data Center was built on 43 thousand m² land in Ankara and started operations after the completion of construction works at the end of 2016.

Since its establishment, corporations with activities in the banking and finance sector relocated their systems and started using the KKB Anadolu Data Center.

In 2023, KKB conducted its business continuity test studies which it undertakes every year and covers the capability to provide services from the Emergency Center. While the utilization of the KKB Anadolu Data Center by institutions continued intensively, including in 2023, capacity building efforts were carried out at the KKB Anadolu Data Center accordingly.

The KKB Anadolu Data Center reached its maximum capacity following a surge in demand from banks which are currently served and wish to be served. KKB senior management team accordingly started to conduct new assessments to meet the increase in demand.



The KKB Anadolu Data Center, which primarily meets the backup and main data center service needs of banks, also provides important infrastructure as a data center where infrastructure costs will be shared in the finance sector and operational applications will be centralized. KKB, which offers the most advanced technologies to financial institutions, aims to provide efficiency in technology investments by offering the services of cloud technologies platform, which will be established in accordance with financial regulations, primarily for the finance sector and later for all sectors.

The KKB Anadolu Data Center consists of a data center, a support building and a customer operation center building, and is designed to expand as an additional two data centers and a support building. The KKB Anadolu Data Center, which is the first data center in Türkiye to be eligible for the "LEED Platinum" Green Building Certificate, which is considered as the ultimate level of environmental protection standard, has managed to become one of the five data centers with this title in the world. The KKB Anadolu Data Center has been deemed to be in compliance with the LEED Certificate, having been established as a Green building since the beginning of the construction work, and the annual carbon footprint of KKB has been determined as approximately 18.13 ktons CO₂eq, according to the project, which was carried out with the life cycle analysis method, CCaLC software and CML2001 method and the use of the Ecoinvent database.

18. KKB Anadolu Data Center



Reducing its carbon emissions by 16% in total with modern technologies, KKB stands out as a successful institution in terms of sustainability.

The project regarding the supply of 5% of the 30,000 MWh of electricity annually used in the KKB Anadolu Data Center from solar energy (photovoltaic) panels was completed in June, 2022. Aside from this finished umbrella SPP project, discussions regarding the supply of all electrical energy in the Anadolu Data Center by SPP are ongoing. In addition, the AHU cooling system, which is used by KKB and utilizes outdoor air for cooling, provides an 11.3% reduction in carbon emissions when compared to the DX type air conditioning units which are frequently used in the sector; it has been determined that the Dynamic UPS-DRUPS (UBTD+) system used for uninterrupted power supply provides a 4.6% reduction in carbon emissions compared to other static UPS (Uninterrupted Power Supply) systems used in the industry.

As a result, KKB stands out as a successful institution in terms of sustainability, having reduced its carbon emissions by approximately 12% through the use of modern technologies. The total annual water footprint in KKB's Istanbul offices and the KKB Anadolu Data Center has been calculated as 1,089,000 m³, with the annual consumption limited to just 4,602 m³ thanks to environmentally friendly applications, such as rainwater collection and irrigation using collected rainwater, currently in the design stage at the KKB Anadolu Data Center.

In addition to LEED Platinum, KKB also obtained the ISO 14001 Environmental Management System and the Tier IV Certificates, which is a high availability standard. In that context, KKB also holds ISO 22301 Business Continuity Management System certification, confirming that the quality of all processes at KKB are in accordance with this international management system standard, minimizing the possibility of interruption to the services provided and ensuring service continuity in a short period of time in case of an interruption. In addition, KKB holds the ISO 27001 Information Security Management System certification. Accordingly, all processes at KKB are carried out in accordance with this global management system standard, providing the highest level of confidentiality, uniformity and accessibility in case of a need for all information which KKB is responsible for keeping. The KKB Anadolu Data Center has also certified that the operation, inputs and outputs of the service management processes are managed with a consistent and constantly evolving management system approach, having obtained the ISO 20000-1 Information Technologies Service Management Systems Certificate in 2018.

The KKB Anadolu Data Center is audited every year by independent audit institutions authorized by the BRSA and provides the necessary assurance regarding the control environment of the data center by sharing the independent audit report prepared in the ISAE 3402 Type 2 Report format, published at the end of the audit, with its customers and auditors. This assurance serves to ease the burden of the KKB Anadolu Data Center users and auditors both in terms of labor and time.

TECHNICAL FEATURES OF KKB ANADOLU DATA CENTER

The KKB Anadolu Data Center, which was designed and launched for KKB customers to securely protect, store and manage their data, is equipped with the latest technological infrastructure available. During the design phase of the KKB Anadolu Data Center, the most sensitive issues were the creation of a back-up infrastructure providing customers seamless, fast, and continuous accessibility as well as data security. Its Energy and Cooling infrastructure holds the certificate of Uptime Institute Tier IV Tier Certification of Design Documents (TCCD).

In November 2019, scenario tests by the Uptime Institute were completed and the Tier IV "Tier Certification of Constructed Facility (TCCF)" certification was obtained. In addition to advanced electricity infrastructure, the Center features ventilation systems providing precise climate control and cooling and humidity control on a 24/7 basis in the event of any malfunction. The hardware used in the Center, where energy and data cabling is placed above the cabinets, provides high-speed support to customers.

FAST AND CONTINUOUS ACCESSIBILITY

Built in the low earthquake risk zone in compliance with earthquake regulations and protected against lightning hazards, maximum attention is paid to the physical security of the KKB Anadolu Data Center. There are different levels of biometric and classical safety points in the campus area where only authorized staff may enter. Access to the system room is possible after having an iris scan via the iris reader. Building and infrastructure management at the KKB Anadolu Data Center is carried out 24/7 without interruption with state-of-the-art automation and monitoring systems.

19. Information Technologies and R&D

Projects that increase operational efficiency and speed



KKB continues to take important steps to become a technology service provider and to provide cloud services from its data centers in order to increase operational efficiency and speed in the financial sector.

Software Development Unit

The Software Development Unit, operating under the umbrella of the Information Technologies and R&D Department, is responsible for carrying out the product development requests and maintenance activities needed throughout the organization, taking into account the strategies of the organization and technological developments.

The efforts to disseminate Enterprise Microservice Architecture development practices throughout the organization continued at full speed in 2023. Applications running on the relevant architecture were adapted to new generation cloud platforms with the aim of increasing efficiency in many areas. Efforts have been made to bring products to the market faster with service-based architecture, to keep continuity rates at a high level with a structure that can be scaled faster and easily under load, to minimize interruptions and to diversify the choice of technology.

Changes were made to existing infrastructure components in order to bring existing applications one step closer to the transition to cloud-compatible architecture, as well as to provide additional cost and efficiency advantages.

KKB also continues to take important steps to become a technology service provider and to provide cloud services from its data centers in order to increase operational efficiency and speed in the financial sector. Within this scope, efforts have been initiated to create a marketplace ecosystem that will constitute the basis for the services to be offered over the cloud in 2023.



The Software Development Unit's continuous activities include the development of new products as well as the monitoring of the performance of existing KKB products beyond business needs, and their renewal and maintenance in line with requirements. To this end, technology infrastructure upgrade efforts continued in several applications. In some products with high intensity of use and high external dependency, back-up structures were put into operation at integration points, resulting in increased performance and continuity.

In addition, improvement and maintenance work continued on products running on mainframe systems such as CRS, CBS, LCS, which include main office activities. COBOL version update efforts have been initiated in order to optimize resource utilization and to be able to switch to higher versions in infrastructure systems without any problems.

A common infrastructure component was developed together with the architecture team to ensure that data collection and sharing services, which are the main activities of KKB, can be operated in a standardized structure and to increase efficiency. Pilot deployment has begun in some products with the aim of disseminating this structure. This work also aims to further improve the storage, protection and security of personal data.

19. Information Technologies and R&D

66

Internal Service
Management

Efforts towards implementing a management system that includes the modernization of KKB's services offered via web, web service and FTP channels were initiated during the year. In parallel with the relevant project efforts, architectural studies for the harmonization of the components of the interfaces are also ongoing. This aims to ensure that the experience of the services offered to customers is consistent and at the highest level, as well as achieving efficiency through the use of common modules.

Within the scope of technological transformation and new business requirements, as well as BRSA and Personal Data Protection Law requirements, the development efforts to ensure that the products operate in a more secure and compatible manner to meet these requirements continued.

Efforts have been made to operate some critical applications, which receive services from third parties, in accordance with corporate standards and to minimize their dependency.

With a social responsibility perspective, an audio CAPTCHA feature has been added to the previously developed central CAPTCHA application for visually impaired citizens.

Furthermore, KKB has also organized Young Talent Programs with the aim of contributing to our country and the sector as well as raising competent human resources, especially in the field of technology. Value-oriented training and guidance activities for new employees joining the Software Development Unit as part of the program continued throughout the year. In order to promote this culture, various institutions such as Coderspace and Workintech were invited to the Young Talent events and participants were informed about KKB and its fields of activity, particularly software development practices. In addition, Mainframe COBOL with VSCODE training was provided through a training program attended by 42 Ecole schools and students from various universities in order to foster continuity in the field of technology in the sector and to train new software developers by sharing technical experience and knowledge.

Data Warehouse Practices

In 2023, the CRS module of the old Geomis platform was re-vamped in the Big Data Analytical Platform environment. In 2022, the Qlik reporting product, whose installations were completed, started to be actively used, and the reports of various units were transformed to Qlik. Reports within the environment were enhanced by adding new products to the Risk Center Interactive Data Platform. On the CRM applications side, improvements were made in OTP unblocking, 8 digit BIN, digital channel optimizations and new monitoring screens projects and requests.

The ERP Applications Team carried out new development and maintenance activities on ERP modules in line with the needs of the Procurement, Financial Affairs and Human Resources teams. It has been included within the scope of ODM and completed this process successfully. The SOA Gateway product, the service-based module of ERP, was launched.

IT Service Management Unit

In the 2023 operating period, 109 services included in the Risk Center (RC) Service Catalog and 101 services included in the KKB Service Catalog were monitored instantly and all stakeholders were informed through SLA performance reports. Reports on the availability of KKB services were published on a weekly and monthly basis, while the same reports on the side of Risk Center (RC) were shared with interested parties on a weekly, bi-weekly and monthly basis.

As for KKB, availability reports for 66 internal services continued to be prepared on a monthly basis in 2023. The monthly SLA performance report of services received from external companies continued to be transmitted to the TBB Risk Center. The monthly SLA report of the SAP service provided by Intelligence to TBB has continued to be passed on to the TBB Risk Center, while the SLA report of the SAP service provided by KKB to TBB continued to be forwarded to the TBB Risk Center on a monthly basis. KKB's catalog for internal services was updated with work on measuring the availability and the reporting of the Risk Center Member Audit Tracking System (MATS) continued through 2023, as well. Server availability reporting is done instantly on the infrastructure

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KKB has organized Young Talent Programs with the aim of contributing to our country and the sector as well as raising competent human resources, especially in the field of technology.

19. Information Technologies and R&D



To ensure uninterrupted access to KKB's products and services for members, special monitoring systems and methods are employed.



side. In addition, any detected warning and critical alarm messages are instantly forwarded to the relevant teams, who then perform the necessary interventions. Informative e-mails related to open status Service Management records, which are kept in accordance with the Department of Information Technologies, continued to be sent throughout KKB in 2023. The Daily Service Quality Status Report on service interruption and service quality is sent to the relevant teams at the end of each working day.

Special monitoring systems and methods are used to ensure that members are able to benefit the products and services offered through KKB's comprehensive infrastructure without interruption and at the highest levels of quality. Robotic monitoring activities are carried out with KKB continuing to invest in new methods to ensure that any possible issues are flagged without affecting members and resolved before they become problematic. Within the scope of these monitoring activities, the most detailed components of both applications and infrastructures are closely monitored and capacity management is also monitored together with proactive monitoring activities.

At the KKB Anadolu Data Center, SLA performance reports, data of energy consumption, logs of cabinet activity and temporary card minutes, if any, are transmitted to 24 different customers on a monthly basis. Energy, temperature and humidity values are constantly monitored and managed through Service Management. The AVM Bulletin, which is also created by KKB Anadolu Data Center using data from the Service Management application, is shared with department managers on a monthly basis. On the KKB and KKB Anadolu Data Center sides, SLA measurements of third party companies are performed and communicated to all stakeholders.

The Solution Center Team, which was established in 2022 as a single point to address all kinds of problems, errors, complaints, consultancy and support requests received from members and customers and to be handled within the scope of IT, continued its activities in 2023. The process work to ensure that the Solution Center team responds to all types of problems, errors, complaints, consultation and support requests submitted by internal KKB users was completed and launched in January 2023. Along with the separation between Member and Customer/IT (CSM/ITSM), a structural change was carried out to the Service Management application and complaints from members and customers, along with records of incidents were managed in related but different areas.

IT Project and R&D Management

The IT Project and R&D Management Office plays a role in increasing the maturity of project management processes within the framework of optimizing both the efficient use of IT resources for projects aimed at developing new products and ensuring the maintenance and support of existing products.

The creation and management of KKB's annual project portfolio, conducted regularly each year, ensures the management of projects, end-to-end effective information flow, measurement of IT KPIs, transparent and unbiased reporting, and the identification and visibility of the R&D aspects of projects. In addition, in line with R&D management activities, it carries out the necessary coordination activities with a sense of responsibility in the management of reporting, auditing and related relations with the Ministry of Industry and Technology in cooperation with universities, institutions and organizations.

Investments aimed at developing project management tools within the digitalization vision of the IT Project and R&D Management Office, which reduce human error to the minimum level and enhance seamless alignment with processes, while standardizing efforts by eliminating behavioral differences, continued throughout 2023. In 2024, the goal is to increase and disseminate these investments across the organization.

IT Analysis and Test Management Unit

The IT Analysis and Test Management Unit provided analysis and carried out testing in all commissioned projects and software change requests submitted during 2023 by taking into consideration the current functional and technical business requirements, screen requirements and operations, their impact on other systems, authorization structures, information which needs to be accessed, the target level of service, performance criteria, domain controls in screen and web services and data requirements.

From the perspective of continuity and sustainability of service quality, as well as the potential for enhancing quality within the software development lifecycle, the number and scope of test automation scenarios run for applications have been expanded. An automated and integrated system was envisaged throughout the entire software development lifecycle, from analysis to the transition to the real environment, and the continuity of a test automation infrastructure to be contributed by all actors in this cycle was ensured. With the aim of maintaining total quality, test automation scenarios were increased by 38% and critical applications such as Central Invoice Registration System, Application Fraud Attempt Detection and Prevention Service and Trade Registry Sharing have been incorporated into the scope of test automation. By running 11,000 test automation scenar-

19. Information Technologies and R&D



As part of university collaboration efforts, the Industry-Oriented Projects program is being conducted with Sabancı University.

ios every day, emphasis was placed on minimizing the rate of errors in development quality and fulfilling the power of units for testing activities through automated processes. Regression sets have been regularly executed with an end-to-end testing perspective for any infrastructure, software, and configuration changes. The results obtained have been shared via email.

Following the integration provided, the Project Management Tool used internally within the organization has been made visible and traceable to everyone for reporting issues encountered in executed test scenarios.

30,000 regression test cases were uploaded to the new test management tool positioned for effective planning and functional management of tests.

The service virtualization application developed by KKB has been integrated with our automation testing infrastructure to enable automation tests to work with desired data, aiming to reduce development and testing costs in service-based architectures, control the performance of services and facilitate the creation of desired scenarios.

As part of the master plan activities in 2023, all project costing activities including the calculation of project analysis and testing costs were carried out using the Analysis and Test Cost Template, aiming for a more transparent and systematic approach.

Analysis and testing processes are continuously developed with the perspective of effective use of resources and continuous improvement and change in order to increase the quality and efficiency of the relevant processes and to ensure their standardization. New analysis and test templates were put into use to standardize data warehouse analysis and testing processes.

The KPI values, which were created for closely monitoring performance, have been measured monthly and tracked. Development suggestions have been provided for the construction of new KPIs. Using these KPIs, the deployment of a gamification platform for the IT Analysis and Test Management Unit is targeted to be implemented in 2024.

As part of the university collaboration efforts, a collaboration was established with Sabancı University under the Industry-Focused Projects program, initiated in 2022, focusing on the use of artificial intelligence in test automation. These efforts were formalized into projects and continued in 2023. The goal of this project is to automatically detect objects using artificial intelligence in test automation scenarios written for screens. This application will accelerate the production of test automation scenarios and facilitate their maintenance. The goal is to eventually productize this application and transition it into a framework capable of offering services to the finance sector through cloud technology.

In 2023, a new Mobile Device Management Tool was introduced to streamline the execution and remote management of mobile regression tests across various devices. The setup of this tool has been completed, and it is scheduled to integrate with mobile device testing processes in 2024, with the goal of improving maturity and efficiency across mobile testing levels. This application has also been made compatible with the Mobile Automation framework.

To facilitate easier and faster writing of mobile automation scenarios, the infrastructure used for Mobile Automation has been transitioned from the TestNG framework to the Gauge framework. The new framework has also made parallel scenario executions more flexible and manageable. It was ensured that automation results are reported in more detail and enriched with videos and screenshots.

With the aim of familiarizing ourselves with artificial intelligence, their integration into our business processes and increasing our technical usage skills with examples, research was conducted on the ChatGPT artificial intelligence bot, which is a trend in today's IT world, and alternatives that can be used within KKB were shared with the teams. To increase the level of knowledge in the society on this issue, articles on the details of the work carried out were written and shared on Medium.

We attended various conferences in order to increase the technical knowledge and skills of the analysis teams and to keep abreast of today's developments. Team members have received training from competent firms in the market on IIBA® CBAP® International Business Analyst and IIBA® International Business Analysis Techniques courses.

To share the organization's knowledge and experiences in testing and test automation with the industry, presentations on the use of test management tools and the KKB test automation journey were delivered at NETAŞ VISIUM LABS and TESTINIUM Software Engineering Excellence Day events.

The Data Warehouse Analysis and Test Management team has shared their knowledge and experience with the industry by writing articles on the impact and use of artificial intelligence technologies in the data world, Cloudbase Data Warehouse and Data Visualization Tools and publishing them on Medium.

19. Information Technologies and R&D



Approximately 4.5 billion web service requests were answered in 2023.

Certification tests for institutions wishing to integrate banking services (Ziraat Dynamic Bank, PTT Bank, Tera Investment Bank, Q Investment Bank, Hayat Finance Participation Bank, and Türkiye Development and Investment Bank) have been conducted using the in-house developed test automation application within the organization.

Technology Architecture Management Unit

In 2023, approximately 4.5 billion web service requests were fulfilled in line with the architectural strategy of sharing KKB's products and services through services. In August 2023, an organizational record was broken with 480 million web service calls. In 2023, critical version updates were made to the API management product, enabling it to support new features in terms of scope and also ensuring that supported versions have a focus on security. Technology updates were made to systems for logging API calls in 2023, leveraging open-source software and systems to provide cost advantages. Additionally, an application for conducting sensitive data analysis on the inputs and outputs of API calls began development in 2023. It is anticipated that this application will be completed in the first quarter of 2024. Additionally, a machine learning project is planned for 2024 to detect anomalies in API calls.

Throughout 2023, continuous major version updates ensured that the frameworks and libraries used internally within the organization not only supported new technological features but also remained robust from a security perspective. In 2023, the process of reevaluating all applications under the responsibility of the Technology Architecture team using KKB's latest software development technologies and frameworks was completed.

Support for KKB's software development processes continued throughout 2023 under the Software Lifecycle Management and DevOps heading, overseen by the Technology Architecture Management team. Products and infrastructures for all products and services used for software lifecycle management were continuously updated during the year. These efforts have facilitated the maintenance of products at a supported level. POC (Proof of Concept) studies have been completed for quality and security scans of applications that will work on KKB's internal cloud technology (Openshift) using various software lifecycle products (Kyverno, Conjure and Twistlock). The process integration efforts are currently ongoing. Support has been provided for POC studies conducted by the information security team regarding sensitive data analysis on the source code of applications developed by our organization. In addition, efforts to migrate test automation processes from the demand management product to the test management product were completed in 2023.

In the final days of 2022, a decision was made to procure a data masking and encryption application to further enhance the maturity level of data privacy within the organization. Following meticulous efforts, the product selection process was completed. In 2023, positioning activities for the selected data masking and encryption product were carried out. Efforts to disseminate the product within the organization are ongoing, focusing on both data sources and individuals who access the data. The Business Data Dictionary application was developed in-house in 2022 to meet our organization's data governance needs. Within this year, the management of data inventory through the product was facilitated by categorizing the products found in the data models and their associated business terms, in collaboration with product owners. Additionally, developments were completed this year to enable the information pertaining to defined business assets to be utilized in the physical data model. At the same time, the identity management of the data modeling product was implemented via LDAP, enabling authorizations on the data models to be automatically assigned based on users' groups in the system. In 2023, process updates were made and implemented to facilitate the acquisition of data architecture requests through demand management products within the scope of data modeling activities. Additionally, data modeling documents were updated, and training videos were prepared to reduce the adaptation period for new employees. Again, within this year, maturity studies for data models were initiated, criteria for model maturity were defined, and existing data models were evaluated based on these criteria. In 2024, the plan is to automatically generate data model maturity scores and share them with teams. New database technologies and associated data modeling principles have been identified, and data modeling for systems utilizing these technologies has begun.

19. Information Technologies and R&D



Thanks to the updated and expanded monitoring systems, the Anadolu Data Center continues its operations 24/7.



IT Infrastructure and Operations Unit

KKB Anadolu Data Center Studies

The annual energy consumption of the Anadolu Data Center, which continues to serve at full capacity, rose to around 3,000 MWh and 5% of the energy consumed in 2022 was supplied from renewable sources by the Roof and Car Park SPP projects. Additionally, as part of efficiency initiatives aimed at minimizing the impact of seasonal conditions, prototype humidification systems have been installed. The aim is to mitigate the use of 150 kW of installed power. All operational activities related to energy, cooling, structural cabling, remote hand etc., to meet the internal requests of the members serviced within the Anadolu Data Center are now fully handled by the technical staff of KKB Anadolu Data Center. Thanks to the monitoring systems that have been renewed and expanded due to the increase in the number of members served and operational activities, Anadolu Data Center continues its activities 24/7 without interruption.

KKB Financial Cloud environments, completed in 2022 in KKB Anadolu Data Center, started serving its first customers in the final quarter of the year following their installation.

Mainframe

The "IBM Workload Scheduler" for managing batch jobs on the mainframe and the "IBM System Automation" used for automating mainframe processes have been upgraded to a higher version. Additionally, the mainframe hardware and software products have been upgraded to the latest maintenance levels. As part of mainframe modernization, processes such as "New Member Inquiry identification," "Member Cancellation" and "Audit Reporting" have been automated and transformed into web browser-based workflows on z/OSMF. "Python for z/OS" infrastructure was established.

Infrastructure has been enhanced to automate the opening and closing procedures for all mainframe environments, both in Istanbul and Ankara ODM centers. JVM infrastructure has been installed on the CICS (Online Systems) system. The backup infrastructure process has been reviewed, and our cartridge stock has been increased. The 'Mainframe Reporting' infrastructure has been reviewed and reorganized. The "Mainframe Academy" training platform has been established.

Database Management

At Ankara AVM, the Exadata Database Machine, which serves databases under the ODM, has been replaced with the latest version. Critical databases for the organization have been swiftly migrated to the new machine, and preparations have been made for switchover tests. At Ankara AVM, the Exadata Database Machine, which serves da-

tabases under the 2022 ODM, has been replaced with the latest version. Critical databases for the organization have been swiftly migrated to the new machine, and preparations have been made for switchover tests. Upgrades to the databases of critical service within the institution have been carried out to make them more secure and stable. Database installations were carried out for the organizations for which services are provided, the Oracle ZFS Storage machine used for backing up databases of critical importance to the organization were replaced with the latest version and old backups were transferred to the new machine.

Central IT Operations

As part of Central IT Operations, the dissemination efforts for CyberArk EPM Application White Listing and McAfee EPM-Local FW products have been completed. The second phase of SailPoint IDM (Identity Management) efforts has commenced. Dynatrace RUM tracking has been implemented for approximately 70 applications in preprod and prod environments. As an alternative to the Citrix VDI (Virtual Desktop Infrastructure) platform, the VMware Horizon product has been evaluated, and pilot testing has commenced.

Dissemination efforts for information security agents such as Boldon James and XSecuritas have been conducted. Installation of the Pexip product has been completed to enable the use of Microsoft Teams on Cisco devices in meeting rooms. The Central IT Operations team managed the planning of ODM Automation studies, adaptation of new infrastructure components to the current flow and transition of automation studies.

19. Information Technologies and R&D



In 2023, the Financial Cloud infrastructure has been completed across 2 zones.



IT Open Systems

In 2023, the Financial Cloud infrastructure has been completed across 2 zones. The 10-year-old cartridges taken from the SL3000 Tape Library have been transformed into new technology. New storage infrastructure arrangements and investments were carried out to initiate an exit from the IBM SVC infrastructure. Transition from Exchange 2013 to 2019 has been completed.

Products such as EPM, and Password Enforcer have been commissioned. Operating system and virtualization infrastructure modernizations have been completed. Tightening work was completed on the entire inventory. Integrations on DevOps streams were provided for "Cloud Native" development environments.

Licensing efforts have been completed, and migrations from Solaris technology to x86 technology have been carried out. The storage infrastructure at the Ankara ODM Data Center has been upgraded to the new generation. The SAN-NAW product has been deployed for automatic patching and SAN network monitoring on Hitachi storage systems.

Network and Network Security

The Check Point Internet Firewalls at the Istanbul and Ankara DCRs have been replaced with PaloAlto. All firewalls have been updated to the latest version, and redundant rules have been cleared. Server internet access via Proxy has been disabled, and the Proxy Auto-Configuration (PAC) file has been adjusted with BG settings. DDoS tests have been conducted. Corrections and planning have been made for deficiencies. The horizontal scaling project for API Gateway LAN and DMZ services on the LB has been completed.

Port migrations to the Istanbul Cisco ACI structure have been completed, and the ACI structure has been updated to the latest version. The Cisco ASA firewalls used for member connections have also been updated. The switches used for internet connections have been replaced. The local network has been migrated to Arista Aggregate Switches, and a separate structure has been established for the Management Network. The update works for the Istanbul DMZ switch, ODM DMZ switch, and routers have been completed. A backup study for the ODM DMZ router has been conducted. Istanbul Aruba wireless has been upgraded and improvement works have been carried out. Console switch installations have been completed.

As part of the KKB Financial Cloud efforts, Arista Switch infrastructure has been established, and Fortigate virtual firewall and authenticator structures have been deployed.

As part of the KKB Financial Cloud efforts, Arista Switch infrastructure has been established, and Fortigate virtual firewall and authenticator structures have been deployed.

20. KKB and Findeks Business Management

Risk management of banks and financial institutions



The Analytical Model Development Unit develops value-added products for member organizations' use while also addressing the needs within KKB internally.

Analytical Model Development Unit

The Analytical Model Development, which has a central position in KKB, develops value-added products for the use of member organizations on the one hand, and responds to the needs within KKB on the other. The unit focuses on activities in four different areas within its structure - Data Analysis, Artificial Intelligence, Fraud Prevention, and Central Decision Support Systems.

The Unit, whose primary goal is to enable banks and financial institutions to better manage their risks, has developed and introduced numerous products in the four activity areas mentioned.

In addition to increasing the number of innovative analytic products that benefit the sector, solutions have also been developed for credit bureaus in other countries. The work in the field of artificial intelligence continues to produce results in various areas to meet the needs of member organizations and KKB internally. In 2023, the focus of artificial intelligence activities has been on detecting relationship networks with big data and developing solutions with Large Language Models. While the expansion of existing systems for fraud prevention continues, KKB has reached the final stages of implementing two new national fraud prevention systems, in addition to the opening of the new SABAS system, which allows for information sharing among the fraud prevention teams of member organizations.



In 2024, efforts will continue in all business lines within the Unit's area of responsibility to develop innovative solutions with the aim of providing added value to all stakeholders of the financial sector by utilizing the latest technologies.

Sales Management Unit

The Sales Management Unit, responsible for sales and marketing activities for all KKB and Findeks products to stakeholders, including banks, financial institutions, and the real sector, operates under the functions of Bank Channel Management, Member Channel Management, Findeks Sales Business Development, Findeks Partnerships, Customer Communication Center and Sales Channels Marketing Management.

Thanks to its continued work in 2023, the unit ensured that the benefits of innovative products and services offered by KKB and Findeks were transferred and disseminated, and the unit achieved its sales targets with flying colors.

Bank Channel Management

The Bank Channel Management aims to create maximum value by directly engaging with the headquarters, regional offices and branches of banks. Its primary responsibility is to conduct and promote sales and marketing activities for all Findeks products available to bank customers.

20. KKB and Findeks Business Management

30
Thousand

Number of Findeks
Communication
Consultants Meetings

In 2023, the number of customer meetings conducted by Findeks Communication Consultants, tasked with improving Findeks awareness and product-process knowledge, reached 30,000 at bank branches. In 2024, the focus will remain on enhancing the sales effectiveness of this channel, aiming to increase both the acquisition rate of new customers and the penetration rate among existing customers for Findeks.

Efforts are ongoing to ensure the maximum efficiency and effectiveness of the current Findeks field team. Additionally, Findeks is being positioned as a banking product within the business lines of bank headquarters, aiming to sustainably grow and increase its visibility. There is also an increasing focus on expanding its presence across all channels of banks, especially mobile and internet branches.

Member Channel Management Unit

The Member Channel Management Unit, responsible for managing KKB's relationships with the financial sector, provides services to banks, finance companies, factoring and leasing companies, asset management companies and other institutions that are members of the Risk Center. In 2023, the Unit continued to assign member representatives to each institution and maintain one-to-one contact with the individual members, ensuring intimate recognition of KKB and RC services and maximum benefit from these services.

The unit managed the web portal designed exclusively for members and used as a channel of information, notification and feedback on KKB products. In addition to managing the relations conducted with the members, the budget and sales performance of the products was also monitored regularly by the unit and efforts were being made to expand the services of KKB and the RC.

Member Channel Management aims to support members wherever and whenever they need it, from the moment membership processes are started. The Unit forwards all kinds of feedback and suggestions regarding sectoral needs

obtained from the member base during one-on-one visits, working groups, and via the web portal that it maintains to the relevant teams. These efforts contributed to the design and development of KKB products and services.

Findeks Business Development Unit

The Business Development Unit has been active since its establishment in 2014, working to represent KKB in the real sector, expand services into non-banking sectors and find new applications for services through projects and collaborations. These activities have been carried out by establishing contacts with institutions in the real sector and the umbrella organizations representing these institutions. The unit continues its activities with the aim of increasing financial literacy, promoting financial knowledge sharing, and disseminating the services that facilitate financial operations.

The Business Development Unit continued its efforts in 2023 to meet the financial information sharing needs of the real sector. While increasing the prevalence of services such as Electronic Letter of Guarantee, Risk Report and Cheque Report, it has also pioneered the addition of a new service for the use of the real sector in 2023. As a result of a joint collaboration with KOSGEB, the Enterprise Assessment Report (EAR) has been made available to the real sector through Findeks. The EAR, created with data collected from some of Türkiye's most important institutions such as the Social Security Institution (SGK), RA, Ministry of Industry and Technology, Ministry of Trade and Türkpatent, has become a valuable product within the Findeks service. It offers valuable insights due to its comprehensive scope and enables businesses to see their ranking in the sector over the years, highlighting changes that have occurred annually.

In collaboration with important organizations for our country's commercial life, the second Credit Literacy Week was organized in June. The Business Development Unit, in collaboration with the Corporate Communications Unit, took the lead in preparing a rich content for the week of June 19-23, contributing to the successful organization of this valuable event in our country.

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The Business Development Unit continued its efforts in 2023 to meet the financial information sharing needs of the real sector.

20. KKB and Findeks Business Management



The Findeks Credit Score will have a more widespread impact on individuals' lives within the insurance sector.

The project involving the use of Findeks Credit Score in policy pricing in collaboration with Anadolu Sigorta, one of the most important institutions in the insurance sector, was implemented in 2023. This initiative, which started with Aksigorta, one of the significant institutions in the sector, and later involved Anadolu Sigorta, contributes to turning Findeks Credit Score into an important factor in the insurance sector. Through this practice, individuals with a high Findeks Credit Score will have the opportunity to obtain discounted policies, making Findeks Credit Score more prevalent in individuals' lives within the insurance sector.

The Business Development Unit continued to expand verification services in insurance payments and electronic money institutions in 2023, making verification services a standard practice in the industry. Efforts are ongoing together with the sector to develop new products and services. As part of its objective to expand real sector companies' access to Findeks services, the Unit carried out various system development activities and achieved penetration in the energy, automotive, fuel, payment-electronic money, agriculture, insurance and defense industry sectors in 2023.

Business Partnerships Management

Business Partnerships Management, which implements partnership models where KKB and Findeks perception is represented at the highest level in individuals and the real sector, collaborates with GSM operators, e-commerce platforms, insurance companies, fintech companies, software firms and ERP solution partners to develop business models. It has continued to carry out its activities by placing the goal of extending Findeks products and packages to the furthest reaches at the heart of its business models. While aiming to increase the accessibility of Findeks products and services, it also provides value to its partners through solution-oriented value propositions.

Support is provided to business models created by fintech companies based on Findeks products, aimed at providing individuals with financial literacy and easy access to credit.

At a time when digitalization is integrated into every area of life, all establishments, especially SMEs active in the e-commerce sector, were provided with easier access to Findeks products in order for them to manage their credit risks in an effective and productive way in 2023. Within this scope, e-commerce suppliers were able to control their financial lives safely and quickly by directly accessing Findeks packages on the portal provided to them. Efforts are ongoing to develop new business models with a different perspective to increase financial literacy among businesses and individuals, collaborating with various sectors and business partners.



Building on the common ground of credit literacy and insurance literacy, a domestic capital-based insurance company, with which a partnership has been established, has started offering Findeks products as collateral in its policies. As a result, individuals who secure their measurable risks with insurance policies will also be able to secure their financial risks through Findeks services.

To bring individuals closer to the advantages of credit score awareness in social life, the unit conducts brand-market partnership activities in various sectors, ranging from car rentals to hotel reservations, and from digital entertainment platforms to fast-moving consumer goods.

While keeping track of the development of existing business models, new partnership models are also being developed with sector partners such as payment and e-money companies, consumer finance companies, factoring companies etc.

Customer Contact Center Unit

The Customer Communication Center, which aims to respond correctly and quickly to the requests of individual and commercial customers, continued its activities in 2023 within the framework of this principle. The Customer Contact Center continued to provide sustainable customer service support to Findeks and the TBB Risk Center.

20. KKB and Findeks Business Management



Sponsorship activities were organized at industry events in 2023.

In parallel with the developing technology, business processes are constantly undergoing improvement and voice-to-text technology (speech analytics) is used in order to enhance the customer experience and determine customer expectations more clearly.

Sales Channels Marketing Management

Responsible for the coordination of marketing strategies regarding product and service promotion processes of all Sales Management channels, the Sales Channels Marketing Management unit continued to carry out activities regarding Findeks products and services through internal and external marketing channels to a higher level in line with KKB's strategies in 2023.

In order to ensure the spread of Findeks' products and services through member and customer channels, the unit created all content and visual communication materials, especially guides, presentations and brochures for banks and business partners and delivered them. It has coordinated the entire process of determining, designing, producing, and distributing products in sales campaign reward initiatives developed to support the sales activities of the Findeks field team. In addition, the unit has supported the marketing campaign designs and domestic/international events in line with the needs of sales channels. In addition to the unit's marketing activities, the sales and marketing budget and the target-realization development were regularly monitored.

Corporate Communications Unit

The Corporate Communication Unit continues its activities in order to create, protect and uphold the image and reputation of KKB and its sub-brands. To that end, it supports and carries out activities related to internal and external communication with marketing communication, visual design, press relations and reputation management and media planning teams.

Within the scope of the communication activities carried out regarding KKB and Findeks in 2023, product and service promotion materials were created, media planning was carried out in line with communication strategies, sponsorship activities were organized at sectoral events, and efforts were made in media relations and reputation management, including media campaigns and stakeholder communication.

In 2023, the Sustainability Report, which represents the reflection of KKB's responsibilities to leave a more livable world to future generations in all fields of activity and the corporate culture was prepared and presented to the public.

In 2023, the "Credit Literacy Week" social awareness project was launched in order to inform individuals and institutions about topics they need to know about before, during and after applying for credit to financial institutions. In the project involving more than 20 stakeholders, including institutions operating in banking and finance, public organizations and non-governmental organizations, 8 different online events open to everyone's participation have been organized. As part of the opening of the week, an opening ceremony was held at Bahçeşehir University with the participation of speakers from the academic community and opinion leaders in the field of finance and economics. Again, within the scope of the project, informative content was shared with the public on the website krediokuryazarlikhaftasi.com, and the third edition of the event is planned to be held in 2024.

In 2023, active participation of volunteers in corporate social responsibility projects was supported through the KKB Volunteers Platform. Additionally, by supporting the activities of internal social clubs that aim to bolster organizational culture; the unit encouraged voluntary participation in social responsibility projects within the institution; and carried out projects in collaboration with civil society organizations.

CRM Management and the Digital Channels Unit

The CRM Management and Digital Channels Unit places the user at the heart of its operating strategy and carries out new user acquisition-oriented activities by offering the right product to the right person at the right time, in addition to increasing the loyalty of existing customers. In this vein, the unit continues to develop new communication channels and improve existing channels by following technological developments and trends.

In 2023, in line with management strategies, it was decided that product development and product management functions regarding the Findeks platform where KKB services towards individuals and the real sector are hosted will be put under the same management as other business functions. As a result of implementing this decision, product management and product development activities for Findeks have also been initiated with a new team formed under the CRM Management and Digital Channels Unit.



Active participation of volunteers in corporate social responsibility projects was supported through the KKB Volunteers Platform.

20. KKB and Findeks Business Management



The CRM Management and Digital Channels Unit continued its activities in 2023 to increase financial literacy among followers on social media channels.

Activities managed by the unit have been put under 2 main headings.

Digital Channel Management and CRM Activities

The main responsibilities of the CRM Management and Digital Channels Unit include;

- Determining strategies to increase the use of Findeks products, positioning and popularization on digital platforms,
- Following technological developments, trends and customer demand in accordance with these strategies, adapting and tracking the identified needs to digital channels in order to provide the best customer experience by continuing its work from a mobile priority perspective,
- Developing, implementing, monitoring/analyzing and reporting effective customer and campaign management techniques by combining smart technologies with analytical approaches,
- Improving performance by following innovative digital promotion methods and trends,

- Carrying out efforts to optimize the purchasing and user experience of Findeks products and services across all digital channels with an omnichannel strategy,
- Carrying out the necessary work to disseminate the projects implemented on digital platforms to Findeks and KKB's other digital platforms and to increase efficiency.

In accordance with the main strategies and targets set for 2023, the unit maintained its work on the main axis of presenting Findeks campaign management activities through digital channels and digital marketing platforms, where targeting and segmentation studies supported by analytical approaches were carried out throughout the year. Additionally, in the last quarter of 2023, a new solution was offered in B2B campaign activities through private business partnerships, providing new acquisition solutions for small and medium-sized enterprises to use Findeks products and services. After the Findeks Mobile application was renewed, Findeks Mobile maintained its CRM activities to promote and encourage the use of products among new users gained with the activation of product-specific campaigns offered within Findeks Mobile. After the activation communication, the unit aimed to obtain valuable results guiding 2023 activity planning by taking the opinions, suggestions and feedback of customers with the survey work carried out using internal resources and applications.

In addition, in 2023, a project was implemented to offer the KOSGEB Business Evaluation Report product through the Findeks Internet Branch as a result of collaboration with KOSGEB.

The unit has continued its improvements to the members' exclusive user portal, which serves as a promotional platform for the range of services offered exclusively to KKB members, at www.kkb.com.tr/uye. Enhancement efforts have been made to create a fast, efficient, and interactive communication platform for KKB members.

Improvements were made in application and agreement processes by providing application forms and agreements regarding KKB products to all member institution users on the KKB Member Portal Platform in the final quarter of 2023.

As part of its efforts to adapt to the mobile priority strategy, the unit continues to work on bringing the mobile and internet branch channels into a manageable infrastructure with a content management system. Improvements have been made in the purchasing process on digital channels, including customizing campaigns tailored to the purchased product, to enhance the product/value relationship.

Additionally, preparations have begun to expand the chatbot application to other digital channels in the upcoming period.

The CRM Management and Digital Channels Unit continued its activities in 2023 to increase financial literacy among followers on social media channels. In addition, Findeks accounts were adapted by following new developments in all social media accounts. The unit continues its monitoring activities in digital channels in order to manage the corporate reputation of KKB and Findeks, to be aware of crisis moments before they occur and to provide insight.

20. KKB and Findeks Business Management



Regularly enhancing itself with an innovative perspective, Findeks continues to crown its successes through the partnerships it has implemented.



Findeks Platform Product Management and Product Development Activities

The activities of the unit contribute to the determination of strategies for Findeks products and services, tracking technological developments related to these strategies, improving existing products, designing and launching new products, and managing them.

The unit carries out all processes regarding bringing products that create value for the Turkish economy and enable individuals and companies to carry out risk management more effectively and are unique in their field, such as Findeks Credit Rating, Findeks Risk Report, Findeks QR Code Cheque Report and Findeks Tracer, Findeks Warning which are under the umbrella of Findeks, to users. While fulfilling these responsibilities, it focuses on the digitalization of the country's economy while being based on the needs and expectations of the real sector and individuals, as well as technology trends developing worldwide.

Regularly enhancing itself with an innovative perspective, Findeks continues to crown its successes through the partnerships it has implemented. Findeks and KOSGEB's proj-

ect to make EAR Reports accessible through Findeks was awarded in the "Effective Coopetition" category at the PSM Awards 2023.

CRM Management and Digital Channels Unit will continue its efforts unabated in 2024 regarding the following topics related to Findeks services;

- Developing and improving new products for individual, commercial and micro customer segments by contributing to technological transformation with a focus on digitalization in marketing strategies,
- Preparing awareness-raising training aimed at increasing financial literacy,
- Designing user screens and product processes which are compatible with digital trends in order to maximize the user experience,
- Supporting the development of the Turkish IT sector and the encouragement of local capital by providing opportunities for new collaborations with start-ups or expert firms operating in the field of information technology, while keeping abreast of new technological trends.

The project to make EAR Reports accessible through Findeks was awarded in the "Effective Coopetition" category at the PSM Awards 2023.

21. Risk Center Coordination

Increased investments in line with customer expectations

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Risk Center Coordination Department consists of Risk Center (RC) Product Management and Development, Business Intelligence, Reporting and Data Quality and Member Organizations Support units.

The Risk Center Coordination Department, which is responsible for the activities carried out by the Risk Center within KKB and managing its relationship with the TBB Risk Center, consists of the Risk Center Product Management and Development, Business Intelligence, Reporting and Data Quality and the Member Organizations Support units.

In order to ensure the healthy functioning of our country's financial sector, the Department carries out basic credit bureau activities, one of the main elements of credit risk management. To this end, data collected from Risk Center members and source institutions is shared with Risk Center members for effective risk evaluation. Daily data sharing in many applications and instant and real-time data sharing in certain critical systems is made to maintain the currentness of shared data. As a result, member institutions can make more accurate credit decisions based on the latest data.

Reports and statistics are provided to members, the public and public institutions based on the collected data. In this context, it is possible to monitor the credit risk tendency of the finance sector.



On the other hand, as the credit processes of financial institutions accelerate in line with the customer expectations, required investments are made for services provided to members and response times are shortened even though the amount of transactions increased greatly.

Business Intelligence, Reporting and Data Quality Unit

Business Intelligence, Reporting and Data Quality Unit continues reporting and analysis activities based on the data collected by Kredi Kayıt Bürosu and TTB Risk Center (RC). With this responsibility, the unit aims to shed light on the strategic decisions to be taken by KKB, RC and the finance sector. With a Business Intelligence perspective, the unit offers these services in an efficient and interactive way by using today's technologies at the highest level. It is committed to automation and innovation. The Unit's staff is uniquely equipped with both technical skills and banking and credit risk know-how. The core activities of the unit include interactive reporting systems available only to KKB and RC members, as well as bulletins and statistics published on the official RC website. Among the parties the unit provides regular service are RC and its members, all KKB departments and KKB senior management, in addition to the Central Bank of the Republic of Türkiye (CBRT), Banking Regulatory and Supervisory Authority (BRSA) and many other public institutions. In addition to routine reports sent to these parties, special studies are also conducted in response to requests received.

21. Risk Center Coordination

The responsibility for conducting activities related to the control, measurement, and improvement of the quality of data, which is the main raw material for all products and services offered by KKB and RC, lies with the Business Intelligence, Reporting and Data Quality Unit. Intense communication and reconciliation efforts towards members are carried out within the scope of this responsibility. As a result of these activities, it is ensured that members manage their risks effectively by accessing accurate, complete and up-to-date data on their credit customers and that the reports provided contain healthy results. In addition to efforts regarding the maintenance and improvement of data quality, the unit is responsible of data governance activities within the scope of determining general data access policies, regulating and controlling access authorizations, producing and maintaining business data dictionaries. The Unit also organizes and centrally coordinates the meetings of the Data Governance Committee, which was established to manage data quality and governance activities with the participation of senior management, and the Data Governance Officers Working Group, which was established to coordinate the decisions taken by this committee with the participation of all departments/units that own data.

Member Organizations Support Unit

Member Organizations Support Unit aims for members to benefit from KKB products and services in an effective and productive way. Carrying out its activities in line with this goal, the unit provides all kinds of support to members both at the beginning of the use of the products and also during their use. Basing its support on member satisfaction, Member Organizations Support Unit continues to provide fast and quality service by also following technological and financial developments.

The targeted service levels are achieved through regular monitoring of requests submitted by members via phone or e-mail. The requests are also examined thoroughly, similar requests are determined, and relevant systemic solution recommendations are produced and shared with product teams. As a result, service quality is constantly improved, and customer satisfaction is increased.

In addition, robotic processes were designed for regular activities such as data quality studies, accelerating processes and preventing operational errors. Automated structure construction efforts continue for all activities carried out within the unit.

Risk Center Product Management and Development Unit

The Risk Center Product Management and Development Unit is responsible for obtaining data from the finance sector, public resources and entities in other sectors that might be resource organizations; developing products and services on behalf of the Risk Center using these data; providing all kinds of maintenance and support throughout the life cycle of products and services; carrying out product management activities on Risk Center services; managing communication and coordination with members and the Risk Center. Risk Center Product Management and Development Unit consists of the "Risk Center Product Development Team" and "Risk Center Member and Product Management Team."

The Risk Center Product Development Team is responsible for:

- Collecting data from financial institutions, which are Risk Center members, and other sectors, on behalf of the Risk Center,
- Developing products and services that will offer the collected data for the use of Risk Center member institutions;
- Providing necessary technical support for members in relation to the products and services,

The Risk Center Member and Product Management Unit is responsible for:

- Providing the necessary support by establishing one-to-one communication with members and meeting their information needs related to their RC services;
- Product and member management activities,
- Implementing the suggestions from the Risk Center and its members related to existing products and services;
- Ensuring communication between the Risk Center, member organizations and KKB.



Data quality improvement efforts have led to the design of robotic processes for regular activities of a similar nature. This has accelerated processes and helped prevent operational errors.

22. Financial Reporting and Financial Affairs



Policies which reduce financial risks and increase the credibility of the Company were determined and followed.

The Financial Reporting and Financial Affairs Department is responsible for the planning of financial activity and monitoring and systematically recording the results of activities in order to fulfill the obligations and reporting regarding financial activities in a timely and accurate manner.

In fulfilling these responsibilities, the Department takes into consideration the strategic goals of the institution, legal regulations and the public interest.

The main activities of the department include the following;

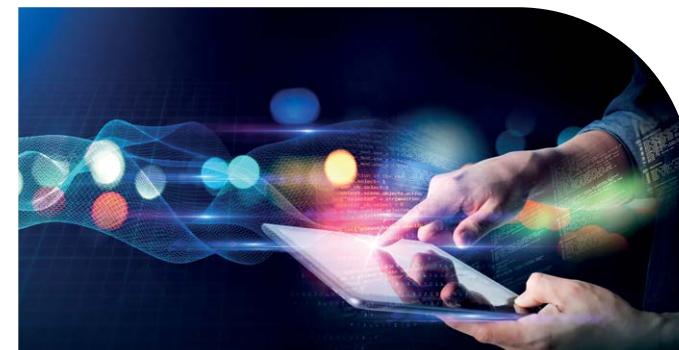
- Monitoring and fulfilling tax obligations,
- Optimization of cash flow,
- Realization of Product and Service procurement processes,
- Preparing reports requested by the Senior Management,
- Provision of necessary information, documents and reports in accordance with the regulations of the relevant public authorities,
- Promptly providing all kinds of support within the framework of the legislation in order to ensure that the operational units concentrate fully on their own fields of expertise and maximize their efficiency.

Financial Affairs Management Unit

In the 2023 activity period, the Financial Affairs Management Unit successfully carried out accounting and finance operations in line with the procedures and principles regarding accounting standards.

In this context;

- In addition to the preparation of financial reports in line with the regulations of public authorities and their submission to the relevant units and the public, tax obligations were met fully and on time.
- Policies which reduce financial risks and increase the credibility of the Company were determined and followed.
- Cash flow plans were created in order to evaluate the cash inflows in a manner which would provide optimal returns.
- Legislative changes regarding financial activities were followed and necessary amendments were made.
- In order to ensure efficient use of resources and planning, the relevant departments were collaborated with regarding the follow-up procedures and the status of the collections.
- Maintenance and repair expenses of assets owned by the institution, expenses undertaken for various projects, insurance expenses for the protection of assets, service production expenses and general administrative expenses and financial liabilities arising from legal obligations were checked and paid in accordance with the legislation.



- Transactions subject to the R&D project expenditures of the institution and the financial liabilities arising from the laws were checked and recorded in accordance with the legislation.
- In line with corporate strategies, the “Robotic Process Automation” system was included in the accounting process in 2021. A number of studies have been conducted to evaluate the savings in resources provided by the robotic reporting and accounting infrastructure and new value-added processes were produced. The development of robotic accounting process and reporting infrastructure continued in 2023.
- All correspondence and application processes regarding the incentive applications of the institution were carried out and the process was followed up.
- As a company subject to BRSA regulations, support was extended to all legal reporting and independent external audits required to be carried out in accordance with Turkish Accounting and Financial Reporting Standards.
- All requests for opinions received from the institution were responded to within the framework of tax legislation.

< 22. Financial Reporting and Financial Affairs

Budget and Reporting Unit

The Budget and Reporting Unit carries out budget planning, financial control and reporting activities in accordance with the strategies of the institution, with priority given to efficiency and establishes necessary reporting infrastructures by carrying out analyses to help the evaluation of activity results.

The unit informs unit managers and senior management in accordance with the budget realization reports prepared by effectively monitoring the budget, and manages the budget revision processes if necessary. Management of enterprise capital is facilitated by reporting the results of the analysis of actual, forecast and budget realizations of cash flow statements.

Performance measurements are made by supporting the target determination process in line with the budget and annual financial plans. Decision support reporting is made by preparing and evaluating feasibility studies of large scale new projects.

Within the Scope of Banking Regulatory and Supervisory Authority (BRSA) regulations, the coordination of independent external audit activities and the publishing and preparation of the Independent Audit Report is provided. By following the related legislation, necessary planning is made for the integration of the financial reporting infrastructure of the changes.

The unit establishes and develops financial management, reporting and control systems in accordance with the organization's needs. In this context, "Robotic Process Automation" projects included in the reporting tools are successfully ongoing, and new processes have been integrated into the system in 2023. The efficient use of technology (automation) has resulted in resource savings and increased the production of value-added new reports.

In 2024, automation efforts in reporting instruments is aimed to continue by prioritizing productivity and contribute to the institution's strategic decision-making processes.

The Procurement and Contract Management Unit

The Procurement and Contract Management Unit continued its activities in 2023, taking into account the corporate structure and audit processes and procedures. In parallel with KKB's strategy on innovation, priority has been placed on increasing the share of technology and efficiency in business processes and reducing costs to the maximum extent possible in the purchase transactions carried out, in line with current economic developments. In this context, the unit aims to strengthen digitalization, internal and external stakeholder satisfaction and the control environment in all processes. The developed reporting infrastructure has increased the effectiveness of reports shared with the business units of the Budget and Reporting and Financial Affairs Management Department. In accordance with the institution's strategies and budget plans, all purchases of products

and services have been carried out in accordance with the demands of the business units, with supplier risks and performances evaluated during these purchases. Meanwhile, tenders, negotiations and order processes were managed on an end-to-end basis, and support was extended in the contract and invoice steps. The processes of all of the institution's product, member, customer and supplier contracts were managed and process requirements were checked for contracts within the scope of support and external services.

The relevant contracts were archived, thus ensuring sustainability. Records of the fixtures and stocks owned by the institution were created in the inventory system, debit entries, which enable these resources to be used efficiently and deliver or receive them to the relevant persons in line with the principles of the institution, were carried out, and these transactions were followed and checked with regular counts.



The aim is to continue automation efforts in reporting tools and contribute to the strategic decision-making processes of the organization.

23. KKB Product Management and Development



New product and service development efforts are being carried out to contribute to technological transformation by enhancing existing products and services.

The Product Management and Development Department is responsible for determining the strategies for the products and services of KKB, following the technological developments relevant to these strategies and performing the necessary activities to improve existing products, designing new products, bringing them into use and managing the products. Product Management and Development Department consists of “Product Management” and “Product Development” units.

The department closely examines the needs and expectations of finance, public, real sector, and individuals in Türkiye to improve the country's financial life. It determines marketing strategies with a focus on digitalization, and carries out new product and service development efforts aimed at contributing to technological transformation and enhancing existing products.

Product Management Unit

The Product Management Unit directs the marketing strategies of products and services offered under the umbrella of KKB, taking into account the needs and expectations of the finance sector, the public sector and the real sector as well as individuals, while keeping its finger on the pulse of developing trends around the world. The unit focuses on the digitalization of the Turkish economy with the services it offers to the finance and real sectors. The accessible and sustainable services it offers enable rapid access to data. The team aims to raise awareness about products and to offer the products to a wide user base through marketing activities with internal and external collaborations.

The unit continues its uninterrupted efforts to increase the prevalence of the products and services under its responsibility. For this purpose, it regularly analyzes user expectations, technological and economic trends and market opportunities, and initiates creative actions within the framework of its strategies. In addition, it conducts detailed research and analysis within the scope of its products and services responsibilities and publishes sectoral reports, making these reports accessible to all individuals and institutions.

The unit aims to evaluate its products and services within the scope of sustainability in 2024, aiming to provide benefits to environmental, social and economic dynamics. The sustainability approach will be one of the key focal points of Product Management to provide benefits and adaptability to the financial ecosystem.

Product Development Unit

The Product Development Unit determines KKB's product development strategies by blending the expectations of the finance sector, the public sector and the real sector, along with individuals while keeping its finger on the pulse of technological and legislative developments. The unit carries out the necessary activities to achieve the improvement and enrichment of existing products and the design of new products with innovative ideas. One of the unit's objectives is to provide a completely different customer experience by designing user-friendly, fluent processes for the products while carrying out these activities. The unit carries out all processes from the idea stage to the launch of products that will contribute to the Turkish economy and enable indi-



viduals and companies to carry out risk management more effectively, while ensuring that the products under the umbrella of KKB are brought to users.

The Product Development Unit continued its efforts to develop, renew and enrich KKB products throughout 2023. The Unit, which provides support for product, service and infrastructure projects needed by all member organizations as well as those required by public institutions and organizations, has made significant contributions to the digitalization of the Turkish economy through its collaborations. As in previous years, the unit ensured the continuous response to various and high-volume needs arising in the financial and real sectors in 2023, and the unit played an important role in ensuring that the designed services were sustainable and accessible.

At the same time, the Product Development Unit, which closely follows technological and market developments, provides opportunities for new collaborations through meetings and evaluations with startup companies.

The Product Development Unit, which plays a role in the commissioning of digitalization actions with a user-oriented and systematic approach, will unwaveringly continue to carry out its activities to provide users with a rapidly growing product portfolio and business partnerships in 2024.

24. Human Resources Management



In 2023, 51 Young Talents participated to KKB family following a comprehensive assessment process.

The Human Resources Department continued its activities in 2023 in line with the “employee-oriented, transparent, fair and inclusive human resources strategy.” The focus areas of the Human Resources Department in 2023, targeting sustainability of growth and transformation are as follows:

- Becoming more involved in the business and positively impacting business outcomes with a focus on strategic business and relationship management,
- Ensuring a positive candidate and employee experience,
- Bringing talent to the institution and keeping them,
- Meaning in business and holistic vigor,
- An organization design suitable to business model and workforce needs,
- A fair and transparent remuneration policy,
- Trust-oriented leader communication,
- Creating a culture of working together,
- Emphasizing the employer brand,
- Digitization of business processes and creation of digital human resources analytics,
- Establishment of data-driven decision support mechanisms



Great Place to Work Certificate
KKB was awarded the internationally valid “Great Place to Work” certificate, which represents the workplaces where people want to work the most and where the satisfaction levels of their employees are high. Continuing to create a great workplace for its employees, which enabled KKB to receive the “Great Place to Work” certificate with a record participation rate (94%), will be the Human Resources Department’s priority in 2024.

Young Talent Program

Young People Program was carried out in two terms including March and August 2023. With this program, which has become a success story, fresh graduate young people with high potential and motivation are brought into the corporation, and new talents who grow up and prosper with the corporate culture continue to be educated. Competence-based interview processes were made with 478 candidates out of 15,517 applications received in two terms through the program in which KKB takes supporting the employment of newly graduated youth as a corporate social responsibility. Second stage interviews with shortlisted candidates were made by business units following positive Human Resources interviews. During the final phase of the program, candidates with positive recruitment processes met with department managers and 51 Young Talented individuals joined the staff of KKB after a comprehensive evaluation process. The retention rate of 107 young talents who participated in KKB in the last three years is 89%.

Employer Brand Recognition and Teams

Within the scope of the events that bring us together with young talents throughout the year, 12,860 students were reached in eight career events attended by students from every university in Türkiye. The events attended by the specialist leaders of KKB as well as the Human Resources team, offered an opportunity to share information and feedback, together with feedforwards, which will guide the careers of young people and assist them in their professional lives.

24. Human Resources Management

Sectoral Events and Awards

KKB's specialist experts contributed to the development of employer brand awareness by participating in various sector events as a speaker representing the institution.

KKB Human Resources Director Nil Durukanoğlu ranked in the "Türkiye's Most Admired 50 CHRO" list at Gold Leader Awards 2023 which is considered Türkiye's one of the most prestigious leadership programs. Besides, KKB Human Resources Director Nil Durukanoğlu made a presentation that introduced KKB, explained the Human Resource practices of the corporation, and included the KKB Young Talents Program as a "best practice" at the Headquarters in Dublin upon the invitation of LinkedIn EMEA "Tech Companies Exchange Day and LinkedIn Strategy Workshops Program." As part of the program, LinkedIn, Meta, and Microsoft offices were also visited, exchanging views on the business expectations in the technology ecosystem and transforming such expectations into sustainable positive employee experiences.

Recruitment

The Human Resources Department continues to work with a vision of being an exemplary credit bureau in the world and a growing source of value of Türkiye, with innovative products and services developed by KKB as a technology company as well as being one of the key institutions in the finance sector. In parallel with this, it shapes the employment and labor force strategy and incorporates new employees who will be part to this vision. In 2023, 59,227 candidates were included in the assessment process, 5,206 candidates succeeded in the pre-assessment process, and interviews were held with 1,978 candidates. During the year, 158 new employees were hired at KKB and 41 employees were commissioned.

In-House Career Opportunities

In 2023, a total of 5 internal announcements were posted, and 16 KKB employees were transferred to different departments/units/teams through internal position changes. In 2023, a total of 53 employees were promoted to an upper title.

Continuous Learning and Development

Thanks to its focus on "Continuous Development," which is one of KKB's corporate values, the development of employees and, therefore, the organization is at the heart of the Human Resources Department's activities. With this aim, the following activities are carried out at Learning and Development Management throughout the year;

- Onboarding-Orientation Program
- Exam/Certificate Preparation Programs
- Periodic
- Customized Training and Development Programs
- Training and Exam Activities As Part of the Legal Authorities and Regulators

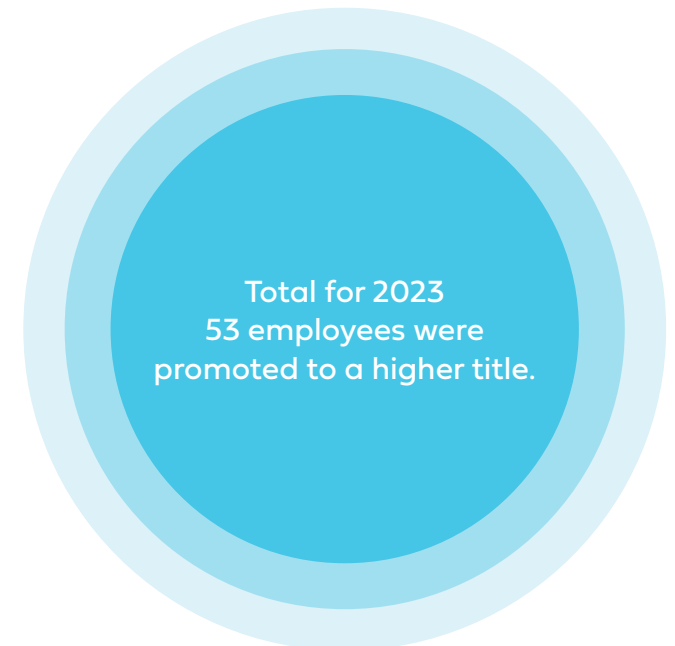
Catalogs. KKB carried out all in-class trainings through hybrid methods such as face-to-face or online in line with its business model.

With the LinkedIn Learning -the global learning experience platform which has been provided to the whole organization as of 2023- the employees were supported with several expertise levels and certificates. Employees have the opportunity to customize their learning experiences and improve themselves on this platform, which offers constantly updated content.

Additionally, various global learning experience platforms such as Pluralsight, INE, and Interskill were subscribed for especially the teams that aim to acquire technical skills.

Onboarding-Orientation Program

A comprehensive onboarding-orientation process is carried out for new employees at KKB to adapt to the organization and job in a fast and effective way. In this program, which aims to adapt new employees to the corporate culture and integrate the employee with the organization after a certain day of each month in experienced recruitment, employees are contacted in 11 sessions. For experienced recruitment, the onboarding-orientation program covers the period from the employee's candidacy to the first 3 months. The process covers a very detailed program, from the documents to be prepared when starting to work in the institution, to the experience of the first day of work, from corporate orientation training to assigning a teammate to assist the new employee, from introductory meetings with the units to periodic feedback meetings while effort has been made to present this process on a more interactive platform in the new year.



24. Human Resources Management

The Young Talents Program, which is implemented for the recruitment of new graduates, is more comprehensive and hybrid, in line with the first work experience, with the first two weeks being face-to-face and the third week being remote, and the training period, which can last up to six months, and it has continued to be updated and implemented with improvements every term. In 2023, the digital onboarding and orientation process was experienced on a special platform different from the previous years as part of the program. Based on the feedback provided, structuring efforts were made on platform developments, and it is planned to develop content for experienced employees to carry out their onboarding processes via the digital platform in 2024. The orientation program will be offered online in 2024 except for the compulsory trainings when the platform is made ready.

Young Talent employment and orientation program was carried out in two terms for the first time in 2023. Unlike previous years, the program emphasized the power of empathetic communication with the visually impaired and with one another through the Dialogue in the Dark Museum Tour. LinkedIn Learning Camp period was spread over 6-8 weeks, new trainings were added to the program, special certificates were designed for young talents after the graduation presentations at the end of the program, and end-of-term reports-report cards were presented to managers for informative purposes.

Periodic Training Catalogs

In order to support the development of their professional and personal competencies, catalogs have been published, giving employees the opportunity to enroll in training programs tailored to their needs, through demand aggregation. Training invitations were sent to everyone who made a selection within the quotas in the catalog trainings, and their participation was tracked. In the first part, training was carried out through the in-house catalog in line with the needs and expectations of the organization, and in the second part, training was defined through the TBB Catalog.

Exam/Certificate Preparation Programs

Mandatory certification acquisitions expected to be achieved by employees in the performance of their duties were supported. In addition to team-based collective support for exams and certificates, other related demands, including professional skills, were met with manager approval. Approximately 90 employees were supported on certificate/exam preparation over 20 in total.

Customized Training and Development Programs

Training and development programs specific to a particular group, task, or team working at KKB can be customized and implemented, from needs analysis to training design, from implementation to measurement and evaluation. In competency-based programs, achievements are taken into account at all levels.

In 2023, "Developing Leadership Development Program" was prepared for the managers. This program focused on situational leadership and feedback receiving-giving for all managers. It is aimed at developing the necessary skills and understanding for KKB managers to carry out the human management and performance process more effectively based on the development-oriented coaching approach and to ensure coordination among managers in this regard. In total, 90 leaders in 6 sessions completed the program with case-track work following a 2-day training.

"KKB Development Guides Basic Training Program," an in-house trainer training program, was carried out for the first time at the organization with a structured program. The 7-day practical training program and one-on-one mentoring sessions of 11 development guides selected from 104 applications were completed in 2023, and their training skills were developed so that they will give their first training in 2024.

"KKB Talks" sessions in which experts in the financial technology ecosystem are met and which are open to the entire organization were also continued under the Society, Economy, Regulation, and Strategy titles in 2023. An average of 170 people attended each of the 11 sessions during the period. In 2024, KKB Talks concept is planned to continue with the motto of the expert and in the ecosystem of new technologies.

As part of Earthquake-Disaster-Awareness studies after the earthquake that affected our country in the first months of 2023, an in-house seminar was held with an expert on the subject in order to manage the post-disaster emotional state and thoughts correctly. The training of the 30-person pioneer "Search and Rescue Team," which was formed after re-collecting and prioritizing demands from volunteers towards the goal of establishing a Search and Rescue Team, for which efforts were started in 2021, was initiated in the last quarter of the year. Following the camp, which was held in tents within Kilyos Living in Nature School, 17 KKB employees were included in a specially prepared practical training program under the guidance of AKUT (Search and Rescue Association) trainers to be trained to work on the field. After the program, which is planned to be completed in March 2024, a team of 30 people will be ready to take a role in the background and on the field as a small search and rescue team in case of a possible disaster.



Young Talent employment and orientation program was carried out in two terms for the first time in 2023.

24. Human Resources Management

In the catalog trainings planning as part of the "Competency Development Programs," the competency development needs were studied after the performance periods throughout KKB and the prominent needs based on duties were taken into consideration. Additionally, managers stated the trainings they demand as well as their needs in line with the technical/professional development specific to their teams, and they ensured team/duty-specific trainings were designed. 352 singular people completed their trainings in 73 sessions regarding trainings such as Design Thinking, Mongo DB, Oracle BI, Qlik Developer-End User, Inflation Accounting, and Presentation Design.

Besides, "Dialogue in the Dark Museum Visits," which were requested by team managers to strengthen communication and empathy towards teams working in cooperation, were held in 5 sessions with the participation of 52 employees.

The participation of 44 people in the "Conference/Seminar/Summit" in 12 sessions was supported for the employees to network and follow the trends, as well as their professional achievements.

As part of the "Task Adaptation/Preparation" programs, Development Center applications were carried out for the assistant managers who were promoted to determine their adaptation to their new positions and to get a landscape of today, and individual development journeys were started to be prepared with the managers who requested it.

Training and Exam Activities As Part of the Legal Authorities and Regulators

In this category within the scope of compulsory trainings, face-to-face or online trainings were conducted according to the needs. Trainings under the main title of information security, business continuity awareness, occupational health and safety, and secure software development were completed by 198 people face-to-face in 37 sessions. E-learning on subjects such as information security, personal data protection law, sustainability, occupational health and safety was completed via the KKB Training Platform, and trainings

were also offered on LinkedIn Learning for the first time this year.

Throughout the year, the number of training days per person was 7.5 days for in-class trainings and 9.8 days for e-learning, making a total of 17.4 days, including 395 classrooms, 10 assigned e-learning sessions and the time spent in online global libraries.

The content distribution of in-class training and development activities in 2023 is as follows:

- Professional Technical Training: 124 trainings for 318 days and 1670 hours
- Competence/Soft Skill Training: 93 trainings for 131 days and 718 hours
- Internal Trainings: 166 trainings for 166 days and 209 hours
- Seminar/Conference: 12 units for 22 days and 157 hours

Platform-based time allocated to learning on distance training and development activities are given below:

- KKB Training: 10 trainings for 4,351 hours, 1,9 hours per person
- LinkedIn Learning: 1,945 trainings for 3,938 hours, 10 hours 45 minutes per person
- Pluralsight: 707 trainings, 3,761 hours, 32 hours 25 minutes per person

Employee Health and Wellness

As every year, interviews were conducted with insurance companies that differentiated with services they provided in their sector, having the widest service network. The feedback received from employees throughout the year was evaluated and as a result of the negotiations, the current conditions were improved and an agreement was reached with Allianz Insurance for the 2023-2024 period, which will provide the highest benefit and satisfaction. Besides, all of the employees were offered the "right for a mini check-up."

In addition to the holistic health management platform LifeClub agreement, similar practices will continue to support and encourage the holistic well-being of employees and their family members in 2024.

In-Company Innovation Contest

The first of the newly designed internal contest series "Çözüm Bizde" (We Have the Solution) will be carried out in 2024 to meet around a common purpose and empower synergy at work. During the competitions, in which employees can participate individually or in groups, a different topic will be discussed each time, and volunteer participants from various fields of expertise will have the opportunity to win various, valuable awards, as well as contribute to unity by taking part in various projects.

Dinamo in-House Entrepreneurship Platform

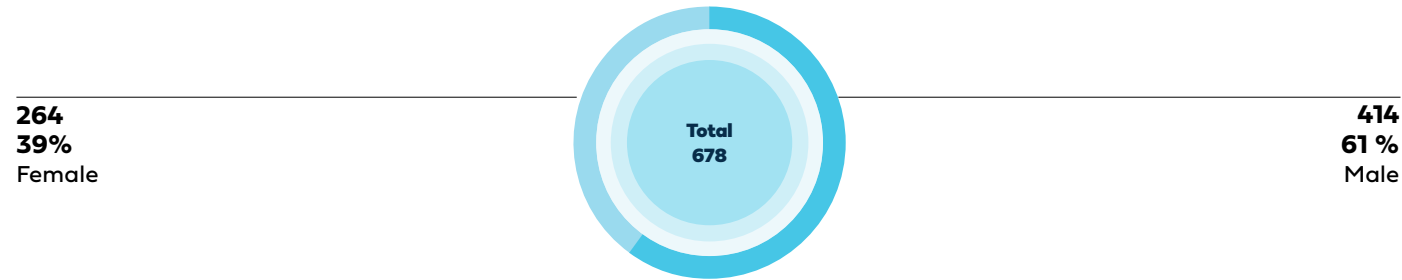
As part of the importance given to innovation and entrepreneurship and the investment made, valuable entrepreneurial ideas -conveyed through the Dinamo in-house entrepreneurship platform- were also evaluated in 2023. 11 employees were entitled to receive an initiative award, and the "Sustainability Score" project was entitled to be implemented as an initiative.



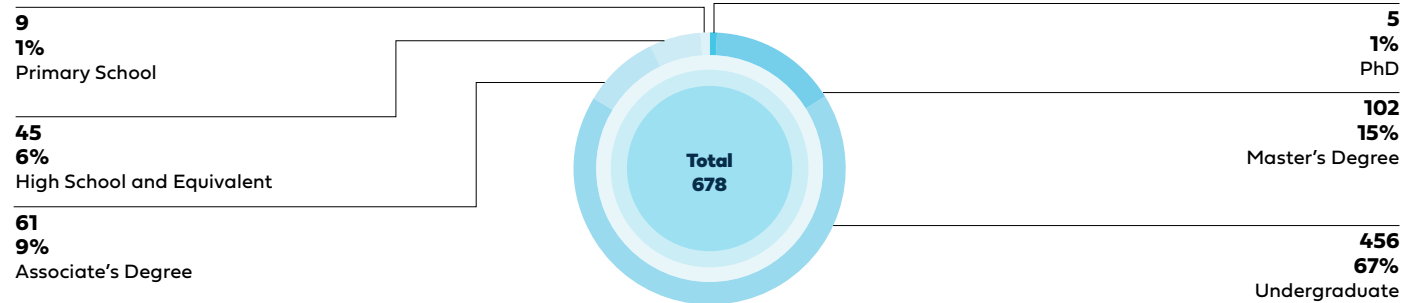
As part of the importance given to innovation and entrepreneurship and the investment made, valuable venture ideas are conveyed through the internal entrepreneurship platform Dinamo.

24. Human Resources Management

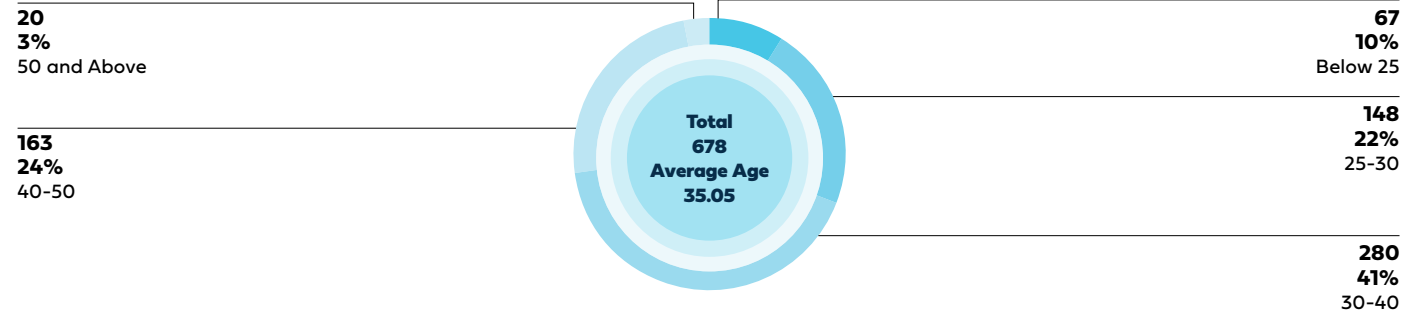
Gender Distribution



Education Distribution



Age Distribution



* Total number of employees within the organization, including seasonal employees and interns, as of 31.12.2023.

25. Risk Management



KKB carries out its risk management studies under the light of international corporate risk management standards.

Shaping its activities in line with superior quality standards, KKB carries out its risk management activities, which it has classified under the strategic, operational, financial and reputational categories, in accordance with the COSO ERM international corporate risk management standards and the ISO 31000 Risk Management Standard. The Risk Management Department is organizationally affiliated to the General Manager and reports to the Audit Committee.

Through its activities, the Department contributes to the evaluation of risks and opportunities which need to be managed in line with KKB's founding mission and the strategic objectives of the institution, and to the delivery of products and services in the most effective, efficient and controlled manner. In addition to strategic planning, targeting and risk management activities, the Department carries out risk assessment activities in accordance with the standards of the Information Security Management System (ISO 27001:2022), the Business Continuity Management System (ISO 22301:2019), the Service Management System (ISO 20000-1:2018), and Environmental Management System (ISO 14001:2015). These activities were carried out separately on the basis of processes, services and assets, and as a result, KKB's critical services, the processes and the assets which provide these services underwent risk assessments with different methods and approaches aimed at identifying all possible risks. The Risk Management Department also performs risk assessment with critical third parties providing support services or with whom a business partnership is to be established. These efforts not only reduce the risks related to support services but also serve to further reduce risks related to all external sources.

The Risk Management Department, which has been operating the Information Security Management System according to the ISO27001:2013 standard since 2014, has become one of the first institutions in the sector to qualify for this certificate by complying with the ISO27001:2022 standard, which was updated towards the end of 2022 in 2023 in a short time.

In 2023, a Sustainability Report study was made following the first KKB Sustainability Report published in 2020. The Sustainability Report studies included carbon and water footprint measurements which were carried out throughout of the entire organization, including in the KKB Anadolu Data Center, compared to 2022, and reduction targets for the coming years were updated by comparing them with other studies conducted in literature.

An independent audit of the KKB Anadolu Data Center was carried out every year as of 2018, with the results reported under the ISAE3402 reporting standard and the report shared with stakeholders receiving the service. While providing customers with assurance regarding the control environment of the KKB Anadolu Data Center, this report also helped reduce the work required during the audit.

In addition to the technological and structural developments in the areas of crisis management, risk management, information security, strategic planning and corporate architecture and process management, the Department successfully carried out the coordination of business continuity and emergency tests in October. In parallel with these tests, in order to increase preparation for current threats in the field of crisis management, crisis simulations were orga-



nized with the participation of the senior management, and possible development areas were revealed by evaluating KKB's level of preparedness for these crises.

All activities and business processes within KKB were established in accordance with the COBIT framework, the ISO 27001, ISO 22301 and ISO 20000 standards and the "Communiqué on Information Systems Management and Audit of Information Exchange Institutions and Risk Center," which replaced the "Communiqué on Principles to be Based on Information Systems Management in Information Exchange, Clearing and Settlement Institutions, and Business Processes and Audit of Information Systems" published by the BRSA in 2021. The application of Corporate Process Management ensures that all corporate processes are aligned with the current functioning, while analyzing the impact of changes in processes, with the result that changes are continued to be disseminated more effectively. Process mining studies were carried out to analyze the performance of the processes in more detail to reveal the areas of efficiency in the processes and increase their effectiveness. Robotic Process Automation studies have been carried out, leading to increased operational efficiency in the related processes, while improvements were achieved in regard to process quality.

In order to bring information security infrastructure and processes in line with the best practices of companies in this field, KKB continued to invest in information security infrastructure and increase its capabilities in the field of cyber security, especially focusing on the field of KKB Cloud architecture and security in 2023.

26. Internal Audit



The Internal Audit Department uses technology effectively in every stage of its studies.

The Internal Audit Department successfully completed its 2023 process and management statement studies and support services institutions audits in accordance with the audit plan approved by the Board of Directors. In regard to the referenced efforts, the 2023 KKB Management Statement Report and the Management Statement Report Related to the Risk Center Operations carried out by KKB were prepared and shared with the independent auditor and the TBB Risk Center.

10 specific process audits including System Security, Software Development Lifecycle, Demand and Change Management, Continuity Management, Data Management, Performance and Capacity Management, Operations Center and Electronic Banking processes, 41 titled information systems and business process audits, 2 external service procurement audits have been completed based on KKB's service continuity and information security requirements as part of the audit plan prepared with a risk-based methodology taking into account KKB's increasing product range, development in the technology world, legislative changes and digital innovations implemented on a global scale in 2023. Again, within the scope of the Regulation on Banks' Information Systems and Electronic Banking Services, it carried out its activities based on the legislation catalog and related controls.

The Information and Communication Security Guideline Audit of the Presidential Digital Transformation Office for 2022 was carried out between January and March 2023, the audit results were uploaded to the Information and Commu-

nication Security Compliance and Audit Monitoring System (BIGDES) of the Presidential Digital Transformation Office and the audit process was completed.

The project for the renewal of Risk Center Practices management screens ended after the completion of its 3rd phase. Necessary audits were carried out to ensure that the screens deployed at the end of the project worked effectively. Taking KKB's growing license inventory into account, and to prevent legal risks, the Department also conducted a License Management Audit to guarantee effective management of the license costs and license inventory in 2023. Compliance inspections were performed for all the licenses managed on Snow application.

In addition to VPN access processes and Network management audits based on KKB's service continuity and information security requirements, Project Management, Supplier and Purchasing Management, Membership Processes and specific product audits were carried out. In addition, reports regarding Budget Reporting and Financial Affairs were prepared based on continuous checks throughout the year. In addition to the business unit processes audited as part of the Management Statement, accounting for sales of KKB products and product performance calculation business processes are also among the subjects audited.

Using technology effectively in every aspect of its operations, the Internal Audit Department monitors findings and actions with automatic reporting through the GRC system. The results of the monitoring are reported on a monthly ba-



sis to KKB and the TBB Risk Center administrations. Besides, procedure monitoring mechanisms to detect and prevent extraordinary procedures, having a fraudulent purpose or fraud risk were also established. Within the scope of products such as Findeks, artificial intelligence models and fraud monitoring operations for the detection of fraud are carried out effectively with robotic automation processes and audits are carried out with the support of the latest technologies.

Within the scope of Findeks Webservice Data Security Analysis in 2023, studies were carried out on 7 different Findeks members with the methodology focused on data security.

Member Audit Analysis and Coordination Unit

The Risk Center Member Audit Tracking System, which has ensured centralized management of member audits since 2016, continued to serve all member organizations and independent auditors through e-signature verification and two-factor identity authentication infrastructure. As a result of analysis and evaluations conducted by the unit, it is possible to track the risk performance of member organizations.

The early warning system, where the risk structures of members and end users are analyzed in an analytical model according to various criteria by the member review team, continued to operate. Models created using artificial intelligence are constantly undergoing improvement.

27. Internal Control



The Internal Control Department is focused on guaranteeing the efficiency and effectiveness of operations in light of the type and nature of the activities undertaken by KKB.

The focus of the Internal Control Department's work is to ensure the efficiency and effectiveness of operations by taking into account the characteristics of all activities carried out by the institution. Accordingly, the Department is responsible for the planning, implementation and coordination of internal control activities including those related to information systems, business processes, financial reporting systems and compliance with laws.

By evaluating the effectiveness of internal control systems, the department ensures that;

- the assets of the organization are protected,
- that activities are carried out effectively and efficiently in accordance with the law and other relevant legislation, internal policies and rules in force,
- the reliability, integrity of the financial reporting system and the timely availability of information, as well as the development of internal control systems and internal control activities in order to eliminate and prevent risks.

While carrying out its activities, the department is constantly improving its outputs with the R&D approach it exhibits against machine learning, artificial intelligence and static rule-based CAAT (Computer Assisted Audit Techniques) De-constructions.



Information Systems Control Unit

The Information Systems Control Unit carries out control activities for information systems processes within the Company in accordance with the current legislation and company procedures. The identified violations are recorded on the governance application and relevant action plans are regularly monitored. The Company also carries out audits in respect to the obligations for the ISO 27001, ISO 22301, ISO 20000 and ISO 14001 certificates within the Company.

Business Processes and Financial Control Unit

The Business Processes and Financial Control Unit executes control activities related to all business and financial processes other than the information systems processes within the scope of the related legislation and internal procedures. Any breaches and violations detected as a result of the control activities are managed by creating a finding and action plan based on the governance practice being used.

28. Regulatory Compliance, Legal Affairs and Operations

Regulatory Compliance and Legal Unit

The Unit aims to ensure compliance of the products and services KKB plans to offer with applicable laws and alignment of existing products and services with the changes to applicable laws.

Other responsibilities of the unit include;

- The preparation of contracts to be concluded between members, customers, suppliers and KKB,
- Ensuring coordination between the relevant departments of the companies which are consulted in the trademark and patent processes,
- Selection of the legal offices to receive services, and the follow-up of the services received,
- Follow-up of cases for which a decision has been taken to follow up within KKB,
- Providing legal advice to units within KKB,
- Providing support in the preparation stage of the General Assembly.

Operation Center

In order to ensure the continuity and operability of business processes, the Operations Center meets the demands of members, customers and units within the organization by proxy, both on behalf of KKB and the Risk Center of the Banks Association of Türkiye. It continues its activities with two teams: Authorization Management and Official Correspondence. In 2023, Authorization Management and Official Correspondence teams successfully continued their activities, which are their main responsibilities, member authorizations and responding to official institution requests.

Improvements were implemented to increase efficiency and traceability of the Electronic Document Management System, where the Official Correspondences team carries out all its operational activities.

Operational support continued to be provided for the renewal of all relevant menus in the project of writing the application, in which the systemic definitions are carried out, with new technology.

Audits Conducted, Sanctions and Penalties Imposed During the Period

As of 31 December 2023, pending lawsuits filed against the Company with pecuniary compensation claims were as follows:

- The lawsuit filed on November 28, 2013, with a claim of TL 100,000 for pecuniary and non-pecuniary damages, with each of which amounting to TL 50,000 and with a claim to at least 20% of the possible earnings,
- The lawsuit filed on October 27, 2016 against a bank and KKB with a claim of TL 98,237.20 for pecuniary damages and TL 30,000.00 for non-pecuniary damages, amounting to a claim of TL 128,237.20,
- The lawsuit filed on July 30, 2018, with a non-pecuniary damage claim amounting to TL 20,000.00,
- The lawsuit filed on 03.03.2020, with a claim of TL 36,388.70,
- The lawsuit filed on August 8, 2022, with a pecuniary and non-pecuniary damage claim amounting to TL 24,412.20,
- The lawsuit filed on 01.09.2022, with a non-pecuniary damage claim amounting to TL 20,000.00,
- The lawsuit filed on 31.10.2023, amounting to a total of TL 101,000.00 including a pecuniary damage claim worth TL 1,000.00 and a non-pecuniary damage claim worth TL 100,000.00 against a bank and KKB, the lawsuit filed on 14.09.2023 against BRSA, 2 banks, and KKB, with a pecuniary damage claim, the price of which has not yet been determined,
- 1 reinstatement lawsuits.
- Nine labor receivables and/or severance and/or notice pay law-suits.

In 2023, an amount of TL 3,640,799.09 administrative fine was paid by the organization.

The Competition Status of the Executives of KKB

The members of the Board of Directors of KKB did not engage in any business or transactions which would violate the agreement not to enter competition, either for themselves or on behalf of others.



Dividend Distribution Proposal

The dividend policy of the Company is determined by the General Assembly given the provisions of the Turkish Trade Law and Articles of Incorporation and with the medium- and long-term strategies of the Company under the national economic conditions.

Stakeholders are informed at the General Assembly Meeting about the opinions and suggestions regarding the allocation of net profit for the period for the corporate tax and other financial liabilities to be paid by the Company, under Article 28 of the Articles of Association to negotiate and amend the financial statements for the year ending 31 December 2023 and to determine the way the profit will be used and the profit and profit share rates to be distributed; the non-payment to the Banks Association of Türkiye; and keeping the net amount remaining after deducting legal liabilities from the Company's 2023 gross profit in the Extraordinary Reserve Funds account, rather than distributing it to the partners so that it can be used for the Company's planned investments.

29. Committees

Disciplinary Committee

The Disciplinary Committee is responsible for determining situations which contravene the Human Resources Disciplinary Regulations and for implementing disciplinary sanctions as deemed appropriate. In determining situations which contravene the Disciplinary Regulation, the Manager of the Regulatory Compliance and Operations Department, as well as other KKB Department Executives, convene to evaluate the results of the investigation on the related issue.

Audit Committee

The Audit Committee convenes for the purpose of sharing the activities of the Internal Audit, Regulatory Compliance and Operations, Internal Control and Risk Management Departments and the results of these activities with the Senior Management. Information on the results of audit activities conducted within the organization is provided to the participants, which include some members of the Board of Directors.

KKB Steering Committee

The KKB Steering Committee is responsible for the current status of the institution's finances, assessing compatibility with the strategic objectives and evaluation of planned new products and services. The Committee also evaluates information from the related department executives regarding activities realized within the month which are deemed to be strategically important.

Weekly Product Evaluation Meeting

Weekly Product Evaluation Meetings are held to evaluate the strategic conformity of existing products, services, product usage, improvement recommendations and requests regarding products and requests for products, and to make decisions such as the data types to be used within the scope of the products and services, and the method of sharing. Important matters regarding the suppliers of new and existing products are also evaluated during these meetings.

Information Security Committee

The Information Security Committee aims to identify any weaknesses in information security, primarily changes in the operation of the information security function, as well as evaluating the need for resources and coordination to eliminate these weaknesses. The Committee's responsibilities include informing senior management about information security violations within the institution and global information security incidents.

Business and IS Continuity Committee

The Business Continuity Committee convenes to determine crisis scenarios, prepare relevant action plans, review changes in the operation of the business continuity function and evaluate resource needs based on the mentioned scenarios. The Committee is responsible for providing information on the current status of business continuity risks, actions and practices.

Information Systems Strategy Committee

The Information Systems Committee convenes to evaluate the compatibility of the organization's information systems strategies with its business objectives, the proper implementation of the information systems strategy plan and the need for revision. The duties of the committee include ensuring compliance of the investments with the information systems strategy plan and evaluation of the activities of the Information Systems Steering Committee.

Information Systems Steering Committee

The Information Systems Steering Committee is responsible for the prioritization of resource requirements in accordance with information technology strategies, the monitoring of critical information systems projects, evaluation of the compatibility of information systems architecture and critical information systems projects, monitoring of service levels related to information systems, preparation and submission of the annual Information Systems budget for approval, and planning of IT investments and assessing the impact of new investments on KKB risk profile and the resource requirements.

AI Management Committee

The duties of the Artificial Intelligence Management Committee are determining the artificial intelligence approach and strategies of the institution, evaluating the strategic suitability of AI projects, analyzing the effect of the institution on the existing or new ways of doing business in line with the determined AI strategies, determining the actions and approving artificial intelligence investments, projects and resources, determining the order of priority, and providing information regarding risks of high importance regarding AI projects.

< 29. Committees

Sustainability Committee

The Sustainability Committee is responsible for establishing the sustainability strategy and policies of the institution, following the national and international developments related to sustainability, reviewing and reorganizing the current strategy, policy and practices, determining the environmental, social and economic risks and impact dimensions of the organization's operations, including climate change, and determining the carbon and water footprint, measuring, monitoring and reducing the footprint in line with the determined targets, directing the studies and developing projects for the integration and internalization of the sustainability culture into the corporate structure, following the organization's roadmap and developments in sustainability-related practices and determining and auditing performance criteria accordingly.

Project Steering Committee

The Project Steering Committee is responsible for evaluating the strategic conformity of projects, investment decisions regarding important information systems, requests to be added to the annual project plan, the costs and priorities of projects as well as informing the senior management about the risks related to existing projects and potential risks.

Data Governance Committee

The Data Governance Committee is responsible for making decisions to ensure the quality and integrity of the data that KKB has provided, stored and shared. The Committee identifies the needs related to the data and assesses data validation rules and methods. The Data Governance Committee also evaluates the information architecture and reaches decisions on the compatibility of projects which may affect the information architecture.

Process Committee

The Process Committee convenes to assess the changes to be made in the functioning of the institutional processes, to eliminate gray areas as to which units should undertake the process activities; to determine and monitor the performance goals of the processes. Also, the Process Committee coordinates all optimization and automation efforts of the processes in terms of design and operation with senior management support.

Technology Architecture Committee

The Technology Architecture Committee is responsible for providing supporting information for the decision mechanism about the software (application) architecture, infrastructure architecture and data architecture that constitute the technology architecture of the institution, its objectives, structure, functioning, the systems it uses and the technologies used in the systems, and creating the alternative distribution channel architecture for products and services, and the evaluation of the compatibility of the decisions to be made in line with the project and portfolio management with the technology architecture, and the evaluation of the relevant capacity and needs.

Change Committee

The Change Committee is tasked with evaluating application and system changes' impact on daily operations and their compliance with applicable laws. The Committee also controls the measures required to minimize the risks arising from changes.

Internal Audit Committee

The Internal Audit Committee convenes to evaluate the audit plan information, information connected to completed audits, information regarding past and incomplete actions and findings, requests to revise the action date with the audited unit and department managers and, if necessary, with the audited unit personnel.

Service Management Committee

The main responsibility of the Service Management Committee is to determine the scope, policy and objectives of the service management in accordance with the corporate strategy, to plan and follow-up the service management and raise awareness of meeting service requirements. The Committee is also responsible for regularly reviewing the activities and ensuring compliance with the laws to which the organization is subject, ensuring adequate resources for the conduct of service management activities and identifying and managing risks related to the service management.



Sustainability



< 30. Sustainability Approach

Financial and commercial ecosystem sustainability



KKB considers sustainability within a holistic understanding and considers it in both its on activities and its relationship with stakeholders.

KKB produces value for the trust and sustainability of our country's financial and commercial ecosystem by allowing its members and users to manage their financial risks more actively through the products and services it designs with the innovative perspective it maintains since its establishment and makes available to all sectors and individuals. The products and services that KKB develops for the financial and real sectors are rapidly accessible and sustainable, and they aim to contribute to the transparency and digitalization of the Turkish economy.

KKB considers sustainability within a holistic understanding and considers it in both its on activities and its relationship with stakeholders. Implementing effective environmental assessment systems, the institution strives to further reduce the direct environmental impact of its operations and processes every day as part of its efforts to combat climate change. The Company aims to increase its capacity to generate value by always cooperating effectively with all stakeholder groups it identifies as stakeholders, members, customers, employees, suppliers, public institutions and organizations, universities and society.



In order to ensure the sustainability of its human resources, KKB adopts fair and transparent human resources policies and practices that consider employee satisfaction, and produces projects that bring on new talents. It makes social impact more permanent by being there for every section of society through the projects it develops with an awareness of responsibility and the donation campaigns it participates in through the contributions of its volunteer employees.

Publishing the third of the Sustainability Reports it prepared according to the Global Reporting Initiative Standards (GRI) in 2023, KKB will continue to be transparent and share the social, economic and environmental dimensions of its activities.

30. Sustainability Approach



The Sustainability Committee functions in line with the goal of creating a sustainable value for all stakeholders of KKB.



Sustainability Organization

The Sustainability committee is responsible for determining the strategies and policies of the organization, carrying out, monitoring, and inspecting the goals and practices under the goal of creating a sustainable value for all stakeholders of KKB.

The Sustainability Committee is formed and authorized with the approval of the Board of Directors. The Committee reports directly to the Board of Directors regarding its activities. There must be a Member of the Board of Directors in the Committee. The decisions of the Committee are advisory to the Board of Directors.

The Committee consists of the following members:

- Member of the Board of Directors and General Manager (Chairperson)
- VP - Information Technologies and R&D
- VP - Financial Reporting and Financial Affairs
- VP - Risk Center Coordination
- VP - KKB and Findeks Business Management
- VP - Risk Management

- Director - Internal Control
- Director of Human Resources
- Director - Regulatory Compliance, Legal Affairs and Operations
- Director - KKB Product Management and Development
- Manager - Corporate Risk Management (Coordinator)
- Manager - Corporate Communications

The Committee is chaired by a Member of the Board of Directors and the General Manager. The coordination of the Committee is provided by the Corporate Risk Governance Unit.

Duties and Responsibilities of the Committee

- To create the sustainability strategy and policies of the KKB to be proposed to the Board of Directors,
- To follow national and international developments, public regulations and trends on sustainability issues and to review current strategies, policies and practices in this context, and to rearrange, monitor and submit to the approval of the Board of Directors when necessary,

- To determine the performance criteria in line with the sustainability goals of the institution, monitor the performance and ensure the active participation of all relevant units,
- To establish working groups, if deemed necessary, to coordinate the transformation of sustainability goals into business plans and their implementation, and to identify and authorize group members,
- To ensure the determination of the environmental, social, and economic risks, including climate change, and the impact dimensions of the Company's operations, to measure and monitor the carbon and water footprints, to reduce, control, and report them in line with determined targets,
- To ensure that all employees of the institution are informed within the framework of the institution's sustainability strategy, to conduct studies for employees to internalize these practices, and to ensure active stakeholder participation in the processes.

31. Environmental Impact Assessments

Projects to increase environmental awareness



In addition to reducing the carbon emissions of its stakeholders through its digital products and services, KKB carries out studies to minimize the direct and indirect environmental impacts of its operations.

KKB, aims to comply with the legal regulations regarding the environment, to increase the use of renewable energy resources in its service delivery processes, to use exhaustible natural resources with appropriate and efficient infrastructure, to reduce the wastes generated as a result of its activities and implement appropriate disposal processes, to separate recyclable wastes and prevent environmental pollution, and to organize trainings in order to increase environmental awareness and develop behavioral competencies.

In addition to reducing the carbon emissions of its stakeholders through its digital products and services, KKB carries out studies to minimize the direct and indirect environmental impacts of its operations. Full compliance with environmental laws and regulations, reducing and efficient use of energy, water and paper consumption, minimizing the amount of waste resulting from business processes and recycling waste constitute the main axis of these activities.

With the aim to leave a more livable environment and usable natural resources to future generations, at its Headquarters in Istanbul and Anadolu Data Center in Ankara, KKB carries out its activities by considering the environmental impact arising from our activities. KKB Anadolu Data Center, the first data center in Türkiye entitled to receive the "LEED Platinum" Green Building Certificate, registers its environmental friendliness with its ISO 14001 Environmental Management System Certificate. The Headquarter of KKB in Istanbul also has the ISO 14001 Environmental Management System Certificate.



Calculating the carbon footprint and water footprint values using an end-to-end lifecycle method in 2020 in order to evaluate its environmental performance according to measurable criteria, KKB became the first institution to implement this practice. The results obtained from this study show the benefit of the environmentally friendly infrastructure throughout the institution, especially the systems that are used at the KKB Anadolu Data Center, in a concrete way. They were also effective in determining development areas and taking action in this direction.

KKB provides awareness trainings to our employees about the effective use of natural resources and implement social responsibility projects aimed at protecting the environment.

Carbon and Water Footprint Measurements and Evaluations of KKB

Carbon and water footprint measurements of KKB are conducted with the life cycle analysis method, using CCaLC software, CML2001 method and the Ecoinvent database. The main environmental impact factors in its carbon footprint calculations include an increase in IT activities at the Anadolu Data Center, electricity consumption at the Istanbul Office, and fuel consumption of vehicles used for personnel transportation.

31. Environmental Impact Assessments



KKB aims to contribute to reducing the carbon emission levels thanks to its investments.

In 2022, solar power plant (SPP) installation project in Anadolu Data Center (AVM) was completed for renewable energy use in line with the sustainability approach of KKB. With this investment, 3.17% of the electricity used at the Anadolu Data Center in 2023 was covered by solar energy panels between June and December. KKB continues to research other renewable energy sources that can be used in the future and aims to contribute to reducing carbon emission levels with its investments. The Company also completed efforts regarding the transformation of energy-saving lighting in all areas of the offices to further reduce electricity consumption.

In the measurements made, according to CCaLC data, the water footprint of the annual activities of the Istanbul office was 609,000 m³ Water eq, and the water footprint of the annual activities of the Anadolu Data Center was 233,000 m³ Water eq. 72.32% of KKB's annual water footprint of 842,000 m³ Water eq belongs to the Istanbul office and 27.68% belongs to the Anatolian Data Center. With the Solar Power Plant (SPP), which was implemented in the second half of 2022, 1,018,946.39 kWh of renewable energy was produced and with this energy, all of the energy consumed in KKB ODM and KKB CLOUD was covered.

KKB Footprint					
	Footprint	Unit	2022	2023	22/23 Rate of Change
ANKARA	Total Carbon Footprint	ton CO ₂ eq	14,500	16,600	13%
	Total Water Usage	m ³ Water	974,000	304,000	-220%
	Total Water Footprint	m ³ Water eq	759,000	233,000	-226%
ISTANBUL	Total Carbon Footprint	ton CO ₂ eq	1,510	1,530	1%
	Total Water Usage	m ³ Water	807,000	785,000	-3%
	Total Water Footprint	m ³ Water eq	626,000	609,000	-3%
KKB	Total Carbon Footprint	ton CO ₂ eq	16,010	18,130	12%
	Total Water Usage	m ³ Water	1,781,000	1,089,000	-64%
	Total Water Footprint	m ³ Water eq	1,385,000	842,000	-64%

KKB Environmental Impact Inventory					
		Unit	2022	2023	
Energy Consumption	Fuel (diesel fuel) service	Liter	38,568	54,432	
	Fuel (diesel fuel) generator	Liter	73,460	21,302	
	Fuel (gas) consumption-company vehicles	Liter	29,700	47,470	
	Fuel (diesel fuel) consumption-company vehicles	Liter	41,060	23,440	
	Electricity consumption	MWh	29,833	34,751	
Energy Generation	SPP generation	kWh	648,422	1,018,946	
Consumables Consumption	Consumables	kg	6,875	6,160	
Water Consumption	Municipal Water Usage	m ³	7,455	7,323	
Waste Management	Total Amount of Hazardous Waste	kg	5,860	11,260	
	Total Amount of Non-Hazardous Waste*	kg	19,010	16,430	
	Total Waste	tons	25	28	

* Non-hazardous waste also includes plastic use.

31. Environmental Impact Assessments



KKB realized 1,018,946 kWh energy consumption with its SPP efforts in 2023.

Istanbul Environmental Impact Inventory				
		Unit	2022	2023
Energy Consumption	Fuel (diesel fuel) service	Liter	5,288	15,864
	Fuel (diesel fuel) generator	Liter	-	-
	Fuel (gas) consumption-company vehicles	Liter	29,700	47,470
	Fuel (diesel fuel) consumption-company vehicles	Liter	36,500	19,604
	Varyap data center electricity consumption	kWh	1,879,207	1,891,373
	Varyap office electricity consumption	kWh	670,626	687,603
	Electricity consumption	MWh	2,550	2,579
Consumables Consumption	Consumables	kg	5,226	4,742
Water Consumption	Municipal Water Usage	m ³	1,979	2,721
Waste Management	Total Amount of Hazardous Waste	kg	-	-
	Total Amount of Non-Hazardous Waste*	kg	10,000	6,000
	Total Waste	tons	10	6

* Non-hazardous waste also includes plastic use.

Anadolu Data Center Environmental Impact Inventory				
		Unit	2022	2023
Energy Consumption	Fuel (diesel fuel) service	Liter	38,568	38,568
	Fuel (diesel fuel) generator	Liter	73,460	21,302
	Fuel (gas) consumption-company vehicles	Liter	-	-
	Fuel (diesel fuel) consumption-company vehicles	Liter	4,560	3,836
	Customer IT Consumption	kWh	18,802,088	22,978,183
	Customer AHU Consumption	kWh	3,439,193	3,948,232
	KKB DRC	kWh	591,506	537,999
	KKB Cloud	kWh	180,251	176,309
	MOM Building	kWh	502,848	508,607
	ADC Facility Consumption	kWh	1,500,238	2,090,820
	General Loss	kWh	2,915,087	1,932,287
	Electricity consumptions	MWh	27,931	32,172
Energy Generation	SPP generation	kWh	648,422	1,018,946
Consumables Consumption	Consumables	kg	1,649	1,418
Water Consumption	Municipal Water Usage	m ³	5,476	4,602
Waste Management	Total Amount of Hazardous Waste	kg	5,860	11,260
	Total Amount of Non-Hazardous Waste*	kg	9,010	10,430
	Total Waste	tons	15	22

* Non-hazardous waste also includes plastic use.

32. Our Social Contribution

Activities carried out with social responsibility awareness



KKB employees who ran for good collected donations for Elele Education and Culture Association as part of the Türkiye İş Bankası 45th Istanbul Marathon.

YOU IMAGINE, WE REALIZE

The 10th competition period of the "You Imagine, We Realize" competition, which KKB launched in 2013 in order to increase university students' awareness of social responsibility issues and their sensitivity to social problems, was canceled due to the earthquake disaster that took place on February 6, 2023. The new term of the project was transferred to the next academic term in line with the "equality of opportunity in education" adopted by KKB in its social responsibility approach, and preparations for 2023-2024 was completed.

KKB VOLUNTEERING PLATFORM

Wellness Runs

KKB participated in the Türkiye İş Bankası 45th Istanbul Marathon running event in 2023 with its volunteer employees. KKB employees who ran for good collected donations for Elele Education and Culture Association as part of the marathon.

Donations

Within the earthquake disaster that occurred on February 6, 2023 and affected 11 provinces, various aid efforts were carried out by official institutions and non-governmental organizations based on the need lists identified in the region in the first stage.

KKB and KKB volunteer employees have cooperated with great dedication in the relief works, where daily needs such as food and hygiene materials have been prioritized.



In addition, the book drive campaign realized with the support of KKB Volunteers aimed to support the education processes and personal developments of students, our hope for the future.

Institution-wide unused and working second hand computers were donated during the year to primary schools and various non-governmental organizations in need.

HAÇİKO Animal Nutrition Voluntary Project

With the support of KKB Volunteers and in cooperation with HAÇİKO, the Association for the Protection of Animals from Helplessness and Apathy, a feeding event for homeless dogs was held in Çekmeköy Reşadiye forest.

As part of the event, where we met dozens of our pawed friends, KKB donated 20 packages of food weighing 15 kg to HAÇİKO to meet the 2-day feeding needs of homeless animals in the forest.

Toy Workshop for Children with Hayata Destek Derneği (Support to Life Association)

In the Toy Workshop project organized under the leadership of the Support to Life Association and with the support of KKB Volunteers, handicraft plush toys were prepared for children. 60 plush toys made with the support of KKB Volunteers were reached to the children living in Hatay affected from the earthquake disaster.



Financial Information

33. Independent Auditor's Report on the Board of Directors' Annual Report



KPMG Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.
İş Kuleleri Kule 3 Kat:2-9
Levent 34330 İstanbul
Tel +90 212 316 6000
Fax +90 212 316 6060
www.kpmg.com.tr

CONVENIENCE TRANSLATION INTO ENGLISH OF INDEPENDENT AUDITOR'S REPORT ON THE BOARD OF DIRECTORS' ANNUAL REPORT ORIGINALLY ISSUED IN TURKISH

To the Shareholders of KKB Kredi Kayıt Bürosu Anonim Şirketi

Qualified Opinion

We have audited the annual report of KKB Kredi Kayıt Bürosu Anonim Şirketi (the "Company") for the period between 1 January 2023 and 31 December 2023, since we have audited the complete set of financial statements for this period.

In our opinion, excluding the effects of the subject stated in the Basis for Qualified Opinion section, the financial information included in the annual report and the analysis of the Board of Directors by using the information included in the audited financial statements regarding the position of the Company are consistent, in all material respects, with the audited complete set of financial statements and information obtained during the audit and provides a fair presentation.

Basis of Limited Qualified Opinion

The purpose and scope of the "General Communiqué of the Tax Procedure Law No. 555" published in the Official Gazette dated December 30, 2023, and numbered 32414 by the Ministry of Treasury and Finance of the Republic of Türkiye are to determine the procedures and principles regarding the inflation adjustment transactions to be carried out according to the provisions of Article 298 (A) of the Law No. 213 and temporary Article 33 of the Law, depending on the realization of the correction conditions for the fiscal year 2023 and subsequent fiscal years. Within the scope of this regulation, if the financial statements as of December 31, 2023, had been adjusted for inflation for tax purposes, deferred tax assets, deferred tax income effects, and period net income in the accompanying financial statements would have needed to increase by TL 292.209.688.

We conducted our audit in accordance with Standards on Auditing which is a component of the Turkish Auditing Standards issued by the Public Oversight, Accounting and Auditing Standards Authority ("POA") ("Standards on Auditing issued by POA"). Our responsibilities under Standards on Auditing issued by POA are further described in the Auditor's Responsibilities for the Annual Report section of our report. We declare that we are independent of the Company in accordance with the Code of Ethics for Auditors issued by POA (including Independence Standards) (POA's Code of Ethics) and the ethical requirements in the regulations issued by POA that are relevant to audit of financial statements, and we have fulfilled our other ethical responsibilities in accordance with the POA's Code of Ethics and regulations. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Auditor's Opinion on Complete Set of Financial Statements

We have expressed an limited positive opinion on the complete set of financial statements of the Company for the period between 1 January 2023 and 31 December 2023 on February 26, 2024.



Board of Directors' Responsibility for the Annual Report

In accordance with the Articles 514 and 516 of the Turkish Commercial Code numbered 6102 ("TCC"), the Company's management is responsible for the following regarding the annual report:

- a) The Company's management prepares its annual report within the first three months following the date of statement of financial position and submits it to the general assembly.
- b) The Company's management prepares its annual report in such a way that it reflects the operations of the year and the financial position of the Company accurately, completely, directly, true and fairly in all respects. In this report, the financial position is assessed in accordance with the Company's financial statements. The annual report shall also clearly indicates the details about the Company's development and risks that might be encountered. The assessment of the Board of Directors on these matters is included in the report.

- c) The annual report also includes the matters below:

- Significant events occurred in the Company after the reporting period,
- The Company's research and development activities.
- Financial benefits such as wages, premiums and bonuses paid to board members and key management personnel, appropriations, travel, accommodation and representation expenses, benefits in cash and kind, insurance and similar guarantees.

When preparing the annual report, the Board of Directors also considers the secondary legislation arrangements issued by the Ministry of Trade and related institutions.

Auditor's Responsibility for the Audit of the Annual Report

Our objective is to express an opinion on whether the financial information included in the annual report in accordance with the TCC and analysis of the Board of Directors by using the information included in the audited financial statements regarding the position of the Company are consistent with the audited financial statements of the Company and the information obtained during the audit and give a true and fair view and form a report that includes this opinion.

We conducted our audit in accordance with Standards on Auditing issued by POA. Standards on Auditing issued by POA require compliance with ethical requirements and planning of audit to obtain reasonable assurance on whether the financial information included in the annual report and analysis of the Board of Directors by using the information included in the audited financial statements regarding the position of the Company are consistent with the financial statements and the information obtained during the audit and provides a fair presentation.

KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi





KKB Kredi Kayıt Bürosu Anonim Şirketi

**31 Aralık 2023 Tarihinde Sona Eren
Hesap Dönemine Ait Finansal Tablolar ve
Bağımsız Denetçi Raporu**



KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.
İş Kuleleri Kule 3 Kat:2-9
Levent 34330 İstanbul
Tel +90 212 316 6000
Fax +90 212 316 6060
www.kpmg.com.tr



Convenience Translation of the Independent Auditor's Report Originally Prepared and Issued in Turkish to English

To the Board of Director of KKB Kredi Kayıt Bürosu Anonim Şirketi

A) Audit of the Financial Statements

Qualified Opinion

We have audited the accompanying balance sheet of KKB Kredi Kayıt Bürosu Anonim Şirketi ("the Company") as at 31 December 2023 and the income statement, statements of changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, expect for the possible effects of the mater described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with "Banking Regulation and Supervision Agency ("BRSA") Accounting and Financial Reporting Legislation" which includes "Communiqué on Uniform Chart of Accounts and Prospectus to be implemented by Financial Leasing, Factoring and Financing Companies" published in the Official Gazette numbered 28861 dated 24 December 2013 and "Regulation on Accounting Practices and Financial Statements of Financial Leasing, Factoring and Financing Companies", communiqués, and circulars and, announcements made by BRSA and requirements of Turkish Financial Reporting Standards for the matters not regulated by the aforementioned legislations.

Basis for Qualified Opinion

The purpose and scope of the "General Communiqué of the Tax Procedure Law No. 555" published in the Official Gazette dated December 30, 2023, and numbered 32414 by the Ministry of Treasury and Finance of the Republic of Türkiye are to determine the procedures and principles regarding the inflation adjustment transactions to be carried out according to the provisions of Article 298 (A) of the Law No. 213 and temporary Article 33 of the Law, depending on the realization of the correction conditions for the fiscal year 2023 and subsequent fiscal years. Within the scope of this regulation, if the financial statements as of December 31, 2023, had been adjusted for inflation for tax purposes, deferred tax assets, deferred tax income effects, and period net income in the accompanying financial statements would have needed to increase by TL 292.209.688.

We conducted our audit in accordance with the regulations on auditing principles in force Standards on Auditing which is a component of the Turkish Auditing Standards published by the Public Oversight Accounting and Auditing Standards Authority ("POA") ("Standards on Auditing issued by POA"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We declare that we are independent of the Company in accordance with the Code of Ethics for Auditors issued by POA ("POA's Code of Ethics") and the ethical requirements that are relevant to our audit of the financial statements in Türkiye and we have fulfilled our other ethical responsibilities in accordance with POA's Code of Ethics and regulations. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. By us; In addition to the subject explained in the Basis of Qualified Opinion section, the following issues have been identified as key audit matters and have been reported in our report.

Revenue Recognition

Refer to Note 2.4 and Note 18 to the financial statements for details of accounting policies and significant accounting estimates and assumptions used in recognised of revenue.

Key audit matter	How our audit addressed the key audit matter
Revenue Recognition The Company has a total of TL 1.766.215.611 income that was recognised under "revenue" in the comprehensive income for the period between 1 January 2023 and 31 December 2023. We focussed on this area as a key audit matter for the following reasons: the magnitude of revenue in the financial statements; revenue being earned through variable channels; revenue being generated as a result of multiple transactions and calculated by using different unit prices due to the nature of the Company's operations.	Within the scope of the audit procedures we applied related to revenue recognition: - We evaluated compliance of accounting policies determined by Company management regarding revenue recognition with BRSA Accounting and Financial Reporting Legislation. - In addition to this, we tested operational controls related with reliability of the data on which revenue is recognized and with data-recording medium by involving our information and technology specialists. - Furthermore, we have tested the design, implementation, and operational effectiveness of the controls that we consider important for the proper accounting of revenue in accordance with relevant Banking Regulation and Supervision Agency (BRSA) and Accounting and Financial Reporting Legislation, involving our Information Systems specialists. - We tested the selected sample of items constituting the revenue amount to evaluate whether transaction-based revenue amounts were accounted for in accordance with BRSA Accounting and Financial Reporting Legislation by comparing transaction details with relevant supporting documents.



Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with BRSR Accounting and Financial Reporting Legislation, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Responsibilities of auditors in an audit are as follows:

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the regulations on auditing principles in force Standards on Auditing issued by POA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with regulations on auditing principles in force Standards on Auditing issued by POA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

B) Other Legal and Regulatory Requirements

1) Pursuant to the fourth paragraph of Article 402 of the Turkish Commercial Code ("TCC") numbered 6102; no significant matter has come to our attention that causes us to believe that for the period 1 January - 31 December 2023, the Company's bookkeeping activities and financial statements are not in compliance with TCC and provisions of the Company's articles of association in relation to financial reporting.

2) Pursuant to the fourth paragraph of Article 402 of the TCC; the Board of Directors provided us the necessary explanations and required documents in connection with the audit.

KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi

Ali Tugrul Uzun, SMMM
Partner
26 February 2024
İstanbul, Türkiye



KKB Kredi Kayıt Bürosu A.Ş.

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Convenience Translation Into English of Financial Statements Originally Issued in Turkish, See in Note 2

KKB Kredi Kayıt Bürosu A.Ş.

Statement of Financial Position at 31 December 2023

(Amounts expressed in Turkish Lira ("TL"), unless otherwise indicated).

		Audited	Audited
		Current period	Prior period
	Notes	31 December 2023	31 December 2022
Current assets		889.825.107	444.397.475
Cash and cash equivalents	3	545.413.972	230.516.958
Financial investment	4	1.275.646	304.239
Trade receivables		172.829.899	109.071.573
- Trade receivables due from related parties	5,7	129.308.813	77.647.188
- Trade receivables due from other parties	5	43.521.086	31.424.385
Inventories	8	7.379.366	7.068.014
Prepaid expenses	15	135.473.657	70.720.001
- Prepaid expenses due from related parties	7	5.032.373	14.025.621
- Prepaid expenses due from other parties		130.441.284	56.694.380
Other current assets	16	10.368.636	6.534.176
Current income tax assets	23	17.083.931	20.182.514
Non-current assets		712.381.796	431.085.481
Tangible assets	9	537.789.159	337.512.362
Right of use asset	11	4.056.249	2.834.457
Intangible assets other than goodwill	10	143.671.331	74.527.909
Prepaid expenses	15	26.660.270	16.132.976
- Prepaid expenses due from other parties	15	26.660.270	16.132.976
Other non-current assets	16	204.787	77.777
Deferred tax assets	23	-	-
Total assets		1.602.206.903	875.482.956

		Audited	Audited
		Current period	Prior period
	Notes	31 December 2023	31 December 2022
Short-term liabilities		1.228.363.695	729.855.982
Lease liabilities	11	2.042.665	2.689.266
Trade payables		347.027.431	177.056.474
- Trade payables due to related parties	5,7	50.900.908	15.423.205
- Trade payables due to other parties	5	296.126.523	161.633.269
Corporate tax liability on period profit	23	-	-
Other payables	6	30.589.967	23.904.757
- Other payables due to other parties	6	30.589.967	23.904.757
Short term provisions	14	239.964.652	124.223.058
- Short term provisions for employee benefits		191.811.821	77.711.669
- Other short term provisions		48.152.831	46.511.389
Payables related to employment benefits	14	31.071.744	11.820.862
Deferred income	15	577.667.236	390.161.565
Long-term liabilities		64.659.416	28.159.677
Lease liabilities	11	2.626.142	599.380
Deferred tax liability	23	29.575.582	8.041.753
Long term provisions	14	32.457.692	19.518.544
- Long term provisions for employee benefits		30.532.943	17.548.495
- Other long term provisions		1.924.749	1.970.049
Total liabilities		1.293.023.111	758.015.659
Shareholders' equity		309.183.792	117.467.297
Share capital	17	7.425.000	7.425.000
Reserves on retained earnings	17	41.005.074	41.005.074
Adjustment to share capital	17	2.574.025	2.574.025
Special funds	17	1.864.617	1.822.577
Accumulated other comprehensive expense			
that will not be reclassified to profit or loss (-)		(22.449.946)	(9.532.613)
- Remeasurement losses of defined benefit plans (-)		(22.449.946)	(9.532.613)
Retained earnings		74.173.234	75.972.754
Net profit for the period		204.591.788	(1.799.520)
Total liabilities and shareholders		1.602.206.903	875.482.956

The accompanying notes form an integral part of these financial statements.

The accompanying notes form an integral part of these financial statements.



Convenience Translation Into English of Financial Statements Originally Issued in Turkish, See in Note 2

KKB Kredi Kayıt Bürosu A.Ş.

Statement of Profit or Loss and Comprehensive Income for the Period 1 January - 31 December 2023

(Amounts expressed in Turkish Lira ("TL"), unless otherwise indicated).

		Audited Current period 1 January - 31 December 2023	Audited Prior period 1 January - 31 December 2022
	Notes		
Sales	18	1.766.215.611	879.774.658
Cost of sales (-)	18	(659.262.941)	(366.810.209)
Gross profit		1.106.952.670	512.964.449
Marketing, selling and distribution expenses (-)	19	(317.921.486)	(274.241.356)
General administrative expenses (-)	19	(694.510.468)	(320.674.950)
Other incomes from main operations	21	18.374.804	9.367.713
Other expenses from main operations (-)	21	(359.128)	(352.687)
Research and development expenses (-)		(930.873)	(840.827)
Operating profit		111.605.519	(73.777.658)
Income from investing activities	24	240.969	212.436
Operating profit before financial income		111.846.488	(73.565.222)
Financial income	22	189.095.981	71.871.770
Financial expense (-)	22	(24.589.930)	(7.338.331)
Profit before tax from continuing operations		276.352.539	(9.031.783)
Continuing operations tax income/(expense)			
Current tax expense for the period	23	(45.921.144)	-
Deferred tax income/(expense)	23	(25.839.607)	7.232.263
Net profit for the period		204.591.788	(1.799.520)
Other comprehensive income/(expense)			
Other comprehensive income which will be not reclassified in profit or loss			
Defined benefits plans remeasurement gains/(losses)	14	(17.223.111)	(12.664.962)
Deferred tax income/(expense)	23	4.305.778	2.532.992
Other comprehensive income/(expense)		(12.917.333)	(10.131.970)
Total comprehensive income		191.674.455	(11.931.490)

The accompanying notes form an integral part of these financial statements.

Convenience Translation Into English of Financial Statements Originally Issued in Turkish, See in Note 2

KKB Kredi Kayıt Bürosu A.Ş.

Statement of Changes in Equity for the Period 1 January - 31 December 2023

(Amounts expressed in Turkish Lira ("TL"), unless otherwise indicated).

	Share Capital	Adjustment to share capital	Reserves on retained earnings	Extraordinary reserves	Accumulated other comprehensive income that will not be reclassified to profit or loss (-)	Special funds	Retained earnings	Net profit for the period	Total
1 January 2022	7,425,000	2,574,025	14,377,525	204,868,081	599,357	1,608,259	63,028,023	75,306,806	369,787,076
Transfers from retained earnings	-	-	-	-	-	-	-	(75,306,806)	-
Transfers	-	-	26,627,549	(204,868,081)	-	212,172	178,028,360	-	-
Dividend paid (-) (*)	-	-	-	-	-	-	(240,390,435)	-	(240,390,435)
Addition	-	-	-	-	-	2,146	-	-	2,146
Total comprehensive income	-	-	-	-	(10,131,970)	-	-	(1,799,520)	(11,931,490)
Net profit for the period	-	-	-	-	-	-	-	(1,799,520)	(1,799,520)
Other comprehensive income/ (expenses)	-	-	-	-	(10,131,970)	-	-	-	(10,131,970)
31 December 2022	7,425,000	2,574,025	41,005,074	-	(9,532,613)	1,822,577	75,972,754	(1,799,520)	117,467,297
1 January 2023	7,425,000	2,574,025	41,005,074	-	(9,532,613)	1,822,577	75,972,754	(1,799,520)	117,467,297
Transfers from retained earnings	-	-	-	-	-	-	-	1,799,520	-
Transfers	-	-	-	-	-	-	(1,799,520)	-	-
Addition	-	-	-	-	-	42,040	-	-	42,040
Total comprehensive income	-	-	-	-	(12,917,333)	-	-	204,591,788	191,674,455
Net profit for the period	-	-	-	-	-	-	-	204,591,788	204,591,788
Other comprehensive income/ (expenses)	-	-	-	-	(12,917,333)	-	-	-	(12,917,333)
31 December 2023	7,425,000	2,574,025	41,005,074	-	(22,449,946)	1,864,617	74,173,234	204,591,788	309,183,292

(*) The Company, with the General Assembly resolutions dated 6 January 2022, 23 March 2022 and 27 July 2022, the dividend of 240,390,435 TL, which is allocated from the current and previous years legal profits of the Company, is transferred to the shareholders in one time and in cash, depending on the decision of the Board of Directors, until 31 December 2022 at the latest decided to distribute. The related amount was paid in cash on 27 December 2022.

The accompanying notes form an integral part of these financial statements.



Convenience Translation Into English of Financial Statements Originally Issued in Turkish, See in Note 2

KKB Kredi Kayıt Bürosu A.Ş.

Statement of Cash Flows for the Period 1 January - 31 December 2023

(Amounts expressed in Turkish Lira ("TL"), unless otherwise indicated).

		Audited Current period 1 January- 31 December 2023	Audited Prior period 1 January- 31 December 2022
	Notes		
A. Cash flows from operating activities		496.920.051	364.558.885
Net profit for the period		204.591.788	(1.799.520)
Adjustments related to period net profit reconciliation:			
Adjustments for tax (income)/expense		71.760.751	(7.232.263)
Adjustment related to provision expenses		191.094.835	71.479.531
Adjustments for depreciation and amortization	19,20	102.716.872	71.289.836
Adjustments for interest income/(expense)	22	(48.130.721)	(42.414.561)
Adjustments for (profit)/loss on sale of tangible and intangible assets	24	(240.969)	(212.436)
Adjustments for other non-cash items		(18.575.439)	(30.881.220)
Adjustments for net foreign currency exchange effect		(143.465.695)	(34.581.223)
Adjustment for increases/(decreases) in trade receivable	5	(63.758.326)	(63.079.070)
Adjustment for increases/(decreases) in trade payables	5	169.970.957	113.622.061
Adjustment for increases/(decreases) in inventories		(311.352)	(1.235.613)
Adjustments for increases/(decreases) in other liabilities related to activities		329.247.212	150.048.976
Adjustments for (increases)/decreases in other receivables related to activities		(77.115.244)	178.857.008
Taxes paid (-)	23	(63.005.075)	(20.182.514)
Other cash outflows/inflows (-/+)		(157.859.543)	(19.120.107)
B. Cash flows from investing activities		(320.362.716)	(116.753.586)
Investing activities:			
Purchases of tangible assets (-)	9	(241.240.255)	(12.502.645)
Purchases of intangible asset (-)	10	(33.944.781)	(26.971.239)
Sale of tangible assets		1.663.470	-
Other cash inflows/(outflows)		(97.189.929)	(119.694.263)
Interests received		50.348.779	42.414.561
C. Cash flows from financing activities		(7.436.697)	(244.857.841)
Financial activities:			
Dividends paid (-)	17	-	(240.390.435)
Payments for finance leases (-)	11	(3.885.070)	(3.802.852)
Interests paid (-)		(3.551.627)	(664.554)
Net increase/(decrease) in cash and cash equivalents (A+B+C)		169.120.638	2.947.458
Net currency effect		143.465.695	34.581.223
D. Cash and cash equivalents at the beginning of the year	3	230.404.587	192.875.906
Cash and cash equivalents at the end of the year (A+B+C+D)	3	542.990.920	230.404.587

The accompanying notes form an integral part of these financial statements.

Convenience Translation Into English of Financial Statements Originally Issued in Turkish, See in Note 2

KKB Kredi Kayıt Bürosu A.Ş.

Statement of Profit Distribution for the Period 1 January - 31 December 2023

(Amounts expressed in Turkish Lira ("TL"), unless otherwise indicated).

	Note	Audited Current Period 31 December 2023	Audited Prior Period 31 December 2022
I. DISTRIBUTION OF THE PERIOD PROFIT			
1.1. PERIOD PROFIT (*)		276.352.539	(9.031.783)
TAXES AND DUTIES PAYABLE		(71.760.751)	7.232.263
1.2.1. Corporate Tax (Income Tax)	23	(45.921.144)	-
1.2.2. Income Tax Deductions		-	-
1.2.3. Other Taxes and Legal Duties	23	(25.839.607)	7.232.263
A. CURRENT PERIOD PROFIT (1.1 - 1.2)		204.591.788	(1.799.520)
1.3. ACCUMULATED LOSSES (-)		-	-
1.4. FIRST LEGAL RESERVES (-)		-	-
1.5. OTHER STATUTORY RESERVES (-)		-	-
B. NET PROFIT AVAILABLE FOR DISTRIBUTION [(A - (1.3 + 1.4 + 1.5))]		204.591.788	(1.799.520)
1.6. FIRST DIVIDEND TO SHAREHOLDERS (-)		-	-
1.6.1. To owners of ordinary shares		-	-
1.6.2. To owners of privileged shares		-	-
1.6.3. To owners of redeemed shares		-	-
1.6.4. To holders' profit-sharing bonds		-	-
1.6.5. To holders of profit and loss sharing certificates		-	-
1.7. DIVIDENDS TO PERSONNEL (-)		-	-
1.8. DIVIDENDS TO FOUNDERS (-)		-	-
1.9. DIVIDENDS TO BOARD OF DIRECTORS (-)		-	-
1.10. SECOND DIVIDEND TO SHAREHOLDERS (-)		-	-
1.10.1. To owners of ordinary shares		-	-
1.10.2. To owners of privileged shares		-	-
1.10.3. To owners of redeemed shares		-	-
1.10.4. To holders' profit-sharing bonds		-	-
1.10.5. To holders of profit and loss sharing certificates		-	-
1.11. SECOND LEGAL RESERVES (-)		-	-
1.12. STATUTORY RESERVES (-)		-	-
1.13. EXTRAORDINARY RESERVES		-	-
1.14. OTHER RESERVES		-	-
1.15. SPECIAL FUNDS		-	-
II. DISTRIBUTION OF RESERVES		-	-
2.1. APPROPRIATED RESERVES		-	-
2.2. SECOND LEGAL RESERVES (-)		-	-
2.3. DIVIDENDS TO SHAREHOLDERS (-)		-	-
2.3.1. To owners of ordinary shares		-	-
2.3.2. To owners of privileged shares		-	-
2.3.3. To owners of redeemed shares		-	-
2.3.4. To holders of profit-sharing bonds		-	-
2.3.5. To holders of profit and loss sharing certificates		-	-
2.4. DIVIDENDS TO PERSONNEL (-)		-	-
2.5. DIVIDENDS TO BOARD OF DIRECTORS (-)		-	-
III. EARNINGS PER SHARE		-	-
3.1. TO OWNERS OF ORDINARY SHARES		27.5544	-
3.2. TO OWNERS OF ORDINARY SHARES (%)		2,755	-
3.3. TO OWNERS OF PRIVILEGED SHARES		-	-
3.4. TO OWNERS OF PRIVILEGED SHARES (%)		-	-
IV. DIVIDEND PER SHARE		-	-
4.1. TO OWNERS OF ORDINARY SHARES		-	-
4.2. TO OWNERS OF ORDINARY SHARES (%)		-	-
4.3. TO OWNERS OF PRIVILEGED SHARES		-	-
4.4. TO OWNERS OF PRIVILEGED SHARES (%)		-	-

(*) Since the profit distribution proposal for 2023 has not been prepared yet by the Board of Directors and the General Assembly has not been held, the profit distribution table for 2023 has not been filled.

The accompanying notes form an integral part of these financial statements.



KKB Kredi Kayıt Bürosu A.Ş.

Convenience Translation Into English of Explanatory Notes to Financial Statements for the Year Ended 31 December 2023 Originally Issued in Turkish

(Amounts expressed in Turkish Lira ("TL"), unless otherwise indicated).

1. ORGANISATION AND PRINCIPAL ACTIVITIES OF THE COMPANY

KKB Kredi Kayıt Bürosu A.Ş., (the "Company" or "KKB"), was established in 11 April 1995 with the partnership of 11 banks as the first and only credit bureau in Türkiye. As of 31 December 2023, KKB is owned by 9 banks and has 179 members which consist of 60 banks, 20 consumer finance, 49 factoring, 20 financial leasings, 5 insurance, 17 asset management companies and 8 companies from other sectors. Members have been sharing their credit informations with each other since April 1999 through KKB. As required by Banking Law No: 5411 (Article 73/4).

Banking Regulation and Supervision Agency ("BRSA") has approved the adaptation of KKB to Law of Bank Cards and Credit Cards numbered 5464, with the first article of the decision dated 3 July 2008 and numbered 2685.

With Law No, 6111 issued on February 25, 2011, Additional Article 1 and Provisional Article 28 were added to Banking Law No, 5411, Pursuant to Additional Article 1, a Risk Center has been established within the organization of the Banks Association of Türkiye (BAT) to collect the risk data of customers of credit institutions and any financial institutions deemed appropriate by the Banking Regulation and Supervision Agency and to share such data with the referenced institutions and with the customers themselves, or with any private legal entities and third real people if consent has been given by the customers. Upon transfer of the Risk Centralization Center within the organization of the Central Bank of Türkiye, the Risk Center of the Banks Association of Türkiye started up operations on 28 June 2013, KKB conducted all operational and technical activities through its own organization as an agency of the Risk Center of TBB and providing data collection and sharing services to 194 financial institutions which are members of the Risk Center.

KKB offers its services not only to financial institutions, but also to individuals and companies operating in the real sector through "Cheque Report" and "Risk Report" systems launched in 2013. As of September 2014, services for individuals and the real sector have been consolidated under the Findeks platform. With the temporary article 11 added to the Turkish Commercial Code by Law No. 6728, as of January 1, 2017, banks are required to provide additional information with QR codes. The QR code reading and information sharing system mentioned in Article 780, Paragraph 3 of Law No. 6102, as amended by Law No. 6728, was established within the KKB and started operating on January 1, 2017.

Electronic Collateral Letter System which arranges collateral letter in an electronical enviroment has been launched by KKB in 2018 has been run by KKB ever since.

As of 31 December 2023, 8 banks have positioned their ordinary condition centers in Anadolu Data Center established by KKB in Ankara.

The control of the Company is provided by the shareholders according to the allocation of shares presented in the Note 17.

As of 31 December 2023, the Company has 678 employees (31 December 2022: 550).

The Company is registered in Türkiye and the registered adress of the Company is as stated below:

Varyap Meridian Sitesi, F Blok, Barbaros Mah, Arduç Sk., 34746, Ataşehir, İstanbul, Türkiye

Approval of the financial statements

The financial statements for the period ended 31 December 2023 have been approved by the management, General Assembly and authorised bodies of the Company have the right to amend the financial statements within legal framework.

Description of the main operations of the Company

The main operations of the Company are presented below:

- To collect or purchase, evaluate, process the information needed in the work of the commercial and financial sector, real persons, public or private law legal entities, professional associations and organizations in the counTL and abroad, and to individuals and organizations that request the information within the framework of the law to provide services within the framework of commercial rules and legislation or to provide services in return for a price,
- To provide software, hardware, support, consultancy risk measurement services, information and products to commercial and financial institutions in return for a price, to establish systems and to provide operation services.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1 Accounting standards

Company prepares its financial statements in accordance with Banking Regulation and Supervision Agency ("BRSA") Accounting and Reporting Legislation which includes "Communiqué on Uniform Chart of Accounts and Prospectus to be implemented by Financial Leasing, Factoring and Financing Companies" published in the Official Gazette numbered 28861 dated 24 December 2013 and "Regulation on Accounting Practices and Financial Statements of Financial Leasing, Factoring and Financing Companies", communiqués, and circulars and, announcements made by BRSA and requirements of Turkish Accounting Standards for the matters not regulated by the aforementioned legislations. The financial statements are prepared on the historical cost basis. The preparation of financial statements requires estimates and assumptions that affect the amounts of reported assets and liabilities or declared contingent assets and liabilities as of the balance sheet date and the amounts of income and expenses reported in the related period. These estimates are based on managements' best judgements and information; however, actual results may vary from these estimates. Financial statements and statutory books of the company are presented in Turkish Lira ("TL") in compliance with Turkish Commercial Code ("TCC") and accounting principles of the tax legislation.

2.2 Basis in preperation

The basic accounting policies adopted in the preperation of the financial statements as of 31 December 2023 are presented below. These policies are applied consistently throughout the whole year, unless otherwise indicated.

2.2.1 Fuctional and reporting currency

The Company's functional and reporting currency is Turkish Lira ("TL").

2.2.2 Adjustment of financial statements in periods of high inflation

Financial statements were subject to inflation accounting in accordance with "Turkish Accounting Standards Financial Reporting in Hyperinflationary Economies" ("TAS 29") until 31 December 2004, The BRSA announced a declaration with a decision dated 28 April 2005 that hyperinflationary period is over and inflation accounting has ceased as of 1 January 2005.

According to the "TAS 29 Financial Reporting in High Inflationary Economies" Standard, entities whose functional currency is the currency of a high inflationary economy report their financial statements in terms of the purchasing power of the currency at the end of the reporting period. According to the announcement made by the Public Oversight, Accounting, and Auditing Standards Authority (POA) on November 23, 2023, companies applying the Turkish Financial Reporting Standards (TFRS) are required to present their financial statements for the annual reporting period ending on or after December 31, 2023, adjusted for inflation in accordance with the accounting principles set forth in "TAS 29 Financial Reporting in High Inflationary Economies". In the same announcement, it was stated that regulatory and supervisory authorities authorized to regulate and supervise in their respective fields may determine different transition dates for the application of inflation accounting. In this context, the Banking Regulation and Supervision Agency (BRSA) announced through Decision No. 10744 dated December 12, 2023, that banks subject to BRSA regulation and financial leasing, factoring, financing, savings finance, and asset management companies are not subject to inflation accounting adjustments under TAS 29 for their financials ending on December 31, 2023. Therefore, inflation adjustments according to TAS 29 were not made when preparing the financial statements dated December 31, 2023.

2.2.3 Offsetting

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.2.4 Comparatives and restatement of prior year financial statements

In order to enable the determination of the financial position and performance trends, the Company's financial statements have been presented comparatively with the prior period. Reclassifications are made on comparative figures to conform to changes in presentation of the financial statements and major differences are explained.

KKB Kredi Kayıt Bürosu A.Ş.

Convenience Translation Into English of Explanatory Notes to Financial Statements for the Year Ended 31 December 2023 Originally Issued in Turkish

(Amounts expressed in Turkish Lira ("TL"), unless otherwise indicated).

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.2 Basis in preparation (Continued)

2.2.5 Changes in accounting policies

Significant changes in accounting policies are applied retrospectively and prior period financial statements are restated. There are no changes or detected errors in accounting policies in the current period.

2.2.6 Changes in accounting estimates and errors

If the changes in accounting estimates are related to only one period, they are applied in the current period in which the change is made, and if they are related to future periods, they are applied both prospectively and in the future periods. Significant accounting errors are applied retrospectively and the prior period financial statements are restated. The Company's accounting estimates did not change significantly in the current period.

2.2.7 Segment reporting

The company, which operates in Türkiye and in a single field of activity, has not reported its financial information according to segments.

2.3 Standards and interpretations issued but not yet effective

Standards issued but not yet effective and not early adopted

A number of new standards and amendments to existing standards are not effective at reporting date and earlier application is permitted; however the Company has not early adopted are as follows.

TFRS 17 – Insurance Contracts

On 16 February 2019, Public Oversight Accounting and Auditing Standards Authority (POA) issued TFRS 17 Insurance Contracts. This first truly globally accepted standard for insurance contracts will help investors and others better understand insurers' risk exposure, profitability and financial position. TFRS 17 replaces TFRS 4, which was brought in as an interim Standard in 2004. TFRS 4 has given companies dispensation to carry on accounting for insurance contracts using national accounting standards, resulting in a multitude of different approaches. As a consequence, it is difficult for investors to compare and contrast the financial performance of otherwise similar companies. TFRS 17 solves the comparison problems created by TFRS 4 by requiring all insurance contracts to be accounted for in a consistent manner, benefiting both investors and insurance companies. Insurance obligations will be accounted for using current values – instead of historical cost. The information will be updated regularly, providing more useful information to users of financial statements. TFRS 17 has an effective date of 1 January 2024.

The Company does not expect that application of TFRS 17 will have significant impact on its financial statements.

Initial Application of TFRS 17 and TFRS 9—Comparative Information (Amendment to TFRS 17)

In December 2021, International Accounting Standards Board (IASB) issued Initial Application of IFRS 17 and IFRS 9—Comparative Information (Amendment to IFRS 17). Related changes were published by POA as Amendments to TFRS 17 on 31 December 2021.

The amendment is a transition option relating to comparative information about financial assets presented on initial application of TFRS 17. The amendment is aimed at helping entities to avoid temporary accounting mismatches between financial assets and insurance contract liabilities, and therefore improve the usefulness of comparative information for users of financial statements. TFRS 17 incorporating the amendment is effective for annual reporting periods beginning on or after 1 January 2024.

The Company does not expect that application of these amendments to TFRS 17 will have significant impact on its financial statements.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.3 Standards and interpretations issued but not yet effective (Continued)

Standards issued but not yet effective and not early adopted (Continued)

Classification of Liabilities as Current or Non-current (Amendments to TAS 1)

On 23 January 2020, IASB issued "Classification of Liabilities as Current or Non-Current" which amends IAS 1 Presentation of Financial Statements to clarify its requirements for the presentation of liabilities in the statement of financial position which are issued by POA on 12 March 2020 as amendments to TAS 1.

The amendments clarify one of the criteria in TAS 1 for classifying a liability as non-current—that is, the requirement for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period.

After reconsidering certain aspects of the 2020 amendments; IASB has removed the requirement for a right to be unconditional and instead, now requires that a right to defer settlement must have substance and exist at the end of the reporting period. Related amendment was published by POA as "TFRS 2023" on 3 January 2023.

This right may be subject to a company complying with conditions (covenants) specified in a loan arrangement. Additional disclosure is also required for non-current liabilities subject to future covenants. The amendments also clarify how an entity classifies a liability that can be settled in its own shares.

The Company shall apply retrospectively these amendments for annual periods beginning on or after 1 January 2024 with earlier application permitted. It also specifies the transition requirements for companies that may have early-adopted the previously issued but not yet effective 2020 amendments.

The Company is assessing the potential impact on its financial statements resulting from the application of the amendments to TAS 1.

Lease Liability in a Sale and Leaseback – Amendments to TFRS 16 Leases

In September 2022, IASB issued Lease Liability in a Sale and Leaseback, which amends IFRS 16 Leases. Related amendment was published by POA as "TFRS 2023" on 3 January 2023. Amendments to TFRS 16 Leases impact how a seller-lessee accounts for variable lease payments that arise in a sale-and-leaseback transaction. The amendments introduce a new accounting model for variable payments and will require seller-lessees to reassess and potentially restate sale-and-leaseback transactions entered into since 2019.

The amendments confirm the following:

- On initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction.
- After initial recognition, the seller-lessee applies the general requirements for subsequent accounting of the lease liability such that it recognises no gain or loss relating to the right of use it retains.

A seller-lessee may adopt different approaches that satisfy the new requirements on subsequent measurement.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024, with earlier application permitted.

Under TAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, a seller-lessee will need to apply the amendments retrospectively to sale-and-leaseback transactions entered into or after the date of initial application of TFRS 16. This means that it will need to identify and re-examine sale-and-leaseback transactions entered into since implementation of TFRS 16 in 2019, and potentially restate those that included variable lease payments.

The Company does not expect that application of these amendments to Amendments to TFRS 16 Leases will have significant impact on its financial statements.

KKB Kredi Kayıt Bürosu A.Ş.

Convenience Translation Into English of Explanatory Notes to Financial Statements for the Year Ended 31 December 2023 Originally Issued in Turkish

(Amounts expressed in Turkish Lira ("TL"), unless otherwise indicated).

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.3 Standards and interpretations issued but not yet effective (Continued)

Standards issued but not yet effective and not early adopted (Continued)

Amendments to TAS 7 Statement of Cash Flows and TFRS 7 Financial Instruments: Disclosures – Supplier Finance Arrangements

On 25 May 2023, IASB has amended IAS 7 Statement of Cash Flows and TFRS 7 Financial Instruments: Disclosures. Related amendment was published by POA on 19 September 2023. The amendments introduce additional disclosure requirements for companies that enter into supplier finance arrangements (referred to as supply chain finance, payables finance or reverse factoring arrangements). However, they do not address the classification and presentation of the related liabilities and cash flows. The IASB's amendments apply to supplier finance arrangements¹ that have all of the following characteristics:

- A finance provider pays amounts a company (the buyer) owes its suppliers.
- A company agrees to pay under the terms and conditions of the arrangements on the same date or at a later date than its suppliers are paid.
- The company is provided with extended payment terms or suppliers benefit from early payment terms, compared with the related invoice payment due date.

The amendments do not apply to arrangements for financing receivables or inventory.

The amendments introduce two new disclosure objectives – one in TAS 7 and another in TFRS 7 – for a company to provide information about its supplier finance arrangements that would enable users (investors) to assess the effects of these arrangements on the company's liabilities and cash flows, and the company's exposure to liquidity risk.

The amendments are effective for periods beginning on or after 1 January 2024, with early application permitted. However, some relief from providing certain information in the year of initial application is available.

The Company does not expect that application of these amendments to TAS 7 Statement of Cash Flows and TFRS 7 Financial Instruments: Disclosures – Supplier Finance Arrangements will have significant impact on its financial statements.

TSRS 1 General Requirements for Disclosure of Sustainability-related Financial Information and TSRS 2 Climate-related Disclosures

On 26 June 2023, The International Sustainability Standards Board (ISSB) has issued IFRS® Sustainability Disclosure Standards (IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures) to create a global baseline of investor-focused sustainability reporting that local jurisdictions can build on. Related standards were published by POA as "TSRS 1 and TSRS 2" on 29 December 2023.

Two standards are designed to be applied together, supporting companies to identify and report information that investors need for informed decision making – in other words, information that is expected to affect the assessments that investors make about companies' future cash flows.

To achieve this, the general standard provides a framework for companies to report on all relevant sustainability-related topics across the areas of governance, strategy, risk management, and metrics and targets.

The standards are effective for annual reporting periods beginning on or after 1 January 2024, with early application permitted. But it will be for individual jurisdictions to decide whether and when to adopt. Accordingly, POA announced in the Board Decision published in the Official Gazette dated 29 December 2023 that certain entities will be subject to mandatory sustainability reporting as of 1 January 2024. The Company is within the scope of the application as it meets the criteria specified in the Board Decision.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.3 Standards and interpretations issued but not yet effective (Continued)

The new standards, amendments and interpretations that are issued by the IASB but not issued by POA

Lack of Exchangeability – Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates

In August 2023, the International Accounting Standards Board (IASB) amended IAS 21 to clarify:

- when a currency is exchangeable into another currency; and
- how a company estimates a spot rate when a currency lacks exchangeability.

A currency is exchangeable into another currency when a company is able to exchange that currency for the other currency at the measurement date and for a specified purpose. When a currency is not exchangeable, a company needs to estimate a spot rate.

A company's objective when estimating a spot rate is only that it reflects the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. The amendments contain no specific requirements for estimating a spot rate.

Therefore, when estimating a spot rate a company can use:

- an observable exchange rate without adjustment; or
- another estimation technique.

Under the amendments, companies will need to provide new disclosures to help users assess the impact of using an estimated exchange rate on the financial statements. These disclosures might include:

- the nature and financial impacts of the currency not being exchangeable;
- the spot exchange rate used;
- the estimation process; and
- risks to the company because the currency is not exchangeable.

The amendments apply for annual reporting periods beginning on or after 1 January 2025. Earlier application is permitted. The Company does not expect that application of these Amendments to IAS 21 will have significant impact on its financial statements.

Amendments are effective on 1 January 2023

Changes that have become effective and have been adopted for annual periods beginning on or after 1 January 2023:

- 1- Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction – Amendments to TAS 12 Income Taxes
- 2- Definition of Accounting Estimates (Amendments to TAS 8)
- 3- Disclosure of Accounting Policies (Amendments to TAS 1)
- 4- Amendments to IAS 12- IFRS for SMEs Accounting Standard – International Tax Reform – Pillar Two Model Rules AND Amendments to TAS 12 – International Tax Reform – Pillar Two Model Rules

These newly adopted amendments to standards have not been a significant impact on the financial statements of the Company.

2.4 Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are summarized below:

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, deposits at banks and highly liquid and insignificant risk of change in the value of the investments with maturity periods of less than three months.

Financial instruments

Classification and measurement of financial instruments

The Company recognizes a financial asset in the financial statement when, and only when, the Company becomes a party to the contractual provisions of the instrument. When the Company first recognizes a financial asset, the business model and the characteristics of contractual cash flows of the financial asset are considered by management. Based on assessments, the Company has classified its financial assets as the business model that aims to keep the contractual cash flows and has determined that the contractual terms of the financial assets contain solely payments of principal and interest on the principal amounts outstanding.



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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.4 Summary of Significant Accounting Policies (Continued)

Financial instruments (Continued)

Assessment of whether contractual cash flows are solely payments of principal and interest (SPPI)

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs.

In assessing whether the contractual cash flows are SPPI, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

The Company meets the balance sheet classification and measurement requirements by applying the above procedures. The Company measures and classifies all of its financial asset by "Financial assets measured at Amortised cost".

At initial recognition, the Company classifies its financial assets in the following categories: "Financial Assets at Fair Value Through Profit or Loss"; "Financial Assets Measured at Fair Value Through Other Comprehensive Income" or "Financial Assets Measured at Amortised Cost", Measurement and classification of financial liabilities do not materially change from the requirements of TAS 39.

The Company classifies and measures its financial assets as "Financial Assets Measured at Amortised Cost", the financial assets are recognized or derecognized in accordance with the "Recognition and Derecognition" principles defined in the section below related to the classification and measurement of financial instruments of "IFRS 9 Financial Instruments". At initial recognition, financial assets are measured at fair value. In the case if financial assets are not measured at fair value through profit or loss, transaction costs are added or deducted to/from their fair value.

The Company recognizes a financial asset in the financial statements when, and only when, the Company becomes a party to the contractual provisions of the instrument. When the Company first recognizes a financial asset, the business model and the characteristics of contractual cash flows of the financial asset are considered by management.

Financial assets measured at amortized cost

A financial asset is classified as a financial asset measured at amortized cost when it is held within a business model to collect contractual cash flows and the terms give rise to cash flows that are solely payments of principal or interest. Financial assets measured at amortized cost are initially recognized at acquisition cost including the transaction costs, if any, which reflect the fair value of those instruments and subsequently recognized at amortized cost by using effective interest rate method, Interest income obtained from financial assets measured at amortized cost is accounted in income statement. The Company has measured cash and cash equivalents and trade receivables in the financial statements at amortized cost as of 31 December 2023.

Impairment of financial assets

As of 1 January 2018, a loss allowance for expected credit losses is provided for all financial assets measured at amortized cost in accordance with IFRS 9 principles, Impairment method is based on the gradual increase in credit risk observed since their initial recognition. Measurement of the expected credit losses includes the following decisions that shall be taken by the Company:

- Definition of criterias regarding to the increase in credit risk.
- Determination of appropriate model and assumptions on measuring expected credit losses.
- Reasonable and supportable information on past events, current conditions and forecasts of future economic conditions at the reporting date.
- Definition of similar financial asset groups for calculation of expected credit loss.

The Company has recognized expected credit loss provision of TL 96.483 in its financial statements prepared as at 31 December 2023 (31 December 2022: TL 188.088).

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.4 Summary of Significant Accounting Policies (Continued)

Financial instruments (Continued)

Effective interest method

The effective interest method is a method of calculating the amortized cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or where appropriate, a shorter period.

Leases

The company - as a lessee

At inception of a contract, the Company assess whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company considers the following matters when assessing whether the agreement transfers the right to control the use of an identified asset for a limited period of time:

- The contract includes an identified asset; contract includes a definition of a specified asset explicitly or implicitly.
- a) A capacity portion of an asset is physically distinct or represents substantially all of the capacity of an asset (if the supplier has a substantive right to substitute the asset and obtain economic benefits from use of the asset, then the asset is not an identified asset).
 - b) The company has the right to obtain substantially all of the economic benefits from use of the identified asset.
 - c) The company has the right to direct the use of an identified asset. The Company considers that the asset has the right to use if decisions about how and for what purpose the asset is used are predetermined. The company has the right to manage the use of the asset in the following cases:
 - i. The company has the right to operate the asset (or to direct others to operate the asset in a manner that it determines) throughout the period of use, without the supplier having the right to change those operating instructions; or
 - ii. Group designed the asset (or specific aspects of the asset) in a way that predetermines how and for what purpose the asset will be used throughout the period of use.

At the commencement date, the Company recognize a right-of-use asset and a lease liability in financial statements.

Right-of-use asset

The right of use asset is initially recognized at cost comprising of:

- a) The amount of the initial measurement of the lease liability.
- b) Any lease payments made at or before the commencement date, less any lease incentives received.
- c) Any initial direct costs incurred by the Company, and

The Company re-measure the right of use asset:

- a) After netting-off depreciation and reducing impairment losses from right of use asset.
- b) Adjusted for certain re-measurements of the lease liability recognized at the present value.

The Company apply the depreciation requirements in TAS 16 Property, Plant and Equipment in depreciating the right-of-use asset, subject to the requirements. If the lease transfers ownership of the underlying asset to the lessee by the end of the lease term or if the cost of the right-of-use asset reflects that the lessee will exercise a purchase option, the Company depreciate the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, The Company depreciate the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The company applies TAS 36 Impairment of Assets standard to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Lease liability

At the commencement date, The Company measure the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company use the lessee's incremental borrowing rate.

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.4 Basis in preparation (Continued)

Leases (Continued)

Lease liability (Continued)

At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

- Fixed payments, less any lease incentives receivable.
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date.
- The exercise price of purchase option if the Company is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

After initial recognition, the lease liability is measured:

- Increasing the carrying amount to reflect interest on the lease liability.
- Reducing the carrying amount to reflect the lease payments made, and
- Remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

Interest on the lease liability in each period during the lease term is the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability. The Company determine the revised discount rate as the interest rate implicit in the lease for the remainder of the lease term, if that rate can be readily determined or the lessee's incremental borrowing rate at the date of reassessment, if the interest rate implicit in the lease cannot be readily determined. After the commencement date, The Company remeasure the lease liability to reflect changes to the lease payments. The Company recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

The Company shall remeasure the lease liability by discounting the revised lease payments using a revised discount rate, if either:

- There is a change in the lease term. The Company determine the revised lease payments on the basis of the revised lease term; or
- There is a change in the assessment of an option to purchase the underlying asset. The Company determine the revised lease payments to reflect the change in amounts payable under the purchase option.

The Company determine the revised discount rate as the interest rate implicit in the lease for the remainder of the lease term, if that rate can be readily determined or the lessee's incremental borrowing rate at the date of reassessment, if the interest rate implicit in the lease cannot be readily determined.

The Company remeasure the lease liability by discounting the revised lease payments, if either:

- There is a change in the amounts expected to be payable under a residual value guarantee. The Company determine the revised lease payments to reflect the change in amounts expected to be payable under the residual value guarantee.
- There is a change in future lease payments resulting from a change in an index or a rate used to determine those payments. The Company remeasure the lease liability to reflect those revised lease payments only when there is a change in the cash flows.

The Company determine the revised lease payments for the remainder of the lease term based on the revised contractual payments. In that case, the Company use an unchanged discount rate.

The Company recognises the restructuring of the lease as a separate leasing if both of the following are met:

- The restructuring extends the scope of the leasing by including the right of use of one or more underlying assets, and
- The lease payment amount increases as much as the appropriate adjustments to the price mentioned individually so that the increase in scope reflects the individual price and the terms of the relevant agreement.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.4 Basis in preparation (Continued)

Leases (Continued)

The Company - as a Lessor

All the leases that Company is the lessor are operating leases. Assets leased out under operating leases are classified under investment properties, property, plant and equipment or other current assets in the consolidated balance sheet. Rental income is recognised in the consolidated statement of income on a straight-line basis over the lease term. The Company distributes an amount that takes place in an agreement which includes an item that has or has not one or more extra leasing qualities along with a leasing item through applying the TFRS 15 "Revenue arising from agreements made with customers" standard.

Inventories

Inventories are stated at the lower of cost and net realizable value. The cost of inventories consists of all purchase costs and other costs necessary to make a sale. Unit cost of inventories is determined using weighted average method. Net realizable value represents the estimated selling price less all estimated costs of completion and costs necessary to make a sale (Note 8).

Provision for impairment of inventories

Inventories are evaluated whether provision for impairment is required or not by investigating the purchase date and physical conditions of the asset and by assessment of usability performed by technical personnel. Since the inventories of the Company are being sold to members shortly before obtaining the asset, the Company hasn't booked any provision for impairment of inventories.

Short and long term liabilities

Financial liabilities including borrowings are recognized initially at fair value, net of transaction costs incurred. Subsequently, financial liabilities are measured at amortized cost.

Tangible assets

Tangible assets are measured at its cost when initially recognized and any directly attributable costs of setting the asset in working order for its intended use are included in the initial measurement. Subsequently, tangible assets are carried at cost less accumulated depreciation and provision for value decrease.

All tangible assets are carried at cost, restated equivalent to purchasing power of TL at 31 December 2005 less accumulated depreciation. Depreciation is calculated over the restated amounts of tangible assets by using the straight-line method to write down the restated cost of each asset to their residual values over their estimated useful life. Depreciation is calculated over the cost of tangible assets using the straight-line method over estimated useful lives. Gains and losses on disposals of property, plant and equipment are determined by comparing the carrying amount and the selling price. The residual value and useful lives of the assets are evaluated at each balance sheet date and adjusted when necessary.

Costs associated with developing or maintaining tangible assets are recognized as an expense as incurred. Expenditure which enhances or extends the performance of tangible assets beyond their original specifications is recognized as a capital improvement and added to the original cost of the software. These costs consist of expenses that extend the useful lives and enhances service capacity of the assets, increase the quality and decrease the cost of using the equipments. The estimated useful lives are stated below:

	Useful life
Buildings	10-50 years
Machinery, plant and equipment	3-15 years
Furniture and fixtures	2-15 years
Right of use asset	2-20 years

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.4 Summary of Significant Accounting Policies (Continued)

Intangible Assets

Acquired intangible assets

Acquired intangible assets with unique useful lives, are carried at historical costs after the deduction of accumulated amortization. These assets are amortized using the straight-line method over their useful lives. Expected useful lives and amortization method are evaluated every year and the changes are applied prospectively. Acquired intangible assets with infinite useful lives are measured at acquisition costs after the deduction of impairments.

Other intangible assets

Other intangible assets of the Company consist of licenses, trademarks and patents. Other intangible assets are carried at historical cost. Other intangible assets have unique useful lives and are carried at historical costs after the deduction of accumulated amortization. Other intangible assets are amortized using the straight-line method over their useful lives.

Softwares

Softwares are recorded at cost of acquisition and are amortized on a straight-line basis over their estimated useful lives, which are 3-15 years from the date of acquisition.

Costs associated with developing or maintaining computer software programmes are recognized as an expense as incurred. Expenditure which enhances or extends the performance of computer software programmes beyond their original specifications is recognized as a capital improvement and added to the original cost of the software. Costs contain general administrative expenses and the personnel expense for the personnel who improved the softwares.

Internally-generated intangible assets - research and development expenditures

Expenditures on research activities are recognized in profit and loss in the period they are incurred.

An internally-generated intangible asset arising from development is recognized if, and only if, all of the following have been demonstrated:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- The intention to complete the intangible asset and use or sell it;
- The ability to use or sell the intangible asset;
- How the intangible asset will generate probable future economic benefits;
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- The ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognized for internally-generated intangible assets is the sum of expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognized, development expenditure is charged to profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets acquired separately.

The estimated useful lives are stated below:

	Useful life
Softwares	3-15 years
Rights	3-5 years
Other intangible assets	3-15 years

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.4 Summary of Significant Accounting Policies (Continued)

Impairment of tangible assets and intangible assets other than goodwills

Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

When an asset' (or cash generating unit's) recoverable amount is lower than their carrying value asset's (or cash generating unit's) carrying value is decreased to their recoverable amount. If the related asset is not measured at revalued amount impairment loss is directly recognized in profit/loss. In such cases, the impairment loss is treated as revaluation loss.

When there is any indication that an impairment loss recognised in prior periods for an asset other than goodwill may no longer exist or may have decreased at each reporting period and, if such a conditions exists, the Company reverses the impairment loss recognized in prior periods for an individual asset. Unless the related asset is accounted and measured under a different standard, reversal of the impairment is accounted under statement of comprehensive income.

Employment termination benefits

Provision for employee termination benefits

TAS 19 "Turkish Accounting Standard for Employee Benefits" requires companies to use their actuarial valuation methods to calculate the present value of the potential liabilities. Therefore, the present value of the Company's possible liability is calculated using the assumptions in the following table.

The provision for employment termination benefits is calculated as required by Turkish Labor Law as a statutory obligation of the Company and reflects the present value of severance pay entitlement to employee retirement, dismissal, call for military service or death in case of completion of at least one year of service, TAS 19 "Turkish Accounting Standard for Employee Benefits" requires companies to use their actuarial valuation methods to calculate the present value of the potential liabilities. Therefore, the present value of the Company's possible liability is calculated using the assumptions.

Provision for unused vacation

According to the Labor Law applicable in Türkiye, the Company is obliged to pay the annual leave periods which the employment contract are not entitled for any reason, to the employer or their beneficiaries at the date the contract ends.

Bonus payments

The Company records the accrual as an obligation and expense based on a method that takes into consideration the Company's profitability, budget realization and performance criteria. The Company also reserves provisions in cases where it is a contractual obligation.

Provisions, contingent assets and liabilities

In accordance with the TAS 37 "Provisions, Contingent Liabilities and Contingent Assets", a provision is recognised when the Company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. If the specified criteria are not met, the Company discloses the related issues in the accompanying notes. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability if the time value of the money is significant to the provision. In determining the discount rate to be used in reducing the provisions to their present value, the interest rate on the relevant market and the risk related to the related obligation are taken into consideration. Contingent assets are disclosed in the notes and not recognised unless they are realized.



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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.4 Summary of Significant Accounting Policies (Continued)

Revenue recognition

In accordance with TFRS 15, "Revenue Standard from Customer Agreements"; which is effective as of 1 January 2018, the Company accounts in the financial statements of the revenue consignment in accordance with the following five-tiered model.

- Identification of customer contracts,
- Identification of performance obligations,
- Determination of transaction price in the contract,
- Allocation of price to performance obligations,
- Recognition of revenue,

The Company assesses the goods or services undertaken by each contract made with the customers and sets each commitment to transfer such goods or services as a separate performance obligation.

For each performance obligation, at the beginning of the contract, the obligation to fulfill the obligation is to be delivered in time or at a certain time. When the control of a good or service is over time and the Company fulfills its performance obligations related to sales in a timely manner, the Company takes the financial statements in the console at the expiration time by measuring the progress towards fulfillment of the fulfillment obligations.

When the Company fulfills the obligation to perform the obligation by transferring a promised good or service to the customer, it records the transaction value corresponding to the obligation as revenue in the consolidated financial statements. When the control of the goods or services is overtaken by the customers (or as they pass) the goods or services are transferred.

When the Company evaluates the transfer of the customer for the control of the goods or services sold,

- Group owns the right to collect the goods or services,
- Owns legal ownership of the goods or services,
- The transfer of the possession of the goods or services,
- Ownership of the significant risks and rewards of ownership of the property of the customer,
- Takes into consideration the conditions under which the customer accepts goods or services,

The Company does not make any adjustments to the effect of a significant financing component at the commitment price if the contract at the outset suggests that the period between the transfer date of the goods or services undertaken by the customer and the date the customer pays the price of the goods or services is one year or less. If the other party has significant financing within the revenue, the revenue value is determined by discounting future collections with the interest rate included in the financing element. The difference is recorded in the related periods as Other income from the main operations on the accrual basis.

Foreign currency transactions

Transactions in foreign currencies are initially recorded in the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date Foreign currency translation rates used by the Company as of respective year-ends are TL 29,4382 =1 US Dollars and TL 32,5739=1 Euro (31 December 2022: TL18,6983=1 US Dollars and TL 19,9349=1 Euro).

Earnings per share

In accordance with the Turkish Accounting Standards 33 - Earning per share ("TAS 33"), the companies, whose common stocks are not quoted on the stock exchange, do not have to disclose earning per share information. Since the parent Company's common stocks are not quoted on the stock exchange, earnings per share information is not calculated in the accompanying financial statements.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.4 Summary of Significant Accounting Policies (Continued)

Deferred Revenue

Deferred revenues are liabilities that consist of advances from other parties that are obtained in the relevant period in terms of sale agreements or booked as receivables and related with future periods.

Government incentives and grants

Within the scope of the Law No.5746 on the support of Research and Development activities, it was decided by the MinisTL of IndusTL and Technology for the Company to benefit from the incentives and exemptions provided under the Law No. 5746 as of the same date, with the application of the Company approved on 7 January 2020.

Government incentives that allow the payment of reduced corporate tax within the scope of R&D incentives are evaluated within the scope of TAS 12, "Income Taxes" standard.

As of 31 December 2023, R&D expenses amounting to TL 34.080.839 have been used as a deduction item in the tax calculation (31 December 2022: TL 2.102.017).

Taxes calculated on the basis of corporate income

Income tax expense consists of corporate tax and deferred tax expenses.

Corporate/Income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted by the balance sheet date.

Deferred tax

Deferred income tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax liabilities are recognized for all taxable temporary differences. The rates enacted, or substantively enacted, at the balance sheet date are used to determine deferred income tax.

Under TAS 12, which deals with income taxes, deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which the deferred tax asset can be utilized and deferred tax assets should be reduced to the extent that it is no longer probable that the related tax benefit will be realized. The deferred tax asset and deferred tax liability have been netted off in these financial statements.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities, and deferred taxes relate to the same taxable entity and the same taxation authority.

Corporate and deferred taxes for the period

Income tax relating to items recognized in other comprehensive income or directly in equity is recognized in other comprehensive income or directly in equity and not in the statement of profit or loss.

Cash flow statement

The Company prepares cash flow statements to inform users of the ability to direct the amount and timing of changes in net assets, financial structure and cash flows according to changing conditions.

In the cash flow table, the cash flows related to the turnover are reported by being classified as operating, investing and financing activities. Cash flows arising from operating activities represent cash flows arising from the transactions entered into the operating area of the Company. Cash flows from investing activities represent for the Company used and obtained from investment activities (fixed investments and financial investments). Cash flows from financing activities represent the resources the Company uses in its financing activities and the repayments of these resources.

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2.4 Summary of Significant Accounting Policies (Continued)

Related parties

For the purposes of these financial statements, shareholders, key management personnel and Board members, in each case together with companies controlled by/or affiliated with them and associated companies are considered and referred to as related parties.

A related party is a person or entity that is related to the entity that is preparing its financial statements.

- (a) A person or a close member of that person's family is related to a reporting entity if that person:
 - (i) has control or joint control over the reporting entity;
 - (ii) has significant influence over the reporting entity; or
 - (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- (b) An entity is related to a reporting entity if any of the following conditions applies:
 - (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a).
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

2.5 Significant accounting judgements, estimates and assumptions

The Company has prepared its financial on going concern principal.

Preparation of the financial statements requires estimates and judgments about the reported amount of assets and liabilities or contingent assets and liabilities and reported amount of income and expenses of the related period. Such estimates and judgments are based on the Company's best estimates regarding current events and transactions, however, the actual results may differ from these estimates.

The significant estimates and assumptions the Company uses in preparing its financial statements are explained below:

Useful lives of tangible assets and intangible assets: The useful life of assets and additional costs are determined by the Company Management at initial recognition date and re-evaluated regularly. The Company determines useful lives of the assets by evaluating estimated benefits of the related assets. This evaluation is based on the Company's experiences on relevant assets.

Recognition of deferred tax asset: Deferred tax assets can only be booked if the relevant tax benefit is probable. The amount of the probable future tax advantages and taxable income are based on the Company's medium-term projections and expectations based on these projections.

3. CASH AND CASH EQUIVALENTS

The details of the Company's cash and cash equivalents as of 31 December 2023 and 2022 are as follows:

	31 December 2023	31 December 2022
Banks		
Time deposit	507.254.682	210.038.808
Demand deposit	26.756.583	12.909.746
Credit card receivables with term of less than three months (*)	11.491.010	7.749.330
Provision for expected credit loss	(88.303)	(180.926)
Cash and cash equivalents	545.413.972	230.516.958

(*) The average maturity of the Company's credit card receivables amounting to TL 11.491.010 (December 31, 2022: TL 7.749.330) as of December 31, 2023 is 30 days (December 31, 2022: 30 days). As of 31 December 2023, the interest rates of the Company's time deposits in TL are between 41% and 46,00%, 4% in USD and in EURO are between 1,25% and 2,00%. (December 31, 2022: in TL are between 10% ile 23,50%, 2,25% in USD, 0,5% in gold and 0,85% in Euro).

As of 31 December 2023 and 2022, all time deposits have a maturity of less than three months. As of 31 December 2023 and 31 December 2022, there is no restriction on cash and cash equivalents. In the cash flow statements of the Company as of 31 December 2023 and 31 December 2022, cash and cash equivalents are shown by deducting interest accruals from cash and cash equivalents:

	31 December 2023	31 December 2022
Cash and cash equivalents	545.502.275	230.697.884
Interest accrual (-)	(2.511.355)	(293.297)
Cash and cash equivalents in the cash flow statement	542.990.920	230.404.587

4. FINANCIAL INVESTMENT

As of 31 December 2023 and 2022, the details of financial investment are as follows:

	31 December 2023	31 December 2022
Funds	1.275.646	304.239
Total	1.275.646	304.239

5. TRADE RECEIVABLES AND PAYABLES

As of 31 December 2023 and 2022, the details of trade receivables are as follows:

	31 December 2023	31 December 2022
Trade receivables		
Trade receivables from related parties (Note 7)	129.316.993	77.654.350
Trade receivables from other parties	43.521.086	31.424.385
Provision for expected credit loss (-)	(8.180)	(7.162)
- Regarding trade receivables from related parties (Note 7)	(8.180)	(7.162)
Total	172.829.899	109.071.573

The average maturity of trade receivables is 10 days (31 December 2022: 10 days). As of 31 December 2023, there is no neither past due nor impaired receivable (31 December 2022: no neither past due nor impaired receivable). As of 31 December 2023 and 2022, the details of trade payables are as follows:

	31 December 2023	31 December 2022
Trade payables (*)		
Trade payables to related parties (Note 7)	50.900.908	15.423.205
Trade payables to other parties	296.126.523	161.633.269
Total	347.027.431	177.056.474

(*) The average maturity for trade payables is between 30 and 60 days (31 December 2022: between 30 and 60 days). As of 31 December 2023 and 2022, a significant portion of the trade payables consist of the purchases and maintenance of tangible and intangible assets and their liabilities related to outsourced services.



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6. OTHER PAYABLES

As of 31 December 2023 and 2022, the details of other payables are as follows:

	31 December 2023	31 December 2022
Other payables due to other parties	30.589.967	23.904.757
- <i>Tax payables</i>	30.261.796	23.735.526
- <i>Other payables</i>	328.171	169.231
Other payables	30.589.967	23.904.757

7. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

As of 31 December 2023 and 2022, the details of the Company's balances with related parties are as follows :

	31 December 2023	31 December 2022
Cash and cash equivalents from related parties	494.703.580	222.175.552
Total	494.703.580	222.175.552

	31 December 2023	31 December 2022
Prepaid expenses to related parties	5.032.373	14.025.621
Total	5.032.373	14.025.621

	31 December 2023	31 December 2022
Receivables from related parties	129.308.813	77.647.188
Total	129.308.813	77.647.188

	31 December 2023	31 December 2022
Trade payables to related parties	50.900.908	15.423.205
Total	50.900.908	15.423.205

For the periods ended at 31 December 2023 and 2022, the details of the Company's revenue and expenses to related parties are as follows:

	31 December 2023	31 December 2022
Revenue from related parties	1.111.190.072	624.823.340
Expenses to related parties	(229.718.470)	(190.986.938)
Total	881.471.602	433.836.402

Total salaries and benefits of top management

The Company's shareholders, senior executives and directors, members of the board of directors and their respective companies and their families are deemed to be related parties, For the period ended 31 December 2023, the total amount of benefits provided to top management is TL 61.480.306 (31 December 2022: TL 28.006.471).

8. INVENTORIES

	31 December 2023	31 December 2022
Trade goods ^(*)	7.379.366	7.068.014
Total	7.379.366	7.068.014

(*) This balance consists of equipments obtained in order to sell to customers for use of the services provided by the Company to member organizations. These inventory items consist of consumables such as cables, shelves and cabinets.

As of 31 December 2023 and 31 December 2022, there are no inventories given as collateral for liabilities.

9. TANGIBLE ASSETS

Movements of tangible assets for the period between 1 January and 31 December 2023 are as follows:

	1 January 2023	Additions	Transfers	Disposals	31 December 2023
Cost					
Buildings	131.425.923	1.444.802	-	-	132.870.725
Machinery, plant and equipment	113.059.115	68.680.251	18.144.562	(534.298)	199.349.630
Furniture and fixtures	125.203.465	171.115.202	-	(62.459)	296.256.208
Constructions in progress	111.061.880	94.971.871	(104.582.083)	(203.032)	101.248.636
	480.750.383	336.212.126	(86.437.521)	(799.789)	729.725.199
Accumulated depreciation					
Buildings	(22.939.937)	(3.521.999)	-	-	(26.461.936)
Machinery, plant and equipment	(48.067.889)	(21.564.619)	-	434.782	(69.197.726)
Furniture and fixtures	(72.230.195)	(24.086.595)	-	40.412	(96.276.378)
	(143.238.021)	(49.173.213)	-	475.194	(191.936.040)
Net book value	337.512.362				537.789.159

Movements of tangible assets for the period between 1 January and 31 December 2022 are as follows:

	1 January 2022	Additions	Transfers	Disposals	31 December 2022
Cost					
Buildings	130.721.265	704.658	-	-	131.425.923
Machinery, plant and equipment	94.644.964	10.659.191	8.042.237	(287.277)	113.059.115
Furniture and fixtures	124.412.008	1.138.796	-	(347.339)	125.203.465
Constructions in progress	20.444.537	119.694.263	(27.478.993)	(1.597.927)	111.061.880
	370.222.774	132.196.908	(19.436.756)	(2.232.543)	480.750.383
Accumulated depreciation					
Buildings	(19.401.295)	(3.538.642)	-	-	(22.939.937)
Machinery, plant and equipment	(38.679.134)	(9.638.216)	-	249.461	(48.067.889)
Furniture and fixtures	(46.687.368)	(25.833.126)	-	290.299	(72.230.195)
	(104.767.797)	(39.009.984)	-	539.760	(143.238.021)
Net book value	265.454.977				337.512.362

There is no mortgage on the Company's tangible assets (31 December 2022: None).

As of 31 December 2023, the insurance amount on tangible assets is TL 7.126.640.532 (31 December 2022: TL 4.472.428.923).



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10. INTANGIBLE ASSETS

Movements of intangible assets for the period between 1 January and 31 December 2023 are as follows:

	1 January 2023	Additions	Transfers	Disposals	31 December 2023
Cost					
Softwares	142.457.545	30.962.649	56.173.744	-	229.593.938
Rights	52.191.489	2.625.521	30.263.777	(1.098.217)	83.982.570
Other intangible assets	1.779.968	356.611	-	-	2.136.579
	196.429.002	33.944.781	86.437.521	(1.098.217)	315.713.087
Accumulated depreciation					
Softwares	(103.449.832)	(41.629.999)	-	-	(145.079.831)
Rights	(17.063.241)	(8.456.342)	-	311	(25.519.272)
Other intangible assets	(1.388.020)	(54.633)	-	-	(1.442.653)
	(121.901.093)	(50.140.974)	-	311	(172.041.756)
Net book value	74.527.909				143.671.331

Movements of intangible assets for the period between 1 January and 31 December 2022 are as follows:

	1 January 2022	Additions	Transfers	Disposals	31 December 2022
Cost					
Softwares	115.640.350	26.295.400	521.795	-	142.457.545
Rights	32.707.539	568.989	18.914.961	-	52.191.489
Other intangible assets	1.673.118	106.850	-	-	1.779.968
	150.021.007	26.971.239	19.436.756	-	196.429.002
Accumulated depreciation					
Softwares	(81.045.492)	(22.404.340)	-	-	(103.449.832)
Rights	(10.286.587)	(6.776.654)	-	-	(17.063.241)
Other intangible assets	(1.348.501)	(39.519)	-	-	(1.388.020)
	(92.680.580)	(29.220.513)	-	-	(121.901.093)
Net book value	57.340.427				74.527.909

11. LEASES

As of 31 December 2023 and 2022, the details of right of use assets are as follows:

	31 December 2023	31 December 2022
Vehicles	3.881.067	2.315.562
Buildings	175.182	518.895
Total	4.056.249	2.834.457
	31 December 2023	31 December 2022
Beginning of the period - 1 January	2.834.457	5.180.869
Additions	4.624.477	712.927
Additions depreciation expense	(3.402.685)	(3.059.339)
End of the period - 31 December	4.056.249	2.834.457

11. LEASES (Continued)

As of 31 December 2023 and 2022, the details of lease liabilities are as follows:

	31 December 2023	31 December 2022
Short term lease liabilities	2.042.665	2.689.266
Long term lease liabilities	2.626.142	599.380
Total	4.668.807	3.288.646

Movement table of the lease liabilities in the period of 1 January - 31 December 2023 and 2022 is as follows:

	31 December 2023	31 December 2022
Beginning of the period - 1 January	3.288.646	5.622.019
Additions	3.966.986	804.925
Payments (-)	(3.885.070)	(3.802.852)
Interest expenses	1.298.245	664.554
End of the period - 31 December	4.668.807	3.288.646

12. SHORT TERM AND LONG TERM LIABILITIES

There is no Companies's short term and long term liabilities (31 December 2022: None)

13. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Letters of guarantee given:

	31 December 2023	31 December 2022
Letters of guarantee given	-	70.506
Total	-	70.506

Letters of guarantee received:

	31 December 2023	31 December 2022
Letters of guarantee received (*)	3.695.854	1.664.002
Total	3.695.854	1.664.002

(*) A large part of the related balance consists of letters of guarantee that the Company has received from service providers regarding consultancy and organization services.

As of 31 December 2023, the Company has no collateral, pledge or mortgage given for the purpose of acquiring its own debt or debt of any person or entity other than the Company (31 December 2022: No collateral, pledge or mortgage).

Lawsuits againsts the company:

As of 31 December 2023, there are 17 lawsuits filed against the Company, Provision of TL 1.924.749 has been provided based on the best estimates of the Company management regarding these lawsuits, (31 December 2022: There are 16 cases and TL 1.382.781 has been provisioned).



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14. PAYABLES UNDER THE BENEFITS TO EMPLOYEES AND SHORT AND LONG TERM PROVISIONS

i) Payables for employee benefits

As of 31 December 2023 and 2022, the details of the payables for the employee benefits are as follows:

	31 December 2023	31 December 2022
Social security withholding to be paid	29.225.466	11.384.681
Payables to employees	1.846.278	436.181
Total	31.071.744	11.820.862

ii) Short term provisions

As of 31 December 2023 and 2022, the details of the Company's short-term provisions are as follows:

	31 December 2023	31 December 2022
Provision for personnel performance bonus	163.009.369	60.348.648
Provision for unused vacation	28.802.452	17.363.021
Provision for bank commissions (*)	18.625.126	24.072.543
Provision for uninvoiced expenses	301.113	515.357
Other provisions	29.226.592	21.923.489
Total	239.964.652	124.223.058

(*) The Company works with various banks from Türkiye in order to complete transactions of Findeks products, The Company pays commissions to the banks in direct proportion to sale amounts within the context of agreements terms. These balances consist of provisions for commissions payable to branch banks as of 31 December 2023 and 2022.

The movement table of provision for personnel performance bonus of the Company for the periods between 1 January and 31 December 2023 and 2022 is as follows:

	31 December 2023	31 December 2022
Beginning of the period - 1 January	60.348.648	31.162.139
Increase in the period	163.009.369	60.348.648
Paid during the period (-)	(60.348.648)	(31.162.139)
End of the period - 31 December	163.009.369	60.348.648

iii) Long term provisions

As of 31 December 2023 and 2022, the details of the Company's long-term provisions are as follows:

	31 December 2023	31 December 2022
Provision for employment termination benefits	30.532.943	17.548.495
Provision for lawsuits	1.924.749	1.382.781
Other	-	587.268
Total	32.457.692	19.518.544

The provision for employment termination benefits is provided for as explained below.

Under the Turkish Labor Law, the Company is required to pay termination benefits to each employee who has completed at least one year of service and whose employment is terminated without due cause, is called up for military service, dies or who retires after completing 25 years of service (20 years for women) and achieves the retirement age (58 for women and 60 for men). Since the legislation was changed on 23 May 2002, there are certain transitional provisions relating to length of service prior to retirement. The principal assumption is that the maximum liability for each year service will increase in line with inflation. Thus, the discount rate applied represents the expected rate of actual inflation. As the maximum liability is revised semi-annually the maximum amount of TL 35.058,58 which is effective from 1 January 2024 has been taken into consideration in calculating the provision for employment termination benefits of the Company (31 December 2022: TL 19.982,83, effective from 1 January 2023).

14. PAYABLES UNDER THE BENEFITS TO EMPLOYEES AND SHORT AND LONG TERM PROVISIONS (Continued)

The liability is not funded, as there is no funding requirement, Provision for employment termination benefits is calculated by estimating the present value of the probable liability in the case of retirement of the employees. The Company develops and uses actuarial valuation methods to estimate the employee termination benefit provision, Accordingly, the following actuarial assumptions were used in the calculation of the total liability:

	31 December 2023	31 December 2022
Annual discount rate (%)	0,94	1,99

The movement of employment termination benefits during the year is as follows:

	2023	2022
Provision for employment termination benefits		
Beginning of the period - 1 January	17.548.495	5.577.417
Service cost	3.387.171	1.024.292
Interest cost	1.876.719	1.188.179
Termination cost	609.855	(1.200.620)
Payment within the period (-)	(10.112.408)	(1.705.735)
Actuarial loss / gain	17.223.111	12.664.962
End of the period - 31 December	30.532.943	17.548.495

15. PREPAID EXPENSES AND DEFERRED INCOME

The details of short-term prepaid expenses of the Company as of 31 December 2023 and 2022 are as follows:

	31 December 2023	31 December 2022
Short term prepaid expenses (*)		
Prepaid expenses from related parties (Note 7)	5.032.373	14.025.621
Prepaid expenses from other parties	130.441.284	56.694.380
Total	135.473.657	70.720.001

(*) As of 31 December 2023 and 2022, the related amounts consist of prepaid insurance, maintenance, dues, training and other miscellaneous expenses which have not been included in the statement of profit or loss.

As of 31 December 2023 and 2022, the details of long-term prepaid expenses are as follows:

	31 December 2023	31 December 2022
Long term prepaid expenses (*)		
Prepaid expenses from other parties	26.660.270	16.132.976
Total	26.660.270	16.132.976

(*) As of 31 December 2023 and 2022, the related amounts consist of prepaid insurance, maintenance, dues, training and other miscellaneous expenses which have not been included in the statement of profit or loss.

The details of deferred income as of 31 December 2023 and 2022 are as follows:

	31 December 2023	31 December 2022
Deferred income		
Deferred income (*)	577.667.236	390.161.565
Total	577.667.236	390.161.565

(*) As of 31 December 2023 and 31 December 2022, the relevant amounts consist of service income that the Company has collected in advance regarding Findeks products and has not yet accrued.

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16. OTHER ASSETS AND LIABILITIES

a) **Other current assets:**

The details of other current assets as of 31 December 2023 and 2022 are as follows:

	31 December 2023	31 December 2022
Receivables from employees	4.516.205	285.220
Order advances given	2.308.642	1.267.375
Amounts to be invoiced	1.111.413	982.950
Other income accruals	2.432.376	3.998.631
Total	10.368.636	6.534.176

b) Other non-current assets:

The details of other non-current asset as of 31 December 2023 and 2022 are as follows:

	31 December 2023	31 December 2022
Deposits and guarantees given	204.787	77.777
Total	204.787	77.777

17. SHAREHOLDERS' EQUITY

The Company's authorized share capital consists of TL 7.425.000 of each TL 1 nominal share (31 December 2022: TL 7.425.000). Shareholders or their proxies present at the Ordinary and Extraordinary General Assembly meetings have 1 voting right per share. The Company's shareholders and their shares in the capital at 31 December 2023 and 2022 are as follows:

	31 December 2023		31 December 2022	
	Share amount		Share amount	
	Share (%)	(TL)	Share (%)	(TL)
Shareholders				
Yapı ve Kredi Bankası A.Ş.	18,2	1.350.000	18,2	1.350.000
Türkiye Halk Bankası A.Ş.	18,2	1.350.000	18,2	1.350.000
Akbank T.A.Ş.	9,1	675.000	9,1	675.000
Türkiye Garanti Bankası A.Ş.	9,1	675.000	9,1	675.000
Şekerbank T.A.Ş.	9,1	675.000	9,1	675.000
Türkiye İş Bankası A.Ş.	9,1	675.000	9,1	675.000
Denizbank A.Ş.	9,1	675.000	9,1	675.000
T. Vakıflar Bankası T.A.O.	9,1	675.000	9,1	675.000
T.C. Ziraat Bankası A.Ş.	9,1	675.000	9,1	675.000
Paid in capital	100	7.425.000	100	7.425.000
			31 December 2023	31 December 2022
Reserves on retained earnings				
Reserves on retained earnings			41.005.074	41.005.074
Share capital adjustment			2.574.025	2.574.025
Total			43.579.099	43.579.099

17. SHAREHOLDERS' EQUITY (Continued)

	31 December 2023	31 December 2022
Special funds	1.864.617	1.822.577
Total	1.864.617	1.822.577

The legal reserves consist of first and second reserves, appropriated in accordance with the Turkish Commercial Code (“TCC”). The TCC stipulates that the first legal reserve is appropriated out of statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the Company’s paid-in share capital. The second legal reserve is appropriated at the rate of 10% per annum of all cash distributions in excess of 5% of the paid-in share capital. Under the TCC, the legal reserves can only be used to offset losses and are not available for any other usage unless they exceed 50% of paid-in share capital. As of 31 December 2023, there are no the extraordinary reserves of the Company which are classified under the statutory reserves (31 December 2022: None).

18. SALES AND COST OF SALES

The Company's sales for the periods 1 January - 31 December 2023 and 2022 and the cost of sales are as follows:

	1 January- 31 December 2023	1 January - 31 December 2022
Sales ve cost of sales		
Sales	1.772.898.429	884.067.136
Sales returns (-)	(6.682.818)	(4.292.478)
Total	1.766.215.611	879.774.658

Cost of sales		
Personnel expenses	(435.108.071)	(166.090.005)
System services expenses	(54.056.413)	(26.663.471)
Depreciation expenses	(38.888.637)	(64.815.472)
Score service expenses	(17.575.750)	(12.026.106)
Query services expenses	(15.353.160)	(10.349.543)
Other expenses	(98.280.910)	(86.865.612)
Total	(659.262.941)	(366.810.209)

Gross operating profit	1.106.952.670	512.964.449
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19. MARKETING, SELLING AND DISTRIBUTION EXPENSES, GENERAL ADMINISTRATIVE EXPENSES

a) **Marketing, selling and distribution expenses:**

The details of marketing, selling and distribution expenses of the Company for the periods 1 January - 31 December 2023 and 2022 are as follows:

	1 January- 31 December 2023	1 January- 31 December 2022
Commission expenses	195.978.625	160.192.663
Advertising, media and sales expenses	118.825.745	112.441.263
Other	3.117.116	1.607.430
Total	317.921.486	274.241.356

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19. MARKETING, SELLING AND DISTRIBUTION EXPENSES, GENERAL ADMINISTRATIVE EXPENSES (Continued)

b) General administrative expenses:

The details of general administrative expenses for the accounting periods of 1 January - 31 December 2023 and 2022 are as follows:

	1 January- 31 December 2023	1 January- 31 December 2022
Personnel expenses	359.782.378	151.460.453
Installation, maintenance and support expense	183.587.884	115.282.363
Amortization and depreciation expense	60.425.550	3.415.025
Communication expense	22.243.093	14.715.744
Consultancy expenses	15.717.904	18.578.429
Taxes and other liabilities	14.946.340	6.195.864
Electricity, water and fuel costs	9.965.694	4.523.833
Insurance expenses	6.661.608	3.443.900
Amortisation expenses from lease	3.402.685	3.059.339
Travel expenses	2.879.171	-
Other	14.898.161	-
Total	694.510.468	320.674.950

Fee details for independent audit for the years ended 31 December 2023 and 2022 are as follows:

	1 January- 31 December 2023	1 January- 31 December 2022
Independent audit fee for the reporting period	1.000.000	390.000
Total	1.000.000	390.000

20. EXPENSES BY NATURE

The details of expenses by nature for the accounting periods of 1 January - 31 December 2023 and 2022 are as follows:

	1 January- 31 December 2023	1 January- 31 December 2022
Personnel expenses	794.890.449	317.550.458
Installation, maintenance and support expense	183.587.884	115.282.363
Amortization and depreciation expense	99.314.187	68.230.497
System services expenses	54.056.413	26.663.471
Communication expense	22.243.093	14.715.744
Score service expenses	17.575.750	12.026.106
Consultancy expenses	15.717.904	18.578.429
Query services expenses	15.353.160	10.349.543
Taxes and other liabilities	14.946.340	6.195.864
Electricity, water and fuel cost	9.965.694	4.523.833
Insurance expenses	6.661.608	3.443.900
Amortisation expense related with leases	3.402.685	3.059.339
Travel expenses	2.879.171	-
Other	113.179.071	86.865.612
Total	1.353.773.409	687.485.159

21. OTHER INCOME AND EXPENSES FROM MAIN OPERATIONS

The details of the Company's other operating income for the accounting periods of 1 January - 31 December 2023 and 2022 are as follows:

	1 January- 31 December 2023	1 January- 31 December 2022
Provisions no longer required	13.660.102	5.483.880
Mutual funds income	1.028.574	1.332.552
Other income	3.686.128	2.551.281
Total	18.374.804	9.367.713

The details of the Company's other operating expenses for the accounting periods of 1 January - 31 December 2023 and 2022 are as follows:

	1 January- 31 December 2023	1 January- 31 December 2022
Expected credit loss provision expense	(96.483)	(188.088)
Other expenses (-)	(262.645)	(164.599)
Total	(359.128)	(352.687)

22. FINANCIAL INCOMES AND EXPENSES

The details of financing income and expenses of the Company for the periods 1 January - 31 December 2023 and 2022 are as follows:

	1 January- 31 December 2023	1 January- 31 December 2022
Financial income		
Foreign exchange gains	140.965.260	29.457.209
Interest income on time deposits	48.130.721	42.414.561
Total	189.095.981	71.871.770

	1 January- 31 December 2023	1 January- 31 December 2022
Financial expenses (-)		
Foreign exchange loss	(23.291.685)	(6.673.777)
Interest expense	(1.298.245)	(664.554)
Total	(24.589.930)	(7.338.331)

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23. TAX ASSETS AND LIABILITIES

	31 December 2023	31 December 2022
Provision for corporate tax	45.921.144	-
Prepaid corporate tax (-)	(63.005.075)	(20.182.514)
Current period tax (asset)/liability, net	(17.083.931)	(20.182.514)

The Company is subject to Turkish corporate taxes. Corporate tax is declared until the evening of the twenty-fifth day of the fourth month following the end of the relevant accounting period and is paid in one installment until the end of the relevant month. Companies are required to declare and pay provisional taxes based on their financial profits occurring in three-month periods by the 17th day of the second month following the period. Provisional taxes paid during the year are offset against the annual corporate income tax calculated on the corporate income tax return for that year. If there is an excess of provisional tax paid after offsetting, this amount can be refunded in cash or offset against other financial obligations. In Türkiye, the corporate tax rate applied to the legal tax base to be found by adding the expenses that are not accepted as deductible by the tax laws to the commercial income of the corporations by deducting the exemptions in the tax laws was applied as 20% after December 31, 2022. However, according to Article 21 of the Law on Amendments to Some Laws and Decree Laws Regarding the Establishment of Additional Motor Vehicle Tax for the Compensation of Economic Losses Caused by the Earthquakes Occurring on February 6, 2023, published in the Official Gazette dated July 15, 2023, and numbered 32249, changes have been made to Article 32 of Law No. 5520 on Corporate Income Tax Law regulating the corporate income tax rate; as of October 1, 2023, the general rate applied to corporate income tax has been increased from 20% to 25%. Therefore, the Company and its resident subsidiary companies in Türkiye have used a tax rate of 25% for the calculation of the period tax for the year 2023. Within the scope of the said amendment, the tax rate used from the deferred tax calculation in the financial statements dated 31 December 2023 is 25% (31 December 2022: 20%). Under Article 298 of the Tax Procedure Law, as of December 31, 2021, the necessary conditions for the inflation adjustment of financial statements have been met. However, pursuant to temporary Article 33 of Law No. 7352 published in the Official Gazette dated January 29, 2022, and numbered 31734, which makes amendments to the Tax Procedure Law and the Corporate Income Tax Law:

- Regardless of whether the conditions for inflation adjustment under Article 298 are met, duplicate financial statements for the 2021 and 2022 accounting periods, including provisional tax periods, will not be subject to inflation adjustment,

- It has been stipulated that financial statements dated December 31, 2023, will be subject to inflation adjustment in a manner that does not affect the corporate income tax base.

According to Article 17 of Law No. 7491, published in the Official Gazette dated December 28, 2023, numbered 32413, banks, companies covered by Law No. 6361 on Financial Leasing, Factoring, Financing, and Savings Finance Companies dated November 21, 2012, payment and electronic money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies, and pension companies have been legislated that profit/loss differences arising from inflation adjustment made during the 2024 and 2025 accounting periods, including provisional tax periods, will not be taken into account in determining income. According to temporary Article 33 of the Tax Procedure Law, the President is authorized to extend the periods determined under this paragraph, including provisional tax periods, by up to one accounting period. The tax effects arising from the inflation adjustment of financial statements dated December 31, 2023, have been included in deferred tax calculations as of December 31, 2023.

According to the Corporate Tax Law, financial losses shown on the declaration can be deducted from the corporate tax base of the period, provided that they do not exceed 5 years. Declarations and related accounting records can be examined by the tax office within five years and tax accounts can be revised. Dividend payments made to non-resident joint stock companies resident in Türkiye, except for those who are not liable for corporate tax and income tax and those who are exempt from corporate tax and income tax, and dividend payments made to resident and non-resident real persons and non-resident legal entities in Türkiye are subject to 10% income tax.

23. TAX ASSETS AND LIABILITIES (Continued)

Dividend payments made from joint stock companies resident in Türkiye to joint stock companies also resident in Türkiye are not subject to income tax. In addition, income tax is not calculated if the profit is not distributed or added to capital. Dividend income derived by corporations from participation in the capital of another full-fledged taxpayer corporation is exempt from corporate tax. In addition, 75% of the gains arising from the sale of founders' shares, redeemed shares and preemptive rights arising from the sale of participation shares in the assets of corporations for at least two full years and real estate (immovable property) owned for the same period are exempt from corporate tax. However, with the amendment made by Law No. 7061, this rate was reduced from 75% to 50% for immovables and this rate is used as 50% in tax returns to be prepared starting from 2018. Furthermore, with the amendment made, as of July 15, 2023, the tax exemption rate of 50% provided for real estate sales gains in Law No. 5520 has been removed. However, this exemption will be applied at a rate of 25% for the sales of real estate assets in the active assets of businesses before July 15, 2023.

In order to benefit from the exemption, the gain in question must be kept in a fund account in the liabilities and must not be withdrawn from the business for 5 years. The sales price must be collected until the end of the second calendar year following the year of sale. In Türkiye, there is no practice of reconciliation with the tax administration regarding the taxes to be paid. Corporate tax returns are filed within four months following the close of the accounting period. Tax inspection authorities may examine tax returns and the underlying accounting records for five years following the accounting period and may make a re-assessment based on their findings.

There is a withholding tax liability on dividend distributions and this withholding tax liability is declared in the period in which the dividend is paid in cash or on account. Dividend payments other than those made to non-resident corporations that have a place of business or permanent representative in Türkiye and resident corporations in Türkiye were subject to withholding tax at the rate of 15% until December 22, 2021. However, in accordance with the Presidential Decree numbered 4936 published in the Official Gazette dated December 22, 2021 and numbered 31697, the dividend withholding tax rate of 15% was reduced to 10% in accordance with the Income Tax Law numbered 193 and Corporate Tax Law numbered 5520. In the application of withholding tax rates for profit distributions to non-resident corporations and real persons, the withholding tax rates in the related Double Tax Treaty Agreements are also taken into consideration. Capitalization of retained earnings is not considered as profit distribution and therefore is not subject to withholding tax.

The tax expenses in the statement of profit or loss for the periods ended at 31 December 2023 and 2022 are summarized below:

	1 January- 31 December 2023	1 January- 31 December 2022
Current tax charge	(45.921.144)	-
Deferred tax income/(expense)	(25.839.607)	7.232.263
Total	(71.760.751)	7.232.263

As of 31 December 2023 and 2022, the Company's tax reconciliation is presented as follows:

	1 January- 31 December 2023	1 January- 31 December 2022
Profit/(loss) before tax	276.352.539	(9.031.783)
Theoretical tax expense		
calculated with current tax rate	(69.088.135)	2.077.310
(Disallowable expenses)/discounts	(2.672.616)	5.154.953
Total tax income/(expense)	(71.760.751)	7.232.263

The company calculates its deferred income tax assets and liabilities by taking into account the effects of temporary differences that arise as a result of the different evaluations between the BRSA Accounting and Financial Reporting Legislation and the Tax Procedure Law in the balance sheet items. The tax rate used in calculating deferred tax assets and liabilities is 25% for taxable gains in 2024 and beyond (31 December 2022: 20% for taxable gains in 2023 and beyond).



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23. TAX ASSETS AND LIABILITIES (Continued)

Deferred Tax

Deferred tax is recognized on temporary differences arising between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes, except for goodwill not subject to tax deductibility and differences between initial recognition of assets and liabilities for accounting and taxation purposes. The details of the deferred tax calculations as of 31 December 2023 and 2022 are as follows:

	Total temporary differences		Deferred tax assets /(liabilities)	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Provision for unused vacation (Note 14)	28.802.452	17.363.021	7.200.613	3.472.604
Provision for termination (Note 14)	30.532.943	17.548.495	7.633.236	3.509.699
Provision for expected credit loss (Note 2.4)	96.483	188.088	24.121	37.618
Lease liabilities	612.559	454.188	153.140	90.838
Deductible R&D incentive	-	17.308.809	-	3.461.762
Deferred tax assets	60.044.437	52.862.601	15.011.110	10.572.521
Depreciation adjustment of tangible and intangible assets (-)	(178.346.766)	(93.071.369)	(44.586.692)	(18.614.274)
Deferred tax liabilities (-)	(178.346.766)	(93.071.369)	(44.586.692)	(18.614.274)
Deferred tax liabilities (-), net			(29.575.582)	(8.041.753)

The details of the movement table of the deferred tax liabilities for the periods ended at 31 December 2023 and 2022 are as follows:

	2023	2022
Beginning of the period - 1 January	(8.041.753)	(17.807.008)
Deferred tax expense recognized under the statement of profit or loss (-)	(25.839.607)	7.232.263
Deferred tax income/(expense) recognized under equity	4.305.778	2.532.992
End of the period - 31 December	(29.575.582)	(8.041.753)

Transfer pricing

In Türkiye, transfer pricing regulations are specified in Article 13 of the Corporate Tax Law, titled "Disguised profit distribution through transfer pricing". The communiqué dated 18 November 2007 with the notification on disguised profit distribution via transfer pricing regulates the details of the implementation.

If the taxpayer buys or sells goods or services with related parties at the price or price they have determined in violation of the arm's length principle, the profit is deemed to have been distributed implicitly through transfer pricing in whole or in part. Disguised profit distribution through such transfer pricing is considered as an expense.

24. INCOME FROM INVESTING ACTIVITIES

The details of the income obtained from the investment activities of the Company for the periods 1 January - 31 December 2023 and 2022 are as follows:

	1 January- 31 December 2023	1 January- 31 December 2022
Income from sale of tangible and intangible assets	240.969	212.436
Total	240.969	212.436

25. NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

Due to its operations, The Company is exposed to cash flow risk, market risk arising from interest risks, capital risk, credit risk and liquidity risk. The Company's risks management policy focuses on unexpected changes in financial markets.

The management policy of financial risks is performed by the Company's senior management and finance department in line with its policies and strategies approved by the Board of Directors. The Board of Directors prepares principles and policies in general to manage exchange rate, interest and capital risks and closely monitors financial and operational risks.

The Company is exposed to the following risks during its operations:

Credit Risk

Liquidity Risk

Market Risk

Capital Risk

This note is presented to inform the Company about its objectives, policies and processes under these risks if the Company is exposed to the above mentioned risks.

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25. NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

a) Credit risk:

Credit risk arises from deposits in banks, receivables from related parties and other trade receivables. In addition, it holds hold the financial assets also carries the risk of the third party's not meeting the requirements of the agreement. The Company management meets these risks by limiting the average risk for the counterparty in each agreement, Trade receivables are evaluated by the Company management on the basis of past experiences and current economic situation and presented in the balance sheet. As of 31 December 2023 and 2022, the credit risk exposure for the financial instruments is as follows:

	Trade Receivables		Other Receivables		Cash and Cash Equivalents at Banks	
31 December 2023	Related party	Third party	Related party	Third party	Related party	Third party
Maximum amount of credit risk exposed as of reporting date (A+B+C+D+E)	129.308.813	43.521.086	-	-	494.703.580	50.710.392
- Maximum credit risk secured guarantees etc.	-	-	-	-	-	-
A. Net book value of neither past due not impaired financial assets (3)	129.308.813	43.521.086	-	-	494.703.580	50.710.392
B. Book value of financial assets that are restricted, otherwise which will be recognized as overdue or impaired (3, 4)	-	-	-	-	-	-
C. Net book value of assets past due but not impaired (5)	-	-	-	-	-	-
- Secured by guarantees etc,	-	-	-	-	-	-
D. Net book value of imapiired assets	-	-	-	-	-	-
- Past due (gross book value)	-	-	-	-	-	-
- Impairment amount (-)	-	-	-	-	-	-
- Net value secured by guarantees etc,	-	-	-	-	-	-
- Non past due (gross book value)	-	-	-	-	-	-
- Impairment amount (-)	-	-	-	-	-	-
- Net value secured by guarantees etc	-	-	-	-	-	-
E. Off-balance items exposed to credit risk	-	-	-	-	-	-

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25. NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

a) Credit risk (Continued):

	Trade Receivables		Other Receivables		Cash and Cash Equivalents at Banks	
31 December 2022	Related party	Third party	Related party	Third party	Related party	Third party
Maximum amount of credit risk exposed as of reporting date (A+B+C+D+E)	77.647.188	31.424.385	-	-	222.175.552	8.341.406
- Maximum credit risk secured guarantees etc.	-	-	-	-	-	-
A. Net book value of neither past due not impaired financial assets (3)	77.647.188	31.424.385	-	-	222.175.552	8.341.406
B. Book value of financial assets that are restricted, otherwise which will be recognized as overdue or impaired (3, 4)	-	-	-	-	-	-
C. Net book value of assets past due but not impaired (5)	-	-	-	-	-	-
- Secured by guarantees etc,	-	-	-	-	-	-
D. Net book value of impaired assets	-	-	-	-	-	-
- Past due (gross book value)	-	-	-	-	-	-
- Impairment amount (-)	-	-	-	-	-	-
- Net value secured by guarantees etc,	-	-	-	-	-	-
- Non past due (gross book value)	-	-	-	-	-	-
- Impairment amount (-)	-	-	-	-	-	-
- Net value secured by guarantees etc	-	-	-	-	-	-
E. Off-balance items exposed to credit risk	-	-	-	-	-	-



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25. NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

b) Liquidity Risk:

Prudent liquidity risk management implies holding sufficient cash and marketable securities, the availability of funding through adequate credit transactions and the ability to close out market positions.

The risk of being able to fund the existing and prospective debt requirements is managed by maintaining the availability of sufficient number of credit providers and sufficient amounts of funds generated from operations. The Company management monitors the collection of customer receivables on maturity and tries to avoid any financial burden on the Company in order to ensure uninterrupted liquidation and, as a result of the works carried out with the banks, the cash and non-cash credit limits are determined. As of 31 December 2023 and 2022, the analysis of liquidity risk by type of financial liability is as follows:

31 December 2023

Maturity in accordance with the agreement	Book value	Total cash outflow in accordance with the agreement (I+II+III)	Up to 3 months (I)	3-12 months (II)	1-5 years (III)
Non derivative financial liabilities					
Lease liabilities	4.668.807	5.583.983	927.454	846.361	3.810.168
Trade payables	347.027.431	347.027.431	347.027.431	-	-
Other payables	30.589.967	30.589.967	30.589.967	-	-
Total	382.286.205	383.201.381	378.544.852	846.361	3.810.168

31 December 2022

Maturity in accordance with the agreement	Book value	Total cash outflow in accordance with the agreement (I+II+III)	Up to 3 months (I)	3-12 months (II)	1-5 years (III)
Non derivative financial liabilities					
Lease liabilities	3.288.646	3.434.787	957.932	1.890.452	586.403
Trade payables	177.056.474	177.056.474	177.056.474	-	-
Other payables	23.904.757	23.904.757	23.904.757	-	-
Total	204.249.877	204.396.018	201.919.163	1.890.452	586.403

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25. NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

c) Market risk:

i) Currency Risk

Foreign exchange risk is primarily based on the existence of foreign currency denominated debt and assets in US Dollars and Euros and the exchange rate risk arising from foreign currency exchange rate changes during translation of these to TL.

Foreign currency position table:

	31 December 2023		31 December 2022	
	Total	Avro	ABD Doları	Total
1 Trade receivables	-	-	-	-
2a Monetary financial assets (including cash, cash at banks etc.)	391.027.419	34.841.528	356.185.891	122.563.820
2b Non-monetary financial assets	-	-	-	13.958.661
3 Other	-	-	-	-
4 Current assets (1+2+3)	391.027.419	34.841.528	356.185.891	122.563.820
5 Trade receivable	-	-	-	-
6a Monetary financial assets	2.024.055	1.954.434	69.621	881.487
6b Non-monetary financial assets	2.024.055	1.954.434	69.621	881.487
7 Other	-	-	-	837.266
8 Non current assets (5+6+7)	-	-	-	-
9 Total assets (4+8)	393.051.474	36.795.962	356.255.512	881.487
10 Trade payables	(108.510.450)	(7.871.325)	(100.639.125)	123.445.307
11 Financial liabilities	-	-	-	(108.754.431)
12a Other monetary liabilities	-	-	-	-
12b Other non-monetary liabilities	-	-	-	-
13 Short-term liabilities (10+11+12)	(108.510.450)	(7.871.325)	(100.639.125)	(108.754.431)
14 Trade payable	-	-	-	-
15 Financial liabilities	-	-	-	-
16a Other monetary liabilities	-	-	-	-
16b Other non-monetary liabilities	-	-	-	-
17 Long-term liabilities (15+16+17)	-	-	-	-
18 Total liabilities (13+17)	(108.510.450)	(7.871.325)	(100.639.125)	(108.754.431)
19 Net assets/(liabilities) position of off-balance sheet derivative instrument (19a-19b)	-	-	-	-
19a Total amount of hedged assets	-	-	-	-
19b Total amount of hedged liabilities	-	-	-	-
20 Net foreign currency position of assets/(liabilities) (9-18+19)	284.541.024	28.924.637	255.616.387	14.690.876
21 Net foreign currency positions of assets/(liabilities)(monetary items) (1+2a-5-6a-10-11-12a-14-15-16a)	284.541.024	28.924.637	255.616.387	14.690.876
				11.556.294
				3.134.582
				3.134.582

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25. NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

i) Currency risk (Continued)

Exchange rate sensitivity table

	31 December 2023		31 December 2022	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
	Profit/loss	Profit/loss	Profit/loss	Profit/loss
In case of 20% change in the value of US Dollars against TL:				
1- US Dollar net asset/liability	51.123.277	(51.123.277)	626.916	(626.916)
2- US Dollar currency hedging (-)	-	-	-	-
3- US Dollar effect-net (1+2)	51.123.277	(51.123.277)	626.916	(626.916)
In case of 20% change in the value of Euro against TL:				
4- Euro net asset/liability	5.784.927	(5.784.927)	2.311.259	(2.311.259)
5- Euro currency hedging (-)	-	-	-	-
6- Euro effect-net (4+5)	5.784.927	(5.784.927)	2.311.259	(2.311.259)
Total (3+6)	56.908.204	(56.908.204)	2.938.175	(2.938.175)

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25. NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

ii) Interest rate risk

The need of Company's dealing ways with interest risk rate arises from effects of interest rates changes on the financial instruments. The sensitivity of the Company to interest rate risk is related with maturity mismatch of assets and liabilities. This risk is managed through corresponding assets that are sensitive to interest rates with similar liabilities.

Interest position table

	31 December 2023	31 December 2022
Fixed rate financial instruments		
Time deposits	507.254.682	210.038.808
As of 31 December 2023, the Company has no interest-sensitive financial assets (31 December 2022: None). Since the Company does not have any floating rate financial assets, the Company is not exposed to interest rate risk. Therefore, the interest rate sensitivity table is not presented.		

d) Capital risk management

The Company manages its debt and equity balance in the most efficient manner by examining the maturities of cash and trade receivables and financial and commercial debts from its operations while TL to ensure the continuity of its activities. Risks associated with each capital class together with the capital cost of the Company are evaluated by the top management. The Company management presents these risks to the Board of Directors. Based on the evaluations of the management and the Board of Directors, the Company aims to balance its capital structure through dividend payments as well as through new borrowing or payment of existing debt.

26. FAIR VALUE OF FINANCIAL INSTRUMENTS

The estimated fair values of financial instruments have been determined by the Company using available market information and appropriate valuation methodologies. However, judgment is necessarily required to interpret market data to estimate the fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts the Company could realise in a current market exchange. The fair value of short-term assets and liabilities other than trade receivables and borrowings is considered approximate to the carrying value, since the discount effect of fair value is insignificant. As of 31 December 2023 and 2022, the carrying amount and fair value of financial assets and liabilities are as follows:

	31 December 2023		31 December 2022	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Cash and cash equivalents	545.413.972	545.502.275	230.516.958	230.697.884
Trade receivables	172.829.899	172.838.079	109.071.573	109.078.735
Financial liabilities				
Trade payables	347.027.431	347.027.431	177.056.474	177.056.474

Fair values of financial assets and liabilities are determined as follows:

- Level 1: Financial assets and liabilities are valued at the stock exchange price in an active market for exactly the same assets and liabilities.
- Level 2: Financial assets and liabilities are valued with the inputs used to determine a directly or indirectly observable price other than the stock market price of the relevant asset or liability mentioned in Level 1.
- Level 3: Financial assets and liabilities are valued with inputs that cannot be based on data observable in the market and used to determine the fair value of the asset or liability.

As of 31 December 2023 and 2022, the Company does not have any financial assets or liabilities which are carried at fair value.

27. SUBSEQUENT EVENTS

None.

